



# JUDICIAL APPOINTMENTS COMMISSION

## ANNUAL REPORT AND ACCOUNTS 2014/15







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## 2014/15

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to the Constitutional Reform Act 2005

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# PART 1: ANNUAL REPORT



# CHAIRMAN'S AND CHIEF EXECUTIVE'S FOREWORD



The past year has been one of change and innovation for the Judicial Appointments Commission. Highlights include the report of the Ministry of Justice's Triennial Review of the JAC, which affirmed the importance of the Commission within the nation's constitutional framework; requests for the JAC to assist with overseas and international appointments; and the launch of an exciting new online system that promises to make our selection processes more user friendly for all concerned, especially candidates.

The JAC is in a strong position as it approaches its 10th anniversary in April 2016, recognised for its open and independent selection of the members of our judiciary, and poised to take on exciting new work.

The Triennial Review made a number of suggestions to build on the JAC's early experience. We are already implementing these and will focus our efforts on them in the coming year. Some of these – such as assessing the success of our appointment recommendations, and exploring the potential for the JAC to develop a charging model for external bodies – present opportunities, but will require a great deal of consideration and work with others to implement them successfully.

One of our objectives is to deliver services as efficiently as possible. We have therefore

found new, more efficient ways of delivering the selection programme agreed with the Lord Chancellor. We have met all of the budget reduction targets required by the Ministry of Justice – staff numbers, as expressed as an average throughout the year, have reduced from 67 to 59, and we have realised an underspend of £659,000. This has been achieved through staff restructuring and more effective use of technology, notably the Judicial Appointments Recruitment System (JARS), which we introduced in early 2015.

The development of JARS was one of our key achievements this year. JARS is a web-based recruitment tool, designed specifically for the JAC and a modern judiciary. The goal is to streamline the recruitment process and improve the experience for candidates. The launch has not been without its challenges, but we are confident that JARS will do the job it was designed for, and holds great potential for further improvements over time.

The JAC ran a similar number of selection exercises to previous years, but made a significantly smaller number of recommendations (312). This was because the exercises we were asked to run this year were generally smaller senior and specialized exercises, such as for tribunal Chamber Presidents.

The JAC continued to help make the judiciary more diverse. We made the first use of the equal merit provision to recommend candidates from target groups.

The Diversity Forum has implemented the majority of the recommendations contained in the action plan which was developed as a result of the updated research on Barriers to Application. During the year, we commissioned a review of the performance of Black, Asian and Minority Ethnic (BAME) candidates in selection exercises. We also piloted a campaign to attract quality candidates from target groups.

There was an increase in the proportion of BAME recommendations made this year compared with 2013/14, while women were successful in a number of selection exercises for senior roles and continued to perform above their share of the eligible pool. Solicitors faced stiff competition in many selections, but held their own in those for fee-paid roles. Candidates with declared disabilities were recommended for the offices of High Court Judge, Circuit Judge and Deputy District Judge.

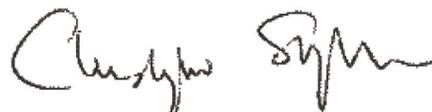
In overseas and international appointments we supported selections for senior judiciary in the Falkland Islands and St Helena, and for a Judge of the General Court of the European Union. The EU post attracted a diverse range of candidates and the Foreign and Commonwealth Office declared it “a thorough, fair and transparent process”.

A number of important procedural changes have been implemented over the past year as a result of the Crime and Courts Act 2013. Whereas recommendations were previously made solely to the Lord Chancellor, in 2014 the JAC began making recommendations for appointments below the High Court to the Lord Chief Justice and the Senior President of Tribunals. The majority of JAC recommendations are now made to these two Authorities, with the Lord Chancellor retaining responsibility for appointments at High Court level and above.

The JAC has been working closely with the judiciary to develop new competency frameworks for each vacancy. This is a more tailored approach that will help the JAC to better conduct candidate assessments, as well as providing candidates with more specific information about each role.

The JAC welcomed two new Commissioners in 2014/15 – His Honour Judge Phillip Sycamore and Her Honour Judge Usha Karu. They bring a wealth of experience from the senior ranks of the tribunals service and the Crown Court respectively. Three Commissioners also had their terms renewed – Dame Valerie Strachan DCB, Martin Forde QC and Alexandra Marks. We welcome their continued contribution to the work of the JAC.

Finally, we would also like to acknowledge the valuable contribution of the JAC’s former Director of Operations, Sarah Gane, who left during the year.



**Christopher Stephens**

Chairman, Judicial Appointments Commission



**Nigel Reeder**

Chief Executive, Judicial Appointments Commission

**“I wish to inform the House about the real progress that we are making on judicial diversity, and pay tribute to the work being done by the Judicial Appointments Commission on increasing the number of women in the judiciary.”**

**Lord Chancellor’s statement to the House of Commons, 1 July 2014**

## KEY FACTS

### JAC background and role

The JAC started operating in April 2006. It is an executive non-departmental public body, sponsored by the Ministry of Justice.

The JAC is independent and selects candidates for judicial office in courts and tribunals in England and Wales, and for some tribunals whose jurisdiction extends across the UK.

The Commission may be required to select a candidate for immediate appointment or to identify candidates for vacancies which will arise in the future.

The JAC selects one candidate for each vacancy and recommends that candidate to the Appropriate Authority (Lord Chancellor, Lord Chief Justice or Senior President of Tribunals), who can accept or reject the recommendation or ask the Commission to reconsider it.

### Key statutory duties

- To select candidates solely on merit
- To select only people of good character
- To have regard to the need to encourage diversity in the range of persons available for selection

### Selection exercise activity in 2014/15

Exercises reported	Applications received	Recommendations made
30	2,056	312

### Budget

The JAC's funding in 2014/15 was £4.68m (£4.91m in 2013/14). It spent £4.03m (£4.20m in 2013/14).

In addition to funding received, the JAC incurred £1.40m (£1.39m in 2013/14) of non-cash charges such as rent and IT support, giving a total expenditure of £5.43m (£5.59m in 2013/14).

### Total expenditure in 2014/15



### The Commission

The JAC is the organisation as a whole and the Commission is its board. The Commission consists of a lay Chairman and 14 Commissioners.

Commissioners are recruited through open competition with the exception of three senior judicial members, two of whom are selected by the Judges' Council and the third of whom is selected by the Tribunal Judges' Council. Membership of the Commission is drawn from the judiciary, the legal profession, the magistracy and the public.

### The JAC's objectives

Our objectives, as expressed in the Business Plan for 2014/15, were to:

1. Work with partners to reduce the time it takes to make an appointment
2. Operate as cost effectively as we can
3. Support the business need as far as it is possible to do so
4. Make the candidate experience as positive as we can
5. Improve the diversity outcomes of our selection processes
6. Increase the certainty in the quality of selections



# ACHIEVEMENTS AGAINST THE OBJECTIVES, 2011/12 TO 2014/15



1

## WORK WITH PARTNERS TO REDUCE THE TIME IT TAKES TO MAKE AN APPOINTMENT

**Measure:** The length of the end-to-end appointment process is reduced to an average of 20 weeks.

The JAC continues to work with Her Majesty’s Courts and Tribunals Service (HMCTS), Judicial Office (JO), the Ministry of Justice and the judiciary to reduce the overall time it takes to appoint a judge, as measured by the time from exercise launch to offer letters being sent to candidates. During 2012/13 the JAC, JO, HMCTS and the judiciary agreed a new target of 20 weeks for the ‘end-to-end process’ of the majority of exercises planned for 2014/15.

A target of 18 weeks was identified for the parts of the process under the control of the JAC. All exercises bar one launched in 2014/15 were on track to meet the agreed duration targets as this report was printed. More information on this project is available on page 18.

Towards the end of the year we launched the new online Judicial Appointments Recruitment System (JARS) to make it easier for candidates to apply for roles and for others involved, such as referees, to carry out their part of the process.

	2011/12	2012/13	2013/14	2014/15	Target
<b>End to end</b>	30 weeks	24 weeks	21 weeks	17 weeks	20
<b>JAC</b>	22 weeks	20 weeks	19 weeks	15 weeks	18

**Note:** The profile of selection exercises changes from year to year, i.e. the number of exercises can vary as can the number of posts those exercises seek to fill.

**Note:** The figures are accurate at time of publication.



## 2

## OPERATE AS COST EFFECTIVELY AS WE CAN

**Measure:** The JAC's costs are reduced.

We continued to meet requests and deadlines for selection exercises under a reduced budget and staffing.

During 2014/15, we reduced our staff at Senior Civil Service (SCS) level by one. We now have one SCS staff member – our Chief Executive Nigel Reeder.

Our staff numbers, measured as average full-time equivalent over the year, reduced from 67 in 2013/14 to 59, largely due to staff leaving and not being replaced.

Efficiencies have been made through the reorganisation of the JAC following staff departures.

	2011/12	2012/13	2013/14	2014/15
<b>Staff numbers</b>	73	68	67	59

**Note:** The 2014/15 staff numbers include five people currently on loan/secondment to other government departments. The staff numbers given refer to average full-time equivalent staff numbers over the year.

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
<b>Total funding allocation</b>	5.52	5.12	4.91	4.68
<b>Expenditure on pay (Staff and Commissioner pay)</b>	3.45	3.16	3.02	2.93
<b>Expenditure on the programme</b>	1.16	1.50	0.87	0.69
<b>Expenditure on administration* (including shared services)</b>	0.40	0.26	0.31	0.41
<b>Total funded expenditure</b>	5.01	4.92	4.20	4.03
<b>Soft charges (including accommodation costs)</b>	1.89	1.80	1.39	1.40
<b>Total expenditure</b>	6.90	6.72	5.59	5.43

\*Includes utilisation of the provision for an early retirement.



## 3

## SUPPORT THE BUSINESS NEED AS FAR AS IT IS POSSIBLE TO DO SO

**Measure:** We deliver the selection programme as agreed with our business partners, showing flexibility in absorbing agreed changes.

The JAC recommends candidates for appointment as judges of the High Court and to all judicial offices listed in Schedule 14 of the Constitutional Reform Act 2005 (CRA). It also provides support for selections to fill some judicial posts that lie outside Schedule 14. The Lord Chancellor may also request the JAC's assistance in connection with other appointments he considers appropriate.

The selection exercise programme for the year is developed with the Ministry of Justice and Her Majesty's Courts and Tribunals Service. The programme is based on current and forthcoming requirements forecast by HMCTS and a small number of judicial vacancies for tribunals not overseen by the MoJ. The programme provides some flexibility to enable the JAC to respond to changing business priorities.

In 2014/15, the JAC accommodated all of the changes requested by HMCTS, amending the programme accordingly to deliver all of its requirements.

**During 2014/15:**

- There were 30 exercises in total in 2014/15, attracting 2,056 applications and resulting in 312 judicial recommendations.
- The ratio of applications to recommendations decreased from 6.9 per post in 2013/14 to 6.6 per post this year.
- There were four selection exercises where the JAC was unable to recommend sufficient candidates to fill all of the vacancies in 2014/15. This was due to there not being enough candidates who were able to demonstrate that they were of sufficient merit. The four exercises involved saw 10 vacancies not filled out of a total of 61 advertised.

A full list of selection exercises for the year is printed on pages 22-24.

The reduced number of recommendations from exercises completed in the past year, compared with 2013/14, is due to the absence of large exercises, as the following table shows.

	2013/14	2014/15
<b>Number of exercises</b>	35	30*
<b>Number of applications</b>	5,591	2,056
<b>Total recommendations</b>	806	312
<b>Average recommendations per exercise</b>	23	10
<b>Exercises 1-9 recommendations</b>	20	22
<b>Exercises 10-49 recommendations</b>	10	5
<b>Exercises 50-99 recommendations</b>	3	3
<b>Exercises 100+ recommendations</b>	2	0

\* In 2014/15 the JAC made one extra recommendation each to two exercises run in 2013/14. These exercises are not included in the total number of exercises for 2014/15, but the two recommendations are included.

### Other JAC judicial selection activity

The JAC also fulfilled its statutory responsibility for selections to fill senior judicial posts:

- Court of Appeal – the Chairman of the JAC and two lay Commissioners sat on the panel to select four judges; secretariat support was also provided.
- Senior President of Tribunals – the Chairman of the JAC and one lay Commissioner sat on the selection panel; secretariat support was also provided.

Assistance with the following selections was provided under Section 98 of the Constitutional Reform Act, under which the JAC is required to provide assistance following a request from the Lord Chancellor:

- Judge of the General Court of the European Union (on behalf of the Foreign and Commonwealth Office); the JAC provided a lay Commissioner to chair the panel and secretariat support.
- Chair of the Law Commission (on behalf of the Ministry of Justice); the JAC provided two Commissioner panel members.
- Recorder of London (on behalf of the City of London); the JAC provided one Commissioner panel member.
- Surveillance Commissioner and Assistant Surveillance Commissioner (on behalf of the Home Office); the JAC provided one Commissioner panel member.

Assistance with the following selections was provided under Schedule 12 of the Constitutional Reform Act, which allows the JAC to support other public bodies in selecting judicial appointees:

- Chief Justice and Senior Magistrate for the Falkland Islands (both on behalf of the Falkland Islands Government).
- President and Justices to the Court of Appeal, St Helena (on behalf of the St Helena Government).

Assistance was also provided to the Welsh Government for the following:

- Selection of legally-qualified members and lay members of the Welsh Language Tribunal.
- Planning for selections for the Adjudication Panel for Wales and the Special Educational Needs Tribunal for Wales – pursuant to an arrangement under Section 83 of the Government of Wales Act 2006, which allows the Welsh Government to seek assistance from other public bodies – which will be undertaken in 2015/16.

Appointments outside Schedule 14 of the Constitutional Reform Act are not included in the JAC's official statistics.

*"I found the experience stimulating, efficient and scrupulously courteous and respectful...Far from being a stressful or even confrontational experience, the interview was enjoyable and also demanding. I left with a smile on my face...".*

- a candidate for a senior judicial post



# 4

## MAKE THE CANDIDATE EXPERIENCE AS POSITIVE AS WE CAN

**Measure:** The vast majority of candidates rate the selection process as good or excellent.

### Candidate feedback

The JAC takes all candidate feedback seriously. This can highlight issues or questions about our processes which can be addressed as required.

Our candidate feedback surveys were aligned in 2013 to ensure a consistent approach across all exercises. These are reviewed constantly, in line with changes to our processes. For example, following the launch of our new website and online application system in January 2015 the survey was updated with questions relating to both.

### Customer service

At post-application stage, data collected from 18 exercises indicated that 87% of candidates who contacted the JAC during the application process rated the customer service received as good or excellent.

Post-selection day data from 17 exercises showed that 95% of candidates who attended selection day rated the customer service received as good or excellent.

### Information provided to candidates

Post-application feedback from 20 exercises showed that 81% of candidates rated the information provided regarding their exercise as good or excellent.

### Selection process

Feedback from 17 exercises post-selection day showed that 82% of candidates rated the selection process as good or excellent.

	2014/15
<b>Customer service rated good or excellent: post-application (158 total responses)</b>	138 (87%)
<b>Customer service rated good or excellent: selection day (220 total responses)</b>	208 (95%)
<b>Information provided rated good or excellent: post-application (403 total responses)</b>	325 (81%)
<b>Selection process rated good or excellent: selection day (220 total responses)</b>	181 (82%)

## COMPLAINTS

**Measure:** To keep complaints to no more than 1% of applicants.

The JAC complaints procedure is set out in full on our website. Our policy is to make the process clear and easy for candidates to use.

All complaints were investigated by a member of staff who is independent of the selection exercise teams. Decisions are based on all the available evidence and complainants are provided with a detailed reasoning behind the decision in the response.

In 2014/15 we dealt with 11 complaints and all were responded to within 20 working days. We believe the reduced number of complaints last year is due to a combination of the reduced number of vacancies in 2014/15 in conjunction with the fact that the JAC is constantly striving to improve the selection exercise process and the service we provide to candidates.

We did not uphold or partially uphold any complaint. Anyone who remains dissatisfied following the investigation of his or her complaint by the JAC may ask the Judicial Appointments and Conduct Ombudsman to investigate further.

One candidate went to the Ombudsman in 2014/15. The complaint was not upheld. The Ombudsman did not consider that the issue complained of had any bearing on the outcome and did not recommend any redress.

As is typically the case with new IT projects, a number of technical problems affecting candidates occurred when we launched the JARS system. Candidates' issues were dealt with by JAC staff on a one-to-one basis. Improvements continue to be made to JARS and the website in response to candidate feedback.

	2011/12	2012/13	2013/14	2014/15
<b>% complaints/applicants</b>	1% (52/5490)	1% (45/4637)	1% (66/5648)	1% (11/2056)*
<b>% complaints upheld</b>	4% + 6% partial	9% + 18% partial	9% + 20% partial	0% + 0% partial
<b>% complaints referred to JACO</b>	17%	27%	9%	9%
<b>% JACO referrals upheld</b>	22% partial	8% partial 42% incomplete	20% partial	0%

**Note:** Numbers in brackets refer to the number of complaints/applicants in each year.

\* The JAC received a 12th complaint, but this was referred to the Judicial Conduct Investigations Office.

**“I thought the process was very efficiently and professionally handled. Whenever I called anybody with queries about the process they were always very helpful.”**

**- a candidate for Fee-paid Judge of the First-tier Tribunal**



## 5

## IMPROVE THE DIVERSITY OUTCOMES OF OUR SELECTION PROCESSES

**Measure:** We encourage high quality applications from under-represented candidates, particularly from our target groups – women, Black, Asian and Minority Ethnic (BAME), solicitors and candidates with a disability.

The Equality Act 2010 applies a general equality duty to the JAC, as a public authority, to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations. In addition the JAC is subject to specific duties which require it to publish relevant, proportionate information demonstrating compliance with the equality duty.

The JAC's Equality Objectives for 2012-2016 are split into four distinct areas, namely outreach, fair and open processes, monitoring, and promoting diversity in the workplace. These were reviewed during the year, with an update published on the JAC website in February 2015 incorporating supporting statistical data from the JAC Official Statistics.

Diversity continued to be a major focus of our outreach activity and of improvements being made to the selection process.

#### Selection process

We published our equal merit provision policy: where two or more candidates are of equal merit, the JAC may give preference to a candidate for the purpose of increasing the diversity of the judiciary. The provision has been applied to all exercises launched on or after 1 July 2014. Use of the provision was reported in the JAC's official statistics published in June 2015. As stated in our

original policy, a review of the operation of the equal merit provision policy is being carried out in 2015/16.

We commissioned a review of the performance of BAME candidates in our selection exercises, focusing on qualifying tests and the sifting process.

We undertook a candidate attraction project designed to focus on recruitment of under-represented applicants from the available eligible pool. This included developing targeted messaging and testing this through a pilot selection exercise. See page 18 for more on this.

Regarding social mobility, we consulted with the judiciary, legal groups and representatives of the Social Mobility Commission on best practice in this area. We plan to start collecting candidate data on educational background in 2015/16 as part of our confidential data monitoring.

The JAC noted the publication of the report *Accelerating Change: Judicial Diversity* by Sir Geoffrey Bindman QC and Karon Monaghan QC in November 2014 and published its response to the authors' recommendations.

#### Communications and outreach

Activities for 2014/15 included:

- Working with our partners in the legal profession, we supported outreach events for potential candidates in Leeds, Bristol, Manchester, Newcastle, London and Birmingham. A number of these events were targeted at BAME lawyers.

- We supported the Women in the Judiciary networking event in Portsmouth to encourage women to apply for judicial office, and spoke at both of the Law Society's Women Lawyers Division returners' courses as well as the Lawyers with Disabilities Division's conference.
- JAC Commissioners and staff met with legal academics researching diversity issues, with the Chairman sitting on a discussion panel on judicial diversity at the Society of Legal Scholars conference, Nottingham.
- We supported the judiciary's new mentoring scheme for women and BAME lawyers by producing a guide for judges who take on mentoring roles.
- We published articles in legal specialist media, particularly to inform stakeholders and potential candidates about the equal merit provision and changes at the JAC, such as the introduction of the online JARS system.
- We created an easier-to-use website with clear and targeted information on career paths, vacancies and how/when to apply aimed at the separate branches of the legal profession.
- We continued to make greater use of social media. By the end of March 2015 our Twitter account @becomeajudge had reached 2,845 followers (compared with a little over 2,000 as of the end of March 2014).

### Diversity Forum

The Diversity Forum has implemented the majority of the recommendations contained in the action plan developed as a result of the updated research on Barriers to Application.

The JAC is finalising work on the remaining two of the 15 actions given to it by the 2010 Advisory Panel on Judicial Diversity, chaired by Baroness Neuberger. The Diversity Forum has now taken responsibility for monitoring progress.

### Monitoring diversity

We continued to monitor the diversity of applicants and those recommended for judicial posts (see the table below). Diversity data on the additional criteria of sexual orientation and religious belief was included for the first time in the JAC's Official Statistics published in June 2014.

The JAC continues to work with the legal profession to explore whether it is possible to develop data for an eligible pool for disability.

	2012/13	2013/14	2014/15
<b>Black, Asian &amp; Minority Ethnic recommended candidates</b>	69 - 12% (30 - 7% Legal)	86 - 11% (17 - 6% Legal)	41 - 13% (20 - 8% Legal)
<b>Women recommended</b>	289 - 48% (212 - 52% Legal)	405 - 50% (135 - 45% Legal)	135 - 43% (112 - 44% Legal)
<b>Solicitors recommended</b>	(200 - 49% Legal)	(108 - 36% Legal)	(68 - 27% Legal)
<b>Recommended and declared disability</b>	18 - 3% (11 - 3% Legal)	97 - 12%* (15 - 5% Legal)	11 - 4% (10 - 4% Legal)

**Note:** The figures are for the % of the total number of recommendations/(recommendations in exercises requiring legal qualifications).

\* The 12% figure reflects the large number of candidates declaring a disability who applied for a specific Disability Member tribunal post reported in the December 2013 JAC Official Statistics.

# 6

## INCREASE THE CERTAINTY IN THE QUALITY OF SELECTIONS

**Measure:** We recommend a majority of candidates rated overall as strong or outstanding.

The reporting of candidate ratings is a new measure adopted by the JAC and, as such, we are still in the process of establishing a baseline for future comparison.

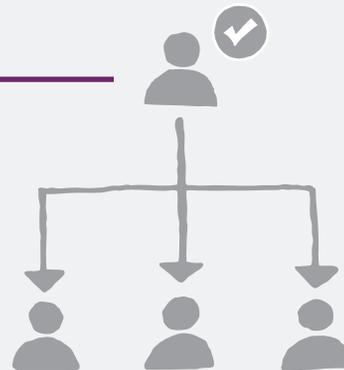
The JAC rates candidates as A-Outstanding, B-Strong, C-Selectable and D-Not Selectable.

The awarding of these ratings is initially made by the JAC's selection panels, which typically consist of a lay panel chair, a judicial member and an independent member. Commissioners, sitting as the Selection and Character Committee, make the final decisions.

	2013/14	2014/15
<b>Strong or Outstanding candidates recommended – total</b>	640 of 806 (79%)	258 of 312 (83%)
<b>Strong or Outstanding candidates recommended – court posts</b>	110 of 128 (86%)	144 of 164 (88%)
<b>Strong or Outstanding candidates recommended – tribunal posts</b>	530 of 678 (78%)	114 of 148 (77%)
<b>Strong or Outstanding candidates recommended – salaried posts</b>	143 of 169 (84%)	93 of 99 (94%)
<b>Strong or Outstanding candidates recommended – fee-paid posts</b>	491 of 637 (77%) 130 of 134 Legal (97%) 361 of 503 Non-legal (72%)	165 of 213 (77%) 122 of 158 Legal (77%) 43 of 55 Non-legal (78%)

“The arrangements for the selection day were clear and the day itself went very smoothly and efficiently. I felt everyone was making it possible for me to give of my best.”

- Candidate in the High Court selection exercise



## DEVELOPMENTS IN 2014/15

In line with the objectives set out on page 6, the JAC has done further work on making its selection process more efficient and faster. This continues to be achieved in an environment of reduced public expenditure.

Our change programme, introduced in 2012/13 to facilitate this, has continued through 2014/15. The year began with five projects, two of which were completed during 2014/15: the implementation of changes under the Crime and Courts Act 2013 and the reduction in the end-to-end duration of the appointments process

### Change programme objectives

The change programme's objectives reflect the overall objectives of the JAC:

1. To contribute to a joint project to reduce the time it takes from the launch of an exercise to the date a candidate receives a letter offering an appointment
2. To deliver a more effective and less costly selection system
3. To continue to meet the needs of our courts and tribunals
4. To improve the candidate experience (easier, quicker, more responsive)
5. To improve our diversity results
6. To ensure continued high quality in the selections we make

### Improvements to the selection process

With the help of our newly appointed Organisational Psychologist we continued work to improve our selection processes in 2014/15. Key pieces of work included:

- We adopted procedural changes to reduce the number of references in all exercises to

two and to be clearer about what is required from each reference.

- We strengthened our shortlisting process by introducing work sample assessments (a small sample of what candidates might be expected to do in role) to appropriate exercises, and trialling a second stage shortlisting in some of our larger exercises.
- We began a process of job analysis to develop competency frameworks for each judicial role, the first of which was used on the Recorder selection exercise launched in 2015/16. The development of new behavioural frameworks to replace the JAC Qualities and Abilities will enable us to align our competencies more closely with the judicial skills and abilities framework which is already being used by other areas of the judiciary for training and development purposes.

### Judicial appointments recruitment system (JARS)

The new IT system and website was launched on 20 January 2015, having taken exactly one year to build and deliver into live service. Work to refine and enhance the service is on-going.

The new system offers clear benefits for candidates:

- allowing candidates to set up profiles which can be changed easily and which make future applications simpler;
- reducing the risk of human error in processing applications;
- providing better opportunities for self-assessment by candidates;
- making better use of electronic communications; and
- allowing more efficient processing of applications, references and selection day reports.

We expected to encounter teething problems with both the website and IT system during the early stages of live service. We set up processes to manage any issues swiftly and to reduce disruption to candidates. As indicated on page 13, a number of changes were made as a result of candidate feedback.

### Candidate attraction

The candidate attraction project is an initiative designed to focus on recruitment of under-represented groups from the available pool of candidates eligible to apply for roles. It uses previous research and further engagement with potential candidates to inform and develop key messages designed to appeal to different groups. Achievements in 2014/15 were:

- We worked with key stakeholder groups to test messages and identify the best methods for delivering them.
- We developed a pilot attraction campaign to run alongside traditional outreach on a small exercise. Results indicated an increase in applicants from target groups, including academics, although the overall number of applicants involved was relatively small.
- We received positive feedback from candidates who applied for the pilot exercise, with comments including **I had a feeling of inclusion, as if you were trying to help me** and **It is very useful and to be encouraged.**

The goal of the project is to develop an attraction strategy supported by the legal community which demonstrates that it can attract additional numbers of quality candidates from under-represented groups. The strategy can be tailored to specific groups for individual vacancies, as well as forming part of an ongoing campaign across all candidates.

### Crime and Courts Act

The project to implement changes under the Act was completed during the year. The final piece of work involved the JAC and senior judiciary jointly developing a policy to set out the selection process for authorising circuit judges to sit in the Court of Appeal Criminal Division (CACD). Such authorisations are the responsibility of the Lord Chief Justice, but may only be made with the concurrence of the JAC. Policies created to implement the legislation will be reviewed at an appropriate time.

### End-to-end duration of judicial appointments process

The end-to-end project concluded during the year, with the achievement of the target agreed by the JAC, Judiciary and HMCTS – an average of 20 weeks' duration for the majority of selection exercises completed in 2014/15 as measured from launch to offer letters being sent to successful candidates by Judicial Office. We will continue to monitor performance against the 20-week target.

## International engagement

The JAC continued to receive requests to meet with overseas representatives during the 2014/15 year. International connections of particular note included:

Country	Nature of visit	Host
India	The JAC hosted two visits from members of the Indian judiciary. The Chief Justice of India met the JAC Chairman and former JAC Vice Chairman at the UK Supreme Court. Senior officials from the Department of Justice, India, also visited the JAC. Discussion centred on the development of the JAC, in light of the creation of a National Judicial Appointments Commission in India.	UK Supreme Court
Global	The JAC Chairman attended a number of seminars at the Global Law Summit in London, held as part of the 800th anniversary of the sealing of the Magna Carta.	Ministry of Justice
China	Former JAC Vice Chairman and UK Supreme Court Justice Lord Toulson attended the UK-China Judicial Roundtable in Beijing, sponsored by the GB China Centre. This visit was supported by the JAC.	Common Law Centre (CLC) in Beijing; Supreme People's Court of the Republic of China
Vietnam	A delegation from the Supreme People's Court of Vietnam, as well as the Chief Justices of the People's Courts of Hanoi and Ho Chi Minh City, met with the JAC Chairman and senior officials to discuss the JAC's selection processes and its constitutional position.	JAC Chairman and senior officials
Macedonia	Judicial Commissioner Sir Alan Wilkie, former JAC Vice-Chairman Sir Robin Auld, and the Head of Senior and International Appointments travelled to Skopje to discuss the process for selecting judges in England and Wales. The visit was sponsored by the Slynn Foundation and supported by the British Embassy in Macedonia. The visit formed part of the JAC's work in promoting the Rule of Law globally.	The Academy for Judges and Prosecutors, Skopje
Nigeria	The JAC Chairman gave a presentation to a delegation of senior Nigerian judicial office-holders on judicial appointments in England and Wales. JAC senior officials also attended.	Westminster Explained

## Parliamentary engagement

**The Rt Hon Sir Alan Beith MP, at the time Chair of the House of Commons Justice Select Committee, attended the Commission's board meeting in June 2014. A report of Sir Alan's comments was published on the JAC website as part of the Commission's minutes, which stated:**

“[Sir Alan] noted that the JAC had already made significant efficiency savings and remarked that the change programme indicated the JAC's recognition of the further work required. He further noted that the high standard of candidates recommended for appointment appeared to have been maintained.”

**In March 2015, the JAC hosted Rehman Chishti MP, a member of the Justice Select Committee, who described his visit as “excellent” on Twitter.**

## FUTURE PLANS

In 2015/16, the JAC will focus on the following, which will be reported on in the next annual report:

- Further enhancement of the Judicial Appointments Recruitment System and the new website.
- Completion of the candidate self-assessment tool for the website, which will help people prepare themselves before applying for judicial roles.
- Continued work on candidate attraction to help us attract high quality candidates from under-represented groups.
- Continue to roll out the new competency frameworks to all other roles within the remit of the JAC.

### Triennial review

The Triennial Review of the JAC by the Ministry of Justice endorsed the JAC's role as an independent non-departmental public body charged with selecting candidates for the judiciary. It also made a number of recommendations and suggestions that

we are following up:

- Along with MoJ and the judiciary we are exploring options to clarify and expand our functions in terms of senior appointments, promoting international rule of law, international and Overseas Territorial appointments, and appointments which are not constitutionally judicial, but judicial in nature. (Recommendation 2)
- In consultation with relevant stakeholders, we are exploring the development of performance metrics to help us assess the quality of judicial appointees. (Finding 4)
- We will consult key stakeholders on the possibility of having an open annual meeting. (Finding 6)
- With MoJ, we are exploring the potential for developing a charging model, following full consultation with National Audit Office and Her Majesty's Treasury on final models and accountability. (Finding 8)

As indicated in the Foreword, the JAC faces significant challenges in implementing the expectations of the Triennial Review, including preserving its independence and adopting a policy for charging external organisations.

**“The JAC has established itself as a universally respected part of the constitutional landscape, bolstering judicial independence and supporting the business of the courts and tribunals.”**

**- page 3 of the Ministry of Justice's Triennial Review of the JAC, January 2015**

## THE COMMISSION (AS AT 31 MARCH 2015)

The members of the Commission are drawn from the lay public, the legal profession, tribunals, non-legally qualified judicial office holders and the judiciary.

Twelve commissioners, including the Chairman, are appointed through open competition, with the other three selected by the Judges' Council (two senior members of the courts judiciary) and the Tribunal Judges' Council (one senior member of the tribunals judiciary).

The Chairman of the Commission must always be a lay member. Of the 14 other Commissioners:

- 5 must be judicial members
- 2 must be professional members (each of which must hold a qualification listed below but must not hold the same qualification as each other\*)
- 5 must be lay members
- 1 must be a tribunal judge
- 1 must be a non-legally qualified judicial member.

\* The legal qualifications referred to above are:

- Barrister in England and Wales;
- Solicitor of the Senior Courts of England and Wales; or
- Fellow of the Chartered Institute of Legal Executives

The Commissioners are appointed in their own right and are not representatives of the professions that they may come from.

Current Commissioners are:

- Christopher Stephens, Chairman
- Lady Justice Macur DBE, Vice Chairman (judicial)
- Martin Forde QC (professional - barrister)
- Professor Emily Jackson (lay)
- Her Honour Judge Usha Karu (judicial)
- Professor Noel Lloyd CBE (lay)
- Alexandra Marks (professional - solicitor)
- Katharine Rainsford JP (lay magistrate)
- Lieutenant General Sir Andrew Ridgway KBE CB (lay)
- Lucy Scott-Moncrieff CBE (judicial - tribunal)
- District Judge Christopher Simmonds (judicial)
- Dame Valerie Strachan DCB (lay)
- His Honour Judge Phillip Sycamore (judicial - tribunal)
- Debra van Gene (lay)
- Mr Justice Wilkie (judicial)

Three Commissioners were reappointed for further terms in 2014/15:

- Martin Forde QC and Alexandra Marks were reappointed for three years from 5 January 2015, and
- Dame Valerie Strachan DCB was reappointed for three years from 1 February 2015

# FULL SELECTION EXERCISE PROGRAMME

## Selection exercises in 2014/15

**Note:** Judicial roles are classified as either legal (requiring legal qualifications) or non-legal. Some are full or part-time salaried positions while others are part-time fee-paid roles where judicial officers sit for a certain number of days a year while also doing other work.

## Courts selection exercises

### Salaried

Legal (legally qualified) / Non-legal	Exercise title	Exercise reference	Recommendations made
Legal	Circuit Judge	850	53*
Legal	Senior Circuit Judge (Resident Judge)	904	1
Legal	Senior Circuit Judge (Designated Family Judge)	905	1
Legal	Senior Circuit Judge (Resident Judge)	909	2
Legal	Senior Costs Judge (Chief Taxing Master)	910	1
Legal	Senior Circuit Judge (Designated Family Judge)	923	1
Legal	High Court	924	10
Legal	Senior Master, Queen's Bench Division	927	1
Legal	Bankruptcy Master	931	1
Legal	Chancery Master	933	2
Legal	Common Serjeant of London	958	1
		<b>Total:</b>	<b>74</b>

\* This exercise was reported in two tranches in the JAC Official Statistics for December 2014 (32 recommendations) and June 2015 (21 recommendations).

### Fee-paid

Legal (legally qualified) / Non-legal	Exercise title	Exercise reference	Recommendations made
Legal	Deputy District Judge (Civil)	937	87
Legal	Deputy High Court Judge, Intellectual Property Enterprise Court	948	3
		<b>Total:</b>	<b>90</b>

## Tribunals selection exercises

### Fee-paid

Legal (legally qualified) / Non-legal	Exercise title	Exercise reference	Recommendations made
Non-legal	Deputy Regional Valuer of the First-tier Tribunal, Property Chamber (Residential Property)	886	1
Legal	Fee-paid Chairman, Police Appeals Tribunal	903	10
Legal	Fee-paid Deputy Judge of the First-tier Tribunal, Tax Chamber	915	28
Legal	Deputy Judge of the Upper Tribunal, Tax and Chancery Chamber	916	7
Legal	Deputy Chairman of the Agricultural Lands Tribunal (Wales)	917	1
Non-legal	Fee-paid Medical Member of the First-tier Tribunal, Health, Education and Social Care Chamber (Mental Health)	922	55
Legal	Fee-paid Judge of the Upper Tribunal, Immigration and Asylum Chamber	935	20
Legal	Fee-paid Chairman of the Competition Appeals Tribunal	944	1
		<b>Total:</b>	<b>123</b>

### Salaried

Legal / Non-legal	Exercise title	Exercise reference	Recommendations made
Legal	Salaried Judge of the First-tier Tribunal, Health, Education and Social Care Chamber (Special Educational Needs and Disability, Care Standards and Primary Health List)*	833	1
Legal	President of the First-tier Tribunal, Social Entitlement Chamber	901	1
Legal	President of the First-tier Tribunal, War Pensions and Armed Forces Compensation Chamber	908	1
Legal	Salaried Judge of the First-tier Tribunal, Tax Chamber	914	4
Legal	Deputy President of the First-tier Tribunal, Health, Education and Social Care Chamber (Special Educational Needs and Disability)	930	1
Legal	Salaried Judge of the Upper Tribunal, Immigration and Asylum Chamber	934	12
Legal	President of the First-tier Tribunal, General Regulatory Chamber	936	1
Legal	Salaried Judge of the First-tier Tribunal, Health, Education and Social Care Chamber (Mental Health)	945	1
Legal	Salaried Principal Judge of the First-tier Tribunal, Property Chamber	946	1
Legal	Regional Employment Judge	947	1
		<b>Total:</b>	<b>24</b>

\* This selection is an addition to the single previous recommendation for this exercise reported in the 2013/14 JAC Annual Report.



**Selection exercise activity**

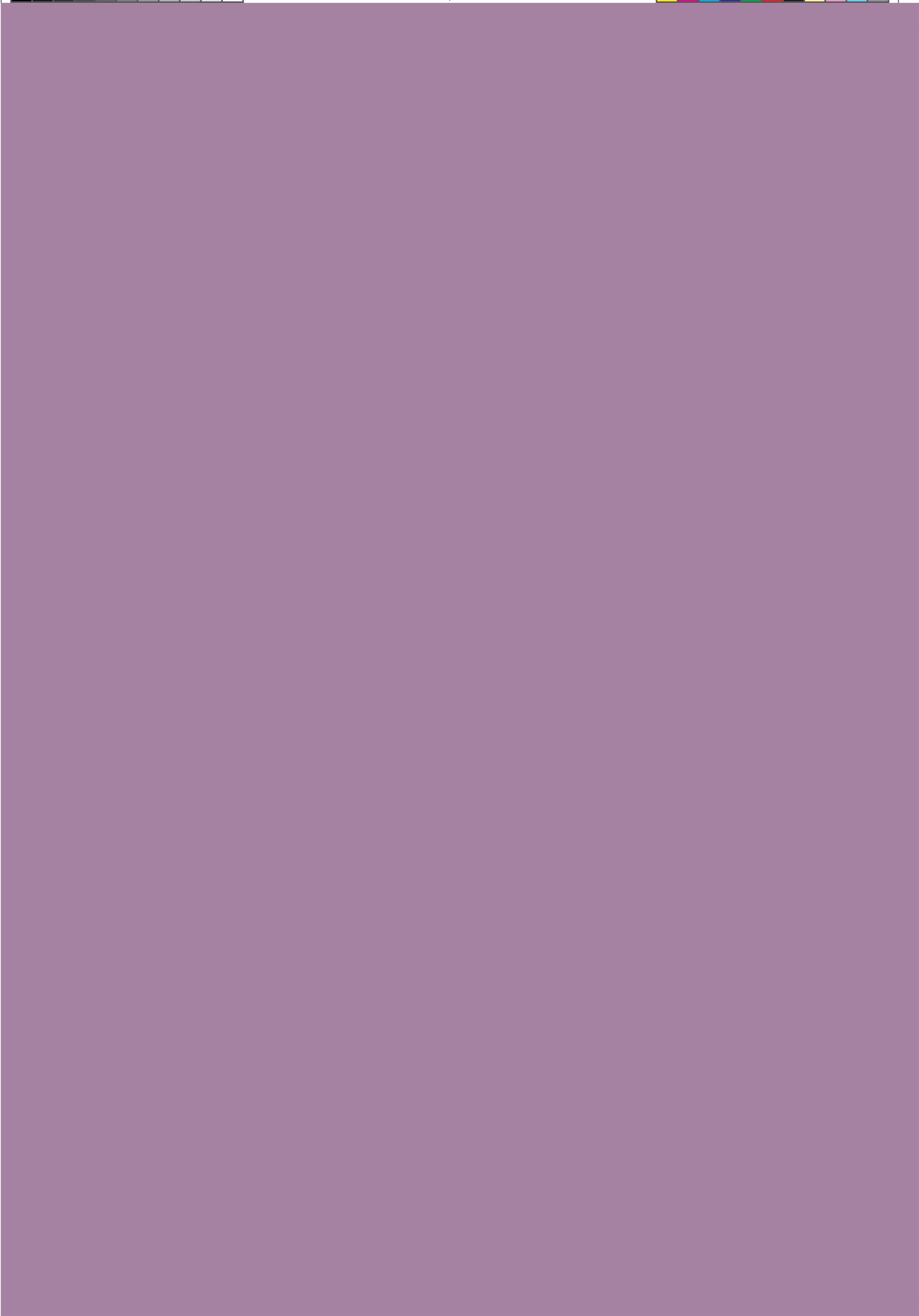
**JAC assistance (exercises not listed in Schedule 14 CRA)**

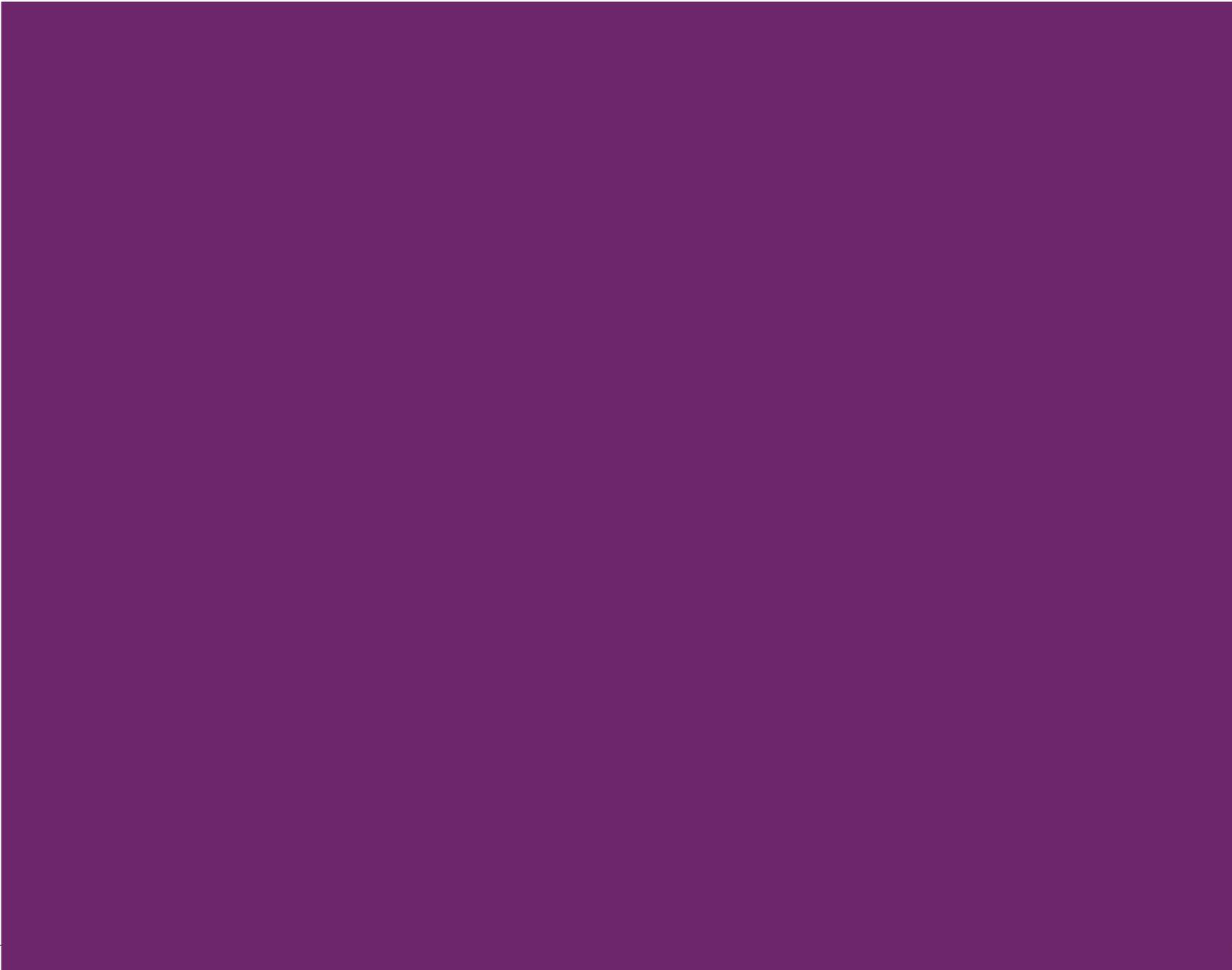
Legal/ Non-legal	Exercise title	Exercise reference	Recommendations made
Legal	Fee-paid Arbitrator of the Motor Insurers' Bureau*	00880	1
		<b>Total:</b>	<b>1</b>

\* This selection is an addition to the three previous recommendations for this exercise reported in the 2013/14 JAC Annual Report.

<b>Total Courts and Tribunals recommendations:</b>	<b>312</b>
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PART 2:  
ANNUAL ACCOUNTS  
2014/15



# MANAGEMENT COMMENTARY

## DIRECTORS' REPORT

### Introduction

The Judicial Appointments Commission (JAC) commenced operation on 3 April 2006, as part of the changes brought about by the Constitutional Reform Act 2005 (CRA), as amended by the Crime and Courts Act 2013. For the purposes of this report, Directors are defined as those who influence the decisions of the JAC as a whole, including Commissioners and those in the Senior Civil Service. Commissioners and Directors who served during 2014/15 are set out in the Remuneration Report on pages 33 to 38.

### Statement of the accounts

The financial statements for the period 1 April 2014 to 31 March 2015 have been prepared in a form directed by the Lord Chancellor with the approval of the Treasury in accordance with paragraph 31(2) of Schedule 12 to the CRA.

### Equal opportunities and diversity

The JAC continues to promote equality of opportunity, both in the selection of candidates for judicial office and in the recruitment, training and promotion of staff. The JAC meets its responsibilities under the Equality Act 2010, and the JAC's equality objectives for 2012-2016 can be viewed on its website including a bi-annual performance update. The consideration and implementation of reasonable adjustments is fully integrated into the work of the JAC in relation to its dealings with all candidates and its own staff.

### Employee involvement and wellbeing

The JAC works directly with staff through team meetings and electronic communication. It has regular, at least every two months, all-office meetings where significant information, or changes that apply to all, are cascaded and discussed. All staff are encouraged to ask about organisational issues and how these relate to themselves and their work.

We continue to monitor the JAC's intranet to ensure that it contains relevant information in a format that is easy to understand, and staff bulletins are issued fortnightly.

Our Health and Safety Policy was revised in July 2014 and is published on the intranet for staff, along with a Health and Safety Action Plan. We communicate other health and safety information to staff through the intranet and by notices. We have sufficient trained first aiders and fire wardens in place. There were no reportable health and safety incidents.

Our annual staff survey showed a lower response rate of 78% (91% in 2013), and our overall engagement score reduced slightly to 59% (62% in 2013). There were improvements in the way staff considered how we handle change, and that change is for the better. Additionally staff were positive about their managers, particularly around receiving regular feedback on performance. However, the perception of teamwork fell. We also do need to continue to recognise the challenges being faced by public sector staff concerning pay and other resources.

The Staff Forum, which was first established in November 2008, met eight times during the year and discussed issues faced by staff.

### Timeliness in paying bills

The JAC aims to pay all properly authorised and undisputed invoices in accordance with contractual conditions or, where no such conditions exist, as soon as possible, but certainly within 30 days of the presentation of a valid invoice. During the financial year 2014/15 the JAC also monitored its payment performance against a 10-day target (of 90%).

As the JAC has one weekly payment run, these targets are often difficult to achieve, whilst also ensuring that proper checks are made to ensure invoices are valid.

The following sets out the JAC's performance:

JAC's performance	2014/15 %	2013/14 %	Target %
Payment within 10 days	79.0	89.7	90
Payment within 30 days	100.0	99.8	100
<b>Total number of invoices</b>	<b>210</b>	<b>397</b>	

## Pension liabilities

Details regarding the treatment of pension liabilities are set out in notes 1g and 2 to the financial statements (see pages 54 to 56).

## Significant outside interests

In accordance with the Code of Conduct for the Judicial Appointments Commissioners, a register of financial and other interests was maintained and updated throughout the year by the Commissioners' Secretariat, who can be contacted at the offices of the JAC, 1st Floor, 102 Petty France, London SW1H 9AJ.

## Auditors

Under paragraph 31(7) Schedule 12 of the Constitutional Reform Act 2005, the Commission's external auditor is the Comptroller and Auditor General. The cost of the audit is disclosed in note 3 to the financial statements, and relates solely to statutory audit work.

So far as the Accounting Officer is aware, there is no relevant audit information of which the external auditors are unaware.

The Accounting Officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information, and to establish that the JAC's auditors are aware of that information.

The JAC Framework Document requires that internal audit arrangements should be maintained in accordance with the Public Sector Internal Audit Standards. The MoJ Internal Audit (IA) service provides an independent and objective opinion to the Accounting Officer on the adequacy and effectiveness of the organisation's risk management, control and governance arrangements through a dedicated internal audit service to JAC. IA attends the JAC Audit and Risk Committee, which provides oversight on governance and risk management.

## Likely future business developments

Likely future developments and how they will affect our business are set out in the commentary below.

## Financial review

### Accounting standards

The financial statements for the JAC are prepared in accordance with the Government's Financial Reporting Manual and applicable accounting standards.

### Commentary on the accounts

In 2014/15 the JAC made fewer selections compared with 2013/14, and the expenditure reflects this. The Net Expenditure Account shows that net expenditure for the year was £5,442k compared with £5,561k the previous year, a 2% decrease, although the one-off payment to fund early departures of £276k inflated the 2014/15 expenditure. If this were to be excluded the expenditure for the year would have been £5,166k, a 9% reduction. Overall, there was a reduction of £202k (6%) in pay costs following staff departures; offset by an increase of £65k (10%) in Other expenditure, mainly due to spend on our Judicial Appointments Recruitment System; and a £12k (1%) increase in non-cash charges relating to services provided by the MoJ.

The most notable of these variances was ongoing pay costs, reflecting the continuing reduction in numbers of staff at the JAC. The data relating to recommendations and applications relate to those exercises that reported to the Appropriate Authority during the year. The number in 2013/14 appears much greater due to the small number of large exercises that reported in that year, but most of the work was carried out in 2012/13, notably the Circuit Judge and Fee-paid Medical Member of the First-tier Tribunal, Social Entitlement Chamber (Social Security and Child Support) exercises that represented 313 recommendations.

In response to the reductions in budgets, the JAC continues to look at its staffing and organisational structure whenever a member of staff leaves, to see whether efficiencies can be made. There has been a reduction in staff during the year, and our Voluntary Early Departure Scheme led to six departures (including a member of the SCS), although the main effect of this will be felt in 2015/16. The result of these measures means that the JAC underspent its grant-in-aid allocation, which was originally £4,850k, and subsequently reduced to £4,683k, by £659k (14%), spending just £4,024k of its allocation, which also takes account of the utilisation of the provision

established in 2009/10 to fund an early retirement, and the non-cash amortisation charge. We therefore did not draw down our full grant-in-aid allocation. For the purposes of the summary financial data on pages 6 and 9 panel chairs and lay panel members' costs are treated as selection exercise programme costs.

The JAC continues to make extensive use of shared services for central functions, such as the provision of accommodation, HR, IT and Finance by the MoJ, to benefit from economies of scale. These costs are generally 'soft' charged, with no funds exchanged, although some are 'hard' charged. Further details of the 'soft' charges can be found in note 4 to the financial statements.

The closing bank balance relates to grant-in-aid drawn down by the JAC in readiness to pay its liabilities.

## Development and performance

### Overview of the year

As described in Part 1, the JAC completed 30 selection exercises in 2014/15 (35 in 2013/14), and began a further five continuing into 2015/16. The number of recommendations made, and applications received during the year, is dependent upon the mix of exercises. The JAC made 312 recommendations in 2014/15 (806 in 2013/14), and received 2,056 applications for these positions (5,591 in 2013/14).

The main development during the year was building a new IT system – the Judicial Appointments Recruitment System (JARS) – and we obtained assistance from MoJ, most notably in relation to the procurement and security of the system. This went live during the year and replaced the existing database. It provides a more effective system to help the JAC deliver the selection exercise programme more efficiently.

The JAC's key relationships are with its candidates, the Lord Chancellor and his officials, the Lord Chief Justice and the judiciary, Her Majesty's Courts and Tribunals Service and the legal professional bodies.

Members of the judiciary participate in each element of the selection exercise process, setting and marking qualifying tests for selection exercises and participating as interview panel members. As

disclosed in the Remuneration Report, the services of judicial Commission members, as well as the cost of the judicial input to the selection process, are provided without charge.

There was one loss of personal data during the year – as set out in the Governance Statement (one loss in 2013/14).

## Progress in relation to corporate objectives

For further details of the progress made by the JAC against the strategic objectives set out in the 2014/15 Business Plan, see pages 7-16 in Part 1.

Signed on behalf of the Judicial Appointments Commission



**Nigel Reeder**  
Chief Executive  
Judicial Appointments Commission  
8 July 2015

# STRATEGIC REPORT

## Forward look and future developments

The grant-in-aid allocation provided by MoJ will decrease from £4,683k in 2014/15 to £4,400k in 2015/16 (a 6% reduction), which should allow for further refinement of JARS and taking forward other initiatives in relation to our review of selection processes, whilst recognising the need to reduce our funding allocation.

There are fluctuations in the number and type of exercises the JAC is asked to run each year. We expect to make more recommendations in 2015/16 than 2014/15. We continue to deliver the exercises as required by the Lord Chancellor, and are flexible to any changes requested to the programme.

The Business Plan 2015/16 gives further details of the JAC's objectives (effectively covering the business model and strategy) for the year ahead and how these will be achieved. These are:

- Deliver the 2015/16 selection exercise programme, agreed with the Ministry of Justice, the Judiciary and HMCTS, recommending high quality candidates, solely on merit, to the Appropriate Authority.
- Deliver our diversity duty by encouraging a diverse range of eligible applicants, and ensure working practices support diverse recommendations.
- Enable full staff engagement.
- Improve JAC selection processes to ensure they become faster, more effective, efficient, economical and candidate-focused for any given selection exercise.
- Further develop our online recruitment system and website, which will enable and support new processes and structures digitally, and improve the user experience.
- Expand JAC functions to include delivery of further senior appointments, international and Overseas Territorial appointments, and others

which are judicial in nature in line with Triennial Review recommendations.

- Move to a charging model, following full consultation with MoJ and other stakeholders, to ensure we make appropriate recoveries on our expanded operations.

## Principal risks

The principal risks for the JAC are summarised within the Governance Statement. The Senior Leadership Team monitors these corporate risks (via the Corporate Risk Register) each quarter and takes action to ensure that the risks are, to the extent possible, mitigated. The Corporate Risk Register is then discussed at the Audit and Risk Committee, and a summary provided to the main Commission Board through the Management Information Pack.

## Going concern

The Statement of Comprehensive Net Expenditure Account shows a deficit in 2014/15. Due to grant-in-aid funding the Statement of Financial Position at 31 March 2015 shows an excess of assets over liabilities of £517k.

The JAC has recently undergone a Triennial Review. This was published on 19 January 2015, and it concluded that the JAC should continue to deliver its function independently of the Executive and the Judiciary, as a Non-Departmental Public Body, and therefore we know of no intention to suspend the JAC's activities. It has therefore been considered appropriate to adopt a going concern basis for the preparation of these financial statements. Grant-in-aid for 2015/16, taking into account the amounts required to meet the JAC's liabilities, has already been included in the departmental estimate.

## Staffing gender split

The split of the Directors, senior leaders and staff is as follows:

Staffing gender split	Male	Female	Total
Directors	1	1	2
Senior leaders	5	5	10
Other staff	19	26	45
<b>Total</b>	<b>25</b>	<b>32</b>	<b>57</b>

These correspond to the total of permanent, fixed term contracts and seconded staff as set out in note 2.

### Environmental, social and community matters

Staff sickness absence levels are again above the average across Civil Service organisations. For 2014/15 on average 9.80 days for each member of staff was lost (9.73 days in 2013/14). The majority of the sickness days were due to periods of long-term absences.

JAC staff are encouraged to be conscious of sustainability and energy-saving issues. The JAC has a Green Champion who works with the MoJ Sustainability team and promotes good practice directly and via the intranet.

The JAC is exempt from sustainability reporting. However, its offices are within the main MoJ building, and therefore information on this, including details on greenhouse gas emissions, can be found in the MoJ's consolidated resource accounts.

The JAC fully considers human rights issues in relation to its staff and candidates.

Signed on behalf of the Judicial Appointments Commission



**Nigel Reeder**  
Chief Executive  
Judicial Appointments Commission  
8 July 2015

# REMUNERATION REPORT

This Remuneration Report has been prepared in accordance with Chapter 6 of the Companies Act 2006 as interpreted for the public sector context. It summarises JAC policy on remuneration as it relates to Commissioners and Directors.

The two principal features of this report are:

- a summary and explanation of the JAC's remuneration and employment policies and the methods used to assess performance; and
- details of salaries, benefits in kind and accrued pension entitlement (details of remuneration and benefits are set out in the tables within this report and have been subject to audit by the Comptroller and Auditor General under the Constitutional Reform Act 2005).

## Appointment policy

The Lord Chancellor, under the provisions of the Constitutional Reform Act 2005 (CRA), approves the appointment of the Chief Executive of the JAC and the terms and conditions for staff and Commissioners.

Changes introduced by the Crime and Courts Act 2013, which came into effect in October 2013, substituted the CRA provisions relating to the composition of the Commission with new arrangements set out in secondary legislation (The Judicial Appointments Commission Regulations (SI 2013/2191)). While those Regulations maintain the majority of the previous arrangements there are two areas of change to note. First, in respect of 11 Commissioners, who are appointed following full and open competitions, the Regulations provide that in respect of the two professional members, instead of limiting those offices to one solicitor and one barrister the legislation extends the opportunity to apply for one of those offices to Fellows of CILEx. Second, in respect of the further three Commissioners who are senior judges, two of those (a Court of Appeal judge and a High Court judge) are still selected by the Judges' Council, but responsibility for selection of the third judge is to be made by the Tribunal Judges' Council, which is required to select a senior tribunals judge. The Regulations also provide for the Lord Chancellor to alter the composition of the Commission by Order, but no such Orders were made during the period.

## Directors

The Directors during 2014/15 and details of their contracts are set out on page 36. The remaining Director (who is a senior civil servant equivalent) is a permanent member of the JAC. The terms and conditions of his appointment, including termination payments, are governed by his contract.

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on peers' allowances; and on the pay and pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975. In reaching its recommendations, the Review Body is to have regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- government policies for improving public services, including the requirement on departments to meet the output targets for the delivery of departmental services; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found on the Office of Manpower Economics' website at [www.ome.uk.com](http://www.ome.uk.com).

## Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. JAC staff are employed as Public Servants, rather than Civil Servants, but the principles of this Act still apply. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the Directors covered by this report hold appointments which are governed by their contracts. Early termination, other than for misconduct, results in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk).

### Panel Chairs and Panellists

The JAC has appointed panellists who are used, when required, to assess candidates for selection. These panellists can either operate as panel chairs or as independent members. The panel chairs provide a summary report for Commissioners on candidates' suitability for selection. These panel chairs and panellists are paid a fee for each day worked and are entitled to reimbursement for travel and subsistence. The taxation on such expenses is borne by the JAC, as agreed by HM Revenue and Customs. They do not have any pension entitlements.

### Commissioners

Commissioners are appointed by the Lord Chancellor for fixed terms in accordance with Schedule 12 of the Constitutional Reform Act 2005. No Commissioner is permitted to serve for periods (whether or not consecutive) for longer than 10 years. Commissioners are public appointees and provide strategic direction to the JAC and select candidates for recommendation for judicial office to the Appropriate Authority.

Commissioners, excluding the Chairman and those who are members of the judiciary, are paid a fee by the JAC. The fee is neither performance-related nor pensionable. Any increase in the level of fees is at the discretion of the Lord Chancellor. Commissioners who are in salaried state employment, including judges, receive no additional pay for their work for the JAC. Commissioners do not receive any pension benefits.

Commissioners who are entitled to a fee are paid an annual amount of £9,473 in respect of 28 days service a year. In exceptional circumstances they may be paid for additional days' work at £338.33 per day. The remuneration of the Chairman is included in the Directors' remuneration table on page 36.

The members of the Commission during 2014/15 and details of their appointments are set out below.

	Date of original appointment	Date of re-appointment	Length of current term
<b>Chairman</b> Christopher Stephens	07/02/2011	07/02/2014	2 years
<b>Commissioners</b>			
Martin Forde QC	05/01/2012	05/01/2015	3 years
Professor Emily Jackson	01/02/2014		3 years
Her Honour Judge Usha Karu	09/06/2014		3 years
Professor Noel Lloyd CBE	01/02/2012	01/02/2014	3 years
Lady Justice Macur DBE	01/10/2013		5 years
Alexandra Marks	05/01/2012	05/01/2015	3 years
Katharine Rainsford JP	01/02/2014		3 years
Lieutenant General Sir Andrew Ridgway KBE CB	01/02/2012	01/02/2014	3 years
Lucy Scott-Moncrieff CBE	01/02/2014		3 years
District Judge Christopher Simmonds	01/02/2014		3 years
Dame Valerie Strachan DCB	01/02/2012	01/02/2015	3 years
His Honour Judge Phillip Sycamore	09/06/2014		3 years
Debra van Gene	01/02/2014		3 years
Mr Justice Wilkie	25/05/2012		5 years

## Commissioners' remuneration

The Commissioners' remuneration (audited) for the year is as shown below (for joining/leaving dates see the Governance Statement), including payments to Commissioners for acting as panellists in selection exercises:

	2014/15			2013/14		
	Remuneration £000	Benefits in kind (to nearest £100)	Total £000	Remuneration	Benefits in kind (to nearest £100)	Total £000
Martin Forde QC	9	-	9	9	-	9
Professor Emily Jackson	<sup>1</sup> 13	-	13	2	-	2
Her Honour Judge Usha Karu	-	-	-	-	-	-
Professor Noel Lloyd CBE	9	9,800	19	<sup>4</sup> 13	7,100	20
Lady Justice Macur DBE	-	-	-	-	-	-
Alexandra Marks	9	-	9	<sup>5</sup> 16	-	16
Katharine Rainsford JP	9	200	9	2	-	2
Lieutenant General Sir Andrew Ridgway KBE CB	<sup>2</sup> 14	8,600	23	<sup>6</sup> 11	6,200	17
Lucy Scott-Moncrieff CBE	9	-	9	2	-	2
District Judge Christopher Simmonds	-	-	-	-	-	-
Dame Valerie Strachan DCB	<sup>3</sup> 13	-	13	<sup>7</sup> 15	-	15
His Honour Judge Phillip Sycamore	-	-	-	-	-	-
Debra van Gene	9	-	9	2	-	2
Mr Justice Wilkie	-	-	-	-	-	-

<sup>1</sup> Includes remuneration for acting as a panellist on the Court of Appeal selection exercise.

<sup>2</sup> Includes remuneration for acting as a panellist on the Circuit Judge and General Council of the European Union selection exercises and observing in the Court of Appeal Criminal Division.

<sup>3</sup> Includes remuneration for acting as a panellist on the Court of Appeal selection exercise.

<sup>4</sup> Includes remuneration for acting as a panellist on the Lord Chief Justice selection.

<sup>5</sup> Includes remuneration for acting as a panellist on the High Court selection.

<sup>6</sup> Includes remuneration for acting as a panellist on the Queen's Bench Division selection.

<sup>7</sup> Includes remuneration for acting as a panellist on the Lord Chief Justice, President of the Investigatory Powers Tribunal and the Queen's Bench Division selections.

All remuneration is based on the time each Commissioner was in office, so does not necessarily represent a full year's service – see dates for original appointments on page 34.

Commissioners acted as panellists for a total of 62 days in the reporting period (93 days in 2013/14).

**Benefits in kind**

Commissioners may be reimbursed for their travel and subsistence costs in attending Commission business if the cost of their journey is greater than what they would otherwise have incurred with their other employment. Since non-judicial Commissioners are deemed to be employees of the JAC, the amounts of these reimbursements are treated as benefits in kind and are disclosed in the table above and incorporated into the benefits in kind amounts. The taxation on such expenses is borne by the JAC. There are no other benefits in kind.

Judicial Commissioners are not deemed to be employees of the JAC, and therefore their travel

and subsistence costs are not treated as benefits in kind. Total claims by Judicial Commissioners were as follows: HH Judge Usha Karu £15 and District Judge Simmonds £423. There were no other travel and subsistence claims made.

**Staff**

For a breakdown of average staff numbers see note 2 to the accounts.

**Appointments**

The Directors during 2014/15 and details of their appointments are set out below:

	Date of appointment	Contract
<b>Chief Executive:</b> Nigel Reeder	20/12/2011	Permanent member of staff (3 month notice period)
<b>Directors</b>		
<b>Selection Exercises:</b> Sarah Gane	30/03/2009	Permanent member of staff (3 month notice period). Left on 31/03/2015

**Remuneration (including salary) and pension entitlements (including the Chairman)**

The following sections provide details of the remuneration and pension interests of the Directors of the JAC (audited), including the Chairman, which were as follows:

Single total figure of remuneration:

Officials	Salary		Bonus Payments		Benefits in kind (to nearest £100)		Pension benefits <sup>4</sup>		Total	
	£000		£000		£100		£000		£000	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
Christopher Stephens	<sup>1</sup> 60-65	<sup>3</sup> 55-60	-	-	-	-	-	-	60-65	55-60
Nigel Reeder	80-85	80-85	-	-	-	-	10-15	(5)-0	95-100	80-85
Sarah Gane	<sup>2</sup> 55-60	70-75	-	-	-	-	25-30	20-25	80-85	90-95

**Notes:**

- <sup>1</sup> The figure is the rate based on a 0.6 FTE, full-year equivalent rate being £100-105k.
- <sup>2</sup> The figure quoted is for the period 1 April 2014 to 31 December 2014, full-year equivalent rate being £70-75,000.
- <sup>3</sup> The figure is the rate based on a 0.4 FTE between 1 April 2013 and 30 September 2013, plus associated overtime, and 0.6 FTE between 1 October 2013 and 31 March 2014, full-year equivalent rate being £100-105k.
- <sup>4</sup> The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

**Compensation for loss of office**

Sarah Gane elected to take voluntary exit within the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972; the full exit costs have been accounted for within the staff costs note (note 2 on page 55). The value of her compensation payment is in the band £145,000 – £150,000 and is being paid following her departure from the JAC in March 2015. No additional compensation was paid.

**Pay multiples**

The JAC is required to disclose the relationship between the remuneration of the highest-paid director in the organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the JAC in the financial year 2014/15 was £80-85,000 (2013/14, £80-85,000). This was 2.6 times (2013/14, 2.8 times) the median remuneration of the workforce, which was £32,042 (2013/14, £29,790).

In 2014/15, Nil (2013/14, Nil) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £20-25,000 to £80-85,000 (£15-20,000 to £80-85,000 in 2013/14).

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

This presentation is based on the cash payments made in the year by the JAC.

**Benefits in kind**

Directors have no entitlement to benefits in kind. In 2014/15 no Director received any benefits in kind.

Total travel and subsistence claims over the reporting period for Directors were as follows: Christopher Stephens £Nil; Nigel Reeder £Nil; Sarah Gane £17.

**Pension benefits**

The following sections provide details of the pension interests of the Chairman and Directors of the JAC.

**Pension benefits**

The pension entitlements (audited) of the Directors, including the Chairman were as follows:

	Total accrued pension at pension age as at 31/03/2015 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/15	CETV at 31/03/14	Real increase in CETV	Employer Contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £000
Christopher Stephens <sup>1</sup>	-	-	-	-	-	-
Nigel Reeder	40-45 plus Lump sum 125-130	0-2.5 plus Lump sum 2.5-5	915	860	13	-
Sarah Gane	20-25 plus Lump sum 65-70	0-2.5 plus Lump sum 2.5-5	355	319	18	-

**Note:**

<sup>1</sup> Is not entitled to pension benefits

The CETV figures are provided by approved pensions administration centres, who have assured the JAC that they have been correctly calculated following guidance provided by the Government Actuary's Department.

**Civil Service pensions**

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil and public servants may be in one of four defined benefit schemes; either a final salary

scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 1.5% and 6.85% of pensionable earnings for **classic** and 3.5% and 8.85% for **premium, classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with the Pensions Increase legislation. In all cases, members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic, premium** and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

New Career Average pension arrangements will be introduced from 1 April 2015 and the majority of **classic, premium, classic plus** and **nuvos** members will join the new scheme.

Further details of this new scheme are available at <http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/>

**Cash equivalent transfer values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

**Real increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Signed on behalf of the Judicial Appointments Commission



**Nigel Reeder**  
Chief Executive  
Judicial Appointments Commission  
8 July 2015

# STATEMENT OF THE COMMISSION'S AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Constitutional Reform Act 2005, the Lord Chancellor with the consent of HM Treasury has directed the Judicial Appointments Commission (JAC) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the JAC and of its net resource outturn, application of resources, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Lord Chancellor including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Accounting Officer of the MoJ has designated the Chief Executive as Accounting Officer of the JAC. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the JAC's assets, are set out in Managing Public Money published by HM Treasury.

# GOVERNANCE STATEMENT

## Framework

### Introductory

As Accounting Officer for the JAC I have overall responsibility for ensuring the JAC applies high standards of corporate governance – including effective support for the Board’s performance and management of risks – to ensure it is well placed to deliver its objectives and is sufficiently robust to face challenges.

I have responsibility for maintaining a sound system of internal control that supports the achievement of the JAC’s policies, aims and objectives, while safeguarding public funds and JAC assets for which I am responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

### Committee Structure

In order to achieve these aims the JAC has in place the following committee structure, which is supported by a Senior Leadership team (comprising myself, the Head of Operations, Head of Policy and Change and all Assistant Directors), who in turn are supported by a dedicated JAC staff. Specific support is provided to the Chairman by a Private Office function and all Commissioners are served by a Secretariat.

- The Commission (comprising 15 Commissioners including the Chairman as set out in the Constitutional Reform Act 2005 (CRA), as amended by the Crime and Courts Act 2013 (CCA) and the Judicial Appointments Regulations 2013) – meets monthly (except in January, April and August). Members of the Commission come from a wide background and are drawn from the lay public, the legal profession, tribunals, the magistracy and the judiciary. The Commission has overall responsibility for the JAC’s strategic direction, within the provisions of the CRA, as amended by the CCA, and supporting the Framework Document agreed between the MoJ and the Chairman of the JAC.

- Selection and Character Committee (SCC) – generally meets twice a month (with some variation depending on business need). Membership is the same as the Commission, and the Committee is chaired by the JAC Chairman, Vice-Chairman or another nominated Commissioner. The SCC identifies candidates suitable for recommendation to the Appropriate Authority for appointment to all judicial offices under Schedule 14 to the CRA, as amended by the CCA, and to other offices as required by the Lord Chancellor under Section 98 of the CRA.
- Audit and Risk Committee (ARC) – comprises the Chair (a Commissioner), an independent (non-JAC) member and two other Commissioners. The Committee meets four times a year, with an additional meeting to consider the annual accounts, and advises me on the adequacy and effectiveness of risk management and internal control, including the strategic risk register processes. The Committee assesses the internal and external audit activity plans and the results of such activity.

Attendance at Board and Committee meetings during the year:

Commissioner details	Meetings attended in 2014/15		
	Board	SCC <sup>1</sup>	ARC
<b>Number of meetings: 01/04/2013 to 31/01/2014</b>	9	20	5
Christopher Stephens (Chairman)	9	19	-
Lady Justice Macur DBE (Vice Chairman)	7	14	-
Martin Forde QC	3	6	-
Professor Emily Jackson	8	7	-
Her Honour Judge Usha Karu (Joined 09/06/14)	8	11	-
Professor Noel Lloyd CBE	9	16	5
Alexandra Marks	8	14	-
Katharine Rainsford JP	9	12	-
Lieutenant General Sir Andrew Ridgway KBE CB	9	12	-
Lucy Scott-Moncrieff CBE	6	9	-
District Judge Christopher Simmonds	7	16	5
Dame Valerie Strachan DCB	9	16	5
His Honour Judge Phillip Sycamore (Joined 09/06/14)	5	10	-
Debra van Gene	8	11	-
Mr Justice Wilkie	5	9	-

**Notes:**

- 1 Commissioners are allocated to attend 11 SCC meetings per year. It is open to them to attend additional meetings at their own discretion, or when additional meetings are scheduled to deal with urgent business.

### Working with partners

In addition to various ad hoc meetings throughout the year, the JAC either hosts or participates in the following forums, to assist it in achieving its aims, in collaboration with its partners:

- Diversity Forum – hosted by the JAC, the Forum meets quarterly. The Forum comprises the JAC, MoJ, Law Society, Bar Council, CILEx, Judiciary and the Judicial Office.
- Advisory Group – meets monthly. The Group comprises the Chair (a JAC Commissioner), the Head of Operations, and other JAC staff members, in addition to representatives of the Judiciary and legal professions. The Advisory Group considers the suitability of materials and methods to be used in selection processes for specific exercises.
- IT Project Steering Group. This met during the course of the year to oversee the development of the Judicial Appointments Recruitment System. The Group was chaired by a Commissioner, with representatives from JAC, MoJ and the outsourced supplier.

### Board and committee performance

#### Board papers

Board papers follow a standard template to ensure they are completed, taking account of all dependencies such as financial, risk and media, and where relevant, equality implications. This enables Board members to make sound judgements, based on the information contained in the papers.

#### Board performance evaluation

The Board did not assess its performance during the year. I do not consider it appropriate to do this annually, mainly because of the size of the JAC. To assist with evaluation, each Commissioner is subject to the provision of '360°' feedback. This feedback is then considered as part of the annual review process each Commissioner has with the Chairman.

#### Board discussions

I am content with the wide range of issues covered over the year, including: an in-depth review of selection processes, Welsh language policy, complaints analysis, Commissioners as candidates, Judicial Skills and Abilities Framework, Rehabilitation of Offenders Act Exemption, Response to the report from Sir Geoffrey Bindman QC and Karon Monaghan QC: Judicial Diversity, Accelerating Change, the Triennial Review, International Appointments and the monthly Management Information Pack.

The Chairs of the Audit and Risk Committee, the Advisory Group, and IT Project Steering Group briefed the Board on the highlights of their respective meetings.

As part of the Chairman's goal of increasing engagement with key interested parties, guests are invited to attend Board meetings to exchange views, discuss priorities and other pertinent issues. Guests attend a portion of a Board meeting and are not present when the Board considers and makes decisions regarding Commission business. Guests attending Board meetings in the year were: Nicholas Lavender (Chairman) and Alistair MacDonald (Vice Chairman) of the Bar Council; Sir Alan Beith MP, Chair, Justice Select Committee; Sir John Brigstocke, Judicial Appointments and Conduct Ombudsman; The Rt Hon Lord Justice Gross, Senior Presiding Judge; Baroness O'Neill, (Chair) and Rebecca Hillsenrath (Chief Legal Officer) of the Equality and Human Rights Commission.

#### Audit and Risk Committee performance

In December 2014, the Audit and Risk Committee assessed its effectiveness using the National Audit Office Audit Committee self-assessment checklist. It was reassuring that compliance with the checklist was found to be good with only minor recommendations for change. These were to prepare a formal letter of appointment for the new Independent member, and carry out a formal review of the Governance Statement, as it was considered to be too detailed for an organisation the size of the JAC. Both have been addressed, although this Governance Statement will continue to be reviewed annually.

#### Changes to the Commission

Continuity in the Commission has been evidenced by the re-appointment of three Commissioners during the year for a further 3-year term. In addition, there were two new members of the Commission inducted during the year and they were provided with a supporting Induction Manual. This helped to ensure that the JAC remained alive to the potential for the loss of knowledge as identified in the Corporate Risk Register. To help mitigate this risk the following actions have taken place:

- The new Commissioners attended a formal Induction, which covered: the selection process; exercise programme; regularity and propriety; information assurance and security; and administrative issues.
- Commissioners participated in a two-day Annual Strategic Review on 11-12 March 2015. Discussions covered issues including Strategic Objectives for 2015/16 and the findings of the Triennial Review of the JAC.

- Every new Commissioner had a meeting with the Chairman following their induction and first Board meeting.
- New Commissioners sit as Assigned Commissioners initially with an experienced Commissioner, to better understand the nature of the role.

#### Changes to senior staff

In December 2014, the JAC's Director of Operations left the JAC. This led to an organisational restructure, and the appointment to two new positions, which were filled from existing staff: the Head of Operations and Head of Policy and Change. This now means that the JAC has only one member of the SCS (myself as Chief Executive).

### Corporate governance

#### Guidance followed

The JAC follows HM Treasury/Cabinet Office guidance Corporate Governance in Central Government Departments: Code of Good Practice 2011, as far as possible in its capacity as a small arms' length body. As such it does not comply with the code provisions relating to a Minister, nor have a separate professionally qualified finance director sitting on the Board, although such a person is a member of the JAC's Senior Leadership Team. The Board membership is also governed by the requirements of the CRA, as amended by the CCA.

There is no formal Nominations and Governance Committee in place identifying leadership potential. Compliance with Corporate Governance guidance is outlined in much greater depth in the Triennial Review report.

#### Responsibility

The JAC Board and its other Committees provide the necessary leadership, effectiveness, accountability and sustainability to ensure the JAC delivers its objectives, whilst maintaining an open and transparent dialogue with the MoJ and other key interested parties. As Accounting Officer, I also take seriously my responsibilities on the use of public funds that have been provided to the JAC, to ensure the most effective and efficient use of those funds.

The JAC has a balanced Board in place, which consists of the Chairman and the Commissioners, who all have equal decision-making rights. As Chief Executive I attend Board meetings, in a non-voting capacity. Of utmost importance is that all Board members uphold the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

#### Assurance

##### Assurance process

At the mid-year stage, assurance was provided through a signed statement from each Assistant Director for their area of responsibility, covering each control area. We introduced an Assurance Framework for the year-end, in accordance with the HM Treasury document Assurance Frameworks, issued in December 2012, with the support of Internal Audit. These assurance statements and the Assurance Framework were scrutinised through the Audit and Risk Committee, and so I am confident that all assurance matters have been brought to my attention.

##### Control exceptions

As part of the assurance process, Assistant Directors are also required to provide me with details of exceptions that occurred, where processes have not operated as intended. Significant control exceptions identified this year included:

Significant control exception	Summary of remedial action
A report to the Lord Chief Justice containing recommendations for appointment was addressed and sent to the Lord Chancellor's office, rather than the Lord Chief Justice's office in error.	Incident reported in line with the guidance, and both offices were made aware of the error. Staff were reminded to ensure that reports containing recommendations for appointment are addressed to the correct Appropriate Authority.
In an exercise, the wrong candidate was selected by the SCC. Due to location preferences and vacancies a candidate was moved from one location preference to another without due consideration being given to other candidates who had also selected the location as a preference.	The error was identified prior to recommended candidate being included in the submission to the Appropriate Authority. The error was rectified by further discussion at SCC. Senior managers and staff on the team were advised of the issue and instructed to be more alert to the need to look at location preferences.
Report on recommendations for appointment from the Chairman to the Lord Chief Justice sent out from JAC staff outside of the Chairman's office, and amended from the version signed by the Chairman without his knowledge or that of his office.	The team responsible have been reminded of the need to follow the agreed procedure.
There was a security breach where nine consent forms belonging to candidates were lost.	A thorough search was conducted to find them and we believe that they were inadvertently put in confidential waste at the end of the working day with surplus candidate papers. A new system has been introduced to hand deliver all such forms on a daily basis from the Front of House team to the relevant Selection Exercise Manager.

**Internal audit**

The JAC uses the MoJ's Internal Audit and Assurance service, which is accountable to me as Accounting Officer. The service operates to Public Sector Internal Audit Standards and submits regular reports, which include the Head of Internal Audit's annual independent opinion on the adequacy and effectiveness of the arrangements for risk management, and control and governance, together with recommendations for improvement.

The Annual Report from the Head of Internal Audit reflects well on the organisation and they provided a Moderate level of assurance (some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control).

**External audit**

The National Audit Office (NAO) provides the external audit function for the JAC, and provided an unqualified opinion on our financial statements. In addition, they identified no significant internal control weaknesses, no issues concerning the regularity of expenditure, nor any material misstatements.

**Sponsor Department (MoJ)**

My responsibilities also include our requirement to meet the Business Plan objectives agreed with the MoJ. I therefore have regular meetings with the Lord Chancellor's officials to discuss progress in meeting our strategic objectives.

**Data quality**

**Data considered by the Board**

At each Board meeting Commissioners considered the latest Management Information Pack. The Pack contains progress against Business Plan objectives, statistical data relating to selection exercises, finance, human resources, outreach activity and a summary of the corporate risks. The Pack is updated each month, and reviewed collectively by the JAC's Senior Leadership Team prior to Board meetings. Each quarter it is considered by the Audit and Risk Committee in detail, and then issued to MoJ Sponsorship.

Immediately prior to the release of bi-annual official statistics, including diversity data, they are circulated to all Commissioners for information, in addition to key partners. Data produced as a result of selection processes are regularly checked to ensure they are up-to-date and that figures are correct and consistent across reports generated.

### Data considered by the Selection and Character Committee

At its meetings, the Selection and Character Committee (SCC) considers proposal papers when agreeing its recommendations to the Appropriate Authority. The Committee looks at the progress of candidates of different backgrounds through selection processes. To help the Committee do this, it is provided with the diversity statistics for each exercise. These statistics, however, do not have a bearing on the character and selection decisions that the Committee makes.

It is recognised that this data may come under greater scrutiny as the JAC continues to implement the equal merit provision, whereby consideration is given to increasing diversity when considering candidates of equal merit.

### Data considered by the Audit and Risk Committee

As stated above, the Audit and Risk Committee (ARC) considers the Management Information Pack when it meets. In addition, the Committee considers data presented in other documents, including a summary of the JAC's quarterly accounts that are consolidated with MoJ.

## Risk

Risk is well managed in the JAC through the embedded risk registers throughout the organisation, underpinned by a supporting Risk Management Policy and Framework, other documentation and availability of training to help staff. These are supported by a Risk Improvement Manager to provide guidance and assistance as required, whether through the handling of individual queries, attendance at various meetings, or to support my role as Accounting Officer.

### Audit and Risk Committee

The Committee monitors the key risks to achieving our strategic objectives through the quarterly update of the Corporate Risk Register from the Senior Leadership Team. Commissioners have delegated to the Committee responsibility for advising on the adequacy and effectiveness of risk management and internal control, including the risk management process.

### Risk Management Policy and Framework

The JAC's Risk Management Policy and Framework outlines the key principles underpinning the JAC's approach to risk management and explains the risk management processes and the roles and responsibilities of staff. The JAC has a low to medium risk appetite, which means that the JAC is prepared to accept, tolerate or be exposed to a low to medium level of risk at any one point in time. The Framework is reviewed annually by the Audit

and Risk Committee (ARC). We maintain risk at a tolerable level rather than try to eliminate all risk of failure to achieve policies, aims and objectives. We can therefore only provide reasonable and not absolute assurance of effectiveness. I am satisfied that this is a proportionate approach.

### Risk management and training

All staff have been informed of their responsibility for managing risk and new staff receive a summary on managing risk in their induction packs. Many staff have attended a risk register workshop, but such training is now moving online through Civil Service Learning. Many staff members are involved actively in the management of risk through reporting at individual project boards and other forums.

### Risk registers

The JAC regularly reviews risks to its objectives and monitors controls to mitigate these risks through the effective use of risk registers. The JAC ensures that new or emerging risks are identified throughout the year, including quarterly meetings that started this year between the Risk Improvement Manager (RIM) and myself, to determine current concerns. These are then built upon through the updates and discussion with the Senior Leadership Team. We follow the guidance in HM Treasury's The Orange Book (2004), by evaluating risks in terms of their impact on corporate objectives and likelihood of occurrence.

There is a hierarchy of risk registers, starting with the organisation-wide Corporate Risk Register at the top (the key risks in the Corporate Risk Register are set out further below). Feeding into this are detailed registers on: health and safety; information security; a register for each strand of the JAC Change Programme; the Selection Exercise Programme Board; with a separate register for each selection exercise within its Selection Exercise Project Record (SEPR).

The JAC jointly owns and manages the Judicial Appointments Programme Board risk register with HM Courts and Tribunal Service, Judicial Office and the MoJ. This register is reviewed at the Board's monthly meetings.

### Corporate Risk Register

There were six risks rated as Amber or higher on the Corporate Risk Register on the date these accounts were authorised for issue, and these are listed below:

1. **The Change Programme is not delivered in a timely fashion**  
Delay to the implementation of the Change Programme is our most significant risk with the potential to cause reputational damage with our Board, partners, own staff and key interested parties. This is especially with

regard to JARS, which could impact on our candidate experience. The JAC mitigates the risk by having strong governance arrangements in place, which include a Change Programme Board, risk registers and implementation plans for each project.

2. **The Change Programme does not deliver intended benefits**

The Change Programme does not deliver intended benefits in terms of the candidate experience, diversity outcomes and reduced net costs. The Change Programme Board monitors progress of the projects and there is regular liaison with our MoJ sponsors.

3. **Loss of corporate knowledge and experience**

That staff, panellist, Commissioner and Chairman experience is lost, leading to reduced performance and lower staff morale. Control measures to mitigate this risk include succession planning and re-appointment. The annual Staff Survey monitors staff perceptions.

4. **Optimal organisation structure**

That the organisational structure of the JAC does not facilitate the most efficient means of delivering the business after the implementation of JARS. This is managed through regular discussions within Senior Leaders and the Operations teams themselves.

5. **Equitas (the JAC application database) and web-based application systems**

A failure in either Equitas and/or the web-based application systems occurs resulting in significant disruption, errors, complaints and possible reputational damage. To mitigate the risks the organisation has a Memorandum of Understanding and agreed IT provision standards with MoJ, and staff are trained to deal with the most common issues.

6. **Progression and diversity of selection**

The JAC does not achieve its aim of widening the diversity of the judiciary. We address this through panel briefing, unconscious bias training, approval of materials and monitoring at diversity checkpoints.

Any data recorded on Equitas and JARS is subject to specific legislative provisions set out in the CRA, the Data Protection Act (DPA) 1998 and Freedom of Information Act (FoIA) 2000. User access is strictly controlled and trail logs are kept for security checks and audit purposes. Requests for information are handled in full compliance with both the DPA and FoIA.

Any operational requirement to deviate from the JAC Security Policy, as annually reviewed, regarding data security requires SIRO agreement. The SIRO reported that there was one known incident of data loss for the period covered by this Governance Statement concerning the loss of consent forms, where the presumption is that they were inadvertently destroyed on site.

The JAC implemented Civil Service-wide changes to security classifications from 2 April 2014. All staff also completed online refresher training on information security in February 2015.

**Summary**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control, including the risk management framework. My review is informed by the work of the internal auditors and the Senior Leadership Team within the JAC who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review by the Board and the Audit and Risk Committee. I am satisfied that a plan to address weaknesses in the system of internal control and ensure continuous improvement of the system is in place. I am also satisfied that all material risks have been identified, and that those risks are being properly managed.

I am therefore able to confirm that there have been no known significant governance issues that could undermine the integrity or reputation of the JAC up to 31 March 2015 and up to the date of this report.

Signed, on behalf of the Judicial Appointments Commission



**Nigel Reeder**  
Chief Executive  
Judicial Appointments Commission  
8 July 2015

**Information security**

**Senior Information Risk Owner (SIRO)**

The SIRO is responsible for managing information risk on behalf of myself, as Accounting Officer, and the Board, and for providing the necessary assurance.



# THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the Judicial Appointments Commission for the year ended 31 March 2015 under the Constitutional Reform Act 2005. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Board Accounting Officer and auditor

As explained more fully in the Statement of the Commission's and Accounting Officer's Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Constitutional Reform Act 2005. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Judicial Appointments Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Judicial Appointments Commission; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial

statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Judicial Appointments Commission's affairs as at 31 March 2015 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Constitutional Reform Act 2005 and directions issued thereunder by the Lord Chancellor with the approval of HM Treasury.

## Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with directions made under the Constitutional Reform Act 2005 by the Lord Chancellor with the approval of HM Treasury; and
- the information given in the sections of the Annual Report entitled 'Key facts', 'Achievements against the objectives' and 'The Commission'; the Directors' Report; and the Strategic Report for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

**Report**

I have no observations to make on these financial statements.

**Sir Amyas CE Morse**

Comptroller and Auditor General

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP  
9 July 2015

# FINANCIAL STATEMENTS

## Statement of Comprehensive Net Expenditure

for the year ended 31 March 2015

		2014/15	2013/14
	Note	£000	£000
<b>Expenditure</b>			
Staff costs	2	3,308	3,510
Other expenditure	3	735	670
Services and facilities provided by sponsoring department	4	1,400	1,388
		<b>5,443</b>	<b>5,568</b>
<b>Income</b>			
Other income	5	(1)	(7)
		<b>(1)</b>	<b>(7)</b>
<b>Net expenditure</b>		<b>5,442</b>	<b>5,561</b>

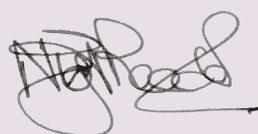
The notes on pages 54 to 61 form part of these accounts. No other comprehensive expenditure was incurred during the year.

## Statement of Financial Position

as at 31 March 2015

	Note	31 March 2015 £000	31 March 2014 £000
<b>Non-current assets:</b>			
Intangible assets	6	664	134
<b>Total non-current assets</b>		<b>664</b>	<b>134</b>
<b>Current assets:</b>			
Trade and other receivables	7	39	36
Cash and cash equivalents	8	540	908
<b>Total current assets</b>		<b>579</b>	<b>944</b>
<b>Total assets</b>		<b>1,243</b>	<b>1,078</b>
<b>Current liabilities:</b>			
Trade and other payables	9	(66)	(77)
Other liabilities	9	(660)	(436)
<b>Total current liabilities</b>		<b>(726)</b>	<b>(513)</b>
<b>Non-current assets plus net current assets</b>		<b>517</b>	<b>565</b>
<b>Non-current liabilities</b>			
Provisions	10	-	(6)
<b>Total non-current liabilities</b>		<b>-</b>	<b>(6)</b>
<b>Assets less liabilities</b>		<b>517</b>	<b>559</b>
<b>Taxpayers' Equity</b>			
General reserve		517	559
		<b>517</b>	<b>559</b>

Signed on behalf of the Judicial Appointments Commission



**Nigel Reeder**  
Chief Executive  
Judicial Appointments Commission  
8 July 2015

The notes on pages 54 to 61 form part of these accounts.

## Statement of Cash Flows

for the year ended 31 March 2015

		2014/15	2013/14
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Net expenditure		(5,442)	(5,561)
Adjustments for non-cash transactions:			
Services and facilities provided by sponsoring department	4	1,400	1,388
Other expenditure	3	27	-
(Increase) in trade receivables and other current assets	7	(3)	(18)
Increase in trade payables and other current liabilities	9	213	52
Utilisation of provision	10	(10)	(29)
<b>Net cash (outflow) from operating activities</b>		<b>(3,815)</b>	<b>(4,168)</b>
<b>Cash flows from investing activities</b>			
Purchase of Intangible asset		(553)	(134)
<b>Net cash (outflow) from investing activities</b>		<b>(553)</b>	<b>(134)</b>
<b>Cash flows from financing activities</b>			
Grant from MoJ		4,000	4,500
<b>Net financing</b>		<b>4,000</b>	<b>4,500</b>
Net increase/(decrease) in cash and cash equivalents in the period	8	(368)	198
Cash and cash equivalents at the beginning of the period	8	908	710
Cash and cash equivalents at the end of the period	8	540	908

The notes on pages 54 to 61 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2015

		General Reserve	Total Reserves
	Note	£000	£000
<b>Balance at 31 March 2013</b>		232	232
<b>Changes in taxpayers' equity in 2013/14</b>			
Grant from MoJ		4,500	4,500
Non-cash charges – services provided by sponsoring department	4	1,388	1,388
Comprehensive expenditure for the year		(5,561)	(5,561)
<b>Balance at 31 March 2014</b>		559	559
<b>Changes in taxpayers' equity in 2014/15</b>			
Grant from MoJ		4,000	4,000
Non-cash charges – services provided by sponsoring department	4	1,400	1,400
Comprehensive expenditure for the year		(5,442)	(5,442)
<b>Balance at 31 March 2015</b>		517	517

The notes on pages 54 to 61 form part of these accounts.

## Notes to the financial statements

for the year ended 31 March 2015

### Note 1 Statement of accounting policies

These financial statements are prepared on a going concern basis in accordance with the Constitutional Reform Act 2005 and with the 2014/15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the JAC for the purpose of giving a true and fair view has been selected. The particular policies adopted by the JAC are described below. They have been applied consistently in dealing with items that are considered material to the accounts, and are in a form as directed by the Lord Chancellor with the approval of the Treasury.

#### a) Accounting convention

The accounts are prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, and intangible assets, in accordance with Treasury guidance.

#### b) Funding

Government grant-in-aid received is accounted for as funding through the general reserve.

#### c) Income

Income represents the recovery of costs, as the JAC does not generate income through its normal activities.

#### d) Accounting for value added tax

The JAC is not permitted to recover any VAT on expenditure incurred. All VAT is therefore charged to the relevant expenditure category.

#### e) Property, plant and equipment

The JAC does not recognise any property, plant and equipment as such assets are held by the MoJ, which we utilise through the services and facilities provided by the sponsoring department. Assets costing more than the prescribed capitalisation level of £5,000 are treated as capital assets. Where an item costs less than the prescribed limit but forms part of an asset or grouped asset whose total value is greater than £50,000, the items are treated as a capital asset.

#### f) Intangible assets

The Intangible Asset associated with the development of the Judicial Appointments Recruitment System comprises internally developed

software for internal use and software developed by third parties. Development costs that are directly attributable to the design and testing of this identifiable and unique software product controlled by JAC are capitalised when they meet the criteria specified in the FReM, which has been adapted from IAS 38 'Intangible Assets'. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Subsequent to initial recognition, intangible assets are recognised at fair value. As no active market exists for the JAC's Intangible Asset, fair value is assessed as replacement cost less any accumulated amortisation and impairment losses (Depreciated Replacement Cost, or DRC). The capitalisation threshold for software projects and for subsequent additions that enhance the economic benefit of the asset is £5,000. Intangible Assets are revalued at each reporting date using the Producer Price Index (PPI) produced by the Office for National Statistics (ONS). The accumulated amortisation is eliminated against the gross carrying amount of the asset. The policy is to revalue at the year-end through indexation, but this hasn't been done for this year, as the asset went live very close to the year-end date. Any Intangible assets under construction are not amortised until the assets are ready for use, at which point they are amortised using the straight-line method over their expected useful lives. The useful life of this internally developed software is five years.

#### g) Pensions policy

Past and present employees are covered by the provisions of the PCSPS schemes. The defined benefit schemes are unfunded except in respect of dependants' benefits. The JAC recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from the employees' services, by payments to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS.

#### h) Services and facilities provided by sponsoring department

In accordance with the Framework Document, the JAC does not meet the costs of certain services as these are provided by the MoJ, and are non-cash charges. These services are agreed and managed through memoranda of understanding between the JAC and MoJ, and provide: legal services; finance training; accommodation; HR services; provision of IT equipment; internet/intranet facilities; and procurement advice. An analysis of these charges can be found in note 4.

**i) Receivables**

Receivables represent amounts due to the JAC at the year-end.

**j) Provisions, Contingent Liabilities and Assets**

In accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, we are also required to pay the additional cost in respect of employees who retire early from the PCSPS. The total cost is provided in full when the early retirement is approved as the liability becomes binding on the JAC.

In addition to contingent liabilities disclosed in accordance with IAS 37, the JAC discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money. Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament. There were none this year.

**k) Operating leases**

All payments under operating leases are charged to the Statement of Comprehensive Net Expenditure as they are incurred. The determination of a lease is based upon the substance of that arrangement

– whether the arrangement is dependent upon the use of a specific asset and conveys the right to use that asset.

The JAC has entered into an arrangement with an outsourced supplier, through the MoJ, to provide the use of assets, specifically the accounting system, in return for payments made. The payments made specifically for these assets have been accounted for as operating leases.

**l) Impending application of newly issued accounting standards not yet effective**

The JAC provides disclosure where it has not yet applied a new accounting standard, and discloses known or reasonably estimable information relevant to assessing the possible impact that initial application of the new standard will have on the JAC's financial statements.

**m) Financial instruments**

As the cash requirements of the JAC are met through grant-in-aid provided by the MoJ, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the JAC's expected purchase and usage requirements and the JAC is therefore exposed to little credit, liquidity or market risk.

**n) Operating segments**

The JAC does not have any operating segments to report.

**Note 2 Staff costs and numbers**

Staff costs comprise

							2014/15	2013/14
Commissioners	Panel chairs and lay panel members	Permanent staff	Seconded staff	Fixed term contracts	Other contracted staff	Total	Total	
	£000	£000	£000	£000	£000	£000	£000	
Wages and Salaries	164	317	1,665	22	212	57	2,437	2,842
Social Security Costs	21	64	132	2	15	-	234	268
Other Pension Costs	-	-	326	5	30	-	361	400
	<b>185</b>	<b>381</b>	<b>2,123</b>	<b>29</b>	<b>257</b>	<b>57</b>	<b>3,032</b>	<b>3,510</b>
Early Departure	-	-	276	-	-	-	276	-
	<b>185</b>	<b>381</b>	<b>2,399</b>	<b>29</b>	<b>257</b>	<b>57</b>	<b>3,308</b>	<b>3,510</b>

During the year £147k (2013/14 - £35k) of staff costs has been capitalised.

The costs disclosed in the Remuneration Report are included within this staff costs note.

In 2014/15, the JAC employed its own staff (permanent staff, on loan and those on fixed term contracts). Other contracted staff are supplied by agencies. All irrecoverable value added tax is included within wages and salaries. No VAT is included in social security or other pension costs.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme, but the JAC is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the Resource Accounts of the Cabinet Office: Civil Superannuation ([www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)).

Employers' contributions for staff seconded from other government departments, payable to the PCSPS, are made from the sponsor department. The JAC is recharged the full cost of employing

staff on secondment, including other pension costs. For 2014/15, employers' contributions of £361k were payable to the PCSPS (2013/14: £400k), at one of four rates in the range 16.7% to 24.3% (2013/14: 16.7% to 24.3%) of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2014/15 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

JAC and government department employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. These are handled through the MoJ (which provides the pension service for JAC staff) or the employee's sponsor department and are paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. There were no such contributions for 2014/15 (2013/14: Nil).

The average numbers of full-time equivalent persons employed during the year were as follows:

	Commissioners	Panel chairs and lay panel members	Permanent staff	Seconded staff	Fixed term contracts	Other contracted staff	Total
<b>2013/14</b>	2	6	57	-	6	4	<b>75</b>
<b>2014/15</b>	2	5	49	-	8	2	<b>66</b>

The average numbers for Commissioners, Panel chairs and lay panel members represent their total respective input into the JAC in full-time equivalent terms.

There were six voluntary departures in the year (2013/14 – one).

**Reporting of Civil Service and other compensation schemes – exit packages**

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	-	-
£10,000 - £25,000	-	3	3
£25,000 - £50,000	-	1	1
£50,000 - £100,000	-	1	1
£100,000 - £150,000	-	1	1
Total number of exit packages by type	-	6	6
Total cost £000	-	276	276

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the JAC has agreed early departures, the additional costs are met by the JAC.

<b>Note 3 Other expenditure</b>		
	<b>2014/15 £000</b>	<b>2013/14 £000</b>
<b>Selection exercise programme</b>		
Panel members' travel and subsistence	165	228
Advertising	7	8
Outsourced accommodation and IT	49	51
Actors' costs	66	31
Direct selection process costs	16	35
Staff travel and subsistence	4	20
Commissioners' travel and subsistence	6	8
	<b>313</b>	<b>381</b>
<b>Other programme costs</b>		
Outreach and Communications	10	8
Commissioners' travel and subsistence	6	10
Research	40	61
Judicial Appointments Recruitment System	111	-
Panellist training	39	41
	<b>206</b>	<b>120</b>
<b>Administration costs</b>		
Staff travel and subsistence	7	4
Staff training and events	15	19
Office expenses	6	6
Recruitment	2	3
Legal services	24	6
External audit	29	29
	<b>83</b>	<b>67</b>
<b>Non-cash items</b>		
Amortisation	23	-
Approved early retirement	4	-
	<b>27</b>	<b>-</b>
<b>Shared Services</b>		
Internal audit	31	31
E-delivery/IT services	4	5
Financial services	71	66
	<b>106</b>	<b>102</b>
<b>Total</b>	<b>735</b>	<b>670</b>

The auditors did not perform any non-audit work and therefore received no remuneration for such work.

The reasons for the significant changes in expenditure are as follows:

- Actors' costs: Selection exercise costs generally depend on the nature of the programme being delivered, and in 2014/15 there was one particular exercise that required a significant use of actors – Deputy District Judge (Civil).
- Research: This work differs each year, in 2013/14 more spend was incurred as a result of initial investigations into the Judicial Appointments Recruitment System than was incurred in 2014/15 in relation to diversity and the selection process review on competency frameworks.
- Judicial Appointments Recruitment System: This relates to spend on the new IT system that didn't relate to enhancements of functionality. No such spend was incurred in the prior year.
- Legal costs: These increased due to the nature of the case work undertaken.

**Note 4 Services and facilities provided by sponsoring department (non-cash)**

	2014/15 £000	2013/14 £000
Legal and Judicial Services Group	-	-
Commercial Group	858	887
Human Resources Directorate	8	11
E-Delivery Group	417	417
Information operations	11	21
Communications	23	4
Shared services	42	48
Procurement	41	-
	<b>1,400</b>	<b>1,388</b>

The recharge information from MoJ does not provide for the legal advice received through the Legal and Judicial Services Group, and, as agreed with MoJ, has not been incorporated.

**Note 5 Income**

	2014/15 £000	2013/14 £000
Other income	1	7
	<b>1</b>	<b>7</b>

Income represents recovery of costs associated with a St Helena Court of Appeal exercise. In 2013/14 it related to the Motor Insurers' Bureau exercise, and contributions in relation to the completion of the Barriers to Entry research that was concluded in the year.

**Note 6 Intangible assets**

	Development Expenditure £000	Information Technology £000	Total £000
<b>Cost or valuation</b>			
At 1 April 2014	134	-	134
Additions	553	-	553
Reclassification	(687)	687	-
At 31 March 2015	-	<b>687</b>	<b>687</b>
<b>Amortisation</b>			
At 1 April 2014	-	-	-
Charged in year	-	23	23
At 31 March 2015	-	23	23
<b>Carrying amount at 31 March 2015</b>	-	<b>664</b>	<b>664</b>
<b>Carrying amount at 1 April 2014</b>	<b>134</b>	-	<b>134</b>

The whole amount of the intangible asset relates to the JARS project. The remaining amortisation period at the year-end is 4 years and 10 months.

<b>Note 7 Trade receivables and other current assets</b>		
	<b>31 March 2015</b>	<b>31 March 2014</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year</b>		
Deposits and advances	9	12
Other receivables	30	23
Prepayments	-	1
	<b>39</b>	<b>36</b>
<b>Analysis of balances</b>		
Balances with government bodies	30	23
Balances with bodies external to government	9	13
	<b>39</b>	<b>36</b>

<b>Note 8 Cash and cash equivalents</b>		
	<b>31 March 2015</b>	<b>31 March 2014</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	908	710
Movement	(368)	198
Balance at 31 March	<b>540</b>	<b>908</b>

All cash and cash equivalents are held at the Government Banking Service.

<b>Note 9 Trade payables and other current liabilities</b>		
	<b>31 March 2015</b>	<b>31 March 2014</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year</b>		
Trade payables	12	24
Other payables	54	53
	<b>66</b>	<b>77</b>
Other taxation and social security	68	80
Accruals	592	356
	<b>660</b>	<b>436</b>
	<b>726</b>	<b>513</b>
<b>Analysis of balances</b>		
Balances with government bodies	278	300
Balances with bodies external to government	448	213
	<b>726</b>	<b>513</b>

**Note 10 Provisions for liabilities and charges**

	Approved Early Retirement £000	Total £000
<b>Balance at 1 April 2014</b>	6	6
Provided in the year	4	4
Provisions utilised in the year	(10)	(10)
<b>Balance at 31 March 2015</b>	-	-

The provisions utilised in the year relate to the amount of the provision payable in relation to 2014/15, and was paid during the year.

**Note 11 Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not yet incurred is £Nil (2013/14 - £194k).

**Note 12 Commitments under leases**

There are no commitments under leases as at the end of the reporting period (obligations not later than one year of £11k in 2013/14).

**Note 13 Contingent liabilities**

There are no contingent liabilities as at the balance sheet date (2013/14 Nil).

**Note 14 Related party transactions**

The JAC is a Non-Departmental Public Body sponsored by the MoJ. The MoJ is regarded as a related party. During the period, the JAC had various material transactions with the MoJ. In addition the JAC has had material transactions with HM Revenue and Customs.

No board member, key manager or other related parties have undertaken any material transactions with the JAC during the year.

**Note 15 Losses and special payments**

There were no losses or special payments in the year ended 31 March 2015 (2013/14 Nil).

**Note 16 Events after the reporting period**

There were no significant events after the reporting period.

In accordance with the International Accounting Standard 10 'Events after the reporting period', accounting adjustments and disclosures are considered up to the point where the financial statements are 'authorised for issue'. In the context of the JAC, this is interpreted as the date on the Comptroller and Auditor General's audit certificate.

**Note 17 Financial instruments**

As the cash requirements of the JAC are met through grant-in-aid provided by the MoJ, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the JAC's expected purchase and usage requirements and the JAC is therefore exposed to little credit, liquidity or market risk.







**Copies of this publication can be made available in alternative formats on request.**

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