

# **ANNUAL REPORT AND ACCOUNTS 2017-18**



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# The Northern Ireland Guardian Ad Litem Agency Accounts for the Year ended 31 March 2018

*Laid before the Northern Ireland Assembly  
under section 11(3) (c) of the Government Resources  
and Accounts Act (Northern Ireland) 2001  
by the Department of Health*

On

*17th July 2018*

The Northern Ireland Guardian Ad Litem Agency (NIGALA) was established as a Special Agency by virtue of powers contained in the Health and Personal Social Services (Special Agencies) (NI) Order 1990. The Northern Ireland Guardian Ad Litem (Establishment and Constitution) Order (NI) 1995 was introduced on 1<sup>st</sup> December 1995 making provision for the constitution of the Agency and appointment of the Agency Board.

## **Northern Ireland Guardian Ad Litem Agency - Board Members**

Mr Bernard Mitchell (Chair)

Mr Peter Reynolds (Chief Executive)

Mrs Gillian McGaughey (Non-Executive Director)

Mr Fred Smyth (Non-Executive Director)

Dr Karen Winters (Non-Executive Director)

Mr David Watters (Non-Executive Director) – *term ended 4<sup>th</sup> August 2017*

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## Introduction by the Chair

I am pleased to present the Northern Ireland Guardian Ad Litem Agency's (NIGALA) Annual Report and Accounts for the period 1 April 2017 to 31st March 2018.

Our '*mission statement*' remains unchanged in that we strive to be child focused and inclusive and as such NIGALA is committed to providing a service to all children and young people based on the core values of human dignity, respect and empowerment. The Agency has sought to promote new ways of thinking about how children and young people participate in, and are central to, the decision-making processes which impact on their lives, and this resulted in some notable improvements.

Important as it is to report and celebrate success, over the past year the Agency has also seen many significant challenges and changing approaches within the family justice system. This resulted in difficulty in consistently responding to high levels of demand, which unfortunately caused some delay in allocating a guardian in a significant number of cases.

In the face of these challenging demands on services, our staff and managers have responded with energy and vigour, reflecting not only great resilience but a commitment to keeping an unwavering focus on providing a quality service to every child.

Throughout the year, our Board, managers and front-line staff have therefore focused on how we can make positive changes to maximise the resource available but have also worked hard to ensure we have the necessary budget to continue to develop our service into 2018-19 and beyond.

At a more strategic level, I can confirm, on behalf of staff members and management, that there is a clear recognition of the need for change and in this context, I am pleased to note the words of the Right Honourable Lord Justice Gillen<sup>1</sup>, when he said of the need to reform family justice;

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<sup>1</sup> Review of Civil and Family Justice in Northern Ireland (2017)

***‘other recommendations that I would see as a high priority, and which resonate with me greatly on a personal level, are those designed to make the justice system more accessible and responsive to children and those with additional needs. The ‘best interests’ principle demands that the voice of the child must be heard’.***

Board input and effectiveness remains a key priority, and as Chair, I am pleased that as a Board we are hearing directly from key stakeholders, including young people, on a regular basis. To this end the Board has commissioned a ‘*common interest debate*’ with partners in care and family justice to utilise the benefits of collaborative working. It is my hope that the outcomes of such an event will form the basis of some new thinking and ways of working, to be reported on in the forthcoming year.

We are pleased to report that we have also established closer collaborative working links with other stakeholders in both social care and justice. We see the establishment of the Shadow Family Justice Board as an opportunity to not only make real the process of changing the face of family justice in Northern Ireland, but more importantly to firmly establish mechanisms of ‘*co-design*’ and ‘*co-production*’ heralding a more effective collaborative model of working, based on attitudinal and behavioural change.

During the year, we also hosted a conference which celebrated 21 years of the Children (NI) Order 1995 and the establishment of NIGALA, with the theme of ‘*children’s participation and having their voices heard*’. This was a very positive and well attended event which provided a clear focus on identifying and meeting the needs of children in the care system and opened several useful avenues for further consideration.

If there is one single message to be remembered from 2017/18, it is best summed up in the words of those young people who participated in the Conference and who have had the experience of our care and judicial system;

***‘It was my life that was affected by each choice being made....***

***All I would have asked is:***

***That you gave me your  
time and full attention***

***That you saw me as the  
child that I was and not the  
case number I became***

***That you listened to me, kept  
me involved and got my  
opinion***

In this context, in 2018/19 the Board will continue to work hard to secure the resources we need to support staff, maintain quality of service and meet new demands, while also ensuring that what we do have is used to best possible effect in front-line services to children.

Finally, on behalf of the Board, I wish to express sincere appreciation and thanks for the dedication and hard work of Guardians, corporate staff and the Senior Management Team. I also wish to recognise the work of Board members who generously give their experience and time.

Finally, in what are financially challenging and politically uncertain times, and on behalf of all the NIGALA staff I wish to acknowledge the support, guidance and help given by the Department of Health. Based on their recognition of the value social work plays in our society to improve and safeguard social wellbeing, a stronger foundation has been created for more equal partnerships between the people who use and deliver services.

I am pleased to commend this Annual Report.



Mr Bernard Mitchell, Chair  
5<sup>th</sup> July 2018



# Performance Report

The Performance Report provides information on the Northern Ireland Guardian Ad Litem Agency (NIGALA), its main objectives and strategies and the principal risks that it faces.

The Performance Report of the NIGALA is presented in two sections:

1. A Performance Overview, setting out the purpose of the NIGALA and the Chief Executive's perspective on its performance against its objectives and the risks to the achievement of those objectives; and
2. A Performance Analysis, providing a balanced and comprehensive analysis of the organisation's performance during the year.

## **Performance Overview**

### **Our Purpose**

The Northern Ireland Guardian Ad Litem Agency was established in accordance with Article 60(7) of the Children (Northern Ireland) Order 1995 and Guardian Ad Litem (Panels) Regulations (Northern Ireland) 1996. The function of the Agency is to safeguard and promote the interests of children by providing independent social work investigation and advice in court proceedings and to provide effective representation of children's views and interests.

As part of the Health and Social Care Framework for Northern Ireland the NIGALA seeks to support the Department of Health's (DoH) overall duty to promote an integrated system of health and social care designed to improve the health and social wellbeing of the people of Northern Ireland.

The NIGALA's performance framework is determined by the Department of Health in the light of its wider strategic aims and of current Public Service Agreement (PSA) objectives and targets. The priorities and objectives for meeting the NIGALAs overall aim are set out

in its annual Business Plan, the key objectives of which are subject to approval by its Sponsor Branch in the Department of Health. In common with all Arms-Length Bodies (ALBs), on issues of governance and assurance, the NIGALA is directly accountable to the Department of Health.

## **Chief Executive's Statement**

The NIGALA has undertaken a broad range of work and activities in delivering its core business objectives, despite working under increasingly challenging circumstances. This year NIGALA recorded 763 new requests from court input involving 1190 children and young people.

Against a UK decrease in the number of care applications by 2.7% compared to 2017, figures which represent the first annual drop in application in recent years, the picture for Northern Ireland is one where there has been no significant rise in demand compared to last year but a levelling off in the number of court appointments for Guardians. Despite this, there has been a 27% rise in care applications over two years with a 22% increase in the number of children. The reason for these increases is not yet understood and there is no way of knowing whether this '*levelling off*' is a future trend or not. The NIGALA has sought to absorb this increase in work over two years within its current resources, supplemented by non-recurrent funding from the Department. This has compromised our performance in allocating a resource within our desired timeframes.

The Agency has embarked on a process of re-engineering to find better and more effective ways to provide its service, including efforts to improve collaborative working within the sector, and working closely with the Department of Health to increase front-line staffing. This is being underpinned by better management information on our work and a sharing of this information with key stakeholders to better manage expectations.

Our fundamental role in representing children and young people to safeguard their interests has remained unchanged. Linked to this and striving towards ongoing improvement, NIGALA has actively pursued the development of a network of organisational partnerships within the respective frameworks of social care and family justice. It is an important strategic objective for NIGALA to have a central role in improving 'Social Wellbeing' through strengthening social work and interfacing with stakeholders. I

am pleased to report the Agency is increasingly placing itself at the forefront of partnership discussions which creates the climate for improving outcomes for children and families.

In the past twelve months we have contributed to a range of strategic initiatives <sup>2</sup> with the primary focus on providing a platform for the participation of children and young people in the court process. We have welcomed the opportunity to share our practice wisdom, knowledge and skills with members of the Northern Ireland judiciary, who are also on a journey to help children and vulnerable witnesses articulate their own '*oral testimony*' as a key component of our justice system.

The Agency supports continuous improvement in a variety of ways, most notably through the work of the recently established 'Inter-Agency Childcare and Legal Issues Group' which presented its first social-legal seminar in March 2018, exploring the challenges of determining '*competence*' in the context of longstanding emotional and physical neglect. This seminar was chaired by The Honourable Mr Justice O'Hara (Family Judge) with presentations from our legal colleagues, the Voice of Young People in Care (VOYPIC) and with messages from research. In the context of collaboration, it is important to recognise the support the NIGALA receives from our local Universities, the Panel Solicitors, barristers and the Judiciary. I would wish to acknowledge how much is delivered by many in addition to their 'day-to-day' job that does not always receive the recognition it deserves. The common objective is to achieve what must be at least a safe, and at best, lasting outcomes for children in which their '*voice*' must be heard.

NIGALA is not immune from the wider systemic challenges and changes which are impacting on health and social care. Such are the nature of these changes characterised by increasing demands, a more active and participative collaborate approach across a wide spread of organisations and services is required. Underpinned by attitudinal and behaviour change, I make no apology for highlighting how the NIGALA is promoting '*working across boundaries*' and a new '*leadership culture*'.<sup>3</sup>

Against a backdrop of co-producing change, and largely through the hard work and extra good will of staff and managers, the Agency has provided some important opportunities and messages for colleagues involved in working with children and families. In our Autumn

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<sup>2</sup> Care Proceedings Pilot, FDAC.

<sup>3</sup> HSC Collective leadership Strategy- Health and Wellbeing 2016: Delivering Together

Conference, over 200 delegates heard the moving messages and testimonies of children and young people who wanted to have their own say.

Arising from the Conference, the stakeholder group discussions resulted in identifying several important areas for further action, which included;

- Children and young people being kept central to the process;
- Consistency of approach across the system of family justice;
- Children and young people 'rights and opinions matter';
- Reframe approaches to engaging with families – 'everyone working together'<sup>4</sup> with professionals communicating clearly;
- Relationships are key, working in 'partnership';
- The 'voice of the child' is heard and given information using simple language;
- The use of a 'solutions focused approach';
- Ensure 'robust assessments' and decision making within the child and court's 'time-frames';
- Support and enable parents to have ownership of issues and engage constructively in the process;
- Create a positive working environment with a resilient workforce;
- Focus on 'outcomes'.

It is interesting to note that some of the above themes, have been identified elsewhere, applying to the wider framework of justice<sup>5</sup> and are worthy of further consideration.

In 2017-18 the Agency has continued to develop tools and techniques for engaging with children and young people in order to better promote children and young people's participation in our work. This includes the development of a '*children's board*' and an "app" to collect timelier and better-quality feedback.

Continuous improvement based on respectful challenge is the best way to develop a sustainable and relevant service. Without a systemic understanding of why change is required there can be no innovation or development; this must surely be our collective responsibility in the interests of achieving better outcomes for children and young people.

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<sup>4</sup> Signs of Safety Approach to Child Protection.

<sup>5</sup> NIAO – 'Speeding up Justice: avoidable delay in the criminal justice system (27/3/18) and the 'care Crisis Review' Family Rights Group (2017/18).

## **Complaints about the Northern Ireland Guardian Ad Litem Agency**

The NIGALA received one complaint about its services in the course of the year. Complaints are a valuable way to learn how to improve services. The NIGALA takes all feedback very seriously and is constantly reviewing the service it offers to improve the experience of children and young people and those it works with.

## **Staff**

The Agency has a small staff complement across its corporate and professional functions, which strives to make a difference for children and young people in a large and complex system. As the Accounting Officer for the NIGALA, I feel immensely proud and privileged to lead an organisation of staff who through their commitment and professionalism have responded so positively to the pressures of the past year.

## **Our Buildings**

NIGALA holds three office accommodation leases sited strategically in Belfast, Derry/Londonderry and Armagh. In 2016-17 NIGALA completed the rent review process for each office and renewal leases were agreed for each office. The renewal lease which has been agreed for the Armagh and Derry/Londonderry office extends until July 2020 and the lease for the office in Belfast extends to November 2019.

## **Risk Management**

The NIGALA Board receives strategic updates on issues which may impact on the organisation. The Board also maintains a Corporate Risk Register which is routinely considered at all meetings of the Audit and Risk Assurance Committee and formally reviewed by the Board on a six-monthly basis.

Within the year the Board monitored closely several key sectoral risks and issues which it considered for possible impact on achievement of its Business Plan objectives.

Diminishing resources is a challenge facing all public-sector organisations and I would wish to acknowledge the support we have received from the Department of Health and Sponsor Branch. Internally the NIGALA has grown in its efficiency by finding new ways to do its work, particularly in moving to a paper-less environment.

## **Finance Summary**

The NIGALA receives its main funding from the DoH in the form of a Revenue Resource Limit. The monies fund the work of the NIGALA Business Plan. The Financial Statements for the year-end 31st March 2018 can be found on pages 67-70. The following table summarises the performance against targets.

<b>Net Expenditure</b>	£4,173,554
<b>Revenue Resource Limit</b>	£4,174,156
<b>Surplus against Revenue Resource Limit</b>	£602
<b>Breakeven position in year as % of Revenue Resource Limit</b>	0.01%

In year the NIGALA received a capital funding allocation of £9,248.

The Board of the NIGALA received regular updates on expenditure and year end forecasting to ensure the organisation met its statutory breakeven requirements in 2017-18.

## **Going Concern**

The NIGALA ended the year in a net liability position due to its holding minimum fixed assets and debtors and income from the DoH treated as financing through reserves.

As illustrated in our Statement of Financial Position, the NIGALA operates with a net liability position, largely generated by our trade and other payables liability compared to a small capital asset base. As a non-departmental public body, the NIGALA is funded through DoH. As DoH funding will continue for the foreseeable future this ensures that the preparation of our accounts as a going concern is the correct basis.

The accounts have been prepared on the going concern basis. Management are not aware of any conditions or events, currently or in the future, that would bring this assumption into question.

### **Investment Strategy and Plans**

The NIGALA receives its funding on an annual basis and has no requirement for an Investment Strategy or Investment Plans.

### **Accounts**

The Accounts have been prepared under a direction issued by the Department of Finance under Circular FD (DoF) 03/18.

A handwritten signature in black ink, appearing to read 'P. Reynolds', is positioned above the printed name and date.

**Peter Reynolds, Chief Executive**  
**5<sup>th</sup> July 2018**

## Performance Analysis

While the Agency's legislative mandate in respect of the governing legislation, the Children (NI) Order 1995 and the Adoption (NI) Order 1987 remains unchanged, the strategic and operational context is evolving with a focus on efficiency and outcomes in a climate of financial austerity.

The NIGALA has an annual business plan approved by the Board. The Board have approved several Key Performance Indicators (KPIs) to monitor performance of the organisation. These have been set out against Strategic Themes within the Corporate Plan. The Board review performance at each of its meetings against the KPIs. Performance against the Indicators as at the 31<sup>st</sup> March 2017 is outlined below under a colour coded rating:

**Green:** KPI achieved.

**Orange:** KPI substantially achieved.

**Red:** KIP substantially not achieved.

Strategic Themes	Current KPIs	Performance
Compliance with legislation and guidance.	<b>Allocation of Guardian Ad Litem to case requests*</b>	
	<b>KPI: Allocation of Secure Accommodation Cases</b> 95% of Secure Accommodation cases allocated within 8 working days following court request	78.0%
	<b>KPI : Allocation of Emergency Protection Cases</b> 95% of Emergency Protection Order cases allocated within 3 working days following court request	83.3%
	<b>KPI : Allocation of Care Proceedings Cases</b> 80% of all Care Type cases allocated within 8 working days of court request	65.1%
	<b>KPI : Allocation of Adoption Cases</b> 90% of Case appointments by work day 8 following court request	87.0%



Efficient use of Resources.	<p><b>KPI : Case Load Productivity</b> An average of 11 'live' cases at any point in time per whole time equivalent (wte) guardian ad litem to be achieved as a workload figure</p> <p><b>KPI : Financial Breakeven</b> NIGALA achieves a financial breakeven target of 0.25% or £20,000 (whichever is the greater) of revenue allocation for 2017/18</p> <p><b>KPI : Absence</b> NIGALA absence target set at 4.3%</p>	<p>12.7</p> <p>Breakeven forecast</p> <p>4.2%</p>
Children at the Centre of NIGALA decision making.	<p><b>KPI : Children Satisfaction Rating</b> 75% of responses to our survey from children (8 yrs +) by means of paper questionnaire or Viewpoint to give a satisfaction rating of 'good' or 'excellent'</p>	96.3%
Valuing staff and promoting learning.	<p><b>KPI : Corporate Appraisals</b> 90% of appraisals as required under Agenda for Change completed for all eligible staff</p>	100%
Delivery of a quality service to agreed standards.	<p><b>KPI : Positive Solicitor Feedback through Reciprocal Feedback at Case Closure</b> 80% of Solicitors provided positive evaluation of the Guardian's role linked to expectations informed by "The Protocol for the Working Relationship Between NIGALA Panel Solicitors and Guardians ad Litem December 2015 – 2020"</p>	100%

\*The under achievement against KPIs for allocation of Guardians Ad Litem in response to requests has been underpinned by two key issues

1. An increase in Requests: Over the past two years there has been an increased level of Guardian appointment requests. In 2015-16 there were 709 requests and in 2017-18 there were 763 requests.
2. A decrease in the rate of closure of cases, increasing the number of live cases allocated to Guardians. In 2015-16 there were 707 cases closed and in 2017-18 there were 669 cases closed. It should be noted that closure of cases is dependent on final court hearings, outside the control of a Guardian.

This in effect is a net increase of 92 cases on the 2015-16 service workload pressures. There has been no change in headcount over this period and workloads have been absorbed within existing staffing levels. In addition, the Agency has found 25% of its workload (162 cases at March 2018) involves cases which have been open for over 400 days.

In addition, the number of complex cases is increasing with the societal impact of drugs, alcohol and family breakdowns combining to make good outcomes for children more difficult.

## **Safeguarding and Promoting the Interests of Children and Young People**

### **Requests for representation**

The core purpose of the NIGALA work is to represent the interests of the children and young people in Court and to report to the Court the wishes and feelings of the child regarding their circumstances and preferred outcome to the proceeding. This is done through the appointment of a Guardian Ad Litem by the NIGALA at the request of the Court. Overall the NIGALA received 763 new requests to represent 1190 children in court over the course of the year. Appointments in Adoption proceedings accounted for 14.68% of the Agency workload (112 cases involving 140 children).

A breakdown of these requests by Trust can be seen in the following table, Table1.

**Table 1**

*Number of Adoption and Specified cases by HSC Trust*  
*(1<sup>st</sup> April 2017 – 31<sup>st</sup> March 2018)*

HSC Trust	Public Law Proceedings		Adoption Proceedings <sup>*</sup>	
	No of Cases	No of children	No of Cases	No of children
Belfast HSCT	166	262	27	29
Northern HSCT	141	222	21	33
South Eastern HSCT	111	189	26	30
Southern HSCT	134	211	20	24
Western HSCT	99	169	16	21
Total	651	1053	110	137

*\*Family Care Society was the Adoption Agency in two additional cases involving three children.*

There were also five cases where the NIGALA provided representation under the Human Embryology and Fertilization Act 2008 which did not involve the HSC Trusts.

The regional variations reflect an overall reduction in public law proceedings and adoption proceedings, with cases down by 34 cases to 763. However, it should be noted that:

- The Southern HSC Trust figures show a significant increase for the reporting period both in respect of number of cases and children (134 cases involving 211 children in 2017-18 compared to 101 cases in respect of 168 children in 2016-17).
- There was an overall reduction in the number of adoption proceedings of 34 (23.29%) on 2016-17.

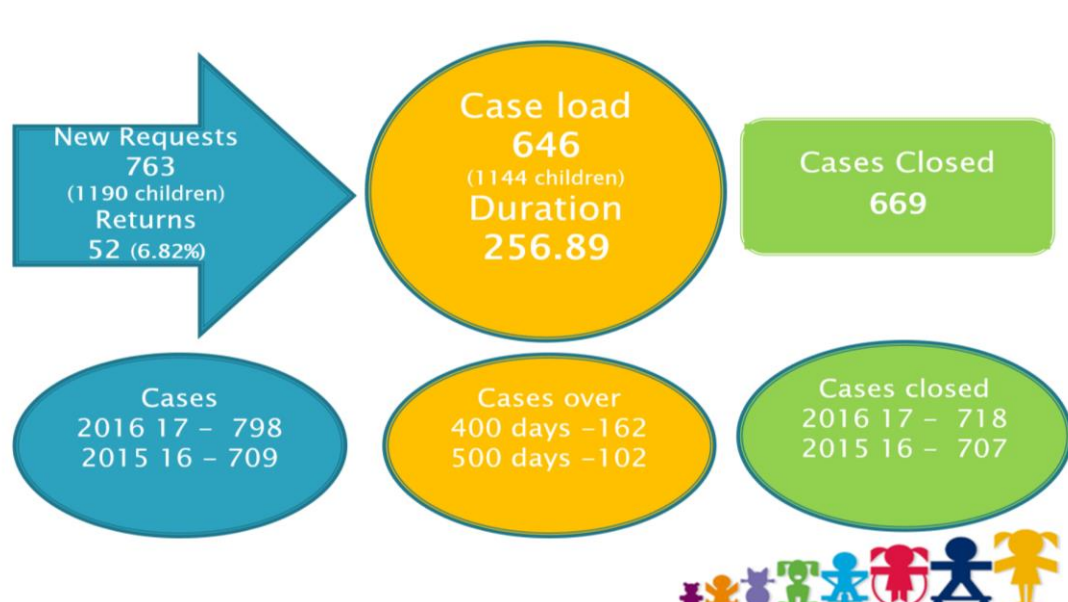
The underlying reasons for these differences are not clearly understood. On the back of this, the Agency's Board and Senior Management Team have undertaken strategic engagements with key stakeholders such as the Trusts to help all involved improve their understanding and most importantly outcomes for children. This strategic engagement is most visible in the Agency's contribution to the Family Shadow Justice Board.

## Duration of proceedings

The need to achieve timely and sustainable outcomes in keeping with the child's age and assessed needs is a shared aspiration in court proceedings. Over the past year the NIGALA has seen 669 cases closed and had an ongoing live case load of 630 cases at any one moment in time. Whilst the number of requests for the appointment of a Guardian has remained comparable over the past two years, cases have not been closed with a final court hearing at the same rate, with the result that the live caseload and children requiring ongoing support has increased.

The average duration of a case with the NIGALA is 257 days. However, the Agency is monitoring those cases which are exceeding the average duration times. The NIGALA has found that 25% (an ongoing average of 160 cases) of its live case load is taking over 400 days to complete.

The overall performance for the NIGALA for the year ended 31<sup>st</sup> March 2018 can be seen in the chart below.



## Personal and Public Involvement

Listening to the voices of children and young people is a core element of the NIGALA mission and we actively seek to hear what they say.

## Feedback

As part of the process to improve service delivery to children and young people, the NIGALA provides feedback opportunities to children and young people (aged 5 years and over) at the end of their court proceedings.

Currently children and young people can provide feedback using paper and online questionnaires or through the assistance of a VOYPIC worker.

During 2017-18, a total of 80 children and young people took the opportunity to share their views and their experience of our service. Of the young people and children who responded 96.3% thought our service was excellent or good. No child or young person thought the service was poor.

In providing their feedback young people told us what was most helpful about having a guardian. Some of their comments were;

- “She explained things so I understood”
- “The most helpful thing was that she told me about what happens at Court”
- “Explained everything, listened to me and told the Judge what I wanted”
- “He let the Judge know what I wanted and told me everything that was happening in Court”
- “I got to go to Court”
- “He got my point across”

The NIGALA is currently collaborating with children and young people in revising its feedback questionnaire and the current options for feedback (paper, online). We have developed a mobile phone app so children and young people can provide real time feedback to ensure we are a current and relevant service and using the mediums for communication favoured by our service users.

## Young People's Forum

During 2017-18 NIGALA has sought to integrate children's feedback into how we improve our service by setting up a Young People's Forum.

Through the Forum the young people devised a charter called **My Expectations** which highlighted what they wanted to convey to Guardians and other professionals who are involved in their lives. The NIGALA has adopted these into its work activities and the approach to achieving its objectives. The Expectations are outlined below.

1. I should always be at the centre of everything during the care proceedings.
2. My needs, wishes and feelings must be considered at every stage of the process.
3. Judges need to listen and hear from me directly, in person or by letter.
4. It is always best for the judge to hear the powerful feelings included within my words.
5. I have to be able to build a trusting relationship with my Guardian to help me talk about my most private and painful wishes and feelings.
6. It is most important that my words are not changed when the Guardian is explaining my wishes and feelings to help the court understand my life.
7. I should also be supported by Trust Social Workers to participate in decision-making discussions at my LAC review meetings. It's my meeting about my life.
8. Adults should not make decisions about my life without me knowing and having been consulted to participate in decision-making discussions.
9. If things are not going well for my parents and they can't look after me, I should have the opportunity to have a new family to help make my life a bit easier.
10. I have the right to be safe and to have a better life. Make my life as good as it can be.

11. My relationship with my siblings may actually be my most positive and important relationship.
12. Sibling relationships are sometimes seen as secondary to my relationship with parents but my sisters and brothers are equally as important. Our relationship must be protected so it can continue and grow stronger.
13. It doesn't matter how much we fight as sisters and brothers, we still love each other. My siblings are my most important lifelong bond.
14. It is my right to have regular contact with my family, no matter how complicated, difficult or even upsetting it might be sometimes. Contact is not just about now; it's also about my future relationship with my family.
15. Trust social workers must organise and protect the maintenance of regular, ongoing contact arrangements so I do not suffer any long delays or extended periods of time when I can't see my siblings.

Regarding their participation in Court proceedings, the young people also drew up “**Top Tips for Judges when Meeting Me**”

1. Listen to what I tell you.
2. Please read information about me before we meet to help you understand who I am.
3. Explain to me if you might not be able to agree with what I want to happen.
4. Be honest and direct with me about what is possible / safe.
5. Help me to feel comfortable – remember I may feel nervous so please keep our meeting informal.
6. I might need to ask to meet with you more than once during the proceedings (at the beginning / in the middle / as part of the final hearing).
7. Try to make sure the care proceedings are sorted out faster, not delayed but also not rushed.

Both **My Expectations** and **Top Tips for Judges** were shared at the NIGALA Conference in November 2017, the theme of which was “**21 Years of Representing Children and Young People. What have we learned and what could we do better.**” The work

completed by the Young People's Forum was presented at the Conference by one of the Forum members.

### **Feedback from the Judiciary and Solicitors**

NIGALA seeks feedback from the Judiciary and from solicitors on an annual basis. In 2017/18 the feedback received from the Judiciary was limited with only two returns received. The following comment was noted:

"Their reports are thoughtful, thorough, insightful and clear and I am always impressed by their desire to do the very best for the children and the efforts they go to assist."

NIGALA seeks feedback from solicitors on a case to case basis as well as on the service as a whole. We received feedback from 56 solicitors out of a total of 109 requests. Of those who responded 100% thought the service was excellent or good. The continuing value of the Guardian role was a theme reflected throughout the majority of feedback forms as well as reflections on the changing role of the guardian and the relevance of focusing on developments such as children's and young people's participation in the process. The following comment were noted:

- "The child has been kept to the forefront at all times in the analysis and representation by Guardians"
- "Outstanding and elevated service exhibited by all GALs I have worked with"

### **NIGALA 21<sup>st</sup> Anniversary Conference 2017**

NIGALA hosted a conference to mark 21 years of the Agency at Belfast Hilton Hotel on the 17 November 2017. The theme of the conference was:

"21 Years of Representing Children and Young People  
– What Have We Learned and What Can We Do Better?"

More than 230 delegates attended the conference and feedback has been excellent. There was a strong focus on the voice of children and young people throughout the conference which included a video with young people talking about their experience of the



court process and how their involvement in decision making is the single most important factor.

## **Health and Safety at Work**

The NIGALA has an approved Health and Safety at Work Policy. The NIGALA complies with the requirements of the Health and Safety at work (NI) Order 1978 and all other relevant health and safety legislation and codes of practice. The NIGALA is committed to ensuring so far as is reasonably practicable the health, safety and welfare of its employees and of others who may be affected by its operations. The NIGALA receives expert advice and support on health and safety legislation and codes of practice through a Service Level Agreement with the Business Services Organisation. There have been no reported accidents in year.

The Health, Safety and Wellbeing Committee, which reports to the NIGALA Senior Management Team, has a responsibility to promote measures which ensure the health, safety and wellbeing of staff at work and for oversight of the NIGALA Sustainability action plan.

The Committee has representation from administration, corporate services, Guardians Ad Litem, and management, and also representation from each NIGALA office. The Committee meets twice yearly.

NIGALA has access to an Occupational Health Service. In addition, the Agency continues to fund and operate a programme of employee assistance and confidential counselling through the Inspire Workplace organisation.

## **Sustainable Development**

The NIGALA has a Sustainable Development Plan. The plan supports the Northern Ireland Executive' Sustainable Development Strategy entitled "Everyone's involved", May 2010.

# Accountability Report

The Accountability Report for NIGALA is presented in three main sections, set out as below:

## **1. Corporate Governance Report**

The purpose of the Corporate Governance Report is to explain the make-up of the NIGALA, its governance structures and how they support the achievement of the NIGALA's objectives. The Corporate Governance Report is comprised of:

- a) Directors Report;
- b) Statement of Accounting Officer Responsibilities; and
- c) Governance Statement.

## **2. Remuneration and Staff report**

The Remuneration and Staff report sets out NIGALA's remuneration policy for its Non-Executive Directors, reports on how that policy has been implemented and sets out the amounts awarded to its directors and those senior staff key to the organisation's accountability.

## **3. Accountability and Audit report comprising**

The Accountability and Audit report brings together key accountability documents on NIGALA funding, expenditure and accountability disclosures as set out in Managing Public Money Northern Ireland. The Accountability and Audit report is comprised of:

- a) Funding Report; and
- b) Certificate of the Comptroller and Auditor General.

# Corporate Governance Report

## **Directors Report**

### **Statutory Background**

The NIGALA was established under Article 60 of the Children (Northern Ireland) Order 1995.

### **Principle Activities**

The overarching objective of the NIGALA is to independently represent children and young people's wishes, feelings and best interests in public law and adoption proceedings in order to safeguard and promote their welfare.

### **Chair and Chief Executive**

The Chair is responsible to the Minister of the Department of Health (DoH). The Chair is Mr Bernard Mitchell.

The Chief Executive is a member of the Board. The Chief Executive is responsible to the Board, through the Chair, for managing the NIGALA. As the designated Accounting Officer the post-holder has specific financial responsibilities and duties for which he or she is accountable to the Permanent Secretary of the DoH in his or her role as the Accounting Officer of the NIGALA's Sponsor Department. The Chief Executive for the period was Peter Reynolds and he has responsibility for the Annual Report and Accounts for the whole of the financial year to 31st March 2018.

### **The NIGALA Board**

The Board of NIGALA comprises a Non-Executive Chair, four Non-Executive Members and the Chief Executive. Non-Executive Members are appointed through open competition by the Minister of Health. The terms of office for members are found in the NIGALA (Establishment and Constitution) Order (NI) 1995. The Order provides that the Members shall be appointed for a period of four years. The Order also provides for the reappointment of the Members for such further period, not exceeding four years, as the Department may determine.

The make-up of the Board of the NIGALA as at 31st March 2018 was:

- Mr Bernard Mitchell (Chair)
- Dr Karen Winter (Non-Executive Director)
- Mr Fred Smyth (Non-Executive Director)
- Mrs Gillian McGaughey (Non-Executive Director)
- Mr Peter Reynolds (Chief Executive)

### **Board Committee structure**

NIGALA has appointed the following Committees from its number:

- An Audit and Risk Assurance Committee.
- A Remuneration Committee
- An Information Governance Committee
- A Social Care Governance Committee.

### **Register of Interests**

The NIGALA maintains a register of interests which is formally reviewed annually. This register details interests which may conflict with the management responsibilities of Board members and is recorded as necessary. The Register can be viewed at <http://www.nigala.hscni.net/26.htm>.

Each Board meeting includes an agenda item asking Board members to declare any conflicts of interest in the meeting business. There were no conflicts of interest identified by members during the period of this report.

### **Pension Scheme for All Staff**

Details of the pension scheme for staff and the treatment of pension liabilities in the accounts are included in the 'Remuneration Report and Staff Report' section of this document.

The Comptroller and Auditor General has been appointed as auditor for the NIGALA.

The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that it is made known to the NIGALA auditors. So far as the Accounting Officer is aware, there is no relevant audit information of which the NIGALA auditors have not been advised.

The notional cost of the audit of the 2017-18 annual accounts was £9000.

The Business Services Organisation provides an internal audit service to NIGALA. The cost for 2017-18 was £6,412.

All reports by internal and external audit are considered by the Audit and Risk Assurance Committee.

There was no remuneration paid to the Auditors for non-audit work during 2017-18.

### **Prompt payments**

The NIGALA has sought to observe the principles of the “CBI Better Payments Practice Code”. The code advocates:

- Explaining payment procedures to suppliers;
- Agreeing payment terms at the outset and sticking to them;
- Paying bills in accordance with agreed terms, or as agreed by law;
- Telling suppliers without delay when an invoice is contested; and
- Settling quickly when a contested invoice gets a satisfactory response.

The code also seeks payment to be made within 30 days of the receipt of goods or valid invoice. In the course of the year a review of payments found that 98.0% of payments were made within the timeframe, against a target of 95%. It should be noted that 84.4% of invoices were paid within 10 days against a target of 70%.

The NIGALA compliance with this can be found in Note 14 of the accounts on page 105.

### **Personal data related incidents**

There were no reported incidents of loss of personal data during the 2017-18 year.

### **Fraud**

The NIGALA has a Fraud Policy and Fraud Response Plan in place and an appointed Fraud Liaison Officer. There were no reported incidents of Fraud within the year 2017-18.

**Whistleblowing**

The NIGALA has a Whistleblowing Policy in place. There were no reported incidents under the Whistleblowing Policy within the year 2017-18.

**Charitable donations**

The NIGALA did not receive or make any charitable donations within the year 2017-18.

**Post balance sheet events**

There are no post balance events.

**Resource Revenue Allocation Surplus**

The NIGALA recognised an £602 surplus in its operations against its Revenue Resource Limit of £4,174,156 for the year 2017-18.

## **Statement of Accounting Officer Responsibilities**

### **Accounts for Year Ended 31 March 2018**

Under the Health and Personal Social Services (Northern Ireland) Order 1972; the Department of Health has directed the Northern Ireland Guardian Ad Litem Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Northern Ireland Guardian Ad Litem Agency of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the financial statements the Accounting Officer is required to comply with the requirements of Government Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by the Department of Health, including 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 FReM have been followed, and disclose and explain any material departures in the financial statements.
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Northern Ireland Guardian Ad Litem Agency will continue in operation.
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Northern Ireland Guardian Ad Litem Agency.
- pursue and demonstrate value for money in the services the Northern Ireland Guardian Ad Litem Agency provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health, as Principle Accounting Officer for Health and Personal Social Services Resources in Northern Ireland has designated, Mr Peter Reynolds of the Northern Ireland Guardian Ad Litem Agency as the Accounting Officer for the

Northern Ireland Guardian Ad Litem Agency. 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 Northern Ireland Guardian Ad Litem Agency's assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health.



## **Governance Statement 2017-18**

### **1. Introduction/Scope of Responsibility**

The Board of the NI Guardian ad Litem Agency ('the Agency') is accountable for internal control. As Accounting Officer and Chief Executive of the Board, I have responsibility for maintaining a sound system of good governance that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible, in accordance with the responsibilities assigned to me by the Department of Health (DoH).

As Accounting Officer, I represent the Agency's aims and objectives on a number of external groups which include the multi-disciplinary Children Order Advisory Committee (COAC) chaired by the Family Judge of the Royal Courts of Justice, Northern Ireland and the Law Society of Northern Ireland Solicitor Accreditation Panel. With the introduction of Shared Services Systems in 2012-13 I have ensured representation of the Agency on the Regional Organisations Partnership Forums managed by the Business Services Organisation (BSO). NIGALA is also represented on the SBNI and '*Signs of Safety*' steering group as well as a range of external stakeholder groups. NIGALA recognises the inter-dependence of partner stakeholder groups aligned to family justice and in this regard works collaboratively with all Family Court Business Committees and engages regularly with NI Courts and Tribunals Service and the Directorate of Legal Services (DLS).

As Accounting Officer, I further our aims and objectives through internal committees of the organisation i.e. the Agency Board, Audit and Risk Assurance Committee, Remuneration Committee, Information Governance Committee and Social Care Governance Committee. The aims and objectives of NIGALA are also progressed through the formal sponsorship arrangements with the DoH Family and Children's Policy Directorate.

NIGALA has a Management Statement and Financial Memorandum in place; revised this year and which sets out the strategic control framework within which NIGALA is required to operate and the conditions under which Government funds are provided as detailed in Managing Public Money Northern Ireland. The Accounting Officer and the Chair of NIGALA apprise the DoH at the highest level of engagement through twice yearly

Accountability Meetings, and at the same time the NIGALA works in partnership with the DoH Sponsor Branch to ensure operational and strategic issues are raised appropriately throughout the year.

## **2. Compliance with Corporate Governance Best Practice**

NIGALA applies the principles of good practice in Corporate Governance and continues to further strengthen its governance arrangements. The NIGALA Board does this by undertaking continuous assessment of its compliance with corporate governance best practice by;

- The regular review by the Audit and Risk Assurance Committee of governance documents including standing financial instructions, standing orders, the standards of business conduct for all staff and the review of this Governance Statement;
- The existence in Standing Orders of a schedule of matters reserved solely for Board decisions;
- The existence in standing orders of a scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and other officers;
- The agreement of regular reports which come before the Board for approval;
- A robust system for the approval of relevant Agency policies;
- The production of a Mid-Year Assurance Statement and end of year Governance Statement;
- A Board approved accountability structure of Board sub-committees as outlined in Figure 2 overleaf;
- Annual assessment of the Controls Assurance Standards; and
- A completion of a self-assessment tool for all Board committees.

An action plan for the annual Board self-assessment was completed in year. This was supported by an assessment of the Board effectiveness carried out by Internal Audit. The Internal Audit report provided satisfactory assurance on the system of internal control for Board effectiveness.

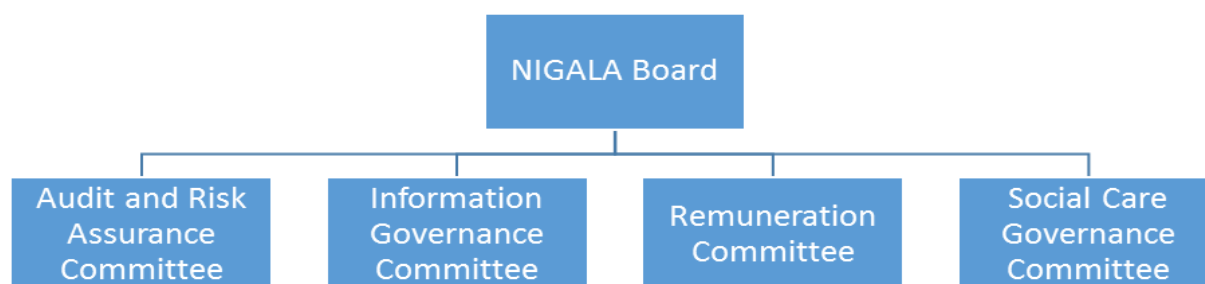
The summary Board assessment for NIGALA was RAG rated green and this includes the section on data quality and information received by the Board. There were no RAG rated red compliance areas.

### 3. Governance Framework

#### Role and Performance of Committees

The Board's committee structure is outlined in Figure 2 below.

**Figure 2: NIGALA Board's Committee Structure**



**The NIGALA Board** has corporate responsibility to ensure the achievement of all aims and objectives set by the Minister, and for promoting the efficient, economic and effective use of staff and other resources. At full complement the Board comprises of a Chair, four Non-Executive Directors and the Chief Executive. The Board has delivered the following key functions:

1. Established the overall strategic direction of the organisation within the policy and resources framework determined by the Minister;
2. Overseen the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;
3. Implemented effective financial stewardship through value for money, financial control and financial planning and strategy;
4. Ensured high standards of corporate governance;
5. Appraised and remunerated the Chief Executive;
6. Made well-informed and high-quality decisions based on a clear line of sight into the business;
7. Ensured that there is effective dialogue between NIGALA and its stakeholders on its plans and performance and that these are responsive to stakeholder needs;

8. Ensured that NIGALA has robust and effective arrangements in place for social care governance and risk management;
9. Revised the Terms of Reference for the Board sub-committees
10. Overseen the Board Sub Committee work and action plans

The NIGALA Board met on 6 occasions during 2017-18. Attendance of members at the Board committee is set out in the table below:

Name	% Attendance	Meetings attended out of 6 meetings
Mr Bernard Mitchell	100%	6
Mr Peter Reynolds	100%	6
Mrs Gillian McGaughey	83%	5
Mrs Karen Winter	66%	4
Mr Fred Smyth	100%	6
Mr David Watters*	50%	

*\*Mr David Watters stepped down from the Board on 4th August 2017. Mr Watters attended one meeting out of a possible two in 2017-18.*

**The Audit and Risk Assurance Committee** advises the Board and Accounting Officer with regard to their responsibilities for issues of risk, control and governance and the reliability of associated assurances provided by the External and Internal auditor; through a process of constructive challenge. The Committee is chaired by a member of the Board and reports to the Board after every meeting. This committee has met on 4 occasions during 2017-18 and provided an annual written report to the Board on Committee work.

The Audit and Risk Assurance Committee used the National Audit Office Audit Committee Self-assessment Checklist to review its good practice. The Governance and Audit Committee self- assessed that it met the five Good Practice Principles of the checklist.

**The Remuneration Committee** makes recommendations to the Board on all aspects of remuneration and terms and conditions of employment for the Chief Executive and the contract for services and fee structure for self-employed Guardians ad Litem. This Committee has met on two occasions during 2017-18.

**The Social Care Governance Committee** supports the Board in all aspects of social care governance by providing an independent and objective review of the adequacy and effectiveness of control systems and processes in place to support the delivery of the Guardian ad Litem service to children and young people. The Committee met on 3 occasions during 2017/18. The Committee is chaired by a member of the Board and reports to the Board after every meeting.

**The Information Governance Committee** has primary responsibility for advising the Board on relevant processes and assurances which are required to manage all personal and corporate information handled by the Agency. The Committee's work for the year has been focussed on scrutinising the NIGALA preparations for the introduction of the General Data Protection Regulation in May 2018. This Committee has met on 4 occasions during 2017-18.

#### **4. Business Planning and Risk Management**

Business planning and risk management are at the heart of NIGALA governance arrangements to ensure that statutory obligations and ministerial priorities are properly reflected in the management of business at all levels within the organisation.

The NIGALA has produced a Corporate Plan for the period 2017-21. The plan sets out the high level goals as agreed by the Board which will deliver on the statutory functions and obligations of the organisation. The Corporate Plan was subject to NIGALA Board and DoH approval. The Corporate Plan was issued for formal consultation and input was sought from key stakeholders. The Corporate Plan is presented to the Board on an annual basis for noting as part of the business planning cycle. The corporate planning process is led by the Head of Corporate Services. Delivery of the Corporate Plan is the responsibility of the Chief Executive, supported by the Senior Management Team.

##### **Business Planning**

Each year a set of objectives are set out in a Business Plan which details how the achievement of the Corporate Plan goals will be demonstrated. The objectives are clearly set out under each of the organisation's corporate goals.

The system of business planning is designed to take account of strategic and operational priorities and ensure feedback from NIGALA staff, stakeholders and the DoH Sponsor~~ing~~ Branch. The system of business planning involves the following:

- Taking cognisance of independent assurance reports and recommendations on the NIGALA internal control framework;
- DoH Sponsor Branch Priorities as discussed with NIGALA to be included in the Business Plan;
- Review of prior year objectives and whether continued progress needs to be identified in the current business planning cycle;
- Identification of objectives through regular business planning preparation meetings between the Senior Management Team, Board Members and Staff; and
- Cognisance of the external environment and potential risks impacting on the Guardian ad Litem service delivery and the identification of key actions to be included in the business planning process.

Objectives in the Business Plan are monitored by the Senior Management Team on a monthly basis using a RAG rating approach, and are monitored by the Board on a bi-annual basis with progress updates submitted to DoH Sponsor~~ing~~ Branch bi-annually in accordance with the Business Plan monitoring arrangements.

## **Risk Management**

The Risk Management Strategy and the system of risk management and internal control at NIGALA is based on the mitigation of risk to a reasonable level and seeks to eliminate all risk of failure to achieve policies, aims and objectives where possible. The system is based on an on-going process designed to:

- Identify and prioritise risks to the achievement of organisational policies, aims and objectives; and
- Evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- Assess Risk Appetite on the basis that where NIGALA is willing to accept an amount of risk to meet greater reward it will identify the risk appetite as 'Risk Open'. Where NIGALA is not willing to tolerate increased risks it will identify that risk as "Risk Averse".

The Chief Executive has overall responsibility to the Board for risk management. The Head of Corporate Services is responsible for implementation of the Risk Management Strategy. The Risk Management Strategy forms the basis for systematic review of risk by the Senior Management Team.

The embedding of risk management within the Agency is carried out in the following ways:

- Undertaking assessments to identify the principal risks to the NIGALA and reporting these to the Board and an Audit and Risk Committee through a Corporate Risk Register;
- Identification of the officers responsible for ensuring that the risk management actions are completed is detailed in the Corporate Risk Register;
- Monitoring and reviewing the effectiveness of the Assurance Framework.
- Ensuring that risk management policies are developed to define risk management responsibilities and to embed an ethos of learning and improvement following adverse incidents;
- Integrating risk management into the annual planning process, ensuring that risks inform the planning process;
- Completing and annually reporting on compliance with DoH risk management requirements;
- Completing Controls Assurance Standards self-assessments so as to provide evidence that the NIGALA is doing its “reasonable best” to manage itself in order to meet objectives and protect service users, staff and other stakeholders against risks of all kinds;
- Empowering staff at all levels in the organisation to identify, assess and notify risks;
- Developing and maintaining a “no blame” culture. In such a culture, staff are accountable for their actions, but it is recognised that individuals can and do make mistakes. The NIGALA Board is committed to having an open and honest approach in all matters and to be a supportive, open and learning organisation; and
- Ensuring an appropriate business continuity plan is in place and reviewed to maintain the organisation’s key business activities.

Leadership for risk management is provided through the Senior Management Team which adheres to Board approved Guidance and Policy on the management of the Risk Register, actions to mitigate risk and learning lessons from reports on incident management and

complaints. The system of internal control has been in place in the Agency for the year ended 31<sup>st</sup> March 2018, and up to the date of approval of the Annual Report and Accounts accords with DoH Guidance. A Mid-Year Assurance Statement was submitted on the 13<sup>th</sup> October 2017 which updated progress on the continuing effectiveness of the system of internal control to the Permanent Secretary of the DoH.

## **Fraud**

The Northern Ireland Guardian Ad Litem Agency (NIGALA) takes a zero tolerance approach to fraud in order to protect and support our key public services. We have put in place an Anti-Fraud Policy and Fraud Response Plan to outline our approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud, whether originating internally or externally to the organisation. Our Head of Corporate Services and Fraud Liaison Officer (FLO) promote fraud awareness, co-ordinate investigations in conjunction with the BSO counter Fraud and Probity Services team and provide advice to personnel on fraud reporting arrangements. All staff are provided with mandatory fraud awareness training in support of the Anti-Fraud Policy and Fraud Response plan, which are kept under review and updated as appropriate every five years.

## **5. Information Risk**

In terms of information risk, the Agency deals directly with sensitive personal client information.

The Agency has implemented a range of actions to ensure the security of personal client information and to mitigate any risk of personal data loss within the Agency as follows:

- Implementation and training of key staff in their roles as Senior Information Risk Owner (SIRO) and Information Asset Owner (IAO);
- Completion of the Security of Information – HSC e-learning module by all NIGALA staff;
- Continued oversight of a Data Sharing Agreement with the NIGALA Panel of Solicitors;
- Quarterly review of information governance arrangements and action plan within the Agency by the Information Governance Committee;



- A review of Information management by Internal Audit in December 2017, which provided satisfactory assurance on the system of internal control and;
- Regular information governance awareness campaigns throughout NIGALA.
- Putting in place comprehensive arrangements for implementation of the General Data Protection Regulation including a full review of all policies, training for all staff and the appointment of a Data Protection Officer.

## **6. Public Stakeholder Involvement**

The Agency has a Personal and Public Involvement (PPI) Strategy which includes a user and stakeholder map and action plan to inform and promote effective engagement with our users and stakeholders.

The Agency is a participant in the Regional Personal and Public Involvement Forum.

## **7. Assurance**

The Board receives regular assurance from a range of sources which include internal and external audit, sub-committee reports, minutes and a schedule of assurance reports from the Senior Management Team.

The Chair appraises the quality of the information and performance of the committees in the annual appraisal of each of the Non-Executive Directors.

## **8. Controls Assurance Standards**

NIGALA assessed its compliance with the applicable Controls Assurance Standards which were defined by the Department and against which a degree of progress was expected in 2017-18. Action plans are kept under review for all relevant controls assurance standards and the following table outlines the current assessment score for each standard applicable to the NIGALA during 2017-18.

<b>Controls Assurance Standard</b>	<b>NIGALA Compliance % Rating 2017-18</b>	<b>DoH Indicator 2017-18</b>	<b>Internal Auditor Assessments</b>
Risk Management (core standard)	93%	75% - 99% (Substantive)	<b>NIGALA's assessment verified by Internal Audit 17/18</b>
Governance (core standard)	93%	75% - 99% (Substantive)	
Financial Management (core standard)	91%	75% - 99% (Substantive)	
Fire Safety	87%	75% - 99% (Substantive)	
Emergency Planning	80%	75% - 99% (Substantive)	<b>Not Reviewed by Internal Audit in 17/18</b>
Human Resources	85%	75% - 99% (Substantive)	
Buildings, Land, Plant and non-medical equipment	86%	75% - 99% (Substantive)	
Purchasing and Supply	90%	75% - 99% (Substantive)	
Information, Communication and Technology	81%	75% - 99% (Substantive)	
Health and Safety	88%	75% - 99% (Substantive)	
Information Management	89%	75% - 99% (Substantive)	
Security Management	94%	75% - 99% (Substantive)	
Research Governance	94%	75% - 99% (Substantive)	
Waste Management	91%	75% - 99% (Substantive)	
Environmental Management	81%	75% - 99% (Substantive)	

## **8. Sources of Independent Assurance**

NIGALA obtains independent assurance from the following sources:

### **Internal Audit**

NIGALA has an internal audit function which operates to defined standards and whose work is informed by an analysis of risks to which the organisation is exposed and annual audit plans are based on this analysis. In 2017-18, the Internal Auditor reviewed the following systems and provided satisfactory assurance on the system of internal control:

- Financial Review
- Information Governance
- Quality Assurance (Case Management)
- Board Effectiveness

As required by the DoH, Internal Audit verified NIGALA's compliance with the following four standards in 2017/18: Governance, Financial Management, Risk Management and Fire Safety. Substantive compliance was received for each.

Follow up reviews were conducted on previous Internal Audit recommendations. Out of 10 recommendations accepted, 7 (70%) of those examined are now deemed fully implemented, and 3 (30%) are partially implemented. Management is addressing recommendations not fully implemented, with dates set for delivery.

In her Annual Report, the Internal Auditor reported satisfactory assurance in relation to NIGALA's system of internal controls and the recommendations linked to weaknesses in control identified, had relevant action plans in place or were being implemented.

It should be noted that the Agency has a Service Level Agreement with the Business Services Organisation (BSO) for, Human Resources, Procurement, Equality, Shared Services Financial Payments, Payroll and Travel and the review of these systems by the Internal Auditor is reported as part of the BSO Annual Assurance Report. All services receiving satisfactory assurance with the exception of Payroll Shared Services which received limited assurance. Limited assurance in relation to Payroll Shared Services is in

respect of Payroll Function Stability, Payroll System Stability and Payroll Processing. These reports have been presented to the BSO Governance and Audit Committee.

## **External Audit**

The NI Audit Office conduct an external audit of NIGALA's financial statements and provide assurance, through the audit opinion report, that the accounts are 'True and Fair' and that the income and expenditure has been used for the purposes intended. This report is addressed to the Northern Ireland Assembly rather than NIGALA. The results of the audit and any issues that NIAO identify during the course of conducting their audit are communicated to the NIGALA Audit Committee and Management in the Report to Those Charged with Governance (RTTCWG). A representative from the Northern Ireland Audit Office is invited to attend the NIGALA Audit and Risk Committee Meetings. The External Auditor is required to certify, examine and report on each of the Statements comprising the Financial Statements of the Agency.

## **Regulation and Quality Improvement Authority (RQIA)**

The RQIA inspected the NIGALA during 2012-13. Recommendations have all been addressed by the NIGALA.

## **9. Review of Effectiveness of the System of Internal Governance**

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal governance. My review of the effectiveness of the system of internal governance is informed by the work of the Internal Auditors, by Assurance Reports from the Senior Management Team within the Agency 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 of the effectiveness of the system of internal control by the Board, Audit and Risk Committee, Social Care Governance Committee and Information Governance Committee and plans to address weaknesses and ensure continuous improvement to the system are in place.

## **10. Internal Governance Divergences – Current and New for 2017-18**

### **10.1 Update on prior year control issues which have now been resolved and are no longer considered to be control issues.**

The NIGALA reported two information breaches in 2016. After a review a number of recommendations and additional controls were put in place to mitigate risks linked to weaknesses within the information governance system at that time. The HSC Leadership Centre conducted a Review of Information Governance Arrangements at NIGALA in February 2017 and a number of recommendations were added to the NIGALA Information Governance Action plan. The Information Commissioner was subsequently invited to undertake an “Advisory Visit” to NIGALA in August 2017. No further actions were recommended but additional good practice was identified and these were incorporated into the NIGALA Information Governance Action plan. Internal Audit undertook a review of Information Governance in 2017-18 and provided a satisfactory assurance on the system of internal control.

In relation to the management of Guardian ad Litem children’s case files, a less paper working strategy has been effectively implemented from the 30th November 2016 and no further hard copy case files are created at the point of case allocation.

The NIGALA Board has been assured on the progress on the NIGALA Culture and Climate action plan in response to the findings from the Culture and Climate Survey in July 2015. The DoH have been kept fully informed and the follow up independent review on Culture and Climate by Internal Audit has provided further satisfactory assurance on the actions taken by the Executive team.

### **10.2 Update on prior year control issues which continue to be considered control issues**

The most challenging risk facing NIGALA is how best to manage work load pressures in the context of budgetary constraints. This poses the question, whether NIGALA could be in breach of its statutory obligations under the Children (NI) Order 1995 (the Order). By imposing a cap or waiting list which will inevitably lead to delay in cases being progressed, this in turn acts to breach the ‘no delay’ principle which underpins the Order. In addition

the Agency will attract considerable criticism from the judiciary if unable to appoint guardians within the timetable prescribed by the Court. In accordance with a duty to '*safeguard the interests of the child*' a delay in the appointment of a guardian may well prejudice the interests of the child thereby having an adverse impact. The NIGALA has worked positively in partnership with the DoH in seeking to secure sufficient resources to deliver its services to children and young people.

The NIGALA continues to monitor the legal status of self-employed Guardian Ad Litem. Recent tribunals have sought to establish the integration of self-employed contractors into the workforce. The current measures in place in the NIGALA reflect the best advice on this.

### **10.3 Identification of new issues in the current year**

NIGALA does not have any significant Internal Control divergences identified in 2017-18.

#### **Financial Challenges**

NIGALA continues to monitor its control in areas of identified risk; notably the Agency is anticipating a continued high level of demand in adoption and public law applications in the next financial year.

The Northern Ireland Assembly was dissolved from 26 January 2017 with an election taking place on 2 March 2017, on which date Ministers ceased to hold office. An Executive was not formed following the 2 March 2017 election. As a consequence, the Northern Ireland Budget Act 2017 was progressed through Westminster, receiving Royal Assent on 16 November 2017, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2018 which received Royal Assent on 28th March 2018. The authorisations, appropriations and limits in these Acts provide the authority for the 2017-18 financial year and a vote on account for the early months of the 2018-19 financial year as if they were Acts of the Northern Ireland Assembly.

#### **GDPR**

I can confirm that the NIGALA has preparations in place for the introduction of GDPR. Appropriate planning and arrangements are in place in readiness for GDPR, to be introduced May 2018.

## **Brexit**

NIGALA is actively scoping the potential impact of a 'no deal' outcome from the UK-EU negotiations on the services it provides, in line with the information provided by the Department. The process will continue to be refined as more clarity emerges on the detail of the final agreement.

## **Conclusion**

The NIGALA has a rigorous system of accountability which I can rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI.

Further to considering the accountability framework within the NIGALA and in conjunction with assurances given to me by the Head of Internal Audit, I am content that the NIGALA has operated a sound system of internal governance during the period 2017-18.



---

**Peter Reynolds, Chief Executive**  
**5<sup>th</sup> July 2018**

# Remuneration Report and Staff Report

## Remuneration Report

### Scope of the Report

The Remuneration Report summarises the Remuneration Policy of NIGALA and particularly its application in connection with senior executives. The Report also describes how NIGALA applies the principles of good corporate governance in relation to senior executives' remuneration in accordance with HSS(SM) 3/2001 and subsequent supplements issued by the DHSSPS.

### Remuneration Committee

NIGALA, as set out in its Standing Orders, has delegated certain functions to the Remuneration Committee. The Remuneration Committee; a subcommittee of the NIGALA Board exists to advise the full Board on:

- a) The performance, development, succession planning and appropriate remuneration and terms of service for the Chief Executive.
- b) The setting of robust objectives, performance measures and evaluation processes for the Chief Executive.
- c) The oversight of appropriate contractual arrangements for the Chief Executive including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.
- d) The contractual arrangements and level of fees and expenses to be paid to the self-employed contracted members who have been appointed to the Agency's Panel for the purposes of undertaking guardian ad litem work.

The Remuneration Committee is also responsible for the determination of the remuneration of senior managers and, in the case of NIGALA, this is confined to the Chief Executive since the introduction of Agenda for Change terms and conditions of service for



all other members of staff. Guidance on remuneration of senior managers is issued centrally by the DoH.

Assessment of performance of the Chief Executive is carried out annually by the Board Chair, who makes a full report including a recommendation to the Remuneration Committee in regard to the application of the relevant pay circular and associated performance banding which relates to the actual pay award. The assessment of performance is carried out following annual appraisal and the review of performance against Chief Executive objectives set at the beginning of the financial year. This is submitted to the Board for approval.

### **Remuneration Committee Membership**

The Remuneration Committee membership is as follows:

- Mr Bernard Mitchell – Committee Chair (Board Chair)
- Mr Fred Smyth

The Human Resource Director of the Business Services Organisation, with which NIGALA has a service level agreement for personnel services attends upon invitation

The NIGALA Chief Executive and Head of Corporate Services attend upon invitation.

The committee met on the following dates in 2017-18:

- 23<sup>rd</sup> May 2017
- 7<sup>th</sup> December 2017

### **Policy Statement on Remuneration of the Chief Executive**

The overall objective of the senior manager remuneration arrangements is to achieve a fair, transparent, affordable and defensible pay and grading system for all Senior Executives employed across the HSC.

## **Executive Pay Arrangement**

The main components of the arrangements are:

- pay and terms and conditions of service for the Chief Executive are determined by the DoH;
- the Chief Executive post is subject to evaluation by the DoH Evaluation Panel which is responsible for the management, maintenance and integrity of the evaluation process;
- pay ranges will be reviewed annually and the effective date for any extension of the pay ranges following review of the ranges by the Minister will be 1<sup>st</sup> April in the year of the review;
- there will be progression through the pay range subject to fully acceptable performance;

## **Contracts**

HSC appointments are made on the basis of the merit principle in fair and open competition and in accordance with all relevant legislation and Circular HSS (SM) 3/2001. Unless otherwise stated, the employee/s covered by this Report are appointed on a permanent basis, subject to satisfactory performance.

The date of appointment for the NIGALA Executive and Non-Executive Directors, and the Chair are set out below in Table 3:

**Table 3: Date of Appointment for the NIGALA Executive & Non-Executive Directors**

Name	Position	Date of Appointment
<b><i>Chair</i></b>		
Bernard Mitchell	Chair	3 November 2011 (re-appointed 3 November 2015)
<b><i>Non-Executive Directors*</i></b>		
David Watters*	Non-Executive Director	5 August 2013
Dr Karen Winter	Non-Executive Director	12 May 2014
Gillian McGaughey	Non-Executive Director	13 January 2014 (re-appointed 13 January 2018)
Fred Smyth	Non-Executive Director	13 January 2014 (re-appointed 13 January 2018)
<b><i>Executive Director</i></b>		
Mr Peter Reynolds	Chief Executive	1 December 2016 <sup>6</sup>

*\*Mr David Watters term of office ended on 4th August 2017.*

## Notice Periods

3 months' notice is to be provided by either party except in the event of summary dismissal. There is nothing to prevent either party waiving the right to notice or from accepting payment in lieu of notice.

<sup>6</sup> Acting position from 21 October 2015

## **Retirement Age**

Currently, employees are required to retire at age 65 years and occupational pensions are normally effective from age 60 years. With effect from 1<sup>st</sup> October 2006, with the introduction of the Equality (Age) Regulations (Northern Ireland) 2006, employees are able to request to work beyond age 65 years.

## **Compensation for Premature Retirement**

In accordance with DHSSPSNI circular HSS (S) 11/83 and subsequent supplements, there is provision within the HSC Superannuation Scheme for premature retirement with immediate payment of superannuation benefits and compensation for eligible employees on the grounds of:-

- Efficiency of the service
- Redundancy
- Organisational change

Section 16 of the Agenda for Change Terms and Conditions Handbook (issued on 14 February 2007 under cover of the Department's Guidance Circular HSS (AfC) (4) 2007) sets out the arrangements for early retirement on the grounds of redundancy and in the interest of the service. Further Circulars were issued by the Department HSS (AfC) (6) 2007 and HSS (AfC) (5) 2008 setting out changes to the timescale for the operation of the transitional protection under these arrangements.

Under the terms of Section 16 of the Agenda for Change Terms and Conditions Handbook individuals who were members of the HSC Superannuation Scheme prior to 1 October 2006, are over 50 years of age and have at least 5 years membership of the HSC Superannuation Scheme qualify for transitional protection. Staff who qualify for transitional protection are entitled to receive what they would have received by way of pension and redundancy payment had they taken redundancy retirement on 30 September 2006. This includes enhancement of up to 10 years additional service (reduced by the number of years between September 2006 and the actual date of retirement) and a lump sum redundancy payment of up to 30 weeks pay (reduced by 30% for each year of additional service over 6 2/3 years).

Alternatively, staff made redundant who are members of the HSC Pension Scheme, have at least two years “continuous service” and two years “qualifying membership” and have reached the minimum pension age currently 50 years can opt to retire early without a reduction in their pension as an alternative to a lump sum redundancy payment of up to 24 months. In this case the cost of the early payment of the pension is paid from the lump sum redundancy payment. However if the redundancy payment is not sufficient to meet the early payment of pension cost, the employer is required to meet the additional cost.

Redundancy and other departure costs are paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation Act 1972. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses at note 4. Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

#### **Early Retirement and Other Compensation Scheme Exit Packages (Audited)**

There were no Early Retirement and Other Compensation Scheme Exit Packages paid in the years 2017-18 or 2016-17.

##### **Reporting of early retirement and other compensation scheme – exit packages**

<b>Exit package cost band</b>	<b>Number of compulsory redundancies</b>		<b>Number of other departures agreed</b>		<b>Total number of packages by cost band</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<£10,000	-	-	-	-	-	-
£10,000-£25,000	-	-	-	-	-	-
£25,000-£50,000	-	-	-	-	-	-
£50,000-£100,000	-	-	-	-	-	-
£100,000-£150,000	-	-	-	-	-	-
£150,000-£200,000	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-
<b>Total number of exit packages by type</b>	-	-	-	-	-	-
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total resource cost</b>	-	-	-	-	-	-

Redundancy and other departure costs have been paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation Act 1972. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses at note 3. Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. Ill health retirement costs are met by the pension scheme and are not included in the table.

## Staff Costs (Audited)

	2018		2017	
Staff costs comprise:	Permanently employed staff £	Others £	Total £	Total £
Wages and salaries	2,567,102	41,773	2,608,875	2,659,294
Social security costs	278,002	0	278,002	279,175
Other pension costs	409,755	0	409,755	421,109
<b>Sub-Total</b>	3,254,859	41,773	3,296,632	3,359,578
Capitalised staff costs			0	0
<b>Total staff costs reported in Statement of Comprehensive Expenditure</b>	3,254,859	41,773	3,296,632	3,359,578
Less recoveries in respect of outward secondments			75,250	75,933
<b>Total net costs</b>			<b>3,221,382</b>	<b>3,283,645</b>

Average Number of persons employed (WTE) (Audited)	2018			2017 (Restated)	
	Permanently employed staff	Others	Total	Total	
	No.	No.	No.	No.	
Administrative and Clerical	25	1	26	29	
Social Services	41	0	41	41	
	66	1	67	70	
Less average staff number relating to capitalised staff costs			0	0	
Less average staff number in respect of outward secondments			1	1	
<b>Total net average number of persons employed</b>			<b>66</b>	<b>67</b>	

Staff numbers disclosed as Others in 2017-18 relate to agency staff.

The NIGALA participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both NIGALA and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. NIGALA is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in 2017-18 accounts.



## Senior Management Remuneration (Audited)

The salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the NIGALA were as follows:

Name	2017-18					2016-17				
	Salary £000s	Bonus / Performance pay £000	Benefits in Kind (Rounded to nearest £100)	Pension Benefit £000s	Total £000s	Salary £000s	Bonus / Performance pay £000	Benefits in Kind (Rounded to nearest £100)	Pension Benefit £000s	Total £000s
<b>Non-Executive Members</b>										
Bernard Mitchell	5-10	-	-	-	5-10	5-10	-	-	-	5-10
David Watters*	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Gillian McCaughey	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Fred Smyth	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Karen Winter	0-5	-	-	-	0-5	0-5	-	-	-	0-5
<b>Executive Members</b>										
Peter Reynolds (CEO from 1 December 2016)	60-65	-	400	34	90-95	55-60	-	400	31	90-95

\*Mr David Watters' term of office ended on 4<sup>th</sup> August 2017

## Pensions of Senior Management (Audited)

	Real increase in pension and related lump sum at pension age £000s	Accrued pension at pension age as at 31/3/18 and related lump sum £000s	CETV at 31/03/17 £000s	CETV at 31/03/18 £000s	Real increase in CETV £000s
<b>Non-Executive Members</b>					
Bernard Mitchell	-	-	-	-	-
David Watters	-	-	-	-	-
Gillian McCaughey	-	-	-	-	-
Fred Smyth	-	-	-	-	-
Karen Winter	-	-	-	-	-
<b>Executive Members</b>					
	0-2.5 plus lump sum of 5-10	20-25 plus lump sum of 85-90			
Peter Reynolds ( <i>CEO from 1 December 2016</i> )			597	662	42

## **Salary and Pension Entitlements (Audited)**

The salary, pension entitlement and the value of any taxable benefits in kinds paid to both Executive and Non-Executive Directors is set out in the table overleaf.

There is a requirement for the Remuneration Report to include a Single Total Figure of Remuneration. The figure includes salary, bonus/performance pay, benefits in kind as well as pension benefits. 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 increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights. This is also included on the following page.

## **HSC Superannuation, Pension Schemes and Cash Equivalent Transfer Values**

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members. Cash equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued as a member accrued benefits in any contingent spouse's pension payable from the scheme.

CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when a member leaves the scheme or chooses to transfer their benefits accrued in their former scheme. The Pension figures showing 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 CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the HSS Pension Scheme. They also include any additional pension benefits accrued to the member as a result of them purchasing additional years of pension service in the

scheme at their own cost. CETVs are calculated within the guidelines of framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV – this reflects the increase in CETV effectively funded by the employer. It takes account of the increase of accrued pension due to inflation, contributions paid by the employees (including the value of any benefits transfer from another pension scheme or arrangement) and uses column market valuation factors for the start and end of the period.

### **Fair Pay Statement**

The Hutton Fair Pay Review recommended that, from 2011-12, all public service organisations publish their top to median pay multiples each year. The DoH subsequently issued Circular HSC (F) 23/2012, setting out a requirement to disclose the relationship between the remuneration of the most highly paid director in the organisation and the median remuneration of the organisation's workforce. Following application of the guidance contained in Circular (F) 23/2012, the following can be reported:

<b>Audited</b>	<b>2017-18</b>	<b>2016-17</b>
Band of Highest Paid Director's Total Remuneration:	60-65	55-60
Median Total Remuneration	£48,035	£47,559
Ratio	1.3	1.3

Further details about the Health Service pension arrangements can be found at the website [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Staff Report for Year Ended 31<sup>st</sup> March 2018

The average number of Whole Time Equivalent persons employed by NIGALA during 2017-18 is 66.

### Staff Composition

The following table gives an outline of permanently employed staff and Board composition based on gender at the year ended 31st March 2018.

<b><i>Pay Band</i></b>	<b><i>Male</i></b>	<b><i>Female</i></b>
Non Executives	2	2
Senior Management Team	3	2
Admin and Clerical	1	16
Social Services	5	38
Total	11	58

### Training and Development

The NIGALA values its staff and is committed to enhancing their skills and improving their contribution to the organisation's goals. Individuals are encouraged to complete a Personal Development Plan (PDP) as part of the appraisal process. Overall, needs are very much focused on service delivery with outcomes that relate to performance against business plan goals and the NIGALA objectives.

### Staff Benefits

There were no Staff Benefits in this year.

### **Sickness absence data**

The NIGALA sickness absence rate over the year was 4.2 % against a target of 4.3%

### **Retirements due to ill-health**

During 2017/18 and 2016/17 there were no early retirements from the NIGALA on the grounds of ill-health.

### **Consultancy**

The NIGALA has not engaged any consultants over the period.

### **Off Payroll engagements**

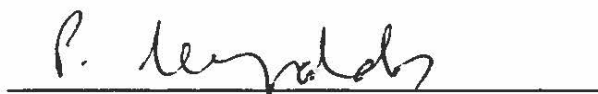
There were no off payroll engagements during the year 2017-18.

### **Equality**

The NIGALA has an approved policy on Equality of Opportunity, setting out its commitment to the promotion of equality of opportunity in, and by, the NIGALA.

### **Disability**

The NIGALA has an approved Disability Action Plan setting out its commitment to promoting positive attitudes towards disabled people and encouraging participation by disabled people in public life.



**Mr Peter Reynolds**  
**Chief Executive**

Date: 5<sup>th</sup> July 2018.

### **3. ACCOUNTABILITY AND AUDIT REPORT**

#### **a) Funding Report**

##### **Funding**

The NIGALA is funded by the DoH through an annual Revenue Resource Limit.

##### **Regularity of Expenditure (Audited)**

The NIGALA has a delegated Scheme of Authority which sets out who are authorised to place non-pay expenditure. The Scheme sets out who are authorised to place requisitions for the supply of goods and services and the maximum level of each requisition.

The NIGALA has a Service Level Agreement with the Business Services Organisation, including provision of professional advice regarding the supply of goods and services to ensure proper stewardship of public funds and assets. Under that Service Level Agreement, the Procurement and Logistics Service is a Centre of Procurement Excellence to provide assurance that the systems and processes used in procurement ensure appropriate probity and propriety.

The Head of Development and Corporate Services ensures that expenditure is in accordance with regulations and all necessary authorisations have been obtained.

As far as the Accounting Officer is aware, there is no relevant audit information of which the Agency's auditors are unaware, and 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 entity's auditors are made aware of that information.

The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and reasonable.

#### **Fees and Charges (Audited)**

The NIGALA did not incur any fees or charges during the year.

#### **Remote Contingent Liabilities (Audited)**

The NIGALA did not have any contingent liabilities at either 31 March 2018 or 31 March 2017.

#### **Long Term Expenditure Plans**

The NIGALA receives its funding on an annual basis and has no long term expenditure plans.

#### **Financial Targets**

There is a strict requirement for the NIGALA to contain expenditure within approved budget allocations, which are issued during the course of the year as formal Revenue Resource Limits (RRL). The NIGALA has an annual breakeven target against its Revenue Resource Limit allocation. Breakeven is a surplus of 0.25% of allocation or £20,000, whichever is the greater. The PCC achieved this target for 2017-18.

#### **Losses and Special Payments (Audited)**

Special Payments There were no special payments or gifts made during the year.

#### **Losses**

There were no losses during the year.

#### **Other Payments and Estimates**

There were no other payments made during the year



## **b) Certificate and Report of the Comptroller and Auditor General**

### **NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

#### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

##### **Opinion on financial statements**

I certify that I have audited the financial statements of the Northern Ireland Guardian Ad Litem Agency for the year ended 31 March 2018 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. 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 Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Guardian Ad Litem Agency's affairs as at 31 March 2018 and of the Northern Ireland Guardian Ad Litem Agency's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

##### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

##### **Basis of opinions**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Northern Ireland Guardian Ad Litem Agency in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

##### **Other Information**

The Board and the Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

##### **Opinion on other matters**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Health directions made under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Responsibilities of the Board and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer 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.

#### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

I am required to obtain 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

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

#### **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 parts of the Accountability Report to be audited are not in agreement with the accounting records; 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 the Department of Finance's guidance.

#### **Report**

I have no observations to make on these financial statements.



KJ Donnelly  
 Comptroller and Auditor General  
 Northern Ireland Audit Office  
 106 University Street  
 Belfast  
 BT7 1EU  
 6 July 2018

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

**ANNUAL ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

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# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## STATEMENT of COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2018

This account summaries the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which includes changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

		2018	2017
		£	£
<b>Income</b>	<b>NOTE</b>		
Income from activities	4.1	-	-
Other Income (Excluding interest)	4.2	105,185	76,271
Deferred income	4.3	-	-
<b>Total operating income</b>		<b>105,185</b>	<b>76,271</b>
<b>Expenditure</b>			
Staff costs	3	(3,296,632)	(3,359,578)
Purchase of goods and services	3	(11,512)	(11,177)
Depreciation, amortisation and impairment charges	3	(65,451)	(74,030)
Provision expense	3	-	-
Other expenditure	3	(905,144)	(880,560)
<b>Total operating expenditure</b>		<b>(4,278,739)</b>	<b>(4,325,345)</b>
<b>Net Expenditure</b>		<b>(4,173,554)</b>	<b>(4,249,074)</b>
Finance income	4.2	-	-
Finance expense	3	-	-
<b>Net expenditure for the year</b>		<b>(4,173,554)</b>	<b>(4,249,074)</b>
Revenue Resource Limit (RRL) received from DoH	24.1	4,174,156	4,254,939
<b>Surplus/(Deficit) against RRL</b>		<b>602</b>	<b>5,865</b>
<b>OTHER COMPREHENSIVE EXPENDITURE</b>			
		2018	2018
		£	£
<b>Items that will not be reclassified to net operating costs:</b>	<b>NOTE</b>		
Net gain/(loss) on revaluation of property, plant & equipment	5.1/8/5.2/8	1,101	532
Net gain/(loss) on revaluation of intangibles	6.1/8/6.2/8	3,090	8,652
Net gain/(loss) on revaluation of financial instruments	7/8	-	-
<b>Items that may be reclassified to net operating costs:</b>			
Net gain/(loss) on revaluation of investments		-	-
<b>TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2018</b>		<b>(4,169,363)</b>	<b>(4,239,890)</b>

The notes on pages 73 to 113 form part of these accounts.

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**  
**STATEMENT of FINANCIAL POSITION as at 31 March 2018**

This statement presents the financial position of the NIGALA. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

		2018		2017	
	NOTE	£	£	£	£
<b>Non Current Assets</b>					
Property, plant and equipment	5.1/5.2	35,342		65,078	
Intangible assets	6.1/6.2	103,986		126,677	
Financial assets	7	-		-	
Trade and other receivables	12	-		-	
Other current assets	12	-		-	
<b>Total Non Current Assets</b>			139,328		191,755
<b>Current Assets</b>					
Assets classified as held for sale	9	-		-	
Inventories	10	500		500	
Trade and other receivables	12	61,171		31,457	
Other current assets	12	37,302		45,949	
Intangible current assets	12	-		-	
Financial assets	7	-		-	
Cash and cash equivalents	11	23,679		23,515	
<b>Total Current Assets</b>			122,652		101,421
<b>Total Assets</b>			<b>261,980</b>		<b>293,176</b>
<b>Current Liabilities</b>					
Trade and other payables	13	(482,353)		(229,781)	
Other liabilities	13	-		-	
Intangible current liabilities	13	-		-	
Financial liabilities	7	-		-	
Provisions	15	-		-	
<b>Total Current Liabilities</b>			(482,353)		(229,781)
<b>Total assets less current liabilities</b>			<b>(220,373)</b>		<b>63,395</b>
<b>Non Current Liabilities</b>					
Provisions	15	-		-	
Other payables > 1 yr	13	-		-	
Financial liabilities	7	-		-	
<b>Total Non Current Liabilities</b>			-		-
<b>Total assets less total liabilities</b>			<b>(220,373)</b>		<b>63,395</b>
<b>Taxpayers' Equity and other reserves</b>					
Revaluation reserve		28,948		24,757	
SoCNE Reserve		(249,321)		38,638	
<b>Total equity</b>			<b>(220,373)</b>		<b>63,395</b>

The financial statements on pages 69 to 72 were approved by the Board on 05/07/18 and were signed on its behalf;

Signed  (Chairman)

Date 5/7/18

Signed  (Chief Executive)

Date 5/7/2018

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**  
**STATEMENT of CASH FLOWS for the year ended 31 March 2018**

The Statement of Cash Flows shows the changes in cash and cash equivalents of the NIGALA during the reporting period. The statement shows how the NIGALA generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the NIGALA. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the NIGALA's future public service delivery.

	NOTE	2018 £	2017 £
<b>Cashflows from operating activities</b>			
Net surplus after interest/Net operating expenditure		(4,173,554)	(4,249,074)
Adjustments for non cash costs		74,866	83,421
(Increase)/decrease in trade and other receivables		(21,067)	20,016
<i>Less movements in receivables relating to items not passing through the NEA</i>			
Movements in receivables relating to the sale of property, plant & equipment		-	-
Movements in receivables relating to the sale of intangibles		-	-
Movements in receivables relating to finance leases		-	-
Movements in receivables relating to PFI and other service concession arrangement contracts		-	-
(Increase)/decrease in inventories		-	-
Increase/(decrease) in trade payables		252,572	(177,520)
<i>Less movements in payables relating to items not passing through the NEA</i>			
Movements in payables relating to the purchase of property, plant & equipment		9,163	4,976
Movements in payables relating to the purchase of intangibles		-	59,076
Movements in payables relating to finance leases		-	-
Movements on payables relating to PFI and other service concession arrangement contracts		-	-
Use of provisions	15	-	-
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(3,858,020)</b>	<b>(4,259,105)</b>
<b>Cashflows from investing activities</b>			
(Purchase of property, plant & equipment)	5	(10,411)	(14,139)
(Purchase of intangible assets)	6	(8,000)	(60,215)
Proceeds of disposal of property, plant & equipment		-	-
Proceeds on disposal of intangibles		-	-
Proceeds on disposal of assets held for resale		-	-
<b>Net cash outflow from investing activities</b>		<b>(18,411)</b>	<b>(74,354)</b>
<b>Cash flows from financing activities</b>			
Grant in aid		3,876,595	4,333,800
Cap element of payments - finance leases and on balance sheet (SoFP) PFI and other service concession arrangements		-	-
<b>Net financing</b>		<b>3,876,595</b>	<b>4,333,800</b>
<b>Net increase (decrease) in cash &amp; cash equivalents in the period</b>		<b>164</b>	<b>341</b>
<b>Cash &amp; cash equivalents at the beginning of the period</b>	11	<b>23,515</b>	<b>23,174</b>
<b>Cash &amp; cash equivalents at the end of the period</b>	11	<b>23,679</b>	<b>23,515</b>

The notes on pages 73 to 113 form part of these accounts.

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## STATEMENT OF CHANGES in TAXPAYERS EQUITY for the year ended 31 March 2018

This statement shows the movement in the year on the different reserves held by NIGALA, analysed into 'Statement of Comprehensive Net Expenditure Reserve' (i.e. those reserves that reflect a contribution from the Department of Health). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The SoCNE Reserve represents the total assets less liabilities of the NIGALA, to the extent that the total is not represented by other reserves and financing items.

		SoCNE Reserve	Revaluation Reserve	Total
	NOTE	£	£	£
<b>Balance at 31 March 2016</b>		<b>(55,188)</b>	<b>15,573</b>	<b>(39,615)</b>
<b>Changes in Taxpayers Equity 2016-17</b>				
Grant from DoH		4,333,800	-	4,333,800
Other reserves movements including transfers		-	-	-
(Comprehensive expenditure for the year)		(4,249,074)	9,184	(4,239,890)
Transfer of asset ownership		-	-	-
Non cash charges - auditors remuneration	3	9,100	-	9,100
<b>Balance at 31 March 2017</b>		<b>38,638</b>	<b>24,757</b>	<b>63,395</b>
<b>Changes in Taxpayers Equity 2017-18</b>				
Grant from DoH		3,876,595	-	3,876,595
Other reserves movements including transfers		-	-	-
(Comprehensive expenditure for the year)		(4,173,554)	4,191	(4,169,363)
Transfer of asset ownership		-	-	-
Non cash charges - auditors remuneration	3	9,000	-	9,000
<b>Balance at 31 March 2018</b>		<b>(249,321)</b>	<b>28,948</b>	<b>(220,373)</b>



# **NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

### **STATEMENT OF ACCOUNTING POLICIES**

#### **1. Authority**

These accounts have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting manual (FReM) and in accordance with the requirements of Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

The accounting policies follow IFRS to the extent that it is meaningful and appropriate to the Northern Ireland Guardian Ad Litem Agency (the "NIGALA"). Where a choice of accounting policy is permitted, the accounting policy which has been judged to be most appropriate to the particular circumstances of the NIGALA for the purpose of giving a true and fair view has been selected. The NIGALA's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts, unless otherwise stated.

As illustrated in our Statement of Financial Position at year end the NIGALA has a net liability position. As NIGALA is mainly funded through the DoH and DoH funding is continuing for the foreseeable future this ensures that the preparation of our accounts as a going concern is the correct basis.

#### **1.1 Accounting convention**

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

#### **1.2 Currency**

These accounts are presented in UK Pounds sterling.

#### **1.3 Property, Plant and Equipment**

Property, plant and equipment assets comprise Land, Buildings, Dwellings, Transport Equipment, Plant & Machinery, Information Technology, Furniture & Fittings, and Assets under construction.

##### **Recognition**

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the entity;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £1,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

On initial recognition property, plant and equipment are measured at cost including any expenditure such as installation, directly attributable to bringing them into working condition. Items classified as “under construction” are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

### **Valuation of Land and Buildings**

Land and buildings are carried at the last professional valuation, in accordance with the Royal Institute of Chartered Surveyors (Statement of Asset Valuation Practice) Appraisal and Valuation Standards in so far as these are consistent with the specific needs of the HSC.

The last valuation was carried out on 31 January 2015 by Land and Property Services (LPS) which is an independent executive body within the Department of Finance. The valuers are qualified to meet the ‘Member of Royal Institution of Chartered Surveyors’ (MRICS) standard. Professional revaluations of land and buildings are undertaken at least once in every five year period and are revalued annually, between professional valuations, using indices provided by LPS.

Land and buildings used for the Arm’s Length Body (ALB) services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Fair values are determined as follows:

- Land and non-specialised buildings – open market value for existing use;
- Specialised buildings – depreciated replacement cost; and
- Properties surplus to requirements – the lower of open market value less any material directly attributable selling costs, or book value at date of moving to non-current assets.

### **Modern Equivalent Asset**

DoF has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Land and Property Services (LPS) have included this requirement within the latest valuation.

## **Assets Under Construction (AUC)**

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Assets are revalued and depreciation commences when they are brought into use.

## **Short Life Assets**

Short life assets are not indexed. Short life is defined as a useful life of up to and including 5 years. Short life assets are carried at depreciated historic cost as this is not considered to be materially different from fair value and are depreciated over their useful life.

Where estimated life of fixtures and equipment exceed 5 years, suitable indices will be applied each year and depreciation will be based on indexed amount.

## **Revaluation Reserve**

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

## **1.4 Depreciation**

No depreciation is provided on freehold land since land has unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and which meet the definition of “non-current assets held for sale” are also not depreciated.

Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and similarly, amortisation is applied to intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. Assets held under finance leases are also depreciated over the lower of their estimated useful lives and the terms of the lease. The estimated useful life of an asset is the period over which the NIGALA expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The following asset lives have been used.

<b>Asset Type</b>	<b>Asset Life</b>
Freehold Buildings	25 – 60 years

Leasehold property	Remaining period of lease
IT Assets	3 – 10 years
Intangible assets	3 – 10 years
Other Equipment	3 – 15 years

## 1.5 Impairment loss

If there has been an impairment loss due to a general change in prices, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure within the Statement of Comprehensive Net Expenditure. If the impairment is due to the consumption of economic benefits the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and an amount up to the value of the impairment in the revaluation reserve is transferred to the Statement of Comprehensive Net Expenditure Reserve. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

## 1.6 Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure which meets the definition of capital restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

The overall useful life of the NIGALA's buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on those assets at the same rate as if separate components had been identified and depreciated at different rates.

## 1.7 Intangible assets

Intangible assets includes any of the following held - software, licences, trademarks, websites, development expenditure, Patents, Goodwill and intangible Assets under Construction. Software that is integral to the operating of hardware, for example an operating system is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;

- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

## **Recognition**

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the NIGALA's business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the NIGALA; where the cost of the asset can be measured reliably. All single items over £5,000 in value must be capitalised while intangible assets which fall within the grouped asset definition must be capitalised if their individual value is at least £1,000 each and the group is at least £5,000 in value. The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date of commencement of the intangible asset, until it is complete and ready for use.

Intangible assets acquired separately are initially recognised at fair value.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists depreciated replacement cost has been used as fair value.

## **1.8 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that the sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset and the sale is considered likely to be concluded within one year. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses.

Assets classified as held for sale are not depreciated.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount. The profit from sale of land which is a non-depreciating asset is recognised within income. The profit from sale of a depreciating asset is shown as a reduced expense. The loss from sale of land or from any depreciating assets is shown within operating expenses. On disposal, the balance for the asset on the revaluation reserve is transferred to the Statement of Comprehensive net Expenditure reserve.

Property, plant or equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

## **1.9 Inventories**

Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

## **1.10 Income**

Operating Income relates directly to the operating activities of the NIGALA and is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

### **Grant in aid**

Funding received from other entities, including the Department and the Health and Social Care Board are accounted for as grant in aid and are reflected through the Statement of Comprehensive Net Expenditure Reserve.

## **1.11 Investments**

The NIGALA does not have any investments.

## **1.12 Other expenses**

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

## **1.13 Cash and cash equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## **1.14 Leases**

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

### **The NIGALA as lessee**

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching

liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the NIGALA's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated. Leased land may be either an operating lease or a finance lease depending on the conditions in the lease agreement and following the general guidance set out in IAS 17. Leased buildings are assessed as to whether they are operating or finance leases.

### **The NIGALA as lessor**

Amounts due from lessees under finance leases are recorded as receivables at the amount of the NIGALA's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the NIGALA's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## **1.15 Private Finance Initiative (PFI) transactions**

The NIGALA has had no PFI transactions during the year.

## **1.16 Financial instruments**

- **Financial assets**

Financial assets are recognised on the balance sheet when the NIGALA becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

- **Financial liabilities**

Financial liabilities are recognised on the balance sheet when the NIGALA becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

- Financial risk management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within the HSC Bodies in creating risk than would apply to a non-public sector body of a similar size, therefore the ALBs are not exposed to the degree of financial risk faced by business entities.

ALBs have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the ALBs in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

- Currency risk

The NIGALA is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The NIGALA has no overseas operations. The NIGALA therefore has low exposure to currency rate fluctuations.

- Interest rate risk

The NIGALA has limited powers to borrow or invest and therefore has low exposure to interest rate fluctuations.

- Credit risk

Because the majority of the NIGALA's income comes from contracts with other public sector bodies, the NIGALA has low exposure to credit risk.

- Liquidity risk

Since the NIGALA receives the majority of its funding through its principal Commissioner which is voted through the Assembly, it is therefore not exposed to significant liquidity risks.

## **1.17 Provisions**

The NIGALA had no provisions in 2017-18 or 2016-17.

## **1.18 Contingencies**

The NIGALA had no contingent assets or liabilities in 2017-18 or 2016-17.



## **1.19 Employee benefits**

### **Short-term employee benefits**

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been determined using individual's salary costs applied to their unused leave balances determined from a report of the unused annual leave balance as at 31 March 2018. It is not anticipated that the level of untaken leave will vary significantly from year to year. [Untaken flexi leave is estimated to be immaterial to the NIGALA and has not been included].

### **Retirement benefit costs**

Past and present employees are covered by the provisions of the HSC Superannuation Scheme.

The NIGALA participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the NIGALA and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. The NIGALA is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

The costs of early retirements are met by the NIGALA and charged to the Statement of Comprehensive Net Expenditure at the time the NIGALA commits itself to the retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in 2017-18 accounts.

## **1.20 Reserves**

### **Statement of Comprehensive Net Expenditure Reserve**

Accumulated surpluses are accounted for in the Statement of Comprehensive Net Expenditure Reserve.

### **Revaluation Reserve**

The Revaluation Reserve reflects the unrealised balance of cumulative indexation and revaluation adjustments to assets other than donated assets.

## **1.21 Value Added Tax**

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

## **1.22 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NIGALA has no beneficial interest in them. Details of third party assets are given in Note 23 to the accounts.

## **1.23 Government Grants**

The note to the financial statements distinguishes between grants from UK government entities and grants from European Union.

## **1.24 Losses and Special Payments**

Losses and special payments are items that the Assembly would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had HSC bodies not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

## **1.25 Accounting Standards that have been issued but have not yet been adopted**

Under IAS 8 there is a requirement to disclose those standards issued but not yet adopted.

The IASB have issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards are effective with EU adoption from 1 January 2014.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on Office of National Statistics (ONS) control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out but a decision has yet to be made by the Executive. Should the Executive agree to the recommendations, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

Management consider that any other new accounting policies issued but not yet adopted are unlikely to have a significant impact on the accounts in the period of the initial application.

## **NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

#### **NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT**

The core business and strategic direction of the Northern Ireland Guardian Ad Litem Agency is to act as a 'voice' for children who are subjects of public law and adoption proceedings before the courts in Northern Ireland.

The Agency Board acts as the Chief Operating Decision Maker and receives financial information on the Agency as a whole and makes decisions on this basis. Hence, it is appropriate that the Agency reports on a single operational segment basis.

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 3 OPERATING EXPENSES

#### 3.1 Operating Expenses are as follows:

	2018 £	2017 £
Staff costs <sup>1</sup> :		
Wages and Salaries	2,608,875	2,659,294
Social security costs	278,002	279,175
Other pension costs	409,755	421,109
Supplies and services- General	11,512	11,177
Establishment	260,147	292,935
Premises	202,541	183,187
Miscellaneous expenditure	2,690	1,788
Fees- Self Employed Guardians	299,648	283,350
Recharges from other HSC organisations	130,703	109,909
<b>Total Operating Expenses</b>	<b>4,203,873</b>	<b>4,241,924</b>
<b>Non cash items</b>		
Depreciation	31,670	37,408
Amortisation	33,781	36,622
Loss on disposal of property, plant & equipment (including land)	415	291
Auditors remuneration	9,000	9,100
<b>Total non cash items</b>	<b>74,866</b>	<b>83,421</b>
<b>Total</b>	<b>4,278,739</b>	<b>4,325,345</b>

<sup>1</sup> Further detailed analysis of staff costs is located in the Staff Report on page 55 within the Accountability Report.

During the year the NIGALA purchased no non audit services from its external auditor (NIAO).

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 4 INCOME

#### 4.1 Income from Activities

The NIGALA had no income from activities in 2017-18 and 2016-17.

#### 4.2 Other Operating Income

	2018	2017
	£	£
Other income from non-patient services	29,935	338
Seconded staff	75,250	75,933
<b>TOTAL INCOME</b>	<b>105,185</b>	<b>76,271</b>

#### 4.3 Deferred income

The NIGALA had no income released from conditional grants in 2017-18 and 2016-17.

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 5.1 Property, plant & equipment - year ended 31 March 2018

	Land £	Buildings (excluding dwellings) £	Dwellings £	Assets under Construction £	Plant and Machinery (Equipment) £	Transport Equipment £	Information Technology (IT) £	Furniture and Fittings £	Total £
<b>Cost or Valuation</b>									
At 1 April 2017	-	506,252	-	-	43,340	-	170,633	8,528	728,753
Indexation	-	38,672	-	-	-	-	-	(103)	38,569
Additions	-	-	-	-	-	-	1,248	-	1,248
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(12,690)	-	(12,690)
At 31 March 2018	-	<b>544,924</b>	-	-	<b>43,340</b>	-	<b>159,191</b>	<b>8,425</b>	<b>755,880</b>

**Depreciation**

At 1 April 2017	-	486,599	-	-	43,340	-	130,081	3,655	663,675
Indexation	-	37,523	-	-	-	-	-	(55)	37,468
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(12,275)	-	(12,275)
Provided during the year	-	6,251	-	-	-	-	24,204	1,215	31,670
At 31 March 2018	-	<b>530,373</b>	-	-	<b>43,340</b>	-	<b>142,010</b>	<b>4,815</b>	<b>720,538</b>

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 5.1 (continued) Property, plant & equipment- year ended 31 March 2018

	Land £	Buildings (excluding dwellings) £	Dwellings £	Assets under Construction £	Plant and Machinery (Equipment) £	Transport Equipment £	Information Technology (IT) £	Furniture and Fittings £	Total £
<b>Carrying Amount</b> At 31 March 2018	-	14,551	-	-	-	-	17,181	3,610	35,342
At 31 March 2017	-	19,653	-	-	-	-	40,552	4,873	65,078

#### Asset financing

Owned	-	14,551	-	-	-	-	17,181	3,610	35,342
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b> At 31 March 2018	-	14,551	-	-	-	-	17,181	3,610	35,342

Any fall in value through negative indexation or revaluation is shown as impairment.

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £Nil (2017: £Nil).

The fair value of assets funded from the following sources during the year was:

	2018 £	2017 £
Donations	-	-
Government Grant	-	-
Lottery funding	-	-



# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 5.2 Property, plant & equipment - year ended 31 March 2017

	Land £	Buildings (excluding dwellings) £	Dwellings £	Assets under Construction £	Plant and Machinery (Equipment) £	Transport Equipment £	Information Technology (IT) £	Furniture and Fittings £	Total £
<b>Cost or Valuation</b>									
At 1 April 2016	-	493,947	-	-	43,340	-	162,922	8,528	708,737
Indexation	-	12,305	-	-	-	-	-	-	12,305
Additions	-	-	-	-	-	-	9,163	-	9,163
Donations / Government grant /									
Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(1,452)	-	(1,452)
At 31 March 2017	-	<b>506,252</b>	-	-	<b>43,340</b>	-	<b>170,633</b>	<b>8,528</b>	<b>728,753</b>

## Depreciation

At 1 April 2016	-	465,663	-	-	43,340	-	104,215	2,437	615,655
Indexation	-	11,773	-	-	-	-	-	-	11,773
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(1,161)	-	(1,161)
Provided during the year	-	9,163	-	-	-	-	27,027	1,218	37,408
At 31 March 2017	-	<b>486,599</b>	-	-	<b>43,340</b>	-	<b>130,081</b>	<b>3,655</b>	<b>663,675</b>

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 5.2 (continued) Property, plant & equipment- year ended 31 March 2017

	Land £	Buildings (excluding dwellings) £	Dwellings £	Assets under Construction £	Plant and Machinery (Equipment) £	Transport Equipment £	Information Technology (IT) £	Furniture and Fittings £	Total £
<b>Carrying Amount</b> At 31 March 2017	-	19,653	-	-	-	-	40,552	4,873	65,078
At 1 April 2016	-	28,284	-	-	-	-	58,707	6,091	93,082

#### Asset financing

Owned  
Finance leased  
On SOFP PFI and other service  
concession arrangements  
contracts

-	19,653	-	-	-	-	40,552	4,873	65,078
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b> At 31 March 2017	-	19,653	-	-	-	40,552	4,873	65,078

#### Asset financing

Owned  
Finance leased  
On SOFP PFI and other service  
concession arrangements  
contracts

-	28,284	-	-	-	-	58,707	6,091	93,082
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b> At 1 April 2016	-	28,284	-	-	-	58,707	6,091	93,082

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 6.1 Intangible assets - year ended 31 March 2018

	Software Licenses £	Information Technology £	Websites £	Development Expenditure £	Licences, Trademarks & Artistic Originals £	Patents £	Goodwill £	Payments on Account & Assets under Construction £	Total £
<b>Cost or Valuation</b>									
At 1 April 2017	1,895	458,866	-	-	-	-	-	-	460,761
Indexation	-	5,596	-	-	-	-	-	-	5,596
Additions	-	-	-	-	-	-	-	8,000	8,000
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	8,000	-	-	-	-	-	(8,000)	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2018	<b>1,895</b>	<b>472,462</b>	-	-	-	-	-	-	<b>474,357</b>
<b>Amortisation</b>									
At 1 April 2017	1,895	332,189	-	-	-	-	-	-	334,084
Indexation	-	2,506	-	-	-	-	-	-	2,506
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Provided during the year	-	33,781	-	-	-	-	-	-	33,781
At 31 March 2018	<b>1,895</b>	<b>368,476</b>	-	-	-	-	-	-	<b>370,371</b>

## NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

#### NOTE 6.1 (continued) Intangible assets - year ended 31 March 2018

	Software Licenses £	Information Technology £	Websites £	Development Expenditure £	Licences, Trademarks & Artistic Originals £	Patents £	Goodwill £	Payments on Account & Assets under Construction £	Total £
<b>Carrying Amount</b>									
At 31 March 2018	-	103,986	-	-	-	-	-	-	103,986
At 31 March 2017	-	126,677	-	-	-	-	-	-	126,677

### Asset financing

Owned	-	103,986	-	-	-	-	-	-	103,986
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b>									
At 31 March 2018	-	<b>103,986</b>	-	-	-	-	-	-	<b>103,986</b>

Any fall in value through negative indexation or revaluation is shown as impairment.

The fair value of assets funded from the following sources during the year was:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Donations	-	-
Government Grant	-	-
Lottery funding	-	-

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 6.2 Intangible assets - year ended 31 March 2017

	Software Licenses £	Information Technology £	Websites £	Development Expenditure £	Licences, Trademarks & Artistic Originals £	Patents £	Goodwill £	Payments on Account & Assets under Construction £	Total £
<b>Cost or Valuation</b>									
At 1 April 2016	1,895	445,706	-	-	-	-	-	-	447,601
Indexation	-	12,021	-	-	-	-	-	-	12,021
Additions	-	1,139	-	-	-	-	-	-	1,139
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2017	<b>1,895</b>	<b>458,866</b>	-	-	-	-	-	-	<b>460,761</b>

## Amortisation

At 1 April 2016	1,633	292,460	-	-	-	-	-	-	294,093
Indexation	-	3,369	-	-	-	-	-	-	3,369
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Provided during the year	262	36,360	-	-	-	-	-	-	36,622
At 31 March 2017	<b>1,895</b>	<b>332,189</b>	-	-	-	-	-	-	<b>334,084</b>



# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 6.2 (continued) Intangible assets - year ended 31 March 2017

	Software Licenses £	Information Technology £	Websites £	Development Expenditure £	Licences, Trademarks & Artistic Originals £	Patents £	Goodwill £	Payments on Account & Assets under Construction £	Total £
<b>Carrying Amount</b>									
At 31 March 2017	-	126,677	-	-	-	-	-	-	126,677
At 1 April 2016	262	153,246	-	-	-	-	-	-	153,508

**Asset financing**

Owned	-	126,677	-	-	-	-	-	-	126,677
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b>									
At 31 March 2017	-	126,677	-	-	-	-	-	-	126,677

**Asset financing**

Owned	262	153,246	-	-	-	-	-	-	153,508
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b>									
At 1 April 2016	262	153,246	-	-	-	-	-	-	153,508

## **NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

#### **NOTE 7 FINANCIAL INSTRUMENTS**

As the cash requirements of NIGALA are met through Grant-in-Aid provided by the Department of Health, 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 NIGALA's expected purchase and usage requirements and the NIGALA is therefore exposed to little credit, liquidity or market risk.

#### **NOTE 8 IMPAIRMENTS**

The NIGALA had no impairments in 2017-18 or 2016-17.

#### **NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE**

The NIGALA did not hold any assets classified as held for sale in 2017-18 or 2016-17.

#### **NOTE 10 INVENTORIES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Office supplies	500	500
<b>Total</b>	<b>500</b>	<b>500</b>

## NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

#### NOTE 11 CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Balance at 1 <sup>st</sup> April	23,515	23,174
Net change in cash and cash equivalents	164	341
<b>Balance at 31<sup>st</sup> March</b>	<b>23,679</b>	<b>23,515</b>

#### The following balances at 31 March were held at

	2018	2017
	£	£
Commercial Banks and cash in hand	23,679	23,515
<b>Balance at 31<sup>st</sup> March</b>	<b>23,679</b>	<b>23,515</b>

The bank account is operated by Business Services Organisation (BSO) on behalf of the NIGALA. The account is in the legal name of the BSO.

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	2018	2017
	£	£
<b>Amounts falling due within one year</b>		
Trade receivables	6,787	7,526
Deposits and advances	-	-
VAT receivable	10,819	17,693
Other receivables – not relating to fixed assets	43,565	6,238
Other receivables – relating to property, plant and equipment	-	-
Other receivables – relating to intangibles	-	-
<b>Trade and other receivables</b>	<b>61,171</b>	<b>31,457</b>
<b>Prepayments</b>	<b>37,302</b>	<b>45,949</b>
Accrued income	-	-
Current part of PFI and other service concession arrangements prepayment	-	-
<b>Other current assets</b>	<b>37,302</b>	<b>45,949</b>
<b>Amounts falling due after more than one year</b>		
Trade receivables	-	-
Deposits and advances	-	-
Other receivables	-	-
<b>Trade and other receivables</b>	<b>-</b>	<b>-</b>
<b>Prepayments and accrued income</b>	<b>-</b>	<b>-</b>

Other current assets falling due after more than one year	-	-
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>61,171</b>	<b>31,457</b>
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>37,302</b>	<b>45,949</b>
<b>TOTAL INTANGIBLE CURRENT ASSETS</b>	<b>-</b>	<b>-</b>
<b>TOTAL RECEIVABLES AND OTHER CURRENT ASSETS</b>	<b>98,473</b>	<b>77,406</b>

The balances are net of a provision for bad debts of £Nil (2017: £Nil).

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 13 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2018	2017
	£	£
<b>Amounts falling due within one year</b>		
Other taxation and social security	20	-
VAT payable	-	-
Bank overdraft	-	-
Trade capital payables – property, plant and equipment	-	-
Trade capital payables – intangibles	-	-
Trade revenue payables	3,964	22,465
Payroll payables	-	-
Clinical Negligence payables	-	-
RPA payables	-	-
BSO payables	1,851	565
Other payables	216,243	1,416
Accruals	260,275	196,172
Accruals– relating to property, plant and equipment	-	9,163
Accruals – relating to intangibles	-	-
Deferred Income	-	-
<b>Trade and other payables</b>	<b>482,353</b>	<b>229,781</b>

Current part of finance leases	-	-
Current part of long term loans	-	-
Current part of imputed finance lease element of PFI and other service concession arrangements contracts	-	-
<b>Other current liabilities</b>	-	-
<b>Total payables falling due within one year</b>	<b>482,353</b>	<b>229,781</b>
<b>Amounts falling due after more than one year</b>		
Other payables, accruals and deferred income	-	-
Trade and other payables	-	-
Imputed finance lease element of PFI and other service concession arrangements contracts	-	-
Long term loans	-	-
<b>Total non current other payables</b>	-	-
<b>TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>	<b>482,353</b>	<b>229,781</b>



# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 14 PROMPT PAYMENT POLICY

#### 14.1 Public Sector Payment Policy - Measure of Compliance

The Department requires that NIGALA pay their non HSC trade creditors in accordance with applicable terms and appropriate Government Accounting guidance. The NIGALA's payment policy is consistent with applicable terms and appropriate Government Accounting guidance and its measure of compliance is:

	2018	2018	2017	2017
	Number	Value	Number	Value
		£		£
Total bills paid	742	1,699,946	868	2,514,542
Total bills paid within 30 day target	727	1,633,425	853	2,508,106
% of bills paid within 30 day target	98%	96%	98%	99%
Total bills paid within 10 day target	626	1,485,865	741	2,385,262
% of bills paid within 10 day target	84%	87%	85%	95%

#### 14.2 The Late Payment of Commercial Debts Regulations 2002

	£
Amount of compensation paid for payment(s) being late	-
Amount of interest paid for payment(s) being late	-
<b>Total</b>	-

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES

The NIGALA had no provisions for liabilities and charges at either 31 March 2018 or 31 March 2017.

### NOTE 16 CAPITAL COMMITMENTS

The NIGALA had no capital commitments at either 31 March 2018 or 31 March 2017.

### NOTE 17 COMMITMENTS UNDER LEASES

#### 17.1 Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2018	2017
	£	£
<b>Obligations under operating leases comprise</b>		
<b>Buildings</b>		
Not later than one year	74,800	66,448
Later than one year but not later than five years	61,233	116,479
Later than five years	-	-
	<b>136,033</b>	<b>182,927</b>

## **17.2 Finance Leases**

The NIGALA had no finance leases in 2017-18 or 2016-17.

## **17.3 Operating Leases**

The NIGALA did not issue any operating leases in 2017-18 or 2016-17.

# **NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

### **NOTE 18 COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS**

#### **18.1 Off balance sheet PFI and other service concession arrangement schemes.**

The NIGALA had no commitments under PFI and other concession arrangement contracts at 31 March 2018 or 31 March 2017.

#### **18.2 On balance sheet (SoFP) PFI Schemes**

The NIGALA has no on balance sheet (SoFP) PFI and other service concession arrangements schemes at 31 March 2018 or 31 March 2017.

### **NOTE 19 OTHER FINANCIAL COMMITMENTS**

The NIGALA did not have any other financial commitments at 31 March 2018 or 31 March 2017.

### **NOTE 20 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT**

The NIGALA did not have any financial guarantees, indemnities and letters of comfort at 31 March 2018 or 31 March 2017.

### **NOTE 21 CONTINGENT LIABILITIES**

The NIGALA did not have any quantifiable contingent liabilities at 31 March 2018 or 31 March 2017.

## **NOTE 22 RELATED PARTY TRANSACTIONS**

The NIGALA is an arms length body of the Department of Health, and as such the Department is a related party with which the NIGALA has had various material transactions during the year.

In addition, in both 2016-17 and 2017-18 there were material transactions throughout the year with the Business Services Organisation who are a related party by virtue of being an arms length body with the Department of Health.

During the year, none of the Board members, members of the key management staff or other related parties has undertaken any material transactions with the NIGALA.

## **NOTE 23 THIRD PARTY ASSETS**

The NIGALA held no assets at either 31 March 2018 or 31 March 2017 belonging to third parties.

## NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

#### NOTE 24 Financial Performance Targets

##### 24.1 Revenue Resource Limit

The NIGALA is given a Revenue Resource Limit which it is not permitted to overspend.

The Revenue Resource Limit for NIGALA is calculated as follows:

	2018	2017
	Total	Total
	£	£
DoH (excludes non cash)	4,099,290	4,166,518
Other Government Department	-	5,000
Non cash RRL (from DoH)	74,866	83,421
<b>Total agreed RRL</b>	<b>4,174,156</b>	<b>4,254,939</b>
Adjustment for income received re Donations / Government grant / Lottery funding for non current assets	-	-
<b>Total Revenue Resource Limit to Statement of Comprehensive Net Expenditure</b>	<b>4,174,156</b>	<b>4,254,939</b>

## 24.2 Capital Resource Limit

The NIGALA is given a Capital Resource Limit (CRL) which it is not permitted to overspend.

	2018	2017
	£	£
Gross Capital Expenditure	9,247	10,302
(Receipts from sales of fixed assets)	-	-
Net capital expenditure	9,247	10,302
Capital Resource Limit	9,247	10,302
Overspend/(Underspend) against CRL	-	-

## NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

#### 24.3 Financial Performance Targets

The NIGALA is required to ensure that it breaks even on an annual basis by containing its surplus to within 0.25% of RRL or £20,000, whichever is greater.

	2017-18	2016-17
	£	£
Net Expenditure	(4,173,554)	(4,249,074)
RRL	4,174,156	4,254,939
Surplus/(Deficit) against RRL	602	5,865
Break Even cumulative position (opening)	45,801	39,936
Break Even Cumulative position (closing)	46,403	45,801

#### Materiality Test:

	2017-18	2016-17
	%	%
Break Even in year position as % of RRL	0.01%	0.14%
Break Even cumulative position as % of RRL	1.11%	1.08%



## **NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

#### **NOTE 25 EVENTS AFTER THE REPORTING PERIOD**

There are no post balance sheet events having material effect on the accounts.

#### **DATE OF AUTHORISATION FOR ISSUE**

The Accounting Officer authorised these financial statements for issue on 6<sup>th</sup> July 2018







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