

Northern Ireland Police Fund
Annual Report and Accounts
For the year ended 31 March 2019

*Laid before the Northern Ireland Assembly under
Section 9(d) of the Northern Ireland Police Fund Regulations 2016*

on

20 December 2019

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PERFORMANCE REPORT

OVERVIEW

The purpose of the Overview is to provide sufficient information to ensure that the remit and purpose of the Northern Ireland Police Fund (NIPF) is understood. The Overview includes:

- a statement from the Chief Executive providing his perspective on the performance of NIPF over the period;
- a statement of the purpose and activities of NIPF;
- the key issues and risks that could affect NIPF in delivering its objectives; and
- a performance summary.

FOREWORD BY CHIEF EXECUTIVE

I am pleased to present the Annual Report for the Northern Ireland Police Fund for 2018-19.

Last year I reported on the introduction of a new IT system and the proposal to introduce BACS payments to improve the work of NIPF and the service to clients. I am pleased to say that the introduction of these new ways of doing business has achieved its objectives and the electronic payments in particular have enhanced the service to our clients. This year has also seen the introduction of General Data Protection Regulation (GDPR) and I am pleased to report that the new requirements on data storage and retention have been implemented fully by NIPF. My thanks go to staff who have worked diligently to introduce these new requirements.

This year has also seen changes within the staff of NIPF. Our Head of Assessment is on a career break and we continue to fill the vacancies through interchange arrangements and temporary promotion. I am particularly grateful for the support of my staff throughout the year. Their professionalism, dedication and hard work has been exemplary and I wish to thank them for their support during the changes which have taken place. I also want to record my thanks to Dr Michael Wardlow and the Management Board for all their support and encouragement throughout the year.

STATEMENT OF PURPOSE AND ACTIVITIES

History

The Northern Ireland Police Fund was set up in late 2001 as a government response to the Independent Commission on Policing for Northern Ireland, Patten Recommendation 87, as reviewed by John Steele. NIPF was to supplement the income of those on very low pensions, help finance the procurement of better prostheses or household equipment for the disabled and make bursaries for disabled officers and their children who wish to study.

Until 31 March 2016 NIPF operated as a Company Limited by Guarantee and was governed by company law. From 1 April 2016 the status of NIPF changed to that of an Executive Non-Departmental Public Body (NDPB) of the Department of Justice (DoJ).

Aims and objectives

The overall aim of NIPF is to improve the quality of life of its clients by providing financial and other support.

Description of business

NIPF achieves its objectives by providing a comprehensive, quality service to its clients. It is proactive in seeking to meet their needs, and provides a range of schemes designed to meet those needs now and in the future.

NIPF's principal activity during the year was the provision of financial assistance, advice, support and care to members and former members of the Royal Ulster Constabulary, the Royal Ulster Constabulary Reserve, the Police Service of Northern Ireland, the Police Service of Northern Ireland Reserve who were killed or injured by terrorism, and their families and dependants.

NIPF, being mindful of the problems and traumas faced by its clients, delivers a caring and considerate service, and seeks at all times to minimise any unwarranted intrusion into the lives of its clients consistent with meeting the requirements of its schemes.

Organisational structure

The NIPF is headed by the Chief Executive who reports to a Management Board consisting of a Chairperson and Non-Executive Members who are all appointed by the Minister of Justice or Department of Justice. The Chief Executive is supported by a small team of operational and administrative staff.

Principal risks and uncertainties

NIPF's policy for managing risk is set out in section 4 of the Governance Statement. The principal risks faced by NIPF are changing government priorities affecting funding, increased pressures to meet the growing requirements of departmental oversight and the complexities of corporate governance from within very limited resources and the possibility of fraud in grant applications.

NIPF continues to take on new clients particularly as the impact of Post-Traumatic Stress Disorder (PTSD) may become more apparent. In such cases it remains the policy that all new clients must have a Band 2 disability rating with a causal incident directly related to terrorist attack. The needs of existing clients will change as they grow older and it will be a challenge for NIPF to ensure that the support it provides will meet the changing needs of clients.

Going concern

In accordance with the Government Financial Reporting Manual, the financial statements of NIPF in respect of the financial year to 31 March 2019 are prepared on a going concern basis. The going concern basis is set out in Note 1.2 to the Accounts.

PERFORMANCE SUMMARY AND FORWARD LOOK

Performance summary

During the year, NIPF made 349 (2017-18: 377) grants to individual clients covering general support, disability adaptations, educational bursaries, regular payments to those on very low incomes, and respite breaks for carers. It made a further 498 (2017-18: 498) recognition payments to eligible clients of NIPF with 72 (2017-18: 74) payments to Early Widows. It also supported six police support voluntary bodies where their activities were of benefit to the clients of NIPF.

Forward look

NIPF continues to look at how best it might meet its clients' needs in the future and especially how it needs to develop and adopt new schemes to meet the dual challenges of ageing and disability.

PERFORMANCE ANALYSIS**Financial Review**

The NIPF financial statements for 2018-19 are compared to the previous two financial years in the table below:

Statement of Comprehensive Net Expenditure

	2018-19 £	2017-18 £	2016-17 £
Total operating income	(35,174)	(7,273)	-
Staff costs	280,345	232,736	229,606
Purchase of goods and services	115,387	111,305	119,196
Depreciation and impairment charges	3,158	4,120	3,588
Grants	1,096,128	1,106,739	1,113,702
Total operating expenditure	1,495,018	1,454,900	1,466,092
Net operating expenditure	1,459,844	1,447,627	1,466,092
Finance expense	125	1,178	1,207
Net expenditure for the year	1,456,969	1,448,805	1,467,299

Financial position

The total net assets of NIPF at 31 March 2019 were £21,836 (2017-18: £18,622).

Cash flow

As detailed in the notes to the Accounts, the NIPF's Net Assembly draw down in 2018-19 was £1,463,000 (2017-18: £1,426,000) and the net increase in cash and cash equivalents in the year was £13,370 (2017-18: decrease of £28,672).

Financial risk

NIPF relies primarily on the Department of Justice for funding and the risk to this funding is low.

NIPF accounts for all transactions in sterling and it has no borrowings. As such, NIPF is not exposed to any exchange rate or liquidity risk.

Auditors

The financial statements are audited by the Comptroller and Auditor General for Northern Ireland (C&AG), who heads the Northern Ireland Audit Office (NIAO) and is appointed by statute and reports to the Assembly. The C&AG and his staff are wholly independent of NIPF.

The audit fee for the work performed by the staff of the C&AG during the reporting period, and which relates solely to the audit of these financial statements, was £10,000 (2017-18: £10,000). The C&AG may also undertake other statutory activities that are not related to the audit of the body's financial statements such as Value for Money reports. No such activity took place during the year.

Payment to suppliers

NIPF's policy is to pay bills from all suppliers within 10 working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier.

During the financial year, NIPF achieved an average of 98.5% (2017-18: 91.0%) of invoices paid to suppliers within 10 working days following receipt of a properly rendered invoice. NIPF achieved an average of 100% (2017-18: 98.5%) of invoices paid to suppliers within 30 calendar days following receipt of a properly rendered invoice.

Social responsibility, environmental and sustainability initiatives

NIPF is committed to behaving ethically, to contributing to the local community, to minimising our impact on the environment. Throughout the year NIPF participated in a recycling scheme for toner cartridges and, where possible, uses paper products that have a low environmental impact. NIPF's recycling also includes printed and office paper, tin and metal products, envelopes, cardboard and plastics.

Health and safety

NIPF is committed to providing staff with an environment that is, as far as possible, safe and free from risk to health. In line with this commitment, NIPF complied with the relevant legislation.

There were no notifiable accidents during 2018-19.

Human rights

Public servants have a statutory duty to respect, protect and fulfil people's human rights when developing and delivering government policy and services. The Northern Ireland Human Rights Commission (NIHRC) interactive guide to Human Rights is available to staff in the NIPF to ensure they have knowledge of human rights law and standards and the core principles through which human rights are realised. The training is designed to increase human rights knowledge and strengthen the culture of human rights awareness and good practice within the organisation.

Anti-corruption and anti-bribery

NIPF is committed to the values of probity and accountability which foster a positive organisational culture. It is also committed to the elimination of any fraud within the organisation, to the rigorous investigation of any prima facie case, and, where fraud or other criminal acts are proven, to ensure that wrongdoers are dealt with appropriately. NIPF will take proportionate steps to recover any assets lost as a result of fraud, corruption or theft. It also has a zero tolerance approach towards acts of bribery and corruption by staff, associated persons and organisations.

PERFORMANCE REPORT



R G Pedlow
Chief Executive and Accounting Officer
Date: 31 October 2019

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

DIRECTORS' REPORT

The Board

The NIPF Management Board oversees the work of the organisation. Its role is to lead NIPF's strategic planning and assist the Chief Executive, who is also the Accounting Officer, in meeting corporate governance responsibilities of NIPF.

During 2018-19, the Board consisted of:

Position	Member
Chief Executive	Ronnie Pedlow
Non-Executive Member	Dr Michael Wardlow (Chairperson)
Non-Executive Member	Mark Lindsay
Non-Executive Member	Chief Superintendent George Clarke (until 26 September 2018)
Non-Executive Member	Deirdre Kenny
Non-Executive Member	Brian McCargo
Non-Executive Member	Kelly Robinson
Non-Executive Member	Vacant

Board members' interests

Details of company directorships and other significant interests held by Board Members are set out within the related party disclosures at Note 15 in the Accounts. NIPF maintains a Register of Interests for senior management and Board Members which is updated on a quarterly basis. In addition, any conflicts of interest are declared by the Board Members at each meeting. Access to the Register of Interests may be gained by contacting the Office Manager at NIPF.

Information assurance

There were no incidences of loss of information assets or personal data during 2017-18 or 2018-19 which were required to be reported to the Information Commissioner's Office.

Complaints

There were no complaints in 2017-18 or 2018-19.

NON-EXECUTIVES' REPORT

Overview

The 2018-19 year has been a challenging year for the Northern Ireland Police Fund with the loss, without replacement, of two members of the Board, one of whom had stepped down in 2017-18. George Clarke stepped down as the Chief Constable's representative on his promotion to acting Assistant Chief Constable as his new area of work created a potential conflict with the work of the NIPF. We want to thank George for his commitment and input into the work of NIPF over the past three years.

Despite the loss, the Board continues to provide direction, support and challenge to the staff of NIPF in taking forward its valuable work of supporting police officers injured or killed by terrorists, and their dependants.

Board

The Board met seven times during the year and received ongoing reports on finance, management, and the activities particularly in relation to disbursement of grants to clients. The year also saw the introduction of new regulations on GDPR and the Board were briefed fully on the impact of these changes to NIPF and the way in which staff had carried out the work necessary to meet the new regime. We appreciate all the work put in by staff to ensure full compliance with this.

The absence of a Minister in the Department of Justice has meant that it has not been able to fill the vacancies already mentioned and this ongoing position has put considerable pressure on the remaining Board Members and staff. One practical example of our reduced membership has been the increased pressure on all existing members to attend every meeting to ensure we are quorate to take decisions. I hope that we are able to find a pragmatic solution to filling our vacancies if the ongoing impasse regarding the Assembly continues into the future.

Audit and Risk Committee

The Audit and Risk Committee (ARC) met on four occasions this year and received ongoing reports from internal and external audit colleagues; counter fraud activities updates; finance, and transformation reports. ARC also undertook continual scrutiny of NIPF's Risk Register which was reviewed and updated throughout the year, particularly in the context of the changing transformation environment.

Terry McGonigal, the independent member of the ARC stepped down during the year and we wish to thank Terry for his very valuable contribution to the work of the ARC over a number of years. A recruitment process was undertaken to identify a replacement and we are very pleased that Leanne McCullough has joined the ARC as an independent member. Leanne brings extensive experience from both the private and public sector and we look forward to her input and challenge over the coming years.

Conclusion

Overall this has been a challenging year for NIPF. It saw a reduction from seven to five Non-Executive Members and the remaining Board Members have all given even more personal commitments to ensure the work of the Board and NIPF continues with a minimal if any impact on clients.

In this we are grateful for the work of the NIPF's staff and their resilience in continuing to deliver the highest possible level of service to its clients.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under paragraph 9 of The Northern Ireland Police Fund Regulations 2016, the Department of Justice (DoJ) has directed the Northern Ireland Police Fund to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Police Fund and of its income and expenditure, changes in taxpayer's equity and cash flows for the financial year.

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

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

The Accounting Officer for the DoJ has designated the Chief Executive of the Northern Ireland Police Fund as Accounting Officer for the year of account.

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 Police Fund's assets, are set out in the Accounting Officer's Memorandum, issued by the Department of Finance (DoF) and published in Managing Public Money Northern Ireland.

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

The Chief Executive as Accounting Officer confirms that the Annual Report and Accounts as a whole is fair, balanced and understandable and takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

GOVERNANCE STATEMENT

1. Scope of responsibility

The Northern Ireland Police Fund was set up in late 2001 as a government response to the Independent Commission on Policing for Northern Ireland, Patten Recommendation 87, as reviewed by John Steele. Its principal activity throughout the year was the provision of financial assistance, advice, support and care to members and former members of the Royal Ulster Constabulary, the Royal Ulster Constabulary Reserve, the Police Service of Northern Ireland and the Police Service of Northern Ireland Reserve who have been injured or disabled as a direct result of terrorism. It also provides support to the widows, families and dependants of police officers who have been injured or killed as a direct result of terrorist attack.

It has as its mission statement:

Alleviating suffering resulting from terrorist attacks on police officers by providing continuing support for them and their families.

The core business of NIPF centres on clients. The needs of clients are at the heart of NIPF's schemes and services and as client needs change and develop over time NIPF's schemes are regularly reviewed and evolve to meet need and demand.

NIPF's approach to client service goes beyond grants and NIPF will work with other agencies, particularly within the police family, to try to ensure that the needs of clients are met as well as possible.

NIPF's assessment team also aims to visit, personally, all clients at least once every 18 months which allows the team to assess changing client need, inform clients about opportunities available to them through NIPF and develop the best support available within the parameters of NIPF's support schemes.

We strive to ensure a high quality client based service balanced by the best possible use of NIPF's budget, within the parameters of governance and accounting requirements.

NIPF is classified as an Executive NDPB.

2. Purpose of the governance framework

The governance framework is designed to monitor and record the stewardship of the organisation and to supplement the accounts, providing a sense of how successfully NIPF has coped with the challenges it faces.

The framework is the way in which NIPF operates and allows it to monitor how it achieves its objectives and targets while ensuring the best use of public funds.

The internal control system underpins the governance framework and is designed to ensure that risks are managed appropriately in line with NIPF's risk appetite. It cannot eliminate all risks but rather provides reasonable assurance of effectiveness. It is based on an ongoing process through which NIPF has identified and prioritised the risks to the achievement of its policies, objectives and targets. It also evaluates the likelihood of risks being realised and the impact should they be realised, and how they are being managed and mitigated efficiently, effectively and economically.

3. Governance framework

The Chief Executive and Non-Executive Members are committed to operating in a responsible manner and the governance framework forms an integral part of this approach in order to safeguard public funds. A robust governance framework, as described below, supports the Chief Executive and Board Members in discharging their corporate governance responsibilities.

The Corporate Governance Framework has been in place in NIPF for the year ended 31 March 2019 and up to the date of the annual report and accounts, and is in accordance with DoF Guidance. NIPF also complied with the Corporate Governance Code.

NIPF is subject to the disclosure requirements under the Freedom of Information Act 2000. There have been no Ministerial directions during the course of the year.

Corporate accountability

NIPF is a Statutory Body of the Department of Justice (DoJ). The Chief Executive is a seconded Grade 7 civil servant and the Accounting Officer for NIPF. He is responsible for the operational management of NIPF and the delivery of Board policy. He reports directly to the Chairperson.

The Accounting Officer's responsibilities are delegated from the Permanent Secretary of the DoJ, to the Chief Executive, who as NIPF's Accounting Officer is accountable for the effective, efficient and economic use of resources provided to NIPF, for the propriety and regularity of its expenditure, the safety and security of staff and for ensuring that the requirements of Managing Public Money Northern Ireland are met.

The Chief Executive and the Board Members pay careful attention to the Management Statement and Financial Memorandum agreed with the Departmental Sponsor.

Non-Executive Members

The Chief Executive is supported by a Management Board (the Board) consisting a Chairperson and Non-Executive Members who have been appointed by the Minister of Justice or Department of Justice, and who govern the conduct of NIPF through formal reporting and decision making. Board Members comprise a mixture of individuals providing a balance of skills and abilities ranging from strong ties with the policing family, through to experience of the specialisms required to fulfil the Board's functions, which range from decisions affecting client grants to governance and oversight of performance.

The Board meets monthly and at the corporate and strategic level Board Members regularly review progress and performance against the objectives and targets set in NIPF's Business Plan. This includes the ongoing monitoring of corporate risks and the oversight of the performance and risks at the operational level.

Attendance by Members at Board meetings during 2018-19 was as follows:

Member	Possible Attendance	Actual Attendance	% Attendance
Dr Michael Wardlow	8	7	88%
Mark Lindsay	8	5	67%
Chief Superintendent George Clarke (until 26 September 2018)	3	2	67%
Deirdre Kenny	8	8	100%
Brian McCargo	8	7	88%
Kelly Robinson	8	8	100%

Supporting committees

The Accounting Officer and Board Members are supported in their roles by the Audit and Risk Committee which usually meets at least four times a year and monitors the corporate governance and control systems within NIPF. It considers progress against assurance plans, adequacy of the risk management framework and risk register and any proposed risk mitigation, adherence to procurement policies and guidelines, internal and external audit strategies and management response to audit recommendations. The Audit Committee is chaired by a member of the Board and has a member independent of the Board. It has full access to all audit reports, risk registers and management reports. The Committee is attended by representatives from internal and external audit and the Departmental Sponsor.

Attendance at Audit and Risk Committee meetings during 2018-19 was as follows:

Member	Possible Attendance	Actual Attendance	% Attendance
Kelly Robinson (Chairperson)	4	4	100%
Deirdre Kenny	4	4	100%
Brian McCargo	4	3	75%
Terry McGonigle (until 25 June 2018)	0	0	N/A
Leanne McCullough (from 24 January 2019)	1	1	100%

The Board may also convene an ad hoc Finance and General Purposes Committee to carry out specific items of work as required by it. This Committee was convened four times during the year.

Depending on the level of funding applications, grants to clients are awarded through delegated authority to the Chief Executive and/or through case conferences which comprise a quorum of four Board Members. Client appeals are heard at Board meetings.

Annual report and accounts

Each year NIPF prepares an annual report and accounts in accordance with the Financial Reporting Manual (FReM) and DoF guidance, prior to being laid in the Assembly.

Ongoing governance oversight of NIPF is achieved through quarterly governance meetings with the Departmental Sponsor and through regular Departmental governance and financial reports and returns.

Policies and procedures

NIPF has internal controls in place which are supported by policies and procedures which are adhered to throughout the organisation. NIPF also has a system of signed authorisation forms and tiered approval processes which are an effective internal control system and delegates a level of individual accountability throughout NIPF.

4. Risk management and internal control

NIPF's internal control and risk management processes act as enablers for the delivery of effective governance and demonstrate that adequate internal controls are in place and operating effectively.

To assist in the risk management process, NIPF has developed a risk management policy which sets out its methodology for identifying, assessing and managing risk in line with the risk appetite, outlines the key aspects of the risk management process and identifies the reporting procedures. A risk register is maintained and reviewed on a quarterly basis by the Board and the register, along with a summary of changes made in the intervening period is submitted to each Audit and Risk Committee meeting and governance meeting with the Departmental Sponsor.

NIPF adheres to specific financial arrangements, delegated from the Department to the Accounting Officer in relation to the principles within Managing Public Money Northern Ireland (MPMNI) for the expenditure, regularity, propriety and value for money which applies to all public expenditure. NIPF implements and adheres to relevant DoJ and DoF policies where they are appropriate to NIPF including financial, procurement and accounting policies and procedures, information security policy, policies on fraud and anti-bribery, and whistleblowing, a requirement to declare conflicts of interest and a gifts and hospitality policy.

5. Review of effectiveness of the governance framework

As Accounting Officer I have responsibility for reviewing the effectiveness of the governance framework and the system of internal control. This has been informed through a number of elements within NIPF.

NIPF's Board has a vital role in ensuring that NIPF has an effective system of internal control. It met on eight separate occasions during the year to discuss and make decisions relating to, but not limited to: strategy, governance, performance, financial planning and monitoring, budget proposals, risk, security, policies and procedures. The Board again acknowledges the significant improvement in the quality of data presented in management information reports during the year, particularly financial data, which has enabled the board to have a fuller corporate overview of performance within NIPF. This includes but is not limited to: cumulative data on client based activities, spend, prompt payments statistics and security and fraud matters.

In terms of Board attendance, I have commented earlier on the pressure to ensure a quorum. This has resulted in a reduction in the number of Board meetings in the year due to an inability to achieve a quorum for several scheduled meetings. The appointment of a new Chief Constable's representative in the near future will help to alleviate this pressure.

The Audit and Risk Committee also keeps governance issues under review. It met four times during the year to consider significant aspects within the governance framework including, but not limited to: reports from internal and external audit on systems and procedural reviews, the annual report to those charged with governance and the management response, quarterly risk register reviews from the Board and procurement issues.

In accordance with the National Audit Office 'Good Practice Self-Assessment Checklist' for public sector Audit Committees, the Audit and Risk Committee, along with the Board, has undertaken Corporate Governance training which included specific training on the role of an audit and risk committee. The outcome gave assurance that best practices were being followed in key areas.

NIPF meets quarterly with the Departmental Sponsor to discuss governance issues and agree actions for improvement.

In addition to this, NIPF also makes a significant number of formal monthly, six monthly and annual returns to the Department. These include but are not limited to:

- stewardship statements;
- corporate governance statements;
- security risk management overview;
- information assurance maturity action plan;
- financial forecasts and resource budget monitoring returns;
- monitoring rounds; and
- compliance reports on the use of consultants.

6. Budget position

In the continuing absence of an Executive and a sitting Assembly the Northern Ireland Budget Act 2018 was progressed through Westminster, receiving Royal Assent on 20 July 2018, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2019 which received Royal Assent on 15 March 2019. The authorisations, appropriations and limits in these Acts provide the authority for the 2018-19 financial year and a vote on account for the early months of the 2019-20 financial year as if they were Acts of the Northern Ireland Assembly.

7. Significant internal control issues

No significant internal control issues were identified during the year.

8. Accounting Officer statement on assurance

I have been advised on the implications of the result of my review and of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee and through the internal auditor's annual opinion on assurance.

The Public Sector Internal Auditing Standards requires that I report any significant control issues brought to my attention by the Internal Auditors in respect of 2018-19. I have been informed by internal audit on the adequacy and effectiveness of internal controls operating within NIPF. Internal Audit produced a report on the NIPF's finance administration and personnel systems and has given a satisfactory assurance. In addition management has agreed and implemented the recommendations made therein.

Progress on issues raised by internal and external audit continues to be formally monitored through the Audit and Risk Assurance Committee. In addition, progress on Priority 1 internal and external recommendations continues to be reported to and monitored by the Departmental Audit and Risk Assurance Committee.

The Head of Internal Audit provides me with an Annual Report and her professional opinion on the level of assurance that she can provide based on the work done. The Head of Internal Audit forms her professional opinion on the basis of the Internal Audit work completed over a three year period and she has provided overall satisfactory assurance.

Taking these matters into account, I am content that the internal control framework in operation within NIPF provides reasonable assurance that objectives can be met.

REMUNERATION AND STAFF REPORT

Remuneration policy

The salaries of seconded civil servants in the Northern Ireland Police Fund are based on a review of grading completed in 2005 and the level of pay settlements in the Northern Ireland Civil Service. Bonuses may be awarded either directly from NIPF or through the DoJ agreed performance and bonus arrangements.

In reaching its recommendations, DoJ has regard to the following considerations:

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

The salaries for directly recruited staff are set by the Board of NIPF on advice from its Finance and General Purposes Committee having regard to a review of grading completed in 2005 and the level of settlements elsewhere in the public and private sector.

Service contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' for Northern Ireland's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition, but also includes circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org.

Staff recruited directly are appointed through an external firm of recruitment agents. In accordance with NIPF policies all appointments are made on the basis of fair and open competition. Appointments may be made either on a fixed contract basis or open ended and early termination may give rise to an individual receiving compensation.

Salary and pension entitlement

[Audited information]

The following section details the remuneration and pension interests of the most senior management of NIPF.

The Chairperson of NIPF is the only Non-Executive Member in receipt of remuneration.

Officials	Salary £000	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1000)	2018-19
				Total
				£
Dr M Wardlow Chairperson	5-10	-	-	5-10
Mr R Pedlow** Chief Executive	30-35	-	6	35-40

Officials	Salary £000	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1000)	2017-18
				Total
				£
Dr M Wardlow Chairperson	5-10	-	-	5-10
Mr R Pedlow** Chief Executive	30-35	-	6	35-40

**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 and any increase or decrease due to a transfer of pension rights.*

***The Chief Executive works part-time and received a banded salary of £50-£55,000 for a 0.6016 full-time equivalent (FTE) post.*

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex-gratia payments.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Fair pay disclosure

[Audited information]

	2018-19	2017-18
Band of highest paid Director's FTE Total Remuneration*	£50-55,000	£50-55,000
Median Total Remuneration*	£32,634	£28,431
Ratio	1.61	1.85

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

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in the organisation and the median remuneration of the workforce.

The Chief Executive was the highest paid officer in the organisation with an annualised full-time equivalent (FTE) banded remuneration of £50-£55,000. This was 1.61 times (2017-18: 1.85 times) the median remuneration of the workforce which was £32,634 (2017-18: £28,431). The increase in the median salary is the result of a lower grade administrative post being vacant at 31 March 2019.

No employee received remuneration in excess of the Chief Executive during either the year ended 31 March 2019 or the prior year ended 31 March 2018. Remuneration in 2018-19 ranged from £30,000 to £55,000 (FTE) (2017-18: £21,000 to £55,000 (FTE)).

Pension entitlements*[Audited information]*

Officials	Accrued pension at pension age as at 31/3/19 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/19	CETV at 31/3/18	Real increase in CETV	Employer contribution to partnership pension account (Nearest £100)
	£000	£000	£000	£000	£000	£000
Mr R Pedlow Chief Executive	0-5 plus 5-10 lump sum	0-2.5 plus 0-2.5 lump sum	57	57	3	-

No pension benefits are provided to the Non-Executive Members of the Board.

The Chief Executive is on inward secondment and his pension arrangements fall under the Civil Service pension provisions.

Northern Ireland Civil Service (NICS) pension schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate is 2.32%.

New entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is also a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). From April 2011, pensions payable under classic, premium, and classic plus are reviewed annually in line

with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2018 was 2.4% and HM Treasury has announced that public service pensions will be increased accordingly from April 2019.

Employee contribution rates for all members for the period covering 1 April 2019 to 31 March 2020 are as follows:

Annualised rate of Pensionable Earnings (Salary Bands)		% Contribution rate for all members
From	To	
£0	£23,500.99	4.60%
£23,501.00	£54,500.99	5.45%
£54,501.00	£150,000.99	7.35%
£150,001.00 and above		8.05%

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Scheme Pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website

<https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni>

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Compensation on early retirement or for loss of office

[Audited information]

There were no compensation benefits paid by NIPF to any senior staff members during the financial year (2017-18: £Nil).

STAFF REPORT**Staff costs***[Audited information]*

Staff costs comprise:

	Permanently Employed Staff £	Others £	2018-19 Total £	2017-18 Total £
Wages and salaries	220,351	9,124	229,475	182,046
Social security costs	21,403	-	21,403	16,008
Other pension costs	29,467	-	29,467	34,682
Total Gross Costs	271,221	9,124	280,345	232,736
Less recoveries in respect of outward secondments	(35,174)	-	(35,174)	(7,273)
Total Net Costs	236,047	9,124	245,171	225,463

Staff (including the Chief Executive), who are Civil Servants on inward secondment, fall under the Civil Service or NI Assembly pension provisions relevant to their employer. Their pension costs are recharged by the employer to NIPF and accounted for above as pension costs.

NIPF pension arrangements

NIPF operates a defined contribution scheme for its employees as they are not Civil Servants. A defined contribution plan is a pension plan under which the employer pays fixed contributions into a separate entity. The employer has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For its defined contribution plan, the employer pays contributions to a privately administered pension plan on a contractual basis. The employer has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. During 2018-19, employers' contributions of £5,786 (2017-18: £5,469) were payable to the private pension provider. Contributions prepaid at 31 March 2019 were £Nil (2017-18: £Nil).

There were no early retirements on ill-health grounds in 2017-18 or in 2018-19.

Average number of persons employed

[Audited information]

The average number of whole-time equivalent persons employed during 2018-19 was 5.2 (2017-18: 4.5).

During the year, three members of staff (2017-18: three) had permanent employment contracts. Four members of staff (2017-18: three) were on inward secondment and one (2017-18: one) was on outward secondment. An additional four persons (2017-18: four) were employed on zero hours contracts.

Staff composition

The number of persons employed at 31 March 2019 including those on zero hours contracts was as follows:

	Female staff	Male staff	Total Staff
NIPF Board	2	3	5
Senior Civil Service	-	-	-
NIPF employees	6	2	8

Managing attendance

The reported average number of working days lost due to sickness per employee for 2018-19 was 6.3 days (2017-18: 4.0 days).

Staff policies

NIPF is committed to the development of its staff and to policies that enable them to contribute to the performance and long-term effectiveness of the organisation.

In particular NIPF:

- will ensure that all eligible persons shall have equal opportunity for employment and advancement in NIPF on the basis of their ability, qualifications and aptitude for the work; in other words 'on the basis of merit';
- embraces issues of diversity, inclusivity and equality of opportunity, with recruitment and retention processes and policies fully embracing those concepts;
- gives equality of opportunity when considering applications from disabled persons, in compliance with all existing legislation; and
- recognises the benefits of keeping employees informed of progress and issues affecting NIPF through formal and informal meetings.

Equal opportunities and diversity

The policy of NIPF is that all eligible persons shall have equal opportunity for employment and advancement on the basis of their ability, qualifications and aptitude for work. Under the policy, no person must be treated less favourably, in any respect of his/her employment, for a reason related to gender, marital status, religious belief, political opinion, disability, colour, ethnic or national origin, age, sexual orientation and having dependants, which should be irrelevant to the treatment or assessment of that individual.

NIPF is an Equal Opportunity employer and is fully committed to the elimination of all forms of harassment and bullying, discrimination and victimisation. NIPF recognises the legal obligations under which it operates and ensures working relationships are based on mutual trust, respect and understanding. This allows the maximum potential to be made of the wide variety of skills, abilities and attributes available within NIPF.

Employment of disabled persons

NIPF aims to ensure that people with a disability suffer no detriment in recruitment and advancement and that its policies and practices comply with the requirements of the Disability Discrimination Act 1995 and Disability Discrimination (Amendment) Regulations 2003. The consideration and implementation of reasonable adjustments help to ensure that staff with disabilities can fully utilise their skills and abilities.

Learning and development

NIPF is committed to ensuring that staff have the opportunity to develop as far as possible within the organisation. During the year training was provided for both Board Members and staff in corporate governance.

Employee involvement

Staff involvement in the work of NIPF is actively encouraged as part of the day-to-day process of line management.

Expenditure on consultancy

NIPF incurred no expenditure on consultancy during 2017-18 or 2018-19.

Off-payroll payments

NIPF made no off-payroll payments in 2017-18 or 2018-19.

Reporting of Civil Service and other compensation schemes - exit packages

[Audited information]

NIPF incurred no expenditure on compulsory redundancies or other departures during 2017-18 or 2018-19

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

ASSEMBLY ACCOUNTABILITY DISCLOSURES

Regularity of expenditure

Losses and special payments

[Audited information]

There were no losses or special payments that require disclosure in 2017-18 or 2018-19.

Remote contingent liabilities

[Audited information]

There were no contingent liabilities requiring disclosure under Assembly reporting requirements. NIPF had no significant remote contingent liabilities during 2018-19 that require disclosure. Note 14 provides further details regarding the contingent liabilities that are included within the financial statements.

ACCOUNTABILITY REPORT



R G Pedlow
Chief Executive and Accounting Officer
Date: 31 October 2019

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 Police Fund for the year ended 31 March 2019 under the Audit and Accountability (Northern Ireland) Order 2003 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. 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 Police Fund's affairs as at 31 March 2019 and of the Northern Ireland Police Fund's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Audit and Accountability (Northern Ireland) Order 2003 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 and Department of Justice 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 Police Fund 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 Chief Executive as accounting officer is 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 Justice directions made under the Audit and Accountability (Northern Ireland) Order 2003 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010; 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 Chief Executive for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Chief Executive as accounting officer is 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 Audit and Accountability (Northern Ireland) Order 2003 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

My objectives are 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 (UK) 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. 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

12 November 2019

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2019

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

	Note	2018-19 £	2017-18 £
Revenue from contracts with customers		-	-
Other operating income	4	(35,174)	(7,273)
Total operating income		(35,174)	(7,273)
Staff costs	3	280,345	232,736
Purchase of goods and services	3	115,387	111,305
Depreciation and impairment charges	3	3,158	4,120
Grants	3	1,096,128	1,106,739
Total operating expenditure		1,495,018	1,454,900
Net operating expenditure		1,459,844	1,447,627
Finance expense	3	125	1,178
Net expenditure for the year		1,459,969	1,448,805
Other comprehensive net expenditure			
Items that will not be reclassified to Net operating expenditure:			
- net (gain)/loss on revaluation of property, plant and equipment	5	(183)	(456)
- net (gain)/loss on revaluation of intangibles	6	-	-
Comprehensive net expenditure for the year		1,459,786	1,448,349

The notes on pages 34 to 47 form part of these Accounts.

Statement of Financial Position

As at 31 March 2019

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

	Note	2019 £	2018 £
Non-current assets			
Property, plant and equipment	5	16,066	20,145
Intangible assets	6	-	-
Total non-current assets		16,066	20,145
Current assets			
Trade and other receivables	9	19,300	29,968
Cash and cash equivalents	8	35,221	21,933
Total current assets		54,521	51,901
Total assets		70,587	72,046
Current liabilities			
Cash and cash equivalents	8	-	(82)
Trade and other payables	10	(48,751)	(53,342)
Total current liabilities		(48,751)	(53,424)
Total assets less net current liabilities		21,836	18,622
Non-current liabilities		-	-
Total assets less total liabilities		21,836	18,622
Taxpayers' equity and other reserves			
General fund		20,986	17,770
Revaluation reserve		850	852
Total equity		21,836	18,622



R G Pedlow
Chief Executive and Accounting Officer
Date: 31 October 2019

The notes on pages 34 to 47 form part of these Accounts.

Statement of Cash Flows

For the year ended 31 March 2019

This Statement shows the changes in cash and cash equivalents of the Northern Ireland Police Fund during the reporting period. The statement shows how NIPF 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 NIPF. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the NIPF's future public service delivery.

	Note	2018-19 £	2017-18 £
Cash flows from operating activities			
Net expenditure for the year		(1,459,969)	(1,448,805)
Adjustment for non-cash transactions	3	7,042	4,120
(Increase)/decrease in trade and other receivables	9	10,668	(25,829)
Increase in trade and other payables	10	(4,591)	18,875
<i>Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		770	8,130
Net cash outflow from operating activities		(1,446,080)	(1,443,509)
Cash flows from investing activities			
Property, plant and equipment		(3,550)	(11,163)
Intangible assets		-	-
Net cash outflow from investing activities		(3,550)	(11,163)
Cash flows from financing activities			
Grant from sponsoring department		1,463,000	1,426,000
Net financing		1,463,000	1,426,000
Net (decrease)/increase in cash and cash equivalents in the period		13,370	(28,672)
Cash and cash equivalents at the beginning of the period	8	21,851	50,523
Cash and cash equivalents at the end of the period	8	35,221	21,851

The notes on pages 34 to 47 form part of these Accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2019

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

	General Fund £	Revaluation Reserve £	Taxpayers' Equity £
Balance at 31 March 2017	40,396	575	40,971
Grant from sponsoring department	1,426,000	-	1,426,000
Comprehensive net expenditure for the year	(1,448,805)	456	(1,448,349)
Transfer between reserves	179	(179)	-
Balance at 31 March 2018	17,770	852	18,622
Grant from sponsoring department	1,463,000	-	1,463,000
Comprehensive net expenditure for the year	(1,459,969)	183	(1,459,786)
Transfer between reserves	185	(185)	-
Balance at 31 March 2019	20,986	850	21,836

The notes on pages 34 to 47 form part of these Accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2017-18 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NIPF for the purpose of giving a true and fair view has been selected. The particular policies adopted by NIPF are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

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, intangible assets and certain financial assets and liabilities.

The Accounts are stated in sterling, which is NIPF's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in pounds sterling (£).

1.2 Going concern

NIPF is a NDPB within the Department of Justice (DoJ) having been established on 1 April 2016 to replace the previous Company under the Northern Ireland Police Fund Regulations. The future financing of NIPF's activities is expected to be met by the DoJ provided from funding from the Consolidated Fund. NIPF takes the view that the going concern concept applies as long as the provisions of the Northern Ireland Police Fund Regulations remain extant.

1.3 Property, plant and equipment

Expenditure on property, plant and equipment of over £1,000 is capitalised. Where material the grouping of a range of property, plant and equipment has also been undertaken in respect of some personal computers, printers, office furniture and equipment.

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. In compliance with IAS 16 *Property, Plant and Equipment*, subsequent expenditure on an asset which does not meet the criteria of enhancement or improvement is treated as revenue.

All property, plant and equipment is revalued annually using appropriate indices provided by the Office for National Statistics.

1.4 Intangible assets

Expenditure on computer software licenses lasting more than one year and costing more than £1,000 is capitalised and classified as intangible assets.

All intangible assets are carried at fair value. Software licences are revalued annually using appropriate indices provided by the Office for National Statistics.

1.5 Revaluation reserve

Upward revaluations are credited to the Revaluation Reserve and permanent reductions in the value of property, plant and equipment are charged to the Statement of Comprehensive Net Expenditure. Any subsequent revaluation of assets is credited to the Statement of Comprehensive Net Expenditure to the extent that it reverses previous revaluation decreases recognised as an expense.

1.6 Depreciation and amortisation

All property, plant and equipment and intangible assets are depreciated/amortised at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point when the asset is brought into use.

Estimated useful lives, which are reviewed regularly, are:

<i>Asset category</i>	<i>Useful Life</i>
Plant and machinery	5 - 15 years
Information technology	5 years
Intangible assets (software and licences)	5 years

Software licences are amortised over the shorter of the term of the licence and the useful economic life.

1.7 Realised element of depreciation from Revaluation Reserve

Depreciation is charged to expenditure on the revalued amount of property, plant and equipment. An element of depreciation therefore arises due to the increase in valuation and is in excess of the depreciation that would be charged on the historical cost of assets. The amount relating to this excess is a realised gain on disposal and is transferred from the Revaluation Reserve to the General Fund.

1.8 Value Added Tax

Value added tax (VAT) is not applicable in respect of income receipts. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment and intangible assets.

1.9 Third-party assets

Third-party assets are assets for which NIPF acts as custodian or trustee, but in which neither NIPF nor Government more generally has a direct beneficial interest. Third-party assets are not public assets, and hence are not recorded in the primary financial statements.

1.10 Financing

NIPF is primarily resourced by funds approved by the Assembly through the annual Supply process. Resources are drawn down each month to meet expenditure requirements and are credited to the General Fund.

1.11 Classification of income and expenditure

The Statement of Comprehensive Net Expenditure for NIPF only includes programme income and expenditure. The classification of income or expenditure as programme follows the definition set by the Department of Finance.

1.12 Income

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the NIPF is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, NIPF: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods and services

Revenue from the sale of goods is recognised either:

- at the point in time when the customer obtains control of the goods, which is generally at the time of delivery; or
- over time as the services are rendered based on either a fixed price or an agreed rate.

Other operating income

Other operating income is income which relates directly to the operating activities of NIPF. It includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with the FReM, is treated as operating income and is recognised when it is received or when the right to receive payment is established.

1.13 Staff costs

Under IAS19 (revised) *Employee Benefits*, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the costs of any untaken leave as at the reporting date. The cost of untaken leave has been determined from staff leave records.

1.14 Pensions

Employees of NIPF who are civil servants are covered by the provisions of the NICS pension arrangements. These defined benefit schemes are unfunded. NIPF recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the NICS pension arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the NICS pension arrangements

In addition, NIPF operates a defined contribution scheme for certain employees who are not Civil Servants. In respect of defined contribution schemes, NIPF recognises the contributions payable for the year.

Further details regarding the above schemes are contained in the Remuneration Report and the Staff Report within the Accountability Report.

1.15 Operating leases

Leases where substantially all of the risks and rewards are held by the lessor are classified as operating leases. Rentals are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the period of the lease.

1.16 Grants payable

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Grants related to activity occurring over a specific time period, usually a financial year are recorded as expenditure for that period.

1.17 Segmental reporting

In line with the provisions of IFRS 8, Operating Segments, NIPF does not analyse its net expenditure by operating segment as it has concluded that it has no separately identifiable operating segments.

1.18 Financial instruments

Recognition and de-recognition of financial assets and financial liabilities

Financial assets and liabilities are recognised when NIPF becomes party to the contractual provisions of the instrument.

Financial assets are de-recognised when the organisation no longer has rights to the cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are de-recognised when the obligation under the liability is discharged, cancelled or expires.

Financial assets

Trade and other receivables

Financial assets within trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective method less provisions for doubtful receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

Financial liabilities

Trade and other payables

Financial liabilities within trade and other payables are initially recognised at fair value, which is usually the original invoiced amount, less provision for impairment.

1.19 Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying NIPF's accounting policies. NIPF continually evaluates its estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts are discussed below.

Depreciation of property, plant and equipment and amortisation of intangible assets

Depreciation and amortisation is provided in the Accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.6.

Other than as noted above, no material accounting estimates or judgements were made by NIPF in preparing these accounts.

1.20 Accounting standards, interpretations and amendments to published standards and *FReM* - issued and effective in 2018-19 for the first time

Review of Financial Process:

Standard	Comments
IFRS 10 - <i>Consolidated Financial Statements</i> IFRS 11 - <i>Joint Arrangements</i> IFRS 12 - <i>Disclosure of Interests in Other Entities</i>	The International Accounting Standards Board (IASB) issued new and amended Standards (IFRS 10, IFRS 11 and IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These Standards were effective with EU adoption from 1 January 2014. Accounting boundaries for IFRS purposes are currently adapted in the <i>FReM</i> so that the Westminster departmental accounting boundary is based on Office of National Statistics control criteria, as designated by HM Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2020-21, 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 have changed as a result of the new Standards.

There were two accounting initiatives issued and effective in 2018-19 for the first time.

Standard	IFRS 9 <i>Financial Instruments</i>
Effective date	1 January 2018 (EU endorsed 22 November 2016)
<i>FReM</i> application	2018-19
Description of revision	IFRS 9 includes several improvements, and introduces substantially greater disclosure requirements, to the previous IAS 39 which includes: <ul style="list-style-type: none"> • a single approach to classification and measurement • a new forward-looking 'expected loss' impairment model; and • a revised approach to hedge accounting.
Comments	IFRS 9 will affect all public-sector bodies that have any financial Instruments (including trade receivables, lease receivables, loan commitments and contract assets).

Standard	IFRS 15 <i>Revenue from Contracts with Customers</i>
Effective date	1 January 2018 (EU endorsed 31 October 2017)
<i>FReM</i> application	2018-19
Description of revision	IFRS 15 introduces a new five stage model for assessing and recognising revenue from contracts with customers. It also introduces substantially greater disclosure requirements to address the shortcomings of the previous Standards (IAS 1 and IAS 18).
Comments	IFRS 15 will affect all public-sector bodies.

1.21 Accounting standards, interpretations and amendments to published standards not yet effective

NIPF has considered those new Standards, interpretations and amendments to existing Standards which have been published and are mandatory for the NIPF's accounting periods beginning on or after 1 April 2019 or later periods, but which NIPF has not adopted early. Other than as outlined below, NIPF considers that these Standards are not relevant or material to its operations.

Standard	IFRS 16 <i>Leases</i> (replaces IAS 17 <i>Leases</i> and related interpretations)
Effective date	January 2019 (EU endorsed 31 October 2017)
FReM application	2020-21
Description of revision	<p>The IASB issued IFRS 16 in January 2016 with an effective date for annual periods beginning on or after 1 January 2019. Early application is permitted for those entities applying IFRS 15.</p> <p>IFRS 16 represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. A lessee is required to recognise assets and liabilities for all leases, unless they qualify for low value or short-term exemptions. In addition, there are updated disclosure requirements.</p> <p>The lessor accounting model is generally unchanged from IAS 17 but entities should be aware of the introduction and impacts of IFRS 9 <i>Financial Instruments</i>, enhanced disclosure requirements and that a sub-lessor now determines whether a lease is finance or operating based on the right of use asset it subleases.</p>
Comments	IFRS 16 <i>Leases</i> replaces IAS 17 <i>Leases</i> and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2020.

1.22 Financial reporting - future developments

NIPF has considered the accounting initiatives identified by HM Treasury for which the Standards are under development and considers that these changes are not relevant or material to its operations.

2. Statement of operating expenditure by operating segment

In the opinion of the Management Board, NIPF operates only one reportable segment and all income and expenditure as shown in the Statement of Comprehensive Net Expenditure is attributable to the overall services provided by NIPF. All NIPF's financing is derived from the DoJ through grant-in-aid and all services undertaken are within Northern Ireland. All non-current assets are located in Northern Ireland.

3. Programme expenditure

	Note	2018-19 £	2017-18 £
Staff costs*			
Wages and salaries		229,475	182,046
Social security costs		21,403	16,008
Other pension costs		29,467	34,682
		280,345	232,736
Purchase of goods and services			
Staff related costs		18,159	15,637
Rentals under operating leases		33,090	33,089
Accommodation, maintenance and utilities		876	7,174
IT, communications and office services		42,264	37,800
Contracted out and managed services		1,915	2,276
Professional costs		4,998	4,770
Audit fee		10,000	10,000
Other		201	559
		111,503	111,305
Non-cash items			
Loss on disposal of non-current assets		3,884	-
		3,884	-
		115,387	111,305
Depreciation and impairment charges			
Depreciation	5	3,176	2,468
Amortisation	6	-	1,631
Revaluation released to SoCNE	5	(18)	21
		3,158	4,120
Grants			
Disability adaption grants		227,935	256,835
Disabled Police Officers Association		9,810	-
Discretionary grants		5,365	7,175
Early widow's award		203,680	198,320
Educational bursaries		50,700	53,200
Forgotten families		2,000	967
General support		254,366	315,698
Injured police survivors and carers		2,535	766
Parents association		17,939	21,866
Recognition payments		247,800	199,200
Regular payments scheme		29,195	28,873
Respite care		27,921	27,387
Carers' association		11,270	8,175
Wounded Police and Families Association		7,733	-
Recovery of grants paid out in previous financial years		(2,121)	(11,723)
		1,096,128	1,106,739
Finance expense			
		125	1,178
Total programme expenditure			
		1,495,143	1,456,078

*Further analysis of Staff costs is located in the Staff Report within the Accountability Report.

4. Income

	2018-19 £000	2017-18 £000
Revenue from contracts with customers	-	-
Other operating income		
Recovery of secondee costs	35,174	7,273
Total operating income	35,174	7,273

5. Property, plant and equipment

	Fixtures & Fittings £	Computer Equipment £	Assets under construction £	2018-19 Total £
Cost or valuation				
At 1 April 2018	14,546	21,124	-	35,670
Additions	-	2,780	-	2,780
Disposals	-	(10,132)	-	(10,132)
Transfers	-	-	-	-
Revaluation released to SoCNE	23	-	-	23
Revaluation	36	223	-	259
At 31 March 2019	14,605	13,995	-	28,600
Depreciation				
At 1 April 2018	10,630	4,895	-	15,525
Charged in year	580	2,596	-	3,176
Disposals	-	(6,248)	-	(6,248)
Reclassification	-	-	-	-
Revaluation released to SoCNE	5	-	-	5
Revaluation	6	70	-	76
At 31 March 2019	11,221	1,313	-	12,534
Carrying amount at 31 March 2019	3,384	12,682	-	16,066
Carrying amount at 31 March 2018	3,916	16,229	-	20,145
Asset financing:				
Owned	3,384	12,682	-	16,066
Carrying amount at 31 March 2019	3,384	12,682	-	16,066

5. Property, plant and equipment (continued)

				2017-18
	Fixtures & Fittings £	Computer Equipment £	Assets under construction £	Total £
Cost or valuation				
At 1 April 2017	12,479	10,679	8,900	32,058
Additions	2,090	943	-	3,033
Disposals	-	-	-	-
Reclassification	-	8,900	(8,900)	-
Revaluation released to SoCNE	(23)	-	-	(23)
Revaluation	-	602	-	602
At 31 March 2018	14,546	21,124	-	35,670
Depreciation				
At 1 April 2017	10,427	2,486	-	12,913
Charged in year	205	2,263	-	2,468
Disposals	-	-	-	-
Reclassification	-	-	-	-
Revaluation released to SoCNE	(2)	-	-	(2)
Revaluation	-	146	-	146
At 31 March 2018	10,630	4,895	-	15,525
Carrying amount at 31 March 2018	3,916	16,229	-	20,145
Carrying amount at 31 March 2017	2,052	8,193	8,900	19,145
Asset financing:				
Owned	3,916	16,229	-	20,145
Carrying amount at 31 March 2018	3,916	16,229	-	20,145

Property, plant and equipment were adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

6. Intangible assets

	2018-19 £	2017-18 £
Cost or valuation		
At 1 April	9,712	9,712
Additions	-	-
Disposals	-	-
Reclassification	-	-
Revaluation released to SoCNE	-	-
Revaluation	-	-
At 31 March	9,712	9,712
Amortisation		
At 1 April	9,712	8,081
Charged in year	-	1,631
Disposals	-	-
Reclassification	-	-
Revaluation released to SoCNE	-	-
Revaluation	-	-
At 31 March	9,712	9,712
Carrying amount at 31 March	-	-
Asset financing:		
Owned	-	-
Carrying amount at 31 March	-	-

Intangible assets were adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

7. Financial instruments

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

8. Cash and cash equivalents

	2018-19 £	2017-18 £
Balance at 1 April	21,851	50,523
Net change in cash and cash equivalent balances	13,370	(28,672)
Balance at 31 March	35,221	21,851

The following balances at 31 March are held at:

Commercial banks and cash in hand	35,221	21,851
Balance at 31 March	35,221	21,851

Balances for Cash and cash equivalents are disclosed in the Statement of Financial position as follows:

	2018-19 £	2017-18 £
Current assets	35,221	21,933
Current liabilities	-	(82)
Total	35,221	21,851

9. Trade receivables, financial and other assets

	2018-19 £	2017-18 £
Amounts falling due within one year:		
Other receivables	13,433	19,423
Prepayments and accrued income	5,867	10,545
	19,300	29,968
Amounts falling due after more than one year:		
Other receivables	-	-
	-	-
Total	19,300	29,968

10. Trade payables, financial and other current liabilities

	2018-19 £	2017-18 £
Amounts falling due within one year:		
Accruals and deferred income	48,751	53,342
	48,751	53,342
Amounts falling due after more than one year:		
Other payables	-	-
	-	-
Total	48,751	53,342

11. Leases**Operating leases**

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

	2018-19 £	2017-18 £
Obligations under operating leases comprise:		
<i>Land and buildings</i>		
Not later than one year	34,775	33,090
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	34,775	33,090

12. Capital commitments

There were no other capital commitments at 31 March 2018 or 31 March 2019.

13. Other financial commitments

There were no other financial commitments at 31 March 2018 or 31 March 2019.

14. Contingent liabilities

There were no contingent liabilities at 31 March 2018 or 31 March 2019.

15. Related party transactions

The DoJ, as NIPF's Sponsor Department, is regarded as a related party. During the year, NIPF had a number of material transactions with DoJ including the secondment from DoJ of the NIPF's Chief Executive. NIPF reimburses DoJ for his salary and pension costs.

NIPF has a Service Level Agreement with Police Rehabilitation and Retraining Trust (PRRT) for leasing a property during the financial year with a charge for 2018-19 of £33,090 (2017-18 £33,089).

None of the members of the Management Board had any personal transactions with NIPF.

16. Third-party assets

NIPF does not hold any assets on behalf of third parties.

17. Events after the reporting date

There were no events after the reporting date that required disclosure.

Date for authorisation of issue

The Accounting Officer authorised these financial statements for issue on 12 November 2019.