



Police Service of Northern Ireland

Annual Report and Accounts

for the year ended 31 March 2017

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**POLICE SERVICE OF
NORTHERN IRELAND**

Annual Report and Accounts For the year ended 31 March 2017

Laid before the Northern Ireland Assembly under Section 12(6)(b)
of the Police (Northern Ireland) Act 2000 as amended by the
Police (Northern Ireland) Act 2003 and the Northern Ireland Act 1998
(Devolution of Policing and Justice Functions) Order 2010

On

06 July 2017

CONTENTS

	Page No
INTRODUCTION BY CHIEF CONSTABLE	3
PERFORMANCE REPORT	6
ACCOUNTABILITY REPORT	53
Chief Constable's Report	53
Statement of Responsibilities of the Chief Constable	59
Governance Statement	60
Remuneration and Staff Report	72
Assembly Accountability and Audit Report.....	89
THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY	90
STATEMENT OF COMPREHENSIVE NET EXPENDITURE	93
STATEMENT OF FINANCIAL POSITION	94
STATEMENT OF CASH FLOWS.....	95
STATEMENT OF CHANGES IN TAXPAYERS' EQUITY	96
NOTES TO THE ACCOUNTS.....	97

INTRODUCTION BY CHIEF CONSTABLE

Keeping People Safe

I am immensely proud to be the Chief Constable of the Police Service of Northern Ireland (PSNI). I lead an organisation of officers and staff who are working 24 hours a day, seven days a week, 365 days a year to Keep People Safe.

Every day, PSNI receive an average of just over 1,400 calls from the public, 3.6% of which require an emergency response. On an average day we investigate 268 crimes, make 80 arrests, attend 17 injury road traffic accidents, respond to 163 incidents of antisocial behaviour and search for 35 missing people. At the less visible end of policing, we will have at any one time over 1,000 ongoing investigations within Crime Operations Department, including investigations into cybercrime, organised crime, terrorism and serious violent crimes including murder. From a public protection perspective, every year, we manage over 1,000 people on the sex offenders register and participate in over 1,000 Multi-Agency Risk Assessment Conferences about domestic abuse. We also plan for the policing of major events such as the Grand Fondo cycling event, as well as almost 5,000 parades every year.

2016-17 was a year of commemoration for many within Northern Ireland and despite the additional pressures in terms of operational planning and deployment for the policing of almost 500 sensitive parades and protests, it was a relatively peaceful summer.

Crime is down 6.6% and confidence in policing remains consistently high, with the most recent independent survey putting confidence at just over 80%. This success is being achieved despite the immense challenges we face, which include radically reducing budgets, rapidly changing policing demands; and the ongoing SEVERE terrorist threat.

Changing Policing Demand

Since becoming Chief Constable, I have been honest with the public that policing is changing.

Traditional visible crime has given way to new, less visible crime. This crime is often cyber related and can cross international boundaries, making it more difficult and expensive to investigate.

Another significant shift in demand has been that many of the people who require police protection today, have an acute vulnerability that requires sensitive policing and closer co-operation with our partners. Of the 1,400 calls for service PSNI receive every day, approximately 36% involve some element of vulnerability. These calls for service are not captured in our crime statistics.

In recent years we have invested in a new Public Protection Branch and a CyberCrime Centre. But our investment in these less visible areas needs to be increased if we are to adequately protect the most vulnerable in our community – that will require taking money from elsewhere in the policing budget.

INTRODUCTION BY CHIEF CONSTABLE

Policing Context in Northern Ireland

Investigating cyber related crime and protecting the most vulnerable in our society are duties expected of any Police Service across these islands. But policing Northern Ireland's post conflict society comes with additional complexity and cost.

The SEVERE threat places a substantial financial burden on the delivery of policing in Northern Ireland. There have already been four serious attempts to murder police officers in the first four months of 2017 alone.

Whilst we receive additional security funding from the UK Government we are still spending almost 30% of our main grant budget dealing with Northern Ireland specific issues. This includes responding to paramilitarism and the significant costs of preventing and responding to serious public order, as well as the costs of dealing with the past.

Policing Budget

Despite these significant operational pressures last year we delivered a balanced budget, which included a cut of £13.8 million. Since becoming Chief Constable I have had to make £108 million in cuts to my budget.

In response to these cuts, my officers and staff have modernised, flexed and, in many cases, changed substantially how we deliver our service. In doing so, we have kept the community at the heart of our decision making, doing our best to protect the frontline, and deliver a balanced budget.

In recent weeks we have been given an indicative budget for 2017-18 on the basis of a 3% or £20million cut. To give that figure some meaning, £20 million would pay for all our Neighbourhood Policing Teams for one year.

Saving another £20 million from a budget that has already been cut so deep is no easy task, and will not happen without some very significant operational changes.

Responding to Change

The reality is that PSNI is at the point where it is no longer possible to absorb budget cuts without impacting directly on police officer numbers. Our current establishment of police officers is just over 6,800. To achieve cuts in the region that has been indicated, we will have to let this figure fall to 6,700 by the end of 2017-18 and further again the year after. This can be achieved through the high levels of retirement we expect over the next two years. While we will continue to recruit, as we get financial clarity from Government, we will review and adjust the numbers student officers that enter the Training Centre depending on affordability.

INTRODUCTION BY CHIEF CONSTABLE

Looking ahead, this gives me two main challenges. Firstly, managing the impact on our ability to deliver a service to the community; and secondly, the impact on my officers and staff who are already being stretched to capacity.

I will not pretend that this is going to be easy. I have a particular concern about a reduction in our ability to deliver proactive policing operations and our ability to be able to invest in innovation to make long term savings.

However, my Service Executive Team and I will continue to focus on modernising and increasing the capability of the officers and staff that we do have. Over recent years, we have become a much more efficient organisation and our ongoing programme of change and workforce modernisation will continue.

We also have in place a much more holistic framework to support the wellbeing and morale of our officers and staff. Our people are our most important asset and we must continue to invest in their welfare, so they can continue to Keep People Safe.

PERFORMANCE REPORT

OVERVIEW REPORT

Background Information

The Police (Northern Ireland) Act 2000 and subsequent amendments in the Police (Northern Ireland) Act 2003, made specific provision about policing in Northern Ireland. Section 12(4) of the Act, as amended by Section 7 of the 2003 Act, refers specifically to the requirement for the Chief Constable to submit the statement of accounts to the Northern Ireland Policing Board (in regard to amounts put at disposal of the Chief Constable by the Policing Board) within such period after the end of the financial year to which they relate as the Department of Justice may determine. This is to allow the Policing Board to meet its own specific requirements under Section 12(1)(a) of the Act.

Nature of the business

The Northern Ireland Policing Board (NIPB) is an independent public body established under the Police (Northern Ireland) Act 2000. Made up of 19 Political and Independent Members, the NIPB aims to ensure an effective, efficient, impartial, representative and accountable police service for all the people of Northern Ireland.

Each year the PSNI and the Policing Board publish an annual Policing Plan in accordance with the Police (Northern Ireland) Act 2000. The plan sets out specific outcomes indicators and measures and takes a strategic view of policing in Northern Ireland over the next five years. PSNI, on behalf of the NIPB, are legislatively responsible for drafting the Policing Plan. This is done in close consultation with the NIPB and the Department of Justice (DoJ) through regular tripartite meetings. Ultimately, outcomes, indicators and measures can be revised by NIPB as it is their plan.

The Chief Constable is accountable to the NIPB for delivery of outcome indicators and measures detailed in the Policing Plan.

District Commanders are responsible for producing a Local Policing Plan. These plans are drafted in consultation with the local community and the local Policing and Community Safety Partnership. Local plans highlight local issues and include associated outcome indicators and measures.

A copy of the annual Policing Plan is available on the Policing Board's website www.nipolicingboard.org.uk, or the PSNI website www.psni.police.uk, as well as being available in a number of other formats.

PERFORMANCE REPORT (CONTINUED)

Keeping People Safe by Policing with the Community is the core purpose of the Police Service of Northern Ireland. The vision of the PSNI is set out below.

The **Vision** of the Police Service of Northern Ireland 'Keeping People Safe is what we do; Policing with the Community is how we do it ...'



Policing with the Community is about creating real participation between the police and the community - a partnership in which policing reflects and responds to the community's needs and in which the community play an active part in delivering a solution. PSNI are committed to achieving all that is laid out in the challenging Policing Plan.

Principal Activities

The Police Service of Northern Ireland (PSNI) will work with communities and partners to make Northern Ireland safe, confident and peaceful. It aims to do this by working closely with, and in, the whole community. The key themes, which continually drive forward the development of policing services, are partnership and co-operation, both with the community served and with other agencies in the private, public and voluntary sectors. This is all done against a background of ongoing change, improvements and with a determination to make best use of finite resources, whether financial or human, to provide the best value services possible.

The Annual Report and Accounts also provides details of the activities of the Police Fund and Police Property Fund, which are separate Funds administered by the PSNI. The PSNI administer the Police Fund in association with the RUC Benevolent Fund and ex members who volunteer their services. It was established by regulations under section 28 of the Police Act (NI) 1970 which consist of PSNI Grant and fines imposed on police officers as a result of disciplinary action. This together with investment income is applied by PSNI for the welfare of police officers and their dependants.

PERFORMANCE REPORT (CONTINUED)

The Police Property Fund was established by regulations under section 2 of the Police (Property) Act 1987, and comprises unclaimed receipts arising from criminal investigations by the PSNI, which the Policing Board donate to charities.

Accounts Direction

The Annual Report and Accounts for 2016-17 have been prepared in a form directed by the Department of Justice in accordance with Section 12 (3) of Part 2 to the Police (Northern Ireland) Act 2000 as amended by the Police (Northern Ireland) Act 2003 and Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

PSNI complies with the corporate governance and accountability framework arrangements (including Managing Public Money Northern Ireland) issued by the Department of Finance (DoF) and the DOJ.

In accordance with the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, the Annual Report and Accounts of the PSNI for the year ended 31 March 2017, will be laid in the Northern Ireland Assembly.

Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the PSNI's long-term performance. These risks are managed within the PSNI risk and control framework.

The key risk priorities detailed in the Corporate Risk Register, which are currently facing the organisation, include the following areas; Death in Custody, Terrorist Attack, Threats to Life, Future Funding, In Year Budget v Expenditure, Property, Locate, Records Management, Sick Absence and Duty Restriction, Mandatory Training and Policy Review. Further information on risk management is contained within the Governance Statement.

Interest rate and currency risk

PSNI has no borrowings, relying primarily on Departmental grants for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits. As all significant assets and liabilities are determined in sterling, it is not exposed to material interest rate or currency risk.

Going concern

PSNI forms part of the DOJ and is funded via the Department through supply grants from the Northern Ireland Consolidated Fund other than that required to provide the specified services of the specified year, or retained in excess of that need.

PERFORMANCE REPORT (CONTINUED)

The Statement of Financial Position at 31 March 2017 shows net current liabilities of £96.2m. This reflects the inclusion of liabilities already incurred which are due for payment in future years. These liabilities will be financed from the Northern Ireland Consolidated Fund. Such drawings will be from Grants approved annually by the Northern Ireland Assembly.

The future financing of the PSNI's liabilities will be met by future Grants to the Department of Justice and the application of future income. There is no reason to believe that future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the PSNI's financial statements for 2016-17.

Performance Summary

As part of its statutory duty, throughout the year the Policing Board monitors and reviews PSNI's performance against the measures set out in the Northern Ireland Policing Plan. This function is carried out at quarterly public meetings at which the Chief Constable updates the Board on progress against agreed areas in the Policing Plan.

Recorded Crime

The long term downward trend for recorded crime continues for the fourteenth year, with crime levels down 29% from 2002-03. There were 98,076 crimes recorded in 2016-17 compared with 105,023 in 2015-16, a decrease of 6,947 offences. Over three quarters of all recorded crime in 2016-17 comprises of violence against the person (34%), theft (24%) and criminal damage (20%), which is similar to 2015-16.

Crime decreased in eight of the nine main crime classifications, with only sexual offences showing an increase. The reduction in the number of thefts, violence against the person and criminal damage offences were the primary contributor to the overall reduction in recorded crime in 2016-17.

Although recorded crime is falling, the demand on police is increasing with less visible, more complex crimes such as public protection offences and cybercrime coming to the fore. This less visible crime, often cyber related and crossing international boundaries, results in a number of new forms of crime, often perpetrated on line and not reported to police.

Outcome Rates

The overall crime outcome rate in 2016-17 was 28.3%, a decrease of 0.4 percentage points from the outcome rate of 28.7% in 2015-16, although the figures is still above levels recorded in 2013-14 and 2014-15.

PERFORMANCE REPORT (CONTINUED)

Most Similar Forces

Most similar force (MSF) percentage change comparisons for some of the main crime areas are provided in the table below. The comparisons cover the 2015 and 2016 calendar years as the England and Wales' figures for 2016-17 will not be published until 20 July 2017. For all the crime classifications shown, with the exception of sexual offences, the PSNI showed a reduction greater than all MSFs. Every MSF recorded an increase in All Crime of between 5-38% from 2015 to 2016, primarily due to the increase in violence against the person offences, the main driver of which are thought to be due to improvements in crime recording processes.

Most Similar Force Comparison – Percentage Change January – December 2015 compared to January – December 2016									
	England & Wales	Devon & Cornwall	GMP	Mersey-side	North-umbria	Notts	West Midlands	West Yorkshire	PSNI
All Crime (exc Fraud)	10%	6%	11%	5%	38%	5%	10%	19%	-5.00%
Violence against the Person	19%	10%	20%	19%	75%	11%	17%	40%	-2.60%
Violence with Injury	10%	0%	5%	9%	23%	0%	10%	16%	-2.90%
Violence without Injury	27%	19%	31%	29%	138%	26%	26%	58%	-2.40%
Sexual Offences	12%	11%	14%	10%	30%	6%	12%	5%	9.40%
Theft	4%	2%	4%	-1%	18%	0%	10%	6%	-6.40%
Domestic Burglary	4%	10%	4%	4%	2%	4%	19%	13%	-18.70%
Vehicle Offences	8%	8%	2%	-5%	13%	-3%	16%	11%	-12.50%
Criminal Damage	5%	6%	9%	0%	20%	2%	2%	14%	-5.30%

Performance Against the 2016-17 Policing Plan Summary

The following section of this report provides information against the 26 measures in the 2016-17 Policing Plan. Within the 26 measures are 17 numeric targets, of which five relate to road safety related offences. Five of the targets were achieved as set out on page 43 of this report. Qualitative and quantitative performance reports covering all measures have been provided to the Policing Board throughout the year.

PERFORMANCE REPORT (CONTINUED)

Areas in which the targets have been fully achieved are

- Increase the outcomes rate for domestic burglary in which older people are victims by 2% points
- Reduce the number of offences committed against older people by 2%
- Increase the number of organised crime groups whose activities have been frustrated, disrupted and/or dismantled by 3%
- Reduce by 5% the number of statute barred cases by 31 March 2017 compared to the number recorded in 2015-16
- Reduce the average working days lost for Police Officers by 10%

The PSNI improved performance in the following targets

- Increase the level of public confidence in the police's ability to provide an ordinary day to day service (up 1.1%, but not statistically significant)
- Increase of 10% in the number of driving without insurance detections (up 6.2%)
- Reduce the average working days lost for Police Staff by 10% (down 9.0%)

The decrease in the outcome rates for all three hate crimes is of concern as is the reduction in the number of road safety related offences detected.

Financial Results for the 2016-17

The Statement of Comprehensive Expenditure is set out on page 93 and shows a deficit for the year of £783.9m (£665.7m in 2015-16).

PERFORMANCE REPORT (CONTINUED)

PERFORMANCE AGAINST THE POLICING PLAN 2016-17

On 1 April 2016 the Northern Ireland Policing Board (NIPB) published the Annual Policing Plan 2016-17. The Plan outlines the PSNI's purpose, which is to keep people safe through prevention of crime, protection of people and communities and detecting those who commit crime and bring them to judgement.

The Annual Policing Plan 2016-17 has five Overarching Themes and performance against these during 2016-17 is outlined below. The reported status represents the progress made by the PSNI to deliver against the measures set in the Annual Policing Plan 2016-17.

OVERARCHING THEME 1: COMMUNICATION AND ENGAGEMENT

Although levels of public confidence in the Police have been steadily increasing over recent years, our focus continues to be on the victims and areas/communities where confidence in police is lowest. We work collaboratively with partners to improve confidence in the Police, especially within the six areas identified as being most in need of support.

The number of complaints and allegations against the Police is at the lowest levels for a decade with only failure in duty allegations showing a slight rise since last year. Internally the PSNI has developed action plans to address underrepresentation and wellbeing and has been worked hard to instil the Policing with the Community ethos through Individual Performance Reviews (IPRs) and working with communities.

Strategic Objective 1.1

Increasing trust and confidence in policing.

STRATEGIC MEASURES	STATUS	OUTCOME																								
Increase the level of public confidence in the police's ability to provide an ordinary day-to-day service and in the local police.	Partially Achieved	<table><tr><th colspan="4">Confidence in the Police and Police Accountability Arrangements</th></tr><tr><th>% confidence rating ...</th><th>2013/14</th><th>2014/15</th><th>2015/16</th></tr><tr><td>Police provide an ordinary day-to-day service for all the people of NI</td><td>85.7%</td><td>85.0%</td><td>86.1%*</td></tr></table> <p>* not statistically significant</p> <table><tr><th colspan="4">Confidence in the Local Police</th></tr><tr><th>% agreeing that the local police ...</th><th>2013/14</th><th>2014/15</th><th>2015/16</th></tr><tr><td>Overall confidence in the local police</td><td>67.1%</td><td>68.3%</td><td>68.3%</td></tr></table> <p>Figure for 2016/17 are not available.</p>	Confidence in the Police and Police Accountability Arrangements				% confidence rating ...	2013/14	2014/15	2015/16	Police provide an ordinary day-to-day service for all the people of NI	85.7%	85.0%	86.1%*	Confidence in the Local Police				% agreeing that the local police ...	2013/14	2014/15	2015/16	Overall confidence in the local police	67.1%	68.3%	68.3%
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PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME																												
<ul style="list-style-type: none">Where confidence in policing is lower, PSNI along with the Board, Police &Community Safety Partnerships and District Commanders will select six areas across NI in which to conduct qualitative research. Thereafter the PSNI will report to the Board twice yearly on initiatives in these areas to improve confidence.	Fully Achieved	<p>The selected six areas were: Oldpark (Belfast City), Titanic (Belfast City), Lurgan (Armagh, Banbridge & Craigavon), the Moor (Derry City and Strabane), Torrent (Mid Ulster) and Macedon (Antrim and Newtownabbey). Summary reports have been forwarded to PSNI personnel in each of the above six areas. The project was constructed via focus groups in each of the six areas. The six separate reports are currently being collated into one report. An interim presentation to members of the NIPB was delivered on 15 February 2017. Presentations have been delivered in April 2017 to the stakeholders in The Moor & Macedon areas.</p>																												
<ul style="list-style-type: none">PSNI with the Board, PCSPs, expert stakeholders and District Commanders will conduct targeted qualitative research where young peoples’ confidence in policing is lower. Thereafter the PSNI will report to the Board twice yearly on initiatives in these areas to improve confidence.	Fully Achieved	<p>The selected six areas were: Oldpark (Belfast City), Titanic (Belfast City), Lurgan (Armagh, Banbridge & Craigavon), the Moor (Derry City and Strabane), Torrent (Mid Ulster) and Macedon (Antrim and Newtownabbey). The project was constructed via focus groups in each of the six areas. An interim presentation to PSNI took place on 20 December 2016 as well as an interim report which has been shared with the NIPB.</p> <p>The project is now being finalised, incorporating stakeholder and phase two groups. A draft report has been forwarded to the Policing with the Community (PwC) Branch.</p>																												
<ul style="list-style-type: none">Report to the Board on the Complaints Reduction Strategy, showing reductions in the most frequent types of allegations.	Partially Achieved	<table><tr><th colspan="4">Complaints and Allegations</th></tr><tr><th></th><th>2015/16</th><th>2016/17</th><th>% Change</th></tr><tr><td>Number of complaints</td><td>2,981</td><td>2,744</td><td>-8.0%</td></tr><tr><td>Number of allegations</td><td>4,879</td><td>4,656</td><td>-4.6%</td></tr><tr><td>Oppressive Behaviour</td><td>1,188</td><td>1,040</td><td>-12.5%</td></tr><tr><td>Failure in Duty</td><td>2,102</td><td>2,188</td><td>4.1%</td></tr><tr><td>Incivility</td><td>376</td><td>280</td><td>-25.5%</td></tr></table> <p>Complaints in 2016-17 were at the lowest level since the Police Ombudsman’s Office was formed.</p> <p>This was also the case for two of the three main allegation categories: oppressive behaviour (1,040 allegations, down from a maximum of 1,940) and incivility (280 allegations, down from a maximum</p>	Complaints and Allegations					2015/16	2016/17	% Change	Number of complaints	2,981	2,744	-8.0%	Number of allegations	4,879	4,656	-4.6%	Oppressive Behaviour	1,188	1,040	-12.5%	Failure in Duty	2,102	2,188	4.1%	Incivility	376	280	-25.5%
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Incivility	376	280	-25.5%																											

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
		of 845). Failure in duty allegations increased by 4.1% when compared with 2015-16. There are a number of incidents which contributed to the rise (data loss incident in North Area, and the Woodburn Forest demonstrations). March 2017 also experienced a significant increase in failure in duty allegations.
<ul style="list-style-type: none"> By June 2016 to develop a Positive Action Plan to address under-representation in respect of gender and community background in identified Departments and Branches and report to the Board twice yearly on implementation. 	Fully Achieved	<p>The Positive Action Plan was approved by Service First Board in September 2016 and forwarded to NIPB in October 2016.</p> <p>The Positive Action Plan was presented to the Northern Ireland Policing Board in December 2016 by the Deputy Chief Constable and the Head of HR.</p>

Strategic Objective 1.2

Ensuring PSNI engages with communities to improve understanding of the impact of policing decisions and involve communities wherever possible in those decisions.

STRATEGIC OUTCOMES AND MEASURES	STATUS	OUTCOME
<ul style="list-style-type: none"> Implement the Policing with the Community Project and report on its progress specifically referencing: 		The PwC Project is to formally establish the mechanisms to embed PwC as the PSNI's culture and ethos, through employee engagement and collaborative working. Work includes the development of a Leadership Strategy, Corporate Performance Framework and a Wellbeing Strategy.
<ul style="list-style-type: none"> The development and delivery of the action plan informed by the internal PSNI Wellbeing Survey. 	Partially Achieved	<p>The Wellbeing Strategy and Delivery Plan has been developed and comprises of six strategic areas (Leadership, Creating the Environment, Personal Resilience, Supporting Measures, Absence Management & Occupational Health) supported by 15 work-streams.</p> <p>The Wellbeing Strategy and Delivery Plan was approved by the ServiceFirst Board.</p>

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
<ul style="list-style-type: none"> Show that the Policing with the Community ethos is evidenced in all personnel's Individual Performance Reviews (IPRs) and in all service policies, procedures and literature. 	Fully Achieved	<p>A specific Service Policy in respect of Policing with the Community is now in place.</p> <p>A requirement for PwC behaviours to be evidenced remains an integral element of the IPRs for all officers and staff.</p> <p>Roll out of the "Together" poster, Strategic narrative video launched on PoliceNet. A Strategic Narrative Booklet emphasising the behaviours with accompanying letter from the Chief Constable has been prepared for dissemination.</p>
<ul style="list-style-type: none"> Carry out a scoping exercise to inform the development of a Collaborative Working Plan for PSNI, which will set out how PSNI works with communities and PCSPs to deliver positive outcomes for communities. 	Fully Achieved	<p>A 'proof of concept' was initiated during the review period and is continuing in Antrim and Newtownabbey District to further develop/test solutions as a first step towards full implementation across PSNI. These solutions are</p> <ul style="list-style-type: none"> Calls for Service Support Hub Citizen Empowerment Problem Solving <p>The 'proof of concept' is being used to inform the development of a Collaborative Working model for further roll out across PSNI. Further progress in respect of the PWC Project include:</p> <ul style="list-style-type: none"> Corporate Problem Solving Model has been launched. Training and support for officers in respect of problem solving is being developed to enhance early identification and prevention considerations. Open University models on supporting skills have been developed. Concern Hub - Derry & Strabane model is fully operational and dealing with referrals. The concept of a multi-agency District Support Hub to provide early intervention and support for individuals and families in crisis has been agreed and progressed in Antrim and Newtownabbey District. Full roll out across PSNI thereafter.

PERFORMANCE REPORT (CONTINUED)

STRATEGIC OUTCOMES AND MEASURES	STATUS	OUTCOME
		<ul style="list-style-type: none"> Community Empowerment – work is being progressed to develop and enhance skills and capability to engage with communities, identify and utilise assets and develop meaningful collaboration.

OVERARCHING THEME 2: PROTECTION OF PEOPLE AND COMMUNITIES

Identifying and proactively intervening to protect and support vulnerable individuals at greatest risk is a Strategic Priority for the PSNI. We are rolling out multi-agency support hubs across the organisation, working to reduce the number of offences and anti-social behaviour incidents and working hard to in the areas of domestic abuse, hate crime, Child Sexual Exploitation, missing people, mental health and older people, including being able to better identify and support repeat victims.

The number of people killed on our roads has decreased in 2016-17 with ten less people dying than in 2015-16, although the number of seriously injured has increased. The drink driving message appears to be been adhered to with more people tested but with fewer positive results in 2016-17. New equipment and alternative methods for the detection of road safety related offences are been explored to continual challenge unwanted behaviours on our road network.

Strategic Objective 2.1

Reducing harm caused by crime and anti-social behaviour with a focus on protecting the most vulnerable.

STRATEGIC MEASURES	STATUS	OUTCOME
<ul style="list-style-type: none"> Implement and assess the impact of interventions to support service to the most vulnerable, in partnership with others and report to the Board. 	Partially Achieved	<p>The Derry City and Strabane District Concern Hub has been operational since 8 August 2016. Since commencing, there have been nine multi-agency meetings and several individuals supported including:</p> <ul style="list-style-type: none"> 15 vulnerable individuals are currently being supported 16 individuals who have been supported and are no longer in need of multi-agency support 12 vulnerable individuals being supported who do not require a full multi-agency approach

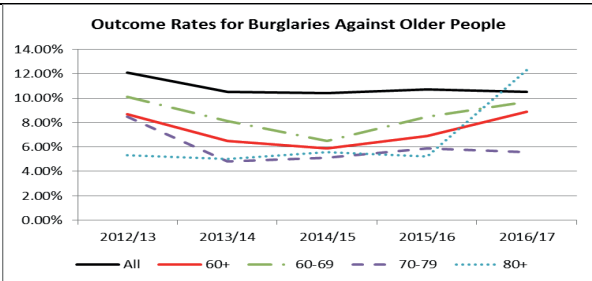
PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME																								
<ul style="list-style-type: none">Implement and assess the impact of interventions to support service to the most vulnerable, in partnership with others and report to the Board.	Partially Achieved	<p>The Derry City and Strabane District Concern Hub has been operational since 8 August 2016. Since commencing, there have been nine multi-agency meetings and several individuals supported including:</p> <ul style="list-style-type: none">15 vulnerable individuals are currently being supported16 individuals who have been supported and are no longer in need of multi-agency support12 vulnerable individuals being supported who do not require a full multi-agency approach15 vulnerable individuals who are being jointly problem solved prior to inclusion in Concern Hub <p>As part of the PwC Project, a multi-agency Support Hub providing early intervention and support for individuals and families in crisis has been agreed and progressed in Antrim and Newtownabbey District with full roll out across PSNI planned thereafter.</p>																								
<ul style="list-style-type: none">Implement and evaluate models of good practice in areas of high deprivation (and / or high crime) to address anti-social behaviour including repeat victimisation and report to the Board.	Fully Achieved	<table border="1"><thead><tr><th colspan="4">Anti-Social Behaviour Incidents</th></tr><tr><th>Area</th><th>2015/16</th><th>2016/17</th><th>% change</th></tr></thead><tbody><tr><td>Belfast City Policing</td><td>18,260</td><td>17,858</td><td>-2.2%</td></tr><tr><td>North Area Policing</td><td>16,831</td><td>17,045</td><td>1.3%</td></tr><tr><td>South Area Policing</td><td>24,411</td><td>24,800</td><td>1.6%</td></tr><tr><td>Total</td><td>59,502</td><td>59,703</td><td>0.3%</td></tr></tbody></table> <p>The Partnership Committee considered a proposal from PSNI as to suggested localities for siting the anti-social behaviour (ASB) project. Subsequent to the Committee meeting a follow up ASB workshop with Board members and officials took place. Following on from those discussions PSNI have revised the localities in a way intended to reflect the feedback from Members and in particular the inclusion of certain wards that had levels of ASB in the top 20% of wards in Northern Ireland.</p>	Anti-Social Behaviour Incidents				Area	2015/16	2016/17	% change	Belfast City Policing	18,260	17,858	-2.2%	North Area Policing	16,831	17,045	1.3%	South Area Policing	24,411	24,800	1.6%	Total	59,502	59,703	0.3%
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PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME																				
		<p>19 wards have been identified across Northern Ireland located in Belfast, Londonderry/Derry and Strabane.</p> <p>Good Practice –</p> <ul style="list-style-type: none">• An ‘at a glance’ guide to ASB Tactical Options and Powers has been prepared and is now available to officers.• Problem Solving Training is currently in development.• As part of their initial District inductions Student Officers are asked to identify a local ASB issue.• PSNI have met with Department of Justice colleagues to have an initial discussion regarding research into powers available within other jurisdictions.																				
<ul style="list-style-type: none">• Hate Crimes: Increase the outcome rate by 2% points for crimes with a racist motivation, a homophobic motivation or a sectarian motivation.	Not Achieved	<p>Despite our effects we did not meet the target to increase outcome rates in 2016-17. Whilst outcomes may not have been achieved in all cases reported, over the year there were 183 persons arrested, 72 people charged and 123 reported to the PPS for hate related offences, demonstrating our efforts to achieve outcomes.</p> <table><tr><th colspan="4">Outcome Rates: Hate Crime</th></tr><tr><th>Hate Crime</th><th>2015/16</th><th>2016/17</th><th>%pt Change</th></tr><tr><td>Homophobic</td><td>26.2%</td><td>21.6%</td><td>-4.6%pt</td></tr><tr><td>Racist</td><td>18.9%</td><td>18.0%</td><td>-0.9%pt</td></tr><tr><td>Sectarian</td><td>14.6%</td><td>13.0%</td><td>-1.6%pt</td></tr></table> <p>We recognise improving outcome rates is ongoing work and that we need to seek out every investigative opportunity and work with partners to support community cohesion.</p> <p>Levels of hate crime show a decrease compared to last year with sectarian motivated crime down 31% to 694 offences, racist motivated crimes down 23% to 660 offences and homophobic motivated crime down 23% to 162 offences.</p>	Outcome Rates: Hate Crime				Hate Crime	2015/16	2016/17	%pt Change	Homophobic	26.2%	21.6%	-4.6%pt	Racist	18.9%	18.0%	-0.9%pt	Sectarian	14.6%	13.0%	-1.6%pt
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PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME																																			
		<p>The Advocate Scheme, jointly funded by the PSNI and the Department of Justice (DoJ), continues to provide personalised emotional and practical support to the victims of hate crime. We intend to continue to work with the Department of Justice on how best we can nurture and develop the advocate resource as a reporting mechanism. In the 2016-2017 reporting year 35 hate crimes were reported via the Hate Crime Advocates.</p>																																			
<ul style="list-style-type: none">Crimes against older people: Increase the outcome rate for burglary against older people by 2% points by 31st March 2017 compared to the outcome rate recorded in 2015-16; and reduce the number of offences committed against older people by 2% by 31st March 2017 compared to the number of offences recorded in 2015-16.	Fully Achieved	<div><div><p>Outcome Rates for Burglaries Against Older People</p></div><p>The outcome rate for burglary against older people has shown an increase of 2.6% from 6.9% in 2015-16 to 9.5% in 2016-17. This is due to a number of factors including the maximising of forensic opportunities, use of intelligence interviews and the actioning of burglary related intelligence. An operation was run four times in 2016-17 which drew together colleagues from various parts of the Organisation to focus on burglary issues, including operational, investigate and preventative options.</p><table><tr><th colspan="5">Recorded Crime for Older People</th></tr><tr><th>All Offences</th><th>2015/16</th><th>2016/17</th><th>Change</th><th>% change</th></tr><tr><td>All</td><td>105,023</td><td>98,076</td><td>-6947</td><td>-6.6%</td></tr><tr><td>60+</td><td>7,509</td><td>6,894</td><td>-615</td><td>-8.2%</td></tr><tr><td>60-69</td><td>4,252</td><td>3,931</td><td>-321</td><td>-7.5%</td></tr><tr><td>70-79</td><td>2,155</td><td>1,985</td><td>-170</td><td>-7.9%</td></tr><tr><td>80+</td><td>1,102</td><td>978</td><td>-124</td><td>-11.3%</td></tr></table><p>The number of offences committed against older people has reduced by 8.2% from 2015-16 to 2016-17, this figures rises to over 11% for victims aged over 80 years old.</p><p>This reduction is primarily due to the reduction in burglaries (down 22%) and criminal damage (down 9%).</p></div>	Recorded Crime for Older People					All Offences	2015/16	2016/17	Change	% change	All	105,023	98,076	-6947	-6.6%	60+	7,509	6,894	-615	-8.2%	60-69	4,252	3,931	-321	-7.5%	70-79	2,155	1,985	-170	-7.9%	80+	1,102	978	-124	-11.3%
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PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME																								
		The particular focus for the reporting year has been on the issue of scams. PSNI created the Scamwise NI partnership to educate our communities about the risk of scams and their impacts. The partnership has focused particularly on older people. In addition we have been working with Health to skill their domiciliary care workers in issues of door step crime.																								
<ul style="list-style-type: none">Sexual offences	Fully Achieved	<table><tr><th colspan="6">Sexual Offences</th></tr><tr><th>Year</th><th>2012/13</th><th>2013/14</th><th>2014/15</th><th>2015/16</th><th>2016/17</th></tr><tr><td>Number of Offences</td><td>1,933</td><td>2,233</td><td>2,729</td><td>3,037</td><td>3,158</td></tr><tr><td>Outcome rate %</td><td>21.2%</td><td>20.8%</td><td>15.3%</td><td>14.9%</td><td>12.7%</td></tr></table> <p>While the number of sexual offences reported to the police service had been steadily increasing from 2000-01, over this previous year this appears to have levelled off.</p> <p>Of note, the number of rape offences reported in respect of young children, i.e. those under eight years old, has continued with a downward trend since 2013-14. This levelling off of figures may be linked to a number of factors, for example, working with partners to raise public awareness such as Safer Internet Day, Child Sexual Exploitation (CSE) awareness week, Sexual Violence awareness week; the conclusion of the Historical Institutional Abuse Inquiry; previous high profile media reports e.g. Kincora, which at the time may have encouraged complainants to come forward, even when the offending was not directly related to the case reported on.</p> <p>However, of note, the most recent high profile reporting of abuse in football has not generated, in Northern Ireland, any significant increase in reporting.</p> <p>Currently initiatives include Fresher’s Week campaign; Without Consent education programme; LGBT education and engagement project; proactive</p>	Sexual Offences						Year	2012/13	2013/14	2014/15	2015/16	2016/17	Number of Offences	1,933	2,233	2,729	3,037	3,158	Outcome rate %	21.2%	20.8%	15.3%	14.9%	12.7%
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PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
		work ongoing in relation to encouraging reporting and engagement within the sex worker community; PCSP engagement; Get Home Safe campaign and NSPCC project re evidence giving in court.
<ul style="list-style-type: none"> Child sexual exploitation and child abuse. 	Fully Achieved	<p>Child abuse referrals in 2016-17 have significantly increased, from 4,672 in 2015-16 to 5,372 in 2016-17 a rise of almost 15%. Of note, levels of cruelty/neglect have risen over recent years. In 2008-09 84 were recorded, 184 in 2014-15, 341 in 2015-16 and 391 in the 12 month rolling period to end February 2017.</p> <p>There are currently 60 children who are regarded, through joint police/social services assessment, as at significant risk of exploitation. This figure has been reducing each month from December 2016 when there were 83.</p> <p>While there are many criminal offences that can relate to child abuse, as an example outcome rates for key offending behaviour is as follows - child cruelty/neglect - 15.4%, child rape at 13.9%, sexual assault at 13% and sexual grooming at 21.2%.</p> <p>The CSE risk assessment screening tool has led to a more robust and consistent approach in identifying children at significant risk of CSE thereby allowing us to direct our resources more appropriately. This has allowed us to focus our attention of persons who pose a risk of exploiting young people, resulting in for example, increased use of Child Abduction Warning Notices and Risk of Sexual Harm Orders. We have also completed CSE training across Districts and Departments in relation to CSE and missing children.</p> <p>In 2016-17 the Child Internet Protection Team received 121 new investigations, compared to 147 for 2015-16. In terms of searches conducted there were 120 in 2016-17 compared to 112 for 2015-16. Establishment of Child Abuse Image Database team – UK-wide initiative to enhance victim identification and safeguarding. In February 2017 the PSNI implemented Child Protection System (CPS) to identify persons involved in viewing and distributing</p>

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
		<p>Indecent Images of Children.</p> <p>New E-Safety training programme – (Virtual Reality) developed in conjunction with the Safeguarding Board for Northern Ireland and training delivered to 117 officers. Official launch scheduled for May 2017.</p>
<ul style="list-style-type: none"> Missing persons. 	<p>Fully Achieved</p>	<p>Figures for 2016-17 show a total of 12,821 reports of missing persons of which 44% were adults and 56% children. This is a 5% increase from the previous financial year. The 12,821 reports can be attributed to 5,650 people.</p> <p>PSNI are currently reviewing and developing the existing Service Instructions on the Investigation of Missing Persons with a view to improving the processes and the service to the public. It is planned that a new training package will be developed for all officers in relation to the new process to improve understanding by all officers and staff of their roles, responsibilities and actions in respect of missing person investigations.</p> <p>As approximately 50% of missing person reports (based on last year's figures) are reported missing from Health Trust premises (Children's Homes and Hospitals – i.e. Mental Health Units and Emergency Departments) there has been significant partnership working for almost two years. Positive arrangement include a recent agreement to have a joint definition with Health & Social Care (HSC) for missing persons, a new evidence based risk assessment process and one overarching joint protocol. This will assist us to better identify risks and vulnerabilities and aid both organisations to focus on risk management and prevention and respond more appropriately to missing episodes.</p>

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
<ul style="list-style-type: none"> Looked after children. 	<p>Fully Achieved</p>	<p>There is on average of 20 children reported missing every day. On average just over half missing children reports received will relate to Looked After Children. 13 children's homes accounted for more than 1,000 missing person reports with one children's home accounting for more than 500 missing person reports.</p> <p>A review of regional children's facilities, including secure facilities, is ongoing. This is led by the Department of Health, Social Services and Public Safety (DHSSPS) and is being conducted by a Review Team and overseen by a Project Board. Police are members of both the Project Board and Review Team. Regional joint training on CSE and Missing Children took place end 2016 and early 2017 across Districts and Department along with social services.</p>
<ul style="list-style-type: none"> People with mental health concerns. 	<p>Fully Achieved</p>	<p>PSNI appointed a dedicated Mental Health operational lead and has adopted a re-energised approach to collaboratively address vulnerability, linked to mental ill health. Strong links have been forged with a variety of agencies that share a common interest in proactively dealing with mental ill health and associated vulnerabilities. PSNI is represented at various national forums and is actively engaged in learning and sharing best practice, contributing to the growing evidence base in this area.</p> <p>PSNI is focusing on:</p> <ul style="list-style-type: none"> Further analysis of police systems to gain a more forensic understanding of calls for service linked to mental ill health and associated vulnerability. Enhancing mental health awareness training for PSNI personnel. Exploring the introduction of a mental health street triage pilot in collaboration with the Health & Social Care Board, Public Health Agency, Northern Ireland Ambulance Service, Belfast City Council, and various mental health services

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME																								
		<ul style="list-style-type: none">(including the community sector). <p>Increase social media footprint on vulnerability, to seek to engage those who may be suffering and to supporting and answering calls for service for those in mental health crisis in partnership with colleagues in health.</p>																								
<ul style="list-style-type: none">Report to the Board on activity, initiatives and outcomes in relation to Domestic Abuse, taking account of the implementation of the recommendations from the Board’s Domestic Abuse Thematic Update Report.	Fully Achieved	<table><tr><td></td><td></td><td>Crime</td><td>Incidents</td></tr><tr><td rowspan="3">Crime</td><td>2015/16</td><td>14,073</td><td>28,392</td></tr><tr><td>2016/17</td><td>13,933</td><td>29,166</td></tr><tr><td>% change</td><td>-1.0%</td><td>2.7%</td></tr><tr><td rowspan="3">Outcome Rate</td><td>2015/16</td><td>31.4%</td><td></td></tr><tr><td>2016/17</td><td>29.0%</td><td></td></tr><tr><td>%pt change</td><td>-2.4%pts</td><td></td></tr></table> <p>The proportion of crime with a domestic motivation has increased from 8.5% ten years ago to 14.2% in 2016-17. This equates to a report being made every 18 minutes.</p> <p>Due to the victim’s wishes being taken into account in determining the outcome of an incident the outcome rates is only one indicator of success.</p> <p>PSNI have taken cognisance of and have actioned the recommendations of the 2011 Thematic report. The formation of Public Protection Branch and their Independent Advisory Group (IAG) on Domestic Abuse has ensured all necessary action has been taken. The Policing Board sit on and participate in this IAG</p> <p>Initiatives include:</p> <ul style="list-style-type: none">A review of the Multi Agency Risk Assessment Conference (MARAC) process has been commenced by DoJ & MARAC agency representatives and training has taken place for chairs, staff and representatives.‘Walking on Eggshells’ media campaign aimed at raising awareness of psychological and emotional aspects of domestic abuse run in June and December 2016.			Crime	Incidents	Crime	2015/16	14,073	28,392	2016/17	13,933	29,166	% change	-1.0%	2.7%	Outcome Rate	2015/16	31.4%		2016/17	29.0%		%pt change	-2.4%pts	
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PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
		<ul style="list-style-type: none"> Over 600 response officers and supervisors have received enhanced domestic abuse training and all Local Police Team sergeants have additionally attended the course. Domestic Abuse Officers are undertaking study to upskill and work towards Detective accreditation. PSNI has been working closely with Women's Aid and has developed a Partnership Agreement which outlines key commitments to work towards. PSNI is working closely with the DoJ to fulfil the Justice Minister's commitment to a new Domestic Abuse offence and Domestic Violence Disclosure Scheme. <p>PSNI is working with government officials and local agencies to support the enhancement of the listings arrangement in Foyle to allow contested domestic abuse cases to be clustered to allow relevant agencies involved to concentrate their efforts and resources into those days.</p>

Strategic Objective 2.2

Protecting and supporting repeat victims.

STRATEGIC MEASURES	STATUS	OUTCOME
<ul style="list-style-type: none"> Develop and enhance systems to identify repeat victims. 	Partially Achieved	<p>Work on repeat victims is ongoing across the organisation. Examples include</p> <ul style="list-style-type: none"> The 'Multi Agency Concern Hub' brings key professionals together to facilitate early, better quality information sharing and decision making to work together to improve a person's situation by enabling early intervention to reduce vulnerability and improve a person's wellbeing. To improve the service to repeat victims of hate crime the PSNI has improved reporting and

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
		<ul style="list-style-type: none"> • information sharing practices with the hate crime advocates, focused patrol activity in hotspots and vulnerable /repeat locations using LOCATE systems way markers and managed 14 specific cases using problem solving folders. • Details of repeat older victims are included in Area analytical products. In addition each Area produces a morning report which highlights older crime victims as a distinct area for review and vulnerability assessment. • Rape Crime Unit initiatives regarding repeat victims include the Nexus Pilot Scheme to engage with victims of sexual crime in particular those who withdraw at some point from the Criminal Justice System. • Each report of CSE or child abuse is subject to a joint police/social services robust risk assessment. Included in this will be determining if there have been any previous reports and the nature of those reports. • Ongoing activity with regard to repeat missing people include working in partnership with HSC to explore more innovative and collaborative approaches to addressing missing episodes from Trust premises, identification and reporting of frequently missing children on a monthly basis to enable Districts and local Trusts to address any emerging issues involving the home or the child and plans to identify the top 20 missing persons (adults) and top 20 missing children and develop joint action plans with HSC. • Analysis of looked after children who went missing between April 2016 and February 2017 highlighted that 567 were reported missing on more than one occasion, 17 more than 50 times and two young people more than 90 times. On monthly basis analysts produce a list of children/young people who are missing 3 times or more within a 6 month period.

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
		The improved linking of victims and offenders of domestic abuse ensures that when police attend an address they are aware it is a repeat address and can respond accordingly.

Strategic Outcome 2.3

Keeping people safe on the roads.

STRATEGIC MEASURES	STATUS	OUTCOME																																																														
<ul style="list-style-type: none">• Provide regular updates to the Board on its contribution towards the achievement of the targets contained within the Northern Ireland Road Safety Strategy 2020 through education, prevention and increased enforcement activity with an increase of 10% in the specified number of road safety related offences detected compared to the number recorded in 2015-16.	Not Achieved	<table><tr><th colspan="5">Road Safety Strategy</th></tr><tr><th></th><th>2020 Target</th><th>2015/16</th><th>2016/17</th><th>2015-16 % change</th></tr><tr><td>Killed</td><td>50</td><td>75</td><td>65</td><td>-13.3%</td></tr><tr><td>Seriously Injured</td><td>611</td><td>707</td><td>837</td><td>18.4%</td></tr><tr><td>Killed & Seriously Injured (aged 0-15)</td><td>58</td><td>69</td><td>85</td><td>23.2%</td></tr><tr><td>Killed & Seriously Injured (aged 16-24)</td><td>165</td><td>190</td><td>228</td><td>20.0%</td></tr></table> <table><tr><th colspan="4">Traffic Offences Detections</th></tr><tr><th></th><th>2015/ 16</th><th>2016/ 17</th><th>% change</th></tr><tr><td>Drink/ drug driving offences</td><td>2,965</td><td>2,780</td><td>-6.2%</td></tr><tr><td>Speeding offences</td><td>8,253</td><td>5,623</td><td>-31.9%</td></tr><tr><td>Mobile phone offences</td><td>6,584</td><td>5,244</td><td>-20.4%</td></tr><tr><td>Seatbelt offences</td><td>1,646</td><td>1,195</td><td>-27.4%</td></tr><tr><td>No Insurance offences</td><td>6,802</td><td>7,221</td><td>6.2%</td></tr><tr><td>NIRSP Speed offences</td><td>45,344</td><td>40,579</td><td>-10.5%</td></tr></table> <p>The introduction of Checkpoint Breath Test powers in December 2016 has resulted in a 25% increase in the number of Preliminary Breath Tests being performed during 2016-17 when compared with the previous year. More drivers, therefore, were tested and fewer positive results were provided which suggests increased driver compliance with the “Never Ever Drink and Drive” message and is exactly the type of outcome police wish to see.</p> <p>Seatbelt wearing rates for drivers and front seat passengers is consistently high with the last recorded</p>	Road Safety Strategy						2020 Target	2015/16	2016/17	2015-16 % change	Killed	50	75	65	-13.3%	Seriously Injured	611	707	837	18.4%	Killed & Seriously Injured (aged 0-15)	58	69	85	23.2%	Killed & Seriously Injured (aged 16-24)	165	190	228	20.0%	Traffic Offences Detections					2015/ 16	2016/ 17	% change	Drink/ drug driving offences	2,965	2,780	-6.2%	Speeding offences	8,253	5,623	-31.9%	Mobile phone offences	6,584	5,244	-20.4%	Seatbelt offences	1,646	1,195	-27.4%	No Insurance offences	6,802	7,221	6.2%	NIRSP Speed offences	45,344	40,579	-10.5%
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PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
		<p>observations revealing a 98% compliance rate. This compliance is reflected in the enforcement figures above.</p> <p>The reduced number in Northern Ireland Road Safety Partnership (NIRSP) speed detections may be due to some degree to reduced capability of the current equipment which is due for refresh/replacement.</p> <p>No Insurance vehicle seizures have risen from 1,834 in 2015-16 to 2,446 in 2016-17.</p> <p>PSNI are actively exploring alternative methods of enforcing the mobile phone offence.</p>

PERFORMANCE REPORT (CONTINUED)

OVERARCHING THEME 3: REDUCTION IN OFFENDING

An economic appraisal of our Reducing Offending in Partnership programme was extremely positive and found that the process significantly reduced reoffending rates. The PSNI continues to invest in this scheme as it expands to manage more priority offenders, to develop its lifetime offender management and to engage the voluntary and private sector in reducing offender strategies.

The PSNI is committed in tackling issues linked to serious and organised crime and has identified it as a Strategic Priority. In 2016-17 it increased the number of organised crime groups (OCG) frustrated, disrupted or dismantled.

To reduce the harm caused by drugs OCGs investigations have led to seizures and arrests whilst a number of drug awareness campaigns have been run to raise the awareness and risks of drug use. Approximately £4 million of criminal assets were seized in 2016-17 from OCGs involved in acquisitive crime. Investigations covered a wide variety of activity and involved collaborative working with many partners and stakeholders. Tackling cybercrime has required support from industry, academia and other public agencies to promote our message of prevent, protect and detect. Proactive multi agency operations are ongoing to detect, disrupt and frustrate OCGs involved in human exploitation, 34 victims were rescued in 2016-17.

The Joint Agency Task Force (JATF), established under the Fresh Start Agreement comprises senior officers from the PSNI, An Garda Síochána (AGS), the Revenue Commissioners, HM Revenue and Customs (HMRC) and other key partner agencies. The JATF has strengthened working relationships between the organisations and has identified six priority areas to tackle cross-jurisdictional organised crime.

The PSNI has established a Specialist Paramilitary Investigation Team as a result of Fresh Start funding, who work collectively with National Crime Agency (NCA) and HMRC to tackle the activities of paramilitaries linked OCGs.

Strategic Objective 3.1

Working in partnership to identify and intervene with priority offenders.

STRATEGIC MEASURES	STATUS	OUTCOME
<ul style="list-style-type: none"> In partnership with all relevant statutory agencies to manage the top 100 priority offenders to reduce the frequency and seriousness of offences committed by those offenders. 	Fully Achieved	<p>Reducing Offending in Partnership (ROP) manages the top 350 priority offenders throughout Northern Ireland, including young people and adults.</p> <p>A second Economic Appraisal (focusing on the top 112 priority offender in line with the Policing Plan measure) was commissioned through DOJ. This was done in order to have an independent assessment of the overarching benefits of the ROP programme.</p>

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
		<p>At a macro level the economic evaluation indicates that the ROP Programme is effective from an economic perspective with the programme delivering a positive net economic benefit and a reduction in the incidence of crime.</p> <p>PSNI continues to invest in the reducing offending approach, in a bid to keep people safe, with a current establishment of 90 officers. A demand analysis exercise is planned to profile resource requirements going forward.</p> <p>PSNI is currently adopting aspects of the reducing offending in partnership approach to further develop its lifetime offender management.</p> <p>The ROP group has been actively exploring ways to engage the voluntary and private sector in reducing offending strategies e.g. The 'Stay Onside' programme.</p>

Strategic Objective 3.2

Working in partnership to address serious and organised crime.

STRATEGIC MEASURES	STATUS	OUTCOME																								
<ul style="list-style-type: none">• Increase the number of organised crime groups whose activities have been frustrated, disrupted and / or dismantled by 3% compared to the number recorded in 2015-16.	Fully Achieved	<table><tr><th colspan="6">Organised Crime Groups</th></tr><tr><th>Year</th><th>Frustrated</th><th>Disrupted</th><th>Dismantled</th><th>Total</th><th>Number of OCGs currently being monitored</th></tr><tr><td>2015/16</td><td>54</td><td>42</td><td>28</td><td>124</td><td>128</td></tr><tr><td>2016/17</td><td>58</td><td>48</td><td>23</td><td>129</td><td>96</td></tr></table> <p>A total of 129 OCGs were frustrated, disrupted or dismantled. This is a 4% increase compared to 2015-16.</p>	Organised Crime Groups						Year	Frustrated	Disrupted	Dismantled	Total	Number of OCGs currently being monitored	2015/16	54	42	28	124	128	2016/17	58	48	23	129	96
Organised Crime Groups																										
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2016/17	58	48	23	129	96																					

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME														
<ul style="list-style-type: none">Report to the Board on initiatives, interventions and outcomes in relation to drugs and to increase by 3% the number of drugs seizures compared to the number recorded for 2015-16.	Not Achieved	<table><tr><th colspan="2">Drug Seizures</th></tr><tr><th>Year</th><th>Number of seizures</th></tr><tr><td>2012/13</td><td>4,474</td></tr><tr><td>2013/14</td><td>4,825</td></tr><tr><td>2014/15</td><td>5,104</td></tr><tr><td>2015/16</td><td>5,597</td></tr><tr><td>2016/17</td><td>5,546</td></tr></table> <p>The number of drugs seizures in 2016-17 has reduced by 0.9% compared to the number recorded in 2015-16, which was the highest level since 2006-07.</p> <p>Initiatives and Interventions include</p> <ul style="list-style-type: none">Following a PSNI investigation police seized approximately 65,000 suspect diazepam tablets, £10,000 cash & other drugs with help from partner agencies including NCA and Devon & Cornwall Police. 17 people were arrested. 8 were charged and 9 subject of report to the Public Prosecution Service.PSNI conducted an investigation into an OCG involved in the supply of Class A and B drugs. Police seized £80,000 cash, 50 Kgs of Cannabis, 1Kg of Cocaine and 25 Kgs of mixing agent with the help of AGS, Merseyside Police, Police Scotland and NCA. Three subjects were arrested and charged with drugs and money laundering offences.PSNI work with HSC, Public Health Agency and Department of Justice to produce “Scratch and Sniff” leaflets and Illegal Highs leaflets to raise awareness of the risks and dangers of using drugs.The ‘Drug Dealers Don’t Care’ Campaign, a joint initiative between PSNI and Belfast PCSP in February aimed at raising awareness and increasing reporting.Drugs Alcohol Monitoring and Information Service (DAMIS) and ALERTS: Regular exchange of information with PHA / Department	Drug Seizures		Year	Number of seizures	2012/13	4,474	2013/14	4,825	2014/15	5,104	2015/16	5,597	2016/17	5,546
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PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME																		
		of Health. PSNI provide external partners with information around any trends or harms identified by PSNI.																		
<ul style="list-style-type: none"> Report to the Board on work carried out in partnership with other law enforcement agencies in respect of the pursuit of criminal assets of all kinds. 	Fully Achieved	<p>The Economic Crime Unit (ECU) continues to target OCGs and those individuals involved in acquisitive financial crime by removing their criminal assets and benefits.</p> <table border="1"> <thead> <tr> <th colspan="3">Cash Seizures (for reporting year 6 April 2016 – 5 April 2017)</th></tr> <tr> <th>Category</th><th>Orders Granted</th><th>Totalling</th></tr> </thead> <tbody> <tr> <td>Detention</td><td>100</td><td>£801,423.16</td></tr> <tr> <td>Forfeiture</td><td>76</td><td>£557,348.61</td></tr> <tr> <td>Restraint*</td><td>3</td><td></td></tr> <tr> <td>Confiscation</td><td>15</td><td>£1,736,283.83</td></tr> </tbody> </table> <p>* does not include extant orders obtained earlier with cases not completed or PPS disagreement with PSNI, therefore does not get to court</p> <p>The following are a few examples of investigations conducted by the ECU;</p> <ul style="list-style-type: none"> Conducted a joint investigation with Driver & Vehicle Agency (DVA) and HMRC into the activities of a transport company and their manipulation of the vehicle tacograph systems. On being made aware of assets being disposed of, restraint has been obtained on bank accounts with balances in excess of £400,000, three properties and twenty four vehicles. As a result of a confiscation investigation, following a defendant's conviction for drug dealing, it was discovered that the house he was growing drugs in belonged to a deceased relative and was a potential asset. Enquiries with Housing Benefit and Rates Office revealed fraudulent behaviour. The ECU are looking to recover c£40,000 from the sale of the house. 	Cash Seizures (for reporting year 6 April 2016 – 5 April 2017)			Category	Orders Granted	Totalling	Detention	100	£801,423.16	Forfeiture	76	£557,348.61	Restraint*	3		Confiscation	15	£1,736,283.83
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Confiscation	15	£1,736,283.83																		

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
		<ul style="list-style-type: none"> Worked with the Medicines Regulatory Group, Health Department, and a joint investigation was commenced into the unauthorised large scale supply of veterinary medicines by a male suspect through his lawful farming supply business. This male was convicted and subsequently at a Confiscation Hearing an Order made against the defendant for £515,000 which has been paid in full. <p>ECU worked with the Ford Motor Company. A joint investigation was commenced into the unlawful manufacture and sale of Ford branded goods, test purchases had been carried out by Ford staff and a search of the dwelling by Police, recovered a substantial quantity of illegal Ford items. This male person was convicted and subsequently subject to confiscation proceedings to which an Order to the value of £142,610.30</p>
Report to the Board on initiatives, interventions and outcomes in relation to:		
<ul style="list-style-type: none"> Cyber dependent, enabled and facilitated crime. 	<p>Fully Achieved</p>	<p>The PSNI response to Cyber Crime has been led by the Cyber Crime Centre supported by industry, academia and OCTF. Some key strategies and initiatives to highlight :</p> <ul style="list-style-type: none"> <u>Prevent</u> – A wide reaching awareness campaign supported by Get Safe online and also a prevent strategy to discourage and divert young people from becoming involved in Cyber Crime <u>Protect</u> – In order to protect business and industry, a CISP (Cyber Information Sharing Partnership) was launched so industry can receive the latest threat information in real time. The Cyber Essentials programme will ensure that business networks have the basic hygiene levels and the Cyber Crime Reporting Portal in the PSNI website will deliver an effective protection capability to ensure that companies can protect data. <u>Detect</u> - Successful operations have been conducted at all levels (including cyber Dependant, Cyber Enabled and Internet Facilitated) and the development of new mobile

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME										
		<ul style="list-style-type: none">labs to deploy to crime scenes together with the development of the new Cyber Crime Centre will further develop the capability in this area. <p>In addition the PSNI instigated a NI Cyber Strategy Framework that is now being led by the Department of Economy. This framework seeks to include all areas of society on a cyber-plan to promote capability and invest in cyber education of our young people and communities.</p>										
<ul style="list-style-type: none">Human exploitation and trafficking.	Fully Achieved	<table><tr><th colspan="2">No. of victims rescued from human exploitation or trafficking</th></tr><tr><th>Year</th><th>No. of victims</th></tr><tr><td>14/15</td><td>45</td></tr><tr><td>15/16</td><td>59</td></tr><tr><td>16/17</td><td>34</td></tr></table> <p>During the 2016-17 financial year, the PSNI Human Trafficking Unit (HTU) has conducted 308 screening assessments, an increase from 252 in 2015-16. From these 34 potential victims of human trafficking were recovered in Northern Ireland and referred to the National Referral Mechanism. This is a decrease when compared to the 59 potential victims recorded for 2015-16.</p> <p>During 2016-17 financial year the HTU has made 10 arrests, conducted 27 searches under warrant and carried out 52 safeguarding visits/non-warrant operations for Labour and sexual exploitation. Four persons were charged with Modern Slavery and Human Trafficking (MSHT) and/or related offences and eight persons reported to the PPS for MSHT and/or related offences.</p> <p>Some of the ongoing proactive operations have involved PSNI HTU working in partnership with HMRC, Health and Safety Executive, Gangmasters Licensing Authority, Border Force, UK Visa and Immigration, Department for Communities Organised Fraud Unit, the NCA and the AGS.</p>	No. of victims rescued from human exploitation or trafficking		Year	No. of victims	14/15	45	15/16	59	16/17	34
No. of victims rescued from human exploitation or trafficking												
Year	No. of victims											
14/15	45											
15/16	59											
16/17	34											

PERFORMANCE REPORT (CONTINUED)

Strategic Outcome 3.3

Working in partnership to address paramilitary activity.

STRATEGIC MEASURES	STATUS	OUTCOME
<ul style="list-style-type: none"> Report to the Board on PSNI's contribution to the Joint Agency Task Force established under the Fresh Start Agreement. 	Fully Achieved	<p>In accordance with the provisions in the Fresh Start Agreement, the Joint Agency Task Force (JATF) comprises of senior officers from the Police Service of Northern Ireland, AGS, the Revenue Commissioners, HMRC and other key partner agencies. The "Cross Border Policing Strategy" acts as the over-arching delivery strategy for the work of the JATF.</p> <p>A Strategic Assessment was prepared for the JATF, which identified areas of criminality that is enabled and facilitated by the existence of the land border with the Republic of Ireland. The Strategic Assessment identified six priorities. These were; Drugs, Excise Fraud, Human Trafficking, CSE, Rural/Agricultural Crime and Criminal Finances/Money Laundering, although CSE was removed at a later date and replaced with Immigration Crime.</p> <p>For example during 2016-17 PSNI and AGS engaged in 29 joint cross border operations. The VCPs locations were carefully selected in both jurisdictions with PSNI and AGS mutually supporting each other. In addition, throughout the year, 14 multi-agency operations took place province wide. Partner agencies included HMRC, Trading Standards, Driver & Vehicle Licensing Agency, Northern Ireland Environmental Agency, Revenue Commissioners, Road Safety Authority, Department of Agriculture, Food and the Marine and Department of Social Protection.</p> <p>The increased ability of the PSNI and AGS to actively target the financial gains of organised crime groups has been the most visible benefit of the JATF. The increased partnership working has identified more opportunities to disrupt and remove the incentives of those who are involved in the importation and supply of drugs.</p>

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
<ul style="list-style-type: none"> Report to the Board on PSNI activity to tackle paramilitary activity in Northern Ireland. 	<p>Fully Achieved</p>	<p>Following on from the Stormont House Agreement in December 2014, the ‘Stormont Agreement and Implementation Plan’ was issued in November 2015 and the ‘Fresh Start Panel Report on the Disbandment of Paramilitary Groups in Northern Ireland’ was then issued in May 2016. Subsequently on 9 June 2016 the Tackling Paramilitarism Programme Board agreed to fund the PSNI for the financial year 2016-2017 to set up a dedicated investigative resource</p> <p>As a result of Fresh Start funding, PSNI has established a Specialist Paramilitary Investigations Team and an intelligence team. A collaborative approach has been established between PSNI, NCA and HMRC to deliver a full spectrum law enforcement response to tackling the activities of paramilitary linked organised crime groups. Plans are in place to establish a co-located multi-disciplinary team.</p> <p>PSNI has conducted over 110 searches, over 70 persons have been arrested and 50 persons have been charged or reported to the Public Prosecution Service (PPS) connected to paramilitary linked organised crime groups. In excess of £250,000 in criminal assets have been recovered including illegal drugs, cash and counterfeit goods. Other items seized have included firearms, pipe bombs, other offensive weapons and paramilitary paraphernalia.</p>

PERFORMANCE REPORT (CONTINUED)

OVERARCHING THEME 4: MORE EFFICIENT AND EFFECTIVE DELIVERY OF JUSTICE

To foster an efficient criminal justice system the PSNI and the Public Prosecution Service established the Working Together Project to improve the quality and timeliness of summary files submitted to the PPS. The proof of concept introduced earlier this year is showing positive results. Further work is ongoing to improve the Indictable Case Process.

Introducing new technology and PPS clinics has resulted in the number of statute barred files reducing notably in 2016-17.

The Legacy Investigation Branch (LIB) has 1,097 outstanding cases. High profiles cases worked on in 2016-17 include Bloody Sunday, the Jean McConville murder, the Boston Tapes and Kingsmill. Investigation resulted in 23 prosecution files being submitted to the PPS.

Strategic Outcome 4.1

Delivering significant improvement in the quality of files and disclosure to the Public Prosecution Service (PPS).

STRATEGIC MEASURES	STATUS	OUTCOME
<ul style="list-style-type: none"> Improve the effectiveness and efficiency of the working relationship between PSNI and the PPS and report to the Board. 	Fully Achieved	<p>The Working Together Project has established jointly agreed evidential standards and amended key documents to improve quality and timeliness of summary files submitted to PPS. These were initiated service wide in February 2017.</p> <p>A Working Together proof of concept commenced on 14 February 2017 in Belfast District. It included the introduction of Police Decision Makers to improve consistency of disposal decision making and to quality assure key case file documents and the use of streamline file-builds for case files with no prosecution recommendations. The Project also co-ordinated no prosecution clinics within Mid Ulster and Fermanagh & Omagh Districts.</p> <p>Early indications from this proof of concept suggest that:</p> <ul style="list-style-type: none"> quality of files has increased and PPS requirement to request additional material has reduced quality of disposal decision making has increased and PPS agreement with PSNI recommendations

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
		<ul style="list-style-type: none"> has increased. <p>In addition, PSNI and PPS have worked together to establish protocols and processes for the Indictable Case Process which will commence in May 2017. This process will seek to improve quality and timeliness of case files progressing through Crown Court.</p>

Strategic Outcome 4.1

Achieving an effective partnership with the PPS and other key partners in the criminal Justice System in order to deliver an effective professional service which strives for positive outcomes for victims.

STRATEGIC MEASURES	STATUS	OUTCOME												
<ul style="list-style-type: none">Decrease by 5% the number of statute barred cases by 31st March 2017 compared to the number recorded in 2015-16.	Fully Achieved	<table><tr><th colspan="4">Statute Barred Files</th></tr><tr><th>Year</th><th>2015/16</th><th>2016/17</th><th>% Change</th></tr><tr><td>Statute Barred Files - Service</td><td>163</td><td>131</td><td>-19.7%</td></tr></table> <p>This target was principally achieved as a result of the following actions:</p> <ul style="list-style-type: none">An automated Niche task was created that now ‘reminds’ a supervisor, five months from the date the offence was committed, to check if the investigation is likely to result in summary offences being brought and to progress or protect those offences from becoming statute barred within the six month period.The introduction of PPS clinics in some business areas has provided a forum to discuss potential no prosecution cases.A formal system of escalation to local management was introduced to challenge short notice requests by officers to protect summary offences and this has led to decreased numbers of such requests, thereby contributing to greater intrusiveness.	Statute Barred Files				Year	2015/16	2016/17	% Change	Statute Barred Files - Service	163	131	-19.7%
Statute Barred Files														
Year	2015/16	2016/17	% Change											
Statute Barred Files - Service	163	131	-19.7%											

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME																
<ul style="list-style-type: none">Report to the Board on progress made in reference to legacy cases.	Fully Achieved	<p>Legacy Investigation Branch (LIB) currently has 1,097 outstanding cases which feature in our Case Sequencing Model (CSM).</p> <p>The branch is split into to four teams, two of which are Investigative and two are Review.</p> <p><u>Alpha (Review Team – “On The Run”):</u></p> <ul style="list-style-type: none">123 incident reviews complete73 Incidents were murder/attempted murder13 OTR nominals reviewed5 OTR nominals complete <p><u>Beta (Investigative Team):</u></p> <ul style="list-style-type: none">3 prosecution files submitted <p><u>Gamma (Investigative Team):</u></p> <ul style="list-style-type: none">18 prosecution files submitted in respect of Bloody SundayKingsmill file submitted to PPS <p><u>Delta (Review Team):</u></p> <ul style="list-style-type: none">8 incident reviews commenced from the Case Sequencing Model. <p>In 2016-17, LIB responded to more than 500 pieces of external correspondence from the following requestors:</p> <table><tr><th colspan="2">External Correspondence</th></tr><tr><th>Requestor</th><th>% of total</th></tr><tr><td>Legal profession</td><td>41%</td></tr><tr><td>Victims groups</td><td>25%</td></tr><tr><td>Government bodies</td><td>7%</td></tr><tr><td>Family members</td><td>13%</td></tr><tr><td>General Public</td><td>12%</td></tr><tr><td>Total*</td><td>100%</td></tr></table> <p>*Totals may not sum due to rounding.</p>	External Correspondence		Requestor	% of total	Legal profession	41%	Victims groups	25%	Government bodies	7%	Family members	13%	General Public	12%	Total*	100%
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Requestor	% of total																	
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Total*	100%																	

PERFORMANCE REPORT (CONTINUED)

OVERARCHING THEME 5: MORE EFFICIENT AND EFFECTIVE POLICING

The PSNI is committed to working to optimise the resources we have to meet changing police demands, whilst operating under the challenge of a continually reducing budget.

The PSNI was judged “Good” by Her Majesty’s Inspectorate of Constabularies (HMIC) under the Efficiency pillar of PEEL in February 2016, although they raised some concern over our workforce model. In March 2017 the PSNI were again inspected by HMIC on this pillar and we are awaiting the report.

To achieve the best use of resources the PSNI reduced the average number of working days lost to sickness for officers and staff by 10.3% and 9.0% respectively.

Strategic Outcome 5.1

Providing an efficient, effective police service focused on protecting frontline services and continually improving and responding to need.

STRATEGIC MEASURES	STATUS	OUTCOME
<ul style="list-style-type: none"> Report to the Board on the implementation of the HMIC efficiency inspection and indicate PSNI's plans to match their human and financial resources to meet demand for PSNI services. 	Fully Achieved	<p>The PSNI were inspected by HMIC on the Efficiency pillar of PEEL in February 2016, for which they received an overall status of Good. The report published in August 2016 stated that the PSNI uses its resources efficiently to keep people safe.</p> <p>HMIC expressed that the PSNI had a good understanding of current demand in the main and matched resources to the needs of the community. However, it criticised the service’s workforce model and called it unsustainable as it relied too much on overtime and long-term sickness was high.</p> <p>HMIC stated that working within restrictive annual budget arrangements the PSNI had balanced its budgets and had a good track record of making savings.</p> <p>Overall the Service has developed a number of short term tactical, medium term operational and longer term planning processes which identify priorities, set service levels and ensure that the right</p>

PERFORMANCE REPORT (CONTINUED)

STRATEGIC MEASURES	STATUS	OUTCOME
		<p>number of people with the right skills are available to address the critical issues. These included the Corporate Plan, the People Plan and the Service Strategic Assessment.</p> <p>The ServiceFirst Programme acts as an overarching umbrella governance forum for all corporate improvement activity. Two significant projects to improve efficiency are</p> <ul style="list-style-type: none"> • The Demand Project team has been established to map demand across the organisation. • To ensure efficient processes the Service implemented Priority Based Resourcing (PBR) which reviews the whole Service and establishes priority need for resources. PBR has runs a full cycle and 77 efficiency changes have been identified. <p>The planning process will be further improved in future years by encompassing the Demand Project and PBR.</p> <p>The Resource Delivery Group creates a Medium Term Resource Plan, a HR Distribution Plan and ensures value for money. The overall aims of these processes are to agree succession plans, promotion and selection processes and deliver staff allocation /distribution in line with organisational needs and is informed by the PBR process.</p>

PERFORMANCE REPORT (CONTINUED)

Strategic Outcome 5.2

Demonstrating the best use of resources for the PSNI.

STRATEGIC MEASURES	STATUS	OUTCOME																
<ul style="list-style-type: none">Reduce average working days lost (AWDL) for Police Officers and Police Staff by 10% by 31 March 2017 compared to the number recorded in 15-16	Partially Achieved	<table><tr><th colspan="4">Average Working Days Lost</th></tr><tr><th></th><th>2015/16</th><th>2016/17</th><th>% change</th></tr><tr><td>Police Officers</td><td>13.14</td><td>11.79</td><td>-10.3%</td></tr><tr><td>Police Staff</td><td>10.71</td><td>9.75</td><td>-9.0%</td></tr></table> <p>Although significant reductions have been made in the average working days lost for Police Staff the target has not been achieved.</p> <ul style="list-style-type: none">A dedicated Attendance Management Team based in Lisnasharragh, with an HR Strategic Lead assigned to ensure appropriate focus and grip.The establishment of a Central Attendance Management Group (representative of all Departments) tasked with putting in place measures that will reduce sickness levels across the service (note: more recently the Terms of Reference for this group have been revised to include Restricted Duties, with a purpose of ensuring that all absentees and limited duty personnel within PSNI are provided with appropriate support mechanisms to increase their operational capacity and capability).	Average Working Days Lost					2015/16	2016/17	% change	Police Officers	13.14	11.79	-10.3%	Police Staff	10.71	9.75	-9.0%
Average Working Days Lost																		
	2015/16	2016/17	% change															
Police Officers	13.14	11.79	-10.3%															
Police Staff	10.71	9.75	-9.0%															

PERFORMANCE REPORT (CONTINUED)

QUANTITATIVE TARGETS WITH POLICING PLAN 2016-17

TARGET	STATUS	OUTCOME	
Increase the level of public confidence in the police's ability to provide an ordinary day to day service	Partially Achieved	Increased 1.1% pts ¹ (2014-15 compared to 2015-16 published 24 November 2016)	These figures refer to the latest available from the Department of Justice and are over a year out of date.
Increase the level of overall confidence in the local police	Not Achieved	Unchanged at 68.3% (2014-15 compared to 2015-16 published 24 November 2016)	
Increase the outcomes rate for crimes with a racist motivation by 2% points	Not Achieved	Decreased by 0.8 %pts	Over 90% of hate crime is either violence against the person or criminal damage. Although outcome rates for violence against the person offences are relatively high for hate crimes those for criminal damage are all in single figures.
Increase the outcomes rate for crimes with a homophobic motivation by 2% points	Not Achieved	Decreased by 4.6 %pts	
Increase the outcomes rate for crimes with a sectarian motivation by 2% points	Not Achieved	Decreased by 1.6 %pts	
Increase the outcomes rate for burglary in which older people are victims by 2% points	Fully Achieved	Increased by 2.6%pts	The 2016-17 burglary outcome rate in which older people are victims is the highest for over a decade.
Reduce the number of offences committed against older people by 2%	Fully Achieved	Decreased by 8.2%pts	The number of offences committed against older people fell by over 600 offences in 2016-17, with the decrease highest for victims over 80 years old.
Increase of 10% in the number of road safety related offences detected:			

¹ This is not significantly significant

PERFORMANCE REPORT (CONTINUED)

TARGET	STATUS	OUTCOME	
• Drink/Drug Driving	Not Achieved	Decreased by 6.2%	Although we failed the drink/drug drive target the PSNI tested 25% more people in 2016-17 than in 2015-16, indicating the “Never ever drink and drive” message is being heard. Seatbelt wearing rates have a 98% compliance rate whilst 33% more vehicles have been seized in 2016-17 than 2015-16 for no insurance. The PSNI is actively exploring alternative methods to enforce road safety related offences.
• Speeding	Not Achieved	Decreased by 31.9% (PSNI) Decreased by 10.5% (NIRSP)	
• Mobile Phone Use	Not Achieved	Decreased by 20.4%	
• Non-Wearing of seatbelt	Not Achieved	Decreased by 27.4%	
• Driving without insurance	Partially Achieved	Increased by 6.2%	
Increase the number of organised crime groups whose activities have been frustrated, disrupted and/or dismantled by 3%	Fully Achieved	Increased by 4.1%	Serious and Organised Crime is a Strategic Priority for the PSNI. This increase has resulted in the recovery of drugs, firearms, cash, counterfeit/contraband goods and other items and the incarceration of a number of high profile offenders.
Increase drug seizures by 4%	Not Achieved	Decreased by 0.9%	Although a slight decrease in the number of drug seizures was recorded in 2016-17 compared to 2015-16, it must be noted that levels in 2015-16 were the highest in a decade.
Reduce by 5% the number of statute barred cases by 31 March 2017 compared to the number recorded in 2015-16	Fully Achieved	Decreased by 19.7%	This target has been principally achieved as a result of a number of proactive actions by the PSNI.
Reduce the average working days lost for Police Officers by 10%	Fully Achieved	Decreased by 10.3%	AWDL has been reduced significantly for both Police Officers and Staff over the last year
Reduce the average working days lost for Police Staff by 10%	Partially Achieved	Decreased by 9.0%	

PERFORMANCE REPORT (CONTINUED)

Police and Criminal Evidence (PACE) Order – Article 5 Persons and Vehicles Searched

Table 1: Police and Criminal Evidence (PACE) Order – Article 5 Persons and Vehicles Searched 2016-17

		Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
Stolen Property / Articles	Searches	264	232	215	256	275	196	265	284	273	257	302	243	3,062
	Arrests ¹	28	46	40	36	31	39	39	65	29	30	32	40	455
Offensive Weapon / Blade or Point	Searches	79	61	71	76	65	80	64	83	87	75	70	84	895
	Arrests ¹	23	16	17	20	23	23	16	30	21	26	21	21	257
Going Equipped / Prohibited Articles	Searches	128	112	148	146	119	122	191	141	143	107	146	142	1,645
	Arrests ¹	17	9	22	27	23	17	29	25	16	23	23	20	251
Fireworks	Searches	2	1	5	1	8	27	190	24	8	1	0	0	267
	Arrests ¹	0	0	1	0	0	0	0	0	0	0	0	0	1
Total	Searches	473	406	439	479	467	425	710	532	511	440	518	469	5,869
	Arrests ¹	68	71	80	83	77	79	84	120	66	79	76	81	964

¹ Arrests as a result of search

Police and Criminal Evidence (PACE) Order – Article 6 Road Checks

There were 39 road checks authorised in 2016-17, all of which were for the purpose of ascertaining whether a vehicle was carrying a witness to an indictable offence.

Police and Criminal Evidence (PACE) Order – Detention statistics 2016-17

Table 2: Arrests under PACE by Gender and whether requests for friends / relatives or a solicitor were made, for each Quarter during 2016-17.

	Arrests Under PACE			Requests	
	Totals*	Gender		Friend/Relative etc.	Solicitor
		Male	Female		
Quarter 1 April-June	5,757	4,896	856	1,409	3,532
Quarter 2 July-September	5,676	4,803	872	1,392	3,431
Quarter 3 October-December	5,469	4,609	857	1,438	3,306
Quarter 4 January-March	5,037	4,239	797	1,374	3,156
TOTAL	21,939	18,547	3,382	5,613	13,425

* 10 transgender persons are included in "Totals"

PERFORMANCE REPORT (CONTINUED)

Extended Detention: During 2016-17 there were 46 persons who were detained in police custody for more than 24 hours and released without charge.

Magistrate's Warrants: There were 16 applications to Magistrates Courts for warrants of further detention in 2016-17. One of these applications was for 24 hours or less, 1 was for between 25 and 35 hours and the other 14 were for a period of 36 hours. Of the 16 applications to Magistrates Courts for warrants of further detention, 1 of these was for a second warrant of further detention. Of the 15 persons subject to a warrant of further detention, 8 spent less than 24 hours under its authority, while 6 spent between 24 hours and 36 hours and the remaining 1 person was detained over 36 hours under the authority of these warrants. A total of 8 persons were subsequently charged.

Intimate Searches: There were 5 intimate searches carried out by a suitably qualified person during 2016-17. These were drugs offence searches, of which 1 resulted in a quantity of Class A drug being recovered. The remaining 4 were negative results.

X-rays & ultrasound scans: During 2016-17 one x-ray was carried out (negative result). No ultrasounds were recorded.

PACE Detention statistics by PSNI Custody Suite 2016-17

1st April 2016 – 31st March 2017

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Antrim Custody ⁽¹⁾	0	0	149	507	656
Armagh Custody	303	251	205	168	927
Banbridge Custody ⁽¹⁾	57	470	537	536	1,600
Bangor Custody ⁽¹⁾	454	448	277	0	1,179
Coleraine Custody	551	577	517	380	2,025
Dungannon Custody	303	310	341	298	1,252
Enniskillen Custody	273	234	283	214	1,004
Lurgan Custody ⁽¹⁾	504	143	0	0	647
Musgrave Street	2,385	2,349	2,299	2,187	9,220
Omagh Custody	215	279	278	263	1,035
Strabane Custody ⁽¹⁾	79	0	0	0	79
Strand Road Custody	633	615	583	484	2,315
Total	5,757	5,676	5,469	5,037	21,939

(1) Antrim Custody suite was closed for refurbishments during quarters 1 and 2. Banbridge Custody suite reopened after refurbishments during quarter 1. Bangor Custody suite closed during quarter 3. Lurgan Custody suite closed for refurbishments during quarter 2. Strabane Custody suite closed for refurbishments during quarter 1.

This bulletin shows the number of persons detained under PACE. Excluded are those arrested under legislation other than PACE, for example the Terrorism Act.

PERFORMANCE REPORT (CONTINUED)

The total cost of policing

The total non ring fenced Resource DEL budget allocation (excluding costs of the Police Pension Scheme and AME impairments) available for 2016-17 was £704.5m. The non ring fenced DEL expenditure against this budget during the financial year was £704.0m, resulting in a reported underspend of £0.5m. This is less than 0.1% of total non ring fenced Resource DEL budget. Ringfenced spend on depreciation and impairments was £37.5m for the year.

The total Annually Managed Expenditure (AME) 2016-17 budget allocation (including Pension Scheme, AME impairments, Release and Movements in Provisions) was £283.8m. The AME expenditure against this budget during the year was £255.1m, resulting in an overall underspend of £28.7m.

This gives a total resource spend of £959.1m. The costs of Pensions are reported separately through the PSNI Pension Scheme Accounts and do not form part of the Statement of Comprehensive Expenditure in these Financial Statements.

The Capital spend for the year was £32.4m, with PSNI utilising all its available capital funding for the year and a small surplus made available by the DoJ. Details of Non-Current Asset expenditure movements are detailed in the notes to the financial statements.

Payment of suppliers

The PSNI'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 2016-17 financial year, average overall performance showed 94.1% (95.2% 2015-16) of all invoices were paid within 10 days. In the 2016-17 financial year 99.0% of invoices were paid within the government prompt payment target of 30 days (99.3% 2015-16). At the year end the proportion of amounts owed to trade creditors in relation to the amounts invoiced by suppliers during the year equates to 7.46 creditor days (7.33 creditor days 2015-16).

PERFORMANCE REPORT (CONTINUED)

Long Term Expenditure Trends

The chart below show details of PSNI budget and expenditure patterns across the period 2013-14 to 2016-17;

Chart 1: Resource Del Budget v Expenditure 2013-14 to 2016-17

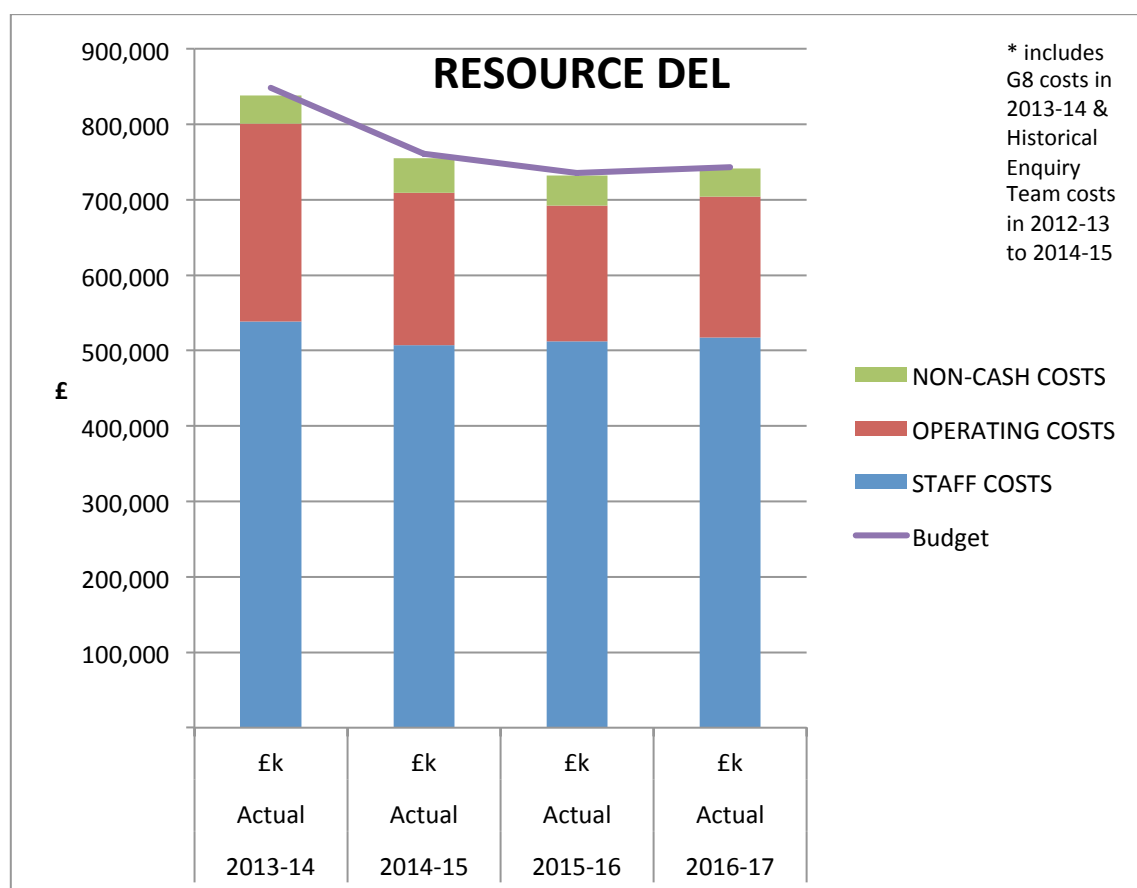


Chart 1 above shows the final budget allocation for each of the years 2013-14 to 2016-17.

Budgets for the 2013-14 and 2014-15 years were set as part of the four year Budget 2011-15 period, with efficiency savings of £135.2m required across the period.

During this period PSNI received one off funding to cover the costs of policing the G8 conference in 2013-14 of £42.8m.

During 2014-15 and 2015-16, in-year budget cuts (£42m 2014-15, £26.2m 2015-16) were imposed on the Service, often late in the financial year which were difficult to implement in a Service as dynamic as Policing. The 2016-17 includes additional funding of £5.6m received for PSNI voluntary exit leavers.

PERFORMANCE REPORT (CONTINUED)

2017-18 Financial year

PSNI has received indicative budgets from DOJ for the 2017-18 financial year on the basis of a net reduction of 3% (or £20m) on the 2016-17 opening budget. In addition, DOJ have allocated £3m towards the Legacy pressures faced by PSNI. This is still subject to change by an incoming Executive.

PERFORMANCE REPORT (CONTINUED)

Environmental matters

Sustainability

The Police Service of Northern Ireland is committed to Keeping People Safe whilst delivering continuous environmental improvement. The [Sustainability Strategy](#) helps the organisation play a responsible role in the community by reducing environmental impacts and costs as we deliver a world class policing service.

The PSNI Sustainability Delivery Group (SDG) jointly chaired by the Director of Finance and Support Services and ACC Operational Support works to identify and manage environmental issues in a way that supports our business objectives and reduces our environmental impacts and financial pressures.

Every organisation has an impact on its environment and the new PSNI Environmental Policy developed this year sets out our commitments. The PSNI will be compliant with environmental legislation as a minimum level of performance but also monitors the principles and responsibilities of sustainable development and environmental management and aims to incorporate them into day to day business activities.

The PSNI recognises that its operations have an environmental impact and is committed to minimising any negative impacts and developing any positive impacts.

The most significant environmental aspects for the PSNI include the:

- Consumption of fuels and energy and associated CO₂;
- Consumption of product and raw materials;
- Consumption of water; and
- Generation and management of a variety of waste streams.

There have been significant successes this year PSNI again achieved a Silver Award at the Arena Network Environmental Benchmarking Survey which requires evidence of continuous improvement every year to maintain the standard. For the first time an Environmental Management System has been developed to help the organisation systematically manage programmes to achieve our environmental objectives.

During the year Estates Services collected a prestigious environmental award for Downpatrick station which jointly won the Sustainable Ireland 'Best Sustainable Building' category. Judges praised the PSNI for inclusion of a wide range of sustainable features including natural cooling and heating design, sedum roofs, rainwater recovery, biomass boiler, and Sustainable Urban Drainage System designed to reduce costs and environmental impacts.

PERFORMANCE REPORT (CONTINUED)

Over the year PSNI has improved both energy use and energy efficiency by 2.7 %, with an improvement in energy efficiency (Kwh/m²) of over 26% on 2000 levels. PSNI CO₂ emissions have reduced by 10% on last year's figures.

Overview of PSNI environmental performance against target:

	2016-2017	2015- 2016	% Change	Govt target
Total Utility Energy Consumption GWh	84.91 GWh	86.96 GWh	Down 2.7% on last year	n/a
Energy Efficiency per square metre kWh/ m²	268kWh/m ²	275kWh/m ²	Down 2.7% on last year. Down 26% on 99/00 base year.	15% Reduction by 2020. Achieved 2010.
Carbon Dioxide Emissions CO₂	28,278	31,451	Down 10% on last year. Down 23% on 99/00 base year	30% reduction on 99/00 levels by 2020. On track.
Renewable Energy procured	0%	98%	Electricity procured without any green this year due to additional premium on green electricity.	Min of 20% renewable by 2015. 40% by 2020.
Water Consumption m²	101,432	101,411	Up 0.02% on last year. Small increase due to an underground leakage, daily monitoring in place.	25% reduction on 2004 levels by 2020. Achieved.

Partners

The Police Service of Northern Ireland is a member the Department of Justice Sustainability Group and works with a range of governmental and non- governmental partners to enhance our sustainability and improve our initiatives including this year Belfast City Council and Belfast Harbour.

PERFORMANCE REPORT (CONTINUED)

Social and community issues

The tradition of generous charitable giving by officers and staff of the Police Service has continued, with £219k donated through Public Sector Payroll Giving in 2016-17.

A handwritten signature in black ink, appearing to read 'G Hamilton', with a stylized flourish at the end.

**George Hamilton
Chief Constable
Police Service of Northern Ireland
22 June 2017**

ACCOUNTABILITY REPORT

CHIEF CONSTABLE'S REPORT

Members of the Service Executive Board (SEB)

The Senior Executive Team who served throughout the 2016-17 year were as follows:

Chief Constable

George Hamilton

Deputy Chief Constable

Drew Harris

Assistant Chief Constable Legacy and Justice

Mark Hamilton

T/Assistant Chief Constable Legacy and Justice

Stephen Cargin¹

Assistant Chief Constable Crime Operations

William Kerr²

Assistant Chief Constable Crime Operations

Stephen Martin³

Assistant Chief Constable District Policing

Alan Todd³

T/Assistant Chief Constable Operational Support

Barbara Gray⁴

T/Director of Finance & Support Services and Human Resources

Mark McNaughten

Director of Human Resources

Joe Stewart⁵

Head of Human Resources

Jude Helliker⁶

Head of Corporate Communications

Liz Young

Head of Legal Services

Ralph Roche⁷

Non-Executive Member

Dennis Licence

ACCOUNTABILITY REPORT (CONTINUED)

Further details are provided in the Remuneration and Staff Report section on page 72.

1. Assistant Chief Constable Mark Hamilton availed of an extended period of leave from 27 February 2017 until 23 April 2017. During his absence Chief Superintendent Stephen Cargin undertook the role of Acting ACC Legacy and Justice Department.
2. Assistant Chief Constable William Kerr took up a secondment to the National Crime Agency on the 16 January 2017.
3. On 9 January 2017 Assistant Chief Constable Stephen Martin transferred from District Policing Command to Crime Operations Department and Assistant Chief Constable Alan Todd transferred from Operational Support Department to District Policing Command.
4. T/Assistant Chief Constable Barbara Gray was appointed to Operational Support Department on the 1 February 2017.
5. The substantive Director of Human Resources left the Service on the 13 April 2016.
6. Mrs Jude Helliker Head of HR joined the Service Executive Board in June 2016, and resigned from post on the 11 June 2017.
7. Mr Ralph Roche acted as the T/Head of Legal services for the period 01 October 2015 to 31 January 2017.

ACCOUNTABILITY REPORT (CONTINUED)

Corporate Governance

Corporate Governance within PSNI operated through a formal structure of Corporate Governance Committees and Programme Boards. The PSNI currently has three key Governance Committees:

- Service Executive Board
- ServiceFirst Board
- Audit and Risk Assurance Committee

The Service Executive Board (SEB) sets the tone and direction of the organisation. SEB, chaired by the Chief Constable is the final decision making forum for the organisation.

The Service First Board aims to support and advance the tone and direction set for the Police Service by the Service Executive Board, by agreeing the extent of resource to be aligned to Strategic Priorities thereby enabling delivery of the Chief Constable's purpose of Keeping People Safe.

The role of the Audit and Risk Assurance Committee is to advise the Chief Constable on the adequacy of internal control arrangements including risk management, information assurance and governance. This committee consists of four Non-Executive Members, one as Chair, with members of the SEB, Internal and External Audit, the Policing Board and the Department of Justice in regular attendance.

Company directorships

Members of SEB held no company directorships or other significant interests which conflict with their management responsibilities.

Non-current assets

Details of the movement in non-current assets are set out in notes 6 and 7 to the Accounts. There are no significant differences between the market values and book values of land and buildings to be disclosed. Details of the PSNI Estate Strategy can be found at <https://www.nipolicingboard.org.uk/estate-strategy>

ACCOUNTABILITY REPORT (CONTINUED)

Research and development

PSNI has no activities in the defined field of research and development.

Future developments

The Northern Ireland Policing Board, in conjunction with the PSNI, published the 2017-18 Policing plan and Strategic Outcomes for Policing 2016-2020. The 2017-18 plan sets both annual and longer term objectives and priorities for policing, together with a range of targets and measures for the PSNI to achieve by the end of March 2018. The 2016-2020 Strategic Outcomes for Policing Plan outlines 12 outcomes developed in partnership outlining what needs to be achieved in the next five years. The outcomes fall under five key themes;

- Communication and Engagement;
- Protection of people and communities;
- Reduction in Offending;
- More efficient and effective delivery of justice; and
- More efficient and effective policing.

As well as consultation with the Chief Constable, Policing and Community Safety Partnerships (PCSPs) and the public, the Board also analyse crime patterns, emerging strategic issues, resources and police performance information before setting policing objectives. Priorities set by the Board must also reflect the long term policing objectives as set out by the Minister of Justice.

To acknowledge the importance of Policing with the Community, the Plan has been revised to reflect a strengthened emphasis on quality of service, partnership working and a focus on policing priorities.

A copy of the Policing Plan 2017 -18 can be viewed on the Policing Board's website:
<https://www.nipolicingboard.org.uk/outcomes-policing-annual-policing-plan>

ACCOUNTABILITY REPORT (CONTINUED)

The Police Service look forward to continuing the progress already made in delivering these outcomes with the Northern Ireland Policing Board, other government agencies and with the community of Northern Ireland.

The Plan allows PSNI to prioritise some of the demands on policing. The key themes will provide focus on communication and engagement; how we maintain the trust of the community and ensure we are working in as open and transparent way as possible. By preventing harm, protecting people and detecting those who commit crime, we focus on reducing harm and protecting the most vulnerable in our society. We will continue to concentrate on reducing offending through collaborative working, particularly in relation to priority offenders, serious and organised crime and paramilitary activity. We will also continue to work towards the more efficient and effective delivery of justice and of policing in general.

Charitable donations

PSNI made no charitable or political donations during the year.

Health and safety

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

Personal data related incidents

PSNI self-referred three incidents for consideration to the Information Commissioner's Office ('ICO'), two relating to information which had been lost but subsequently recovered and the third concerning disclosure of information practices in PSNI's Protective Disclosure Unit. More information is contained within the Governance Statement.

ACCOUNTABILITY REPORT (CONTINUED)

Pension liabilities

The pension liabilities of Police Officers are accounted for separately in the PSNI Police Pension Accounts. Pension benefits and liabilities for Police Staff are provided through the Principal Civil Service Pension Scheme (NI). (See further details in the Remuneration and Staff Report on page 72.)

Audit services

The Financial Statements for 2016-17 are audited by the Comptroller and Auditor General for Northern Ireland (C&AG), who heads the Northern Ireland Audit Office and is appointed by statute and reports to Northern Ireland Assembly. His certificate and report is produced at pages 90 to 92.

So far as the 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 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 the Financial Statements was £79,000 (2015-16 £79,000). This includes the audit fees in respect of the Main Police Account including the Police Fund and Police Property Fund £64,000 (£64,000 2015-16), and the Police Pension Scheme Accounts £15,000 (£15,000 2015-16).

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. During the year no reports were undertaken.

The Accounts of the PSNI for 2016-17 are required to be audited by the C&AG. The Department of Justice will lay the accounts on behalf of the C&AG.

Chief Constable's Annual Report

A full certified copy of the Annual Report and Accounts will be available on the PSNI's website (www.psni.police.uk)

Police Pension Scheme Accounts

Financial Statements for the Police Pension Scheme Accounts are prepared separately and will also be available on the PSNI's website.

ACCOUNTABILITY REPORT (CONTINUED)

STATEMENT OF RESPONSIBILITIES OF THE CHIEF CONSTABLE

Under Part 2, Sections 12(1), 12(2) and 12(3) of the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003 and Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, the Chief Constable of the PSNI is required to prepare a statement of accounts on behalf of the Northern Ireland Policing Board, in the form and on the basis directed by the Department of Justice. The annual financial statements are prepared on an accruals basis and must give a true and fair view of the net expenditure, changes in taxpayers' equity and cash flows for the financial year and the balances held at the year end.

In preparing the accounts, the Chief Constable of the PSNI is required to comply with the requirements of the Government Financial Reporting Manual in particular to:

- observe the Accounts Direction issued by Department of Justice, 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 disclosed and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.

The Accounting Officer for the Department of Justice appointed the Chief Constable of the PSNI as Accounting Officer for the PSNI. 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 assets of the PSNI, are set out in Managing Public Money Northern Ireland.

ACCOUNTABILITY REPORT (CONTINUED)

GOVERNANCE STATEMENT

Scope of responsibility

I have been appointed as the Accounting Officer for the Police Service of Northern Ireland (PSNI), by the Accounting Officer of the Department of Justice (DOJ) to whom I am directly accountable. My responsibilities as PSNI Accounting Officer are contained in the Police (Northern Ireland) Act 2000, the Department of Finance (DoF) document Managing Public Money (NI), and the Management Statement and Financial Memorandum agreed with the DOJ.

As PSNI Accounting Officer I have responsibility for maintaining a sound system of internal control. The internal controls support the achievement of PSNI's policies, aims and objectives which are set by the Northern Ireland Policing Board (NIPB), while also safeguarding the public funds and assets for which I am personally responsible as Accounting Officer.

This responsibility is undertaken in accordance with the requirements of the DoF document Managing Public Money (NI).

The PSNI Governance Framework

The governance structure of PSNI reflects our unique statutory position, balancing the need for appropriate controls and oversight, while preserving the operational independence of the role of Chief Constable. This balance is recognised in the Police (Northern Ireland) Act 2000, and the Management Statement and Financial Memorandum issued by the DOJ.

It is essential that PSNI is seen to uphold the highest standards in its own operations and, for this purpose, I am held to account on a regular basis by the NIPB. The NIPB is a statutory non-departmental public body consisting of 10 locally elected political representatives and 9 independent members, to whom I have statutory responsibilities.

I recognise that the governance structures for PSNI set out within the Police (Northern Ireland) Act 2000, incorporating the oversight functions of the NIPB and PSNI as two separate but linked organisations, are unique and not replicated for any other public sector body. Where the requirements of the Act and the Corporate Governance Code differ, PSNI will always seek to comply with the Act, which reflects the wishes of the Assembly. I have assessed the PSNI governance arrangements against the Governance Code and found that NIPB and PSNI arrangements when taken together comply with the code to the extent that it is relevant and meaningful.

Northern Ireland Policing Board (NIPB)

The NIPB is a non-departmental public body and separate from PSNI. It produces its own Annual Report and Accounts, including a governance statement. The NIPB has a statutory role in "securing the maintenance of the Police in Northern Ireland, and shall secure that the Police, and the police support staff are efficient and effective". Their

ACCOUNTABILITY REPORT (CONTINUED)

governance structure in undertaking this role is contained in the NIPB governance statement, it can be found at: www.nipolicingboard.org.uk.

The NIPB is required to meet at least eight times each year for the purposes of receiving and considering a report on policing from the Chief Constable. The NIPB also has a structure of committees that meet on a regular basis to consider specific areas of Policing and PSNI business areas. One of the main roles that NIPB undertakes is to determine and revise objectives for the policing of Northern Ireland. The NIPB has a statutory requirement to secure continuous improvement in the way the Chief Constable functions in regard to economy, efficiency and effectiveness, and to monitor the performance of the police, trends and patterns in relation to complaints against the police, trends and patterns in crimes, and recruitment to the police and police staff.

This demonstrates the unique governance arrangements contained in the Police (Northern Ireland) Act 2000 that exist between PSNI and NIPB, and why the NIPB scrutinises the work of PSNI through its Board and Committee structure. There is a clear division of responsibility between the NIPB Chairperson and myself; the Chairperson is responsible for the leadership and effective working of the NIPB, and I am responsible as PSNI Accounting Officer for the implementation of PSNI strategy and making operational decisions relating to policing. The requirements in the Corporate Governance Code are provided for under these arrangements.

Leadership Team

I am supported by the Service Executive Team (SET), which is the PSNI Senior Management Team, consisting of a Deputy Chief Constable, Assistant Chief Constables, and senior staff.

During the 2016-17 financial year there were a number of changes within the SET.

- Jude Helliker was appointed as Head of Human Resources and became a member of the SET from June 2016, Jude Helliker has since resigned from the service from 11 June 2017.
- Assistant Chief Constable William Kerr was seconded to the National Crime Agency on 16 January 2017.
- Chief Superintendent Barbara Gray was temporarily appointed to the rank of Assistant Chief Constable with responsibility for Operational Support Department from 1 February 2017.
- Mr Ralph Roche ceased as Temporary Head of Legal Services on 31 January 2017.
- Assistant Chief Constable Mark Hamilton availed of an extended period of leave from 27 February 2017 until 23 April 2017. During his absence Chief Superintendent Stephen Cargin undertook the role of Acting ACC Legacy and Justice Department.

ACCOUNTABILITY REPORT (CONTINUED)

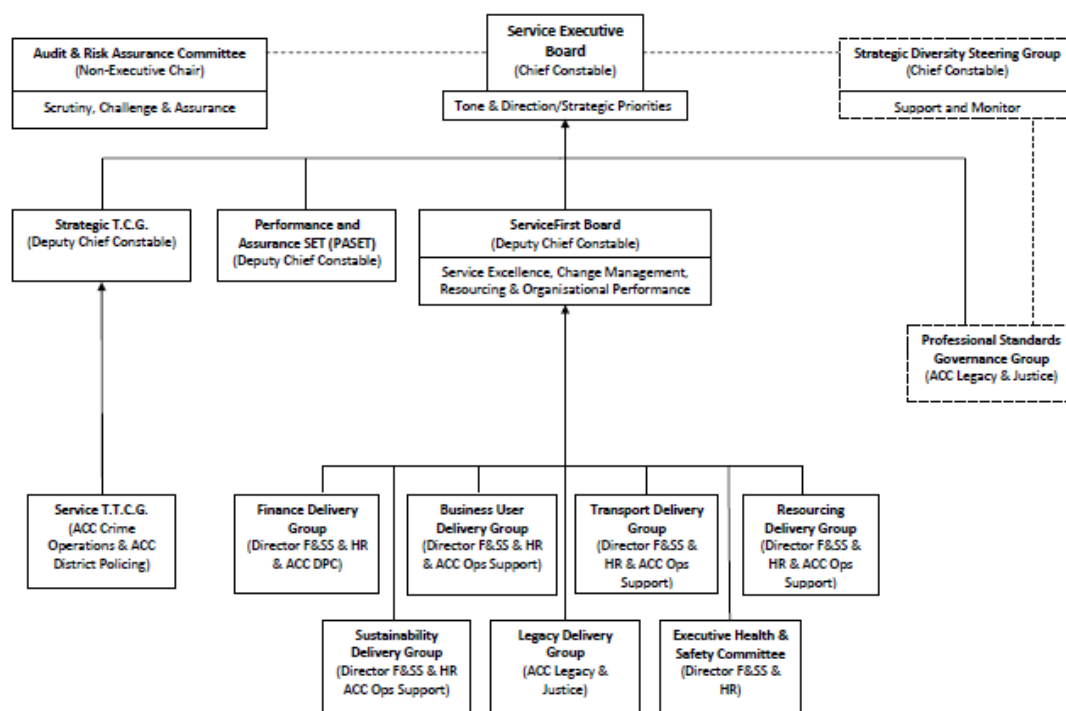
In addition, changes to some SET Portfolios also took effect during the year.

On 9 January 2017 Assistant Chief Constable Stephen Martin transferred from District Policing Command to Crime Operations Department and Assistant Chief Constable Alan Todd transferred from Operational Support Department to District Policing Command.

Governance Structure

The leadership team meets formally each month as the Service Executive Board (SEB) to provide executive management and governance to the operations and delivery of the PSNI. The SEB consists of PSNI Senior Management Team plus the Non-Executive Chair of the Audit and Risk Assurance Committee (ARAC). During 2016-17, SEB was supported by three other governance committees, ServiceFirst Board (SFB), ARAC, and the Strategic Tasking and Coordinating Group (STCG).

Chart 2 below is an outline of the PSNI Governance Schematic.



The SFB, Performance and Assurance Service Executive Team (PASET) and STCG committees are executive committees and support SEB by making strategic decisions in line with the tone and direction set by SEB.

SEB undertook a self-effectiveness review in April 2017 looking at its performance over the financial year 2016-17, and is satisfied with the level and type of information it received during the period. The SEB provided strategic direction for PSNI over the period.

ACCOUNTABILITY REPORT (CONTINUED)

Attendance by the members during the year at SEB meetings is set out below:

Members as at 31 March 2017	Number of SEB meetings eligible to attend	Number of SEB meetings attended
George Hamilton	14	13
Drew Harris	14	7
Mark McNaughten	14	13
William Kerr (April 2016 – 16 January 2017)	9	8
Mark Hamilton	13	10
Stephen Cargin (27 February – March 2017)	1	1
Stephen Martin	14	12
Alan Todd	14	10
Barbara Gray (from February 2017)	2	1
Liz Young	14	12
Jude Helliker (from June 2016)	12	11
Ralph Roche (April – January 2017)	12	9
Dennis Licence	14	11

ARAC consists entirely of independent members, chaired by an independent Chairperson with three other independent members, and is fully compliant with the National Audit Office's Audit Committee Self-Assessment checklist, and the "HM Treasury Audit Committee Handbook".

ACCOUNTABILITY REPORT (CONTINUED)

ARAC met five times during 2016-17, providing me with assurance on issues of internal control, governance and risk. The Committee is informed from a number of sources, one being the Head of Internal Audit (Chief Audit Executive) who issues an independent opinion on the adequacy and effectiveness of PSNI's system of internal control. Three new Non-Executive Members were appointed to ARAC in July and September 2016.

Based on the work completed by Internal Audit, with the exception of those assignments which have received a "limited" assurance rating, a Satisfactory level of assurance has been provided by Internal Audit in relation to governance risk management and control. Greater detail on specific areas is provided in the "Significant Internal Control Issues" section of this report.

Appropriate action will be taken by PSNI to address issues where a "limited" assurance level has been issued by Internal Audit, and where issues of a Priority 1 and or a Priority 2 nature (using the prioritisation matrix for Internal Audit recommendation as classified by the DoF) have been raised.

Risk and Control Framework

The SET and SEB assess how the achievement of our policies, aims and objectives might be affected by the risks we face, and the internal control framework is designed to mitigate those risks. The framework has been in place across the 2016-17 year. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, and it therefore provides reasonable rather than absolute assurance of effectiveness.

The internal control framework, which accords with DoF guidance and seeks to reflect best practise, is an ongoing live process identifying and prioritising the risks to the achievement of organisational policies, aims and objectives. I have put in place arrangements to ensure that a proper evaluation of the balance of the cost of control and the risk encountered is part of the PSNI decision making process. The internal control systems ensure that PSNI's assets are utilised with regard to the overall value for money to public funds.

Within PSNI we manage our business with a view to the risks we face, using appropriate control systems. This process is embedded in how we undertake our responsibilities and includes clearly defined policies and processes, effective financial management and the identification and management of risks.

Our ability to handle risk can be clearly seen by the movements on the Corporate Risk Register over the reporting period, with six new risks have been placed on the Corporate Risk Register (this includes risks which have been reviewed and rewritten) and six Corporate Risks were removed. There are currently 13 Risks on the Corporate Risk Register, with each one managed by a member of the SEB.

ACCOUNTABILITY REPORT (CONTINUED)

To ensure that we continue to respond to our changing environment, PSNI's strategic objectives are translated to our operations through working towards meeting the Northern Ireland Policing Plan, and by clearly defined accountabilities over the delivery of outputs and outcomes.

We continue to refine management information and business reporting to provide SEB and the NIPB with appropriate and timely management information to allow them to identify and respond to emerging risks.

Risk Management

Risk Management is high on the business agenda and we manage risks in a structured manner. Consideration and mitigation of risk is crucial to the effectiveness of the system of internal control. The system of internal control is designed to maintain risk at a manageable level, based on risk appetite agreed by the SET to provide an acceptable level of assurance. Risk appetite will vary according to the perceived importance of the risks and their timing.

Policies and instructions on PSNI service delivery and organisational management are developed, reviewed and communicated to staff through training and a variety of internal communications platforms. Following the findings from a number of pieces of work carried out by Internal Audit, PSNI have restructured the policy framework to ensure that policies and instructions are concise, user-friendly and risk-focussed. Adherence to service policies is expected of staff and process failures can lead to recommendations re content review, training and/or discipline.

All Chief Officers and Service Managers together with ARAC have provided leadership to the risk management process throughout the reporting period. In addition the Corporate Risk Manager provides training, guidance and support across the organisation to enable all staff to manage risk.

PSNI has a Risk Management Service Instruction which clearly describes the various roles and responsibilities of relevant positions within PSNI. The monitoring and reporting of Risk Management arrangements are included in the Service Instruction.

Risk Management is embedded into the organisation with each Department actively managing individual risk registers, and all have a common theme and link through to the Policing Plan Strategic Outcomes.

The Corporate Risk Register is managed by the Corporate Risk Manager and captures significant risks facing the organisation. The Risk Register is reviewed on a monthly basis at SFB, with changes to the register approved by SEB and reported to each ARAC meeting. The effectiveness of the Risk Management process is reported twice a year to SFB and ARAC, it is also used to assist in the Chief Officer's Annual Performance Appraisal Process.

ACCOUNTABILITY REPORT (CONTINUED)

Stewardship Reporting is a key assurance control for the accountability, ownership and management of risks throughout PSNI. All Senior Officers provide a Statement of Risk Management Assurance twice per year confirming they have reviewed the risks within their area of responsibility and assessed the management of the risks identified. This is part of a hierarchy of stewardship reporting from Area Co-Ordinators to ACC's through to the Stewardship Statement I provide to the Department of Justice at six monthly intervals. In addition during the year, Control Risk Self-Assessment processes were carried out within Finance and Support Services and formally reviewed by Internal Audit.

Processes to manage operational risks incorporate those risks identified through the operation of the National Intelligence Model (NIM). The NIM control strategies for each priority are aligned with the actions necessary to manage the identified risk.

ARAC, which consists of non-executive members, provides me with assurance that effective risk management, governance and control arrangements are in place. ARAC receives regular risk management updates, along with reports from internal and external audit. DOJ, NIPB and NIAO have standing invitations to attend the meetings of ARAC as observers, and also contribute to the business at the committee.

Areas of significant concern or risk

During the period PSNI has identified some areas of significant concern or risk that could impact on the delivery of policing. The following list has been updated with details of the most significant risks from the most current Corporate Risk Register

Terrorist Attack: The terrorist threat level to PSNI remains at "severe". Government has provided additional funding for this spending period to help deal with the threat; however it continues to affect conventional policing methods. There is an impact on the level of resources available to other core areas of policing, which could have a negative impact on public confidence.

Future Funding (Beyond 2017-18): There is a risk PSNI will not be sufficiently funded, potentially meaning PSNI will fail to keep people safe, not deliver on Section 32 duties and experience a fall in performance.

In Year Budget v Expenditure (2017-18): There is a risk that PSNI will have insufficient financial resources during 2017-18 which could negatively impact service delivery and reputation.

Sickness Absence and Duty Restrictions: There is a risk that the current levels of sickness absence and duty restrictions within the organisation will have a detrimental impact on service delivery.

Property: If property in / under police control is not effectively handled, recorded, stored, retained or disposed of it could lead to a miscarriage of justice (or failure in investigation), legislative non-compliance, civil litigation and increased storage costs.

ACCOUNTABILITY REPORT (CONTINUED)

Mandatory Training: If officers/staff do not receive appropriate training on/for appointment to their role and ongoing maintenance of occupational competency they will not be able to carry out the full range of duties which may affect their ability to keep people safe.

Threats to Life: There is a risk that PSNI will fail to effectively manage and respond to threats to life, potentially leading to persons being exposed to harm and possibly even fatal harm, and negatively impacting confidence in policing.

Death in Custody: Failure to manage the detention of a person in police custody and/or the risk taking behaviours of the detained person may result in death (in or following release from police custody) or serious injury.

Records Management: If PSNI fails to manage its paper files and electronic records it will be in breach of legislation which may lead to punitive sanctions for legislative and regulatory breaches and loss of public confidence.

Security Funding

As Chief Constable, I receive funding relating to national security and reserved matters, which comes from the Northern Ireland Executive and HM Treasury. I receive the funding through the normal grant mechanisms and I report back on the spend to the NIPB, DOJ, and DoF. I also provide detailed operational and financial reports to the Northern Ireland Office and Whitehall due to the nature of this funding. The SEB also receives monthly reports relating to this funding. Security funding is subject to the normal PSNI policies and procedures including external and internal auditing. In addition, PSNI and the Northern Ireland Office form part of a working group which has been established to monitor security funding on a day by day basis. In 2016-17 the funding received for national security and reserved matters was insufficient to meet the policing requirements and therefore main grant budget was used to fund the shortfall. Costing exercises estimate that PSNI spend on security related matters is approaching 30% which diverts limited resources away from day to day policing and means that any reduction in main grant funding has a potentially direct impact on national security issues.

Fresh Start Funding

A Fresh Start – the Stormont Agreement and Implementation Plan was published by the Executive and the UK and Irish Governments in November 2015 and set out proposals for addressing some of the most challenging and intractable issues impacting our community including commitments to tackle paramilitarism and organised crime. The Cross Departmental Programme Board, through DOJ was established to drive forward commitments made in the document and as a result of a bid submitted to the Board, PSNI were allocated Fresh Start Funding to fund dedicated investigative resource for 2016-17.

I receive the funding through the normal grant mechanisms and I report back on progress to the DOJ. The SEB also receives monthly reports relating to this funding.

ACCOUNTABILITY REPORT (CONTINUED)

Statement of Information Risk

Together with the staff of PSNI, I have privileged access to data and information to support the discharge of the policing function and ensure that the work undertaken by PSNI is factual, accurate and complete.

The Service adopts the principles of the Cabinet Office's Security Policy Framework and was certified on 2 March 2017 as compliant with the National Policing Community of Trust Code of Connection. This enables us to securely connect to National Police Information Systems and the Public Service Network for Policing's Protected and Secured Networks. We adopted the Government Security Classification (GSC) policy with effect from 1 June 2016 in line with National Policing Chiefs Council's direction.

During 2016 we revised our Service Policy on Information Management, published a new Acceptable Use Policy and enhanced Risk Appetite Statement covering all our information systems and updated our Service Instructions on Information Security including a detailed review of 31 technical security standards. The vision statement in the current PSNI Information Security Strategy 2015-18 seeks to create a culture that is embedded across the Service which enables the effective use of information to support our strategic policing aims. It supports our overarching intention of 'Keeping People Safe by Keeping Information Safe' in addressing five key strategic themes:

- Maintaining Proportionate and Affordable Risk Management;
- Embedding a Culture of Personal Accountability;
- Supporting Innovation and Transformation of Services;
- Ensuring Safe and Secure Information Sharing; and
- Meeting National Policing Obligations.

Assistant Chief Constable Operational Support Department fulfils the role of PSNI Senior Information Risk Owner (SIRO) and is supported by dedicated Information Security and Records Management Units led by the PSNI Accreditor. Strategic Business Owners (Information Asset Owners) at Service Executive Board level, supported by a well-established network of Operational Business Owners at individual system level, oversee all of the information assets held by the Service. An internal audit review of Operational Business Owner compliance with Service policy, published in March 2017, resulted in an overall 'Satisfactory' rating.

A report on the activities of the Information Security and Records Management Units, including the accreditation status of all the Service's corporate information systems, is presented to the Business User Delivery Group (BUDG) quarterly with incremental reports to the SIRO on a monthly basis. Critical information risk issues are escalated to the Service First Board when necessary.

During 2016 we recognised a corporate risk in relation to our management of records – "If PSNI fails to manage its paper files and electronic records it will be in breach of legislation which may lead to punitive sanctions for legislative and regulatory breaches and loss of public confidence." Action to mitigate this risk is being taken under the governance of the Service First Board.

ACCOUNTABILITY REPORT (CONTINUED)

Personal Data Related Incidents

As PSNI Accounting Officer I have responsibility for ensuring the security of personal data and to respond if there has been a breach or potential breach of the Data Protection Act. PSNI self-referred three incidents for consideration to the Information Commissioner's Office ('ICO'), two relating to information which had been lost but subsequently recovered and the third concerning disclosure of information practices in PSNI's Protective Disclosure Unit. The ICO investigated these matters, met with the PSNI and reviewed PSNI's Information Security Policies as well as information security and data protection instructions issued to staff and officers. The ICO considered the remedial measures put in place by PSNI were sufficient not to warrant any enforcement action.

The issue of data security and breaches of data protection legislation is one however that PSNI takes very seriously. PSNI's Discipline and Anti-Corruption Branches have been tasked to ensure steps are taken to reduce the risk posed and to ensure that any breaches are dealt with firmly via the relevant misconduct procedures. Part of this work to date has been to conduct a compliance audit of mandatory Data Protection training and to ensure it is being completed in line with PSNI directions. This work will be continuing, and PSNI will take steps to address non-compliance by officers and staff.

Review of Effectiveness

As PSNI Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control.

My review is informed by the work of the Service Executive Team within the organisation who have responsibility for the development and maintenance of the internal control framework, and the work undertaken by the Internal and External Auditors during the reporting period.

Significant Internal Control Issues

During the year two audits carried out by Internal Audit received a limited rating, the Review of Custody and the Review of Training and Development.

Review of Custody

A limited assurance opinion has been issued in respect of Review of Custody. One priority 1, two priority 2 and one priority 3 findings were identified. The priority 1 finding was in relation to non-compliance with the Authorised Professional Practice (APP) guidance from the College of Policing which PSNI are required to implement in relation to the specific areas tested. Non-compliance was noted in several areas as follows; recording of the cell number or time detainee placed in cell; Pace 15 and 16 forms not being retained; checks not completed in line with level of observation and level of observation given when under alcohol; details of medical examination not documented in the custody record; frequency of detainee checks not in line with observation levels; an authorised adult section was mistakenly completed on the custody record; support not offered when required as per risk assessment of detainee; and no review of the decision to not authorise detention. The first priority 2 finding

ACCOUNTABILITY REPORT (CONTINUED)

relates to the functionality within Niche which does not allow/require compliance with the APP guidance in the areas of recording of call system checks, whether property records are complete or no property has been taken, whether replacement clothing is supplied to the detainee and the reason for bail being documented on the custody record. The second priority 2 finding relates to the completion of required training for Custody Officers and Civilian Detention Officers.

Review of Training and Development

A limited assurance opinion has been issued in respect of Training and Development. Internal Audit had previously considered Training and Development as part of the 2015-16 Operational Plan resulting in an “Unacceptable” level of assurance for this specific area. Internal Audit were pleased to note positive progress specifically in relation to identification of out of date training and subsequent completion of training at the next available opportunity, however, there was still non-compliance within the 2016-17 Internal Audit review.

Within the 2016-17 review, two Priority 1 findings were raised in respect of Public Order Commanders where training for some of the leads in certain events were out of ticket (out of date) or instances where training records were inaccurate and did not reflect the current status of training provision. In addition to non-compliance with refresher training for firearms, personal safety protection and first aid was also noted. Furthermore Internal Audit noted a priority 2 issue around the governance of driver training and reconfiguration of fobs when an Officer retires/leaves the organisation.

All Internal Audit findings have been placed on the PSNI’s Overview system to be addressed and progressed towards discharge.

The Northern Ireland Audit Office has undertaken external audit work on the organisation in addition to its annual financial audit on PSNI’s financial statements.

There is one report to consider:

Continuous Improvements in Policing

The Comptroller and Auditor General (NI) audited the NIPB’s continuous improvement arrangements as required by Part V of the Police (NI) Act 2000. The report published on 4th April 2017 contains an unqualified audit opinion on the 2015-16 Performance Summary and the 2016-17 Policing Plan. However, a number of issues and recommendations were raised. These covered issues such as providing sufficiently detailed performance information, clearly defined performance indicators and measures, programme and project management arrangements and benefits realisation. PSNI and NIPB are working closely to address the issues raised by the Comptroller and Auditor General (NI). The recommendations are managed through the PSNI Overview system.

No ministerial directions were received during the period.

ACCOUNTABILITY REPORT (CONTINUED)

There are a number of other sources from which I draw assurance on the system of internal control. These include the work of those independent external bodies which provide a challenge function to the work of PSNI including;

The Northern Ireland Policing Board
The Department of Justice
Northern Ireland Audit Office
Her Majesty's Treasury
The Criminal Justice Inspectorate of Northern Ireland
Her Majesty's Inspectorate of Constabulary
Surveillance Commissioner
Human Rights Commission

Any issues of control weaknesses, identified from reviews carried out by these independent bodies in 2016-17, have been considered and action taken with progress on actions outstanding monitored through the Overview system.

SEB continues to keep its internal control arrangements under review in response to internal and external developments. SEB is independently advised by ARAC which meets five times per year, and reports through its annual report, and regular meetings between the independent Chair of ARAC and the Deputy Chief Constable.

Internal Audit submits regular reports on the management of key business risks, and the effectiveness of the system of internal control, making recommendations for improvement where appropriate. This is formally reported to ARAC at each meeting.

Those recommendations accepted by PSNI have been implemented, or are being implemented against agreed timetables, with those accepted recommendations past their initial planned end date reported to ARAC, and quarterly to SEB.

Accounting Officer's Statement of Assurance

I have considered the assurances provided by PSNI Senior Officers, ARAC, Internal Audit, External Audit and external scrutiny bodies.

As PSNI Accounting Officer, I am satisfied with the overall effectiveness of the system of internal control and am content that adequate plans exist to address any weaknesses and to ensure continuous improvement.

ACCOUNTABILITY REPORT (CONTINUED)

REMUNERATION AND STAFF REPORT

Remuneration policy

The remuneration of PSNI Chief Officers is set by the Northern Ireland Policing Board.

In reaching its recommendations, the Policing Board has considered the following:

- 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 and other public bodies to meet the output targets for the delivery of services;
- the funds available to the organisation;
- the Government's inflation target; and
- the recommendation of the Senior Salaries Review Body and the Minister for Justice Recommendation on pay increases, and Chief Officer pay scales.

The Policing Board takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Service contracts

The Policing Board is responsible for the appointment and service contracts of Chief Officers.

Chief Constable & Deputy Chief Constable

Chief Constable George Hamilton was appointed by the Policing Board on the 30 June 2014.

The Deputy Chief Constable was appointed by the Policing Board on the 13 October 2014.

ACCOUNTABILITY REPORT (CONTINUED)

The PSNI Regulations 2005 specify a fixed term of five years for the post of Chief Constable or Deputy Chief Constable, which may be extended for a further term of a maximum of three years and for subsequent terms of a maximum of one year. Any extension or subsequent extension which is due to expire more than one year after the expiry of the original fixed term shall require the consent of the Department of Justice.

Should the Policing Board decide not to extend a contract of the Chief Constable or Deputy Chief Constable, it is required to give a minimum notice period of six months.

Assistant Chief Constables

There is a requirement for the Policing Board to provide an annual review of appointment in respect of those Assistant Chief Constables with more than 30 years pensionable service and who have reached the age of 55, to determine whether their continuing service is in the interests of the service.

The appointment dates for Assistant Chief Constables appointed by the Board during this period are as follows:

William Kerr	16 August 2009
Mark Hamilton	5 August 2013
Stephen Martin	30 June 2014
Alan Todd	26 April 2016

Civilian Chief Officers

There are currently no substantively appointed Civilian Chief Officers in post.

Senior Executives

The appointment dates for current senior executives are as follows:

Liz Young	10 March 2008
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Unless otherwise stated, Civilian Chief Officers and Senior Executives hold appointments which are open ended or until they reach retirement age.

Provision for compensation on early termination, for anything other than misconduct, is subject to the advice of the Department of Justice.

ACCOUNTABILITY REPORT (CONTINUED)

Salary and pension entitlement: (Audited Information)

Remuneration and pension information for the year ended 31 March 2017 is as follows:

	Salary 2016-17 £000's	Benefit in Kind 2016-17 £000's	Bonus 2016-17 £000's	* Pension Benefits 2016-17 £000's	Single Total Figure of remuneration £000's
Chief Constable George Hamilton	220-225	NIL	NIL	-	220-225
Deputy Chief Constable Drew Harris	180-185	NIL	NIL	-	180-185
Assistant Chief Constable Crime Operations William Kerr (Full Year equivalent)	100-105 (125-130)	NIL	NIL	117	115-120
Assistant Chief Constable Legacy & Justice Mark Hamilton	120-125	NIL	NIL	86	210-215
Assistant Chief Constable Crime Operations Stephen Martin	125-130	NIL	NIL	72	195-200
Assistant Chief Constable District Policing Alan Todd	125-130	NIL	NIL	113	235-240
T/Assistant Chief Constable Operational Support Barbara Gray (Full Year Equivalent) ¹	15-20 (115-120)	NIL	NIL	88	105-110
T/Assistant Chief Constable Legacy & Justice Stephen Cargin (Full Year Equivalent)	5-10 (95-100)	NIL	NIL	64	70-75
T/ Director of Finance & Support Services and Human Resources Mark McNaughten	105-110	NIL	NIL	83	195-200
Director of Human Resources Joe Stewart (Full Year Equivalent)	0-5 (115-120)	NIL	NIL	18	20-25
Head of Human Resources Jude Helliker (Full Year Equivalent)	55-60 (70-75)	NIL	NIL	42	100-105
T/Head of Legal Service Ralph Roche (Full Year Equivalent) ¹	55-60 (65-70)	NIL	NIL	25	80-85
Head of Corporate Communications Liz Young	75-80	NIL	NIL	18	95-100
Non-Executive Member Dennis Licence ²	25-30	NIL	NIL	-	25-30

**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*

1. Details of Senior Executive Board Members start and end dates are provided on page 53.
2. As a non-executive member it is not appropriate to include a full time equivalent figure, as the member is paid a per diem rate for attending Board meetings

POLICE SERVICE OF NORTHERN IRELAND
ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2017

ACCOUNTABILITY REPORT (CONTINUED)

Comparative Remuneration and pension information for the year ended 31 March 2016 is as follows:

	Salary 2015-16 £000's	Benefit in Kind 2015-16 £000's	Bonus 2015-16 £000's	* Pension Benefits 2015-16 £000's	Single Total Figure of remuneration £000's
Chief Constable George Hamilton	220-225	NIL	NIL	331	550-555
Deputy Chief Constable Drew Harris	180-185	NIL	NIL	368	545-550
Assistant Chief Constable Crime Operations William Kerr	125-130	NIL	NIL	67	190-195
Assistant Chief Constable Human Resources Mark Hamilton	115-120	NIL	NIL	72	185-190
Assistant Chief Constable District Policing Stephen Martin	115-120	NIL	NIL	119	235-240
T/Assistant Chief Constable Organisational Support Alan Todd	115-120	NIL	NIL	101	220-225
T/Assistant Chief Constable Service Improvement Chris Noble (Full Year Equivalent) ¹	80-85 (105-110)	NIL	NIL	101	180-185
Director of Finance & Support Services David Best (Full Year Equivalent) ¹	75-80 (115-120)	NIL	NIL	(73)	5-10
Director of Human Resources Joe Stewart	115-120	NIL	NIL	16	130-135
T/ Director of Finance & Support Services and Human Resources Mark McNaughten (Full Year Equivalent) ¹	35-40 (105-110)	NIL	NIL	34	70-75
Head of Legal Service Donna Scott (Full Year Equivalent) ¹	40-45 (60-65)	NIL	NIL	35	75-80
T/Head of Legal Service Ralph Roche (Full Year Equivalent) ¹	30-35 (65-70)	NIL	NIL	25	55-60
Head of Corporate Communications Liz Young	75-80	NIL	NIL	25	100-105
Non-Executive Member Dennis Licence ²	25-30	NIL	NIL	-	25-30

‘Salary’ includes gross salary; performance pay; untaken leave allowance, overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any ex gratia payments.

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.

ACCOUNTABILITY REPORT (CONTINUED)

Salary and pension entitlement: Pay Multiples (Audited information)

2016-17	£000's	2015-16	£000's
Organisation Total		Organisation Total	
Remuneration of Highest Paid all Employees		Remuneration of Highest Paid all Employees	
Total Remuneration	220-225	Total Remuneration	220-225
Median Total Remuneration	40.52	Median Total Remuneration	39.67
Ratio	5.50	Ratio	5.57
Police		Police	
Remuneration of Highest Paid Police Officer's		Remuneration of Highest Paid Police Officer's	
Total Remuneration	220-225	Total Remuneration	220-225
Median Total Remuneration	42.25	Median Total Remuneration	41.84
Ratio	5.27	Ratio	5.28
Police Staff		Police Staff	
Remuneration of Highest Paid Director's		Remuneration of Highest Paid Director's	
Total Remuneration	105-110	Total Remuneration	115-120
Median Total Remuneration	24.1	Median Total Remuneration	24.95
Ratio	4.57	Ratio	4.75

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Executives in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid Executives in the PSNI in the financial year 2016-17 was £220,000-£225,000 (2015-16 was £220,000-£225,000). This was 5.5 times (2015-16, 5.57) the median remuneration of the workforce, which was £40,514 (2015-16 £39,672).

No employees in 2016-17 or 2015-16 received remuneration in excess of the highest paid Executive. Total remuneration includes salary, non-consolidated performance related pay and benefits in kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The ratio of the highest paid Executive has only marginally changed since 2015-16. As PSNI has two distinct pay structures, one for police and one for police staff, the median and pay multiples for each of these two pay structures has also been provided above.

ACCOUNTABILITY REPORT (CONTINUED)

Pension Benefits (Audited Information)

Audited Information	Accrued pension as at 31 March 2017 £000's	Real increase in pension and related lump sum at 31 March 2017 £000's	CETV at 31 March 2017 £000's	CETV at 31 March 2016 £000's	Real increase in CETV £000's
George Hamilton ¹	130-135	-	3,120	3,120	-
Drew Harris ¹	105-110	-	2,490	2,490	-
William Kerr ¹	65-70	5.0-7.5	1,549	1,340	77
Mark Hamilton ¹	50-55	5.0-7.5	751	656	44
Stephen Martin ¹	70-75	2.5-5.0	1,753	1,506	135
Alan Todd ^{1,2}	55-60	5.0-7.5	1,281	1,134	113
Barbara Gray	50-55	5.0-7.5	1,255	1,107	88
Stephen Cargin	50-55	2.5-5.0	1,197	1,115	73
Mark McNaughten	30-35	15.0-17.5	491	405	57
Joe Stewart	15-20	2.5-5.0	432	414	18
Jude Helliker	25-30	0-2.5	437	393	25
Ralph Roche	10-15	0-2.5	184	162	10
Liz Young	15-20	0-2.5	262	233	14

Note:

1. PSNI Police Officers have the option of electing for a lump sum paid on retirement (up to 25% of their total accrued pension benefits). The figures shown are the gross pension figures assuming no lump sum payment.
2. 2016 Cash Equivalent Transfer Value restated due to change in accrual and pension type.

These pension benefits are provided through two pension schemes depending on the employment status of the individual.

ACCOUNTABILITY REPORT (CONTINUED)

PRINCIPAL CIVIL SERVICE PENSION SCHEME (NI)

Pension benefits for PSNI Police Staff are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). 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). These arrangements are unfunded with the cost of benefits met by monies voted by the Assembly each year. From April 2011 pensions payable under Classic, Premium, and Classic Plus are reviewed annually in line with changes in the cost of living. Prior to 2011, pensions were reviewed in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of Premium or joining a good quality '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 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 current rate is 2.3%. CARE pension benefits are increased annually in line changes in the cost of living.

A new pension scheme, Alpha, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements have also moved to Alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age will 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 also 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 will be 2.32%. CARE pension benefits are increased annually in line with changes in the cost of living.

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with the cost of living. Increases are applied from April and are determined by the Consumer Price Index (CPI) Figure for the preceding September. The CPI in September 2016 was 1.0% and HM Treasury has announced that public service pensions will increase accordingly from April 2017.

Employee contribution rates for all members for the period covering 1 April 2017 – 31 March 2018 are as follows:

Annual pensionable earnings (full-time equivalent basis)	New 2017 contribution rate before tax relief for Classic Members:	New 2017 contribution rate before tax relief for Classic Plus, Premium, Nuvos, and Alpha
Up to £15,000.99	4.6%	4.6%
£15,001 - £21,422.99	4.6%	4.6%
£21,423-£51,005.99	5.45%	5.45%
£51,006-£150,000.99	7.35%	7.35%
Over £150,001	8.05%	8.05%

ACCOUNTABILITY REPORT (CONTINUED)

The Alpha Pension Scheme members pay contributions at a rate in the range of 4.6% to 8.05% dependent on pensionable pay. On death the scheme pays a lump sum of two times pensionable earnings and a half rate assumed upper tier medical retirement as a pension to a spouse or partner. Spouse/partner benefits paid following retirement is half of accrued pension at date of retirement and protected by Consumer Price Index.

The Northern Ireland Civil Service pension schemes are unfunded multi-employer defined benefit schemes but PSNI is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Annual Report and Accounts as at 31 March 2017.

For 2016-17, employers' contributions of £12,285,657 were paid to the PCSPS (NI) (2015-16: £13,408,320) at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of the new Career Average Earning Scheme, Alpha, from April 2015. For 2017-18, the rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2016-17 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employee contributions are payable at a rate in the range of 3% to 8.05% of pensionable earnings for Classic and 4.6% to 8.05% for Premium, Classic Plus and Nuvos dependent on pensionable pay. 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).

ACCOUNTABILITY REPORT (CONTINUED)

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of Classic, Premium, and Classic Plus and 65 for members of Nuvos. The normal 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 arrangements can be found at the website <https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni>.

There were no contributions due to the partnership pension providers at the reporting date. There were no contributions prepaid at that date.

Thirteen individuals retired early on ill health grounds during 2016-17.

POLICE PENSION SCHEMES

Pension benefits for PSNI officers, including Full Time Reserves, are provided through the PSNI Police Pension Scheme, the New Police Pension Scheme (NPPS) and from April 2015 the 2015 Police Pension Scheme.

Police Pension Scheme (PPS)

This is a statutory scheme that provides benefits on an "Average Pensionable Pay (APP)" basis at age 55 regardless of rank. It is a defined benefits final salary scheme. All officers are entitled to work to age 60 and can apply for 5 yearly extensions after age 60.

For the year to 31 March 2017, employer's contributions of £23,703,844 have been paid at the rate of 25.1% of pensionable pay. For 2015-16, employers' contributions of £27,080,259 were paid to the PSNI PPS. In addition employers' contributions totalling £4,636,704 have been paid for the year to 31 March 2017 in respect of ill-health retirements (2015-16, £4,038,462). To qualify for an ordinary retirement pension, an officer has to complete 25 years' service and attain 50 years of age. Benefits accrue at the rate of 1/60th of APP for each year of service up to 20 years, and 2/60th for each year thereafter, up to a maximum of 40/60th of APP. There is an option for a lump sum to be paid on retirement, if the officer elects to give up (commute) up to 25% of the pension. Actuarial tables are used to calculate the lump sum. Members pay contributions of either 14.25 or 15.05% of basic pay. Pensions increase in line with the Consumer Prices Index effective 1 April 2011 (previously Retail Prices Index).

On death, pensions are payable to the surviving spouse or children, subject to provisions within the scheme.

ACCOUNTABILITY REPORT (CONTINUED)

On death in service that is not as a result of an injury on duty (IOD) the scheme pays a lump sum benefit of twice pensionable pay, and there are also pension benefits for the spouse and/or children of the deceased. On death as a result of IOD, or death within 12 months of retiring as a result of an injury, a lump sum benefit of 5 times pensionable pay is payable, subject to scheme conditions. Medical retirement is possible in the event of serious ill health. Officers with less than 2 years' service receive a lump sum benefit (gratuity), and those with more than 2 years' service receive an ill-health pension, depending on the number of years of actual pensionable service. This scheme is now closed to new recruits from the 6 April 2006. Existing officers had a one off opportunity to transfer to the New Police Pension Scheme.

New Police Pension Scheme (NPPS)

For the period to 31 March 2017, employer's contributions of £939,795 have been paid at the rate of 25.1% of pensionable pay. For 2015-16, employers' contributions of £1,039,149 were paid to the PSNI NPPS.

To qualify for an ordinary retirement pension, an officer must serve to age 55. Benefits accrue at the rate of 1/70th of APP for each year of service up to a maximum of 35/70th of APP.

In addition to the pension a defined lump sum of four times pension is payable. Members pay contributions of 11%, 12.05% or 12.75% of basic pay depending on the level of pensionable pay. Pensions increase in line with the Consumer Prices Index. On death, pensions are payable to the surviving spouse, civil partner, unmarried partner or children, subject to provisions within the scheme. On death in service, that is not as a result of an injury on duty (IOD), the scheme pays a lump sum benefit of three times pensionable pay, and there are also pension benefits for the spouse, civil partner, unmarried partner and/or children of the deceased.

On death as a result of IOD, or death within 12 months of retiring as a result of an injury, a lump sum benefit of 5 times pensionable pay is payable, subject to scheme conditions. There is a 2 tier medical retirement pension for officers with over 2 years' service. If an officer is permanently disabled for the ordinary duties of a member of PSNI a standard ill health pension is awarded. If an officer is disabled from the ordinary duties of a member of PSNI and permanently disabled for any regular employment an enhanced top-up ill health pension could be awarded. This scheme is now closed to new recruits from the 1 April 2015.

The 2015 Police Pension Scheme (Northern Ireland)

From 1 April 2015 a new Career Average Revalued Earnings pension scheme was introduced. Existing members of the 1988 and 2006 schemes moved over or will move over at a future date to the 2015 if they do not have pension protection.

ACCOUNTABILITY REPORT (CONTINUED)

For the period to 31 March 2017, employer's contributions of £36,889,132 have been paid at the rate of 25.1% of pensionable pay. For 2015-16, there were £33,268,530 of employers' contributions paid to the PSNI 2015 Pension Scheme. In addition employers contributions totalling £163,020 (2015-16 nil) have been paid for the year to 31 March 2017 in respect of ill-health retirements.

Benefits accrue at 1/55.3 of annual pensionable pay and receive annual uprating of Consumer Price Index (CPI) plus 1.25%. Benefits are payable in full from age 60 or on an actuarially reduced basis from age 55. A lump sum on retirement is not automatic but an officer can opt to commute up to a maximum of 25% of gross pension into a lump sum.

Members pay one of three contributions ranging from 12.44% to 13.78% of basic pay dependent on pensionable pay. On death, pensions are payable to the surviving spouse, civil partner, unmarried partner or children, subject to provisions within the scheme. On death in service, that is not as a result of an injury on duty (IOD), the scheme pays a lump sum benefit of three times pensionable pay, and there are also pension benefits for the spouse, civil partner, unmarried partner and/or children of the deceased.

On death as a result of IOD, or death within 12 months of retiring as a result of an injury, a lump sum benefit of 5 times pensionable pay is payable, subject to scheme conditions. There is a 2 tier medical retirement pension for officers with over 2 years service. If an officer is permanently disabled for the ordinary duties of a member of PSNI a standard ill health pension is awarded. If an officer is disabled from the ordinary duties of a member of PSNI and permanently disabled for any regular employment an enhanced top-up ill health pension could be awarded.

Pension Protection

Following the introduction of the 2015 Police Pension Scheme for Police officers and the Alpha Pension Scheme for Police Support Staff, protection of pension rights were given to some existing members of staff. For police officers and police support staff within 10 years of retirement they received full protection which meant they remained in their existing pension scheme. Some police officers and police support staff received tapered protection which means they move or moved to the respective new scheme at a date later than 1 April 2015. This tapered protection was dependent on age, service or a mixture of both. Any police officers or police support staff who did not have full or tapered protection moved to either the 2015 Police Pension Scheme or The Alpha Scheme from 1 April 2015

EMPLOYER PENSION COSTS

Pension costs for employer contributions noted above are stated as the actual cash payments made in 2016-17 (total £73,818k).

Employer pension costs disclosed on page 84 of £73,840k are reported on an accrual basis.

ACCOUNTABILITY REPORT (CONTINUED)

SEVERANCE PAYMENTS

Severance Payments have been made from 1 January 2001 to officers leaving the PSNI under the Voluntary Severance or Full Time Reserve programmes for the PSNI. The Schemes were developed in line with the recommendations of the Independent Commission on Policing (Patten) and it was necessary to fulfil Government commitments, to permit officers to leave from the planned date of 1 January 2001.

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 PCSPS (NI) or PSNI Police Pension Scheme 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 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV 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 the 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.

ACCOUNTABILITY REPORT (CONTINUED)

Compensation for loss of Office (Audited Information)

The Director of HR left the service on the 13 April 2016, under the terms of a settlement agreement, receiving £190,437.

STAFF NUMBERS AND RELATED COSTS (AUDITED INFORMATION)

Details of the total staff costs and breakdown of staff between permanently employed and other staff are shown below:

	2016-17	2016-17	2016-17	2015-16
	Permanently Employed Staff £000's	Others £000's	Staff Costs Total £000's	Staff Costs Total £000's
Wages & salaries	402,388	2,392	404,780	400,920
Social security costs	43,186	-	43,186	34,318
Pension Costs	73,840	-	73,840	74,894
Total Staff Costs	<u>519,414</u>	<u>2,392</u>	<u>521,806</u>	<u>510,132</u>
Less recoveries in respect of outward secondments	<u>(38)</u>	<u>-</u>	<u>(38)</u>	<u>(45)</u>
Total net costs	<u>519,376</u>	<u>2,392</u>	<u>521,768</u>	<u>510,087</u>

Average numbers of people employed:

The average number of whole-time equivalent persons employed during the year was as follows:

	2016-17 Permanent Staff	2016-17 Others	2016-17 Total	2015-16 Total
Directly Employed	9,202	-	9,202	9,478
Other	<u>9</u>	<u>58</u>	<u>67</u>	<u>13</u>
Total	<u>9,211</u>	<u>58</u>	<u>9,269</u>	<u>9,491</u>

ACCOUNTABILITY REPORT (CONTINUED)

Reporting of Compensation and Exit Packages for all Staff 2016-17 (Audited information)

Details of all compensation and exit packages for Police Officers and Police Staff are outlined below:

Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other departures agreed	Total number of Exit Packages by cost band
< £10,000	-	-	-
£10,000 - £25,000	-	13	13
£25,000 - £50,000	-	129	129
£50,000 - £100,000	-	11	11
£100,000 - £150,000	-	-	-
£150,000 - £200,000	-	-	-
£200,000 - £250,000	-	-	-
£250,000 - £300,000	-	-	-
Total number of Exit Packages	-	153	153
Total Resource Cost (£)	-	6,189,077	6,189,077

Assumptions:

Exit costs are accounted for in year of departure. The costs above reflect the leavers under the PSNI Voluntary Exit Scheme in 2016-17.

Where early retirement has been agreed, the additional costs are met by the PSNI.

Ill-health retirement costs are met by the pension scheme and not included in the above, these costs are set out on page 80.

ACCOUNTABILITY REPORT (CONTINUED)

Reporting of Compensation and Exit Packages for all Staff 2015-16 (Audited information)

Details of all compensation and exit packages for Police Officers and Police Staff are outlined below:

Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other departures agreed	Total number of Exit Packages by cost band
< £10,000	-	5	5
£10,000 - £25,000	-	91	91
£25,000 - £50,000	-	53	53
£50,000 - £100,000	-	2	2
£100,000 - £150,000	-	-	-
£150,000 - £200,000	-	-	-
£200,000 - £250,000	-	-	-
£250,000 - £300,000	-	-	-
Total number of Exit Packages	-	151	151
Total Resource Cost (£)	-	3,313,913	3,313,913

Assumptions:

Exit costs are accounted for in year of departure. The costs above reflect the leavers under the PSNI Voluntary Exit Scheme in 2015-16.

Where early retirement has been agreed, the additional costs are met by the PSNI.

Ill-health retirement costs are met by the pension scheme and not included in the above, these costs are set out on page 80.

ACCOUNTABILITY REPORT (CONTINUED)

Employees

PSNI places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting performance of the organisation. This is achieved through formal and informal meetings, regular briefings, information bulletins, intranet updates/blogs and staff newsletters.

Employee representatives are consulted regularly on a wide range of matters affecting current and future interests.

PSNI has a policy of equal opportunities which applies in relation to recruitment of all new employees and to the management of existing personnel. All staff are offered training relevant to their roles and this has contributed to the overall performance of the organisation.

A breakdown of PSNI employees as at 31 March 2017 by Gender is shown below;

	Gender Breakdown as at 31 March 2017	
	Female	Male
Senior Executive Team	3	6
Senior Managers	3	15
PSNI Officers/Staff	3,227	5,857
Total	3,233	5,878

Disabled persons

PSNI is an equal opportunity employer and took full cognisance of the Northern Ireland Civil Service Code of Practice on the employment of people with disabilities.

Employee involvement

PSNI maintains regular communications and contact with managers and staff through meetings, team briefings, internal blogs, intranet, seminars, circulars, information bulletins and staff newsletters. It also has well established arrangements for formal consultation with recognised Trade Union representatives on all significant developments and issues affecting staff.

ACCOUNTABILITY REPORT (CONTINUED)

Sickness absence data

The reported average number of working days lost due to sickness for 2016-17 are shown below. The figures show an overall decrease in days lost for police officers, and police staff. PSNI continues to robustly manage sick absence and has targets for reduction in line with Government policy.

	Average Working Days Lost 2016-17	Average Working Days Lost 2015-16
Police Officers	11.79	13.14
Police Staff	9.75	10.71

Off Payroll Engagements

PSNI had no 'off-payroll' engagements in place as at 1 April 2016, and no engagements were made during the year over the £58,200 threshold.

Consultancy

PSNI incurred £3,938 expenditure on consultancy during 2016-17 (Nil 2015-16).

ACCOUNTABILITY REPORT (CONTINUED)

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

LOSSES AND SPECIAL PAYMENTS (AUDITED INFORMATION)

Type of cases	Description	2016-17 No of Cases	£000	2015-16 No of Cases	£000
Losses		2	-	3	1
Overpayments		4	4	4	7
Stores		934	540	15,293	971
Claims waived or Abandoned		41	9	46	6
Special Payments	Compensation	1,970	8,360	2,378	8,792
Ex Gratia Payments		-	-	-	-
Fruitless Payments & Constructive Losses		<u>118</u>	<u>648</u>	<u>171</u>	<u>1,838</u>
Total		<u>3,069</u>	<u>9,561</u>	<u>17,895</u>	<u>11,615</u>

During 2016-17 Special Payments (compensation) were made in relation to 1,970 cases. The total amount paid in these cases was £8,360k. One compensation payment was made for £761k in January 2017, the plaintiff, a former serving officer, was shot in a police establishment in 2006. Appropriate authorisation for this payment was granted by the Northern Ireland Policing Board, Department of Justice and Department of Finance.

In light of recent developments impairment was recognised in relation to the Northern Ireland Community Safety College totalling £553k. This has been disclosed above as a constructive loss.

REMOTE CONTINGENT LIABILITIES (AUDITED INFORMATION)

PSNI has no remote contingent liabilities to note.



George Hamilton
Chief Constable
Police Service of Northern Ireland
22 June 2017

ACCOUNTABILITY REPORT (CONTINUED)

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

I certify that I have audited the financial statements of the Police Service of Northern Ireland (PSNI), the Police Fund Account and the Police Property Fund Account for the year ended 31 March 2017 under the Police (Northern Ireland) Act 2000 as amended by the Police (Northern Ireland) Act 2003 and 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. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Assembly Accountability and Audit Report that is described in these reports as having been audited.

Respective responsibilities of the Chief Constable and auditor

As explained more fully in the Statement of Responsibilities of the Chief Constable, the Northern Ireland Policing Board and the Chief Constable as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Police (Northern Ireland) Act 2000 as amended by the Police (Northern Ireland) Act 2003 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Police Service of Northern Ireland's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Police Service of Northern Ireland; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

ACCOUNTABILITY REPORT (CONTINUED)

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.

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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Police Service of Northern Ireland's affairs, the Police Fund Account and the Police Property Fund Account as at 31 March 2017 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Police (Northern Ireland) Act 2000 as amended by the Police (Northern Ireland) Act 2003 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 and Department of Justice directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration and Staff Report and the Assembly Accountability and Audit Report to be audited have been properly prepared in accordance with the Police (Northern Ireland) Act 2000 as amended by the Police (Northern Ireland) Act 2003 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 and the Department of Justice directions issued thereunder; 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.

ACCOUNTABILITY REPORT (CONTINUED)

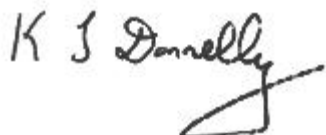
Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.



**Kieran J Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
27 June 2017**

POLICE SERVICE OF NORTHERN IRELAND
ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2017

STATEMENT OF COMPREHENSIVE NET EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2017

		2016-17	*Restated
	Note	£000	2015-16
			£000
Income:			
Income from activities	5	<u>(10,993)</u>	<u>(9,297)</u>
Total operating Income		<u>(10,993)</u>	<u>(9,297)</u>
Expenditure:			
Staff Costs	4	521,768	510,087
Depreciation, impairment charges and write off	4	37,188	45,031
Provision Expense	4	15,539	26,146
Other Expenditures	4	<u>155,259</u>	<u>153,578</u>
Total operating expenditure		<u>729,754</u>	<u>734,842</u>
Net operating expenditure for the Year		<u>718,761</u>	<u>725,545</u>
Corporation Tax		<u>75</u>	<u>63</u>
Net expenditure for the Year		<u>718,836</u>	<u>725,608</u>
Other Comprehensive Net Expenditure			
Net (Gain) on Revaluation of Property, Plant & Equipment		(22,386)	(24,232)
Net (Gain)/loss on Revaluation of Intangibles		(290)	5
Actuarial Loss / (Gain)		<u>87,710</u>	<u>(35,710)</u>
		<u>65,034</u>	<u>(59,937)</u>
Comprehensive net expenditure for the year		<u>783,870</u>	<u>665,671</u>

The notes on pages 97 to 130 form part of this account

POLICE SERVICE OF NORTHERN IRELAND
ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2017

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

		2017	*Restated 2016
		£000	£000
	Note		
Non-current assets:			
Property, plant & equipment	6	616,506	598,792
Intangible assets	7	<u>5,454</u>	<u>5,382</u>
Total non-current assets		<u>621,960</u>	<u>604,174</u>
Current assets:			
Assets classified as held for sale	8	2,120	2,030
Inventories	9	4,538	4,684
Trade and other receivables	10	25,199	38,714
Cash and cash equivalents	11	<u>2,942</u>	<u>1,761</u>
Total current assets		<u>34,799</u>	<u>47,189</u>
Total assets		<u>656,759</u>	<u>651,363</u>
Current liabilities:			
Trade and other payables	12	(90,458)	(85,543)
Provisions	13	<u>(40,567)</u>	<u>(43,782)</u>
Total current liabilities		<u>(131,025)</u>	<u>(129,325)</u>
Total assets less current liabilities		<u>525,734</u>	<u>522,038</u>
Non-current liabilities:			
Provisions	13	<u>(602,255)</u>	<u>(533,699)</u>
Total non-current liabilities		<u>(602,255)</u>	<u>(533,699)</u>
Total assets less total liabilities		<u>(76,521)</u>	<u>(11,661)</u>
Taxpayers' equity and other reserves:			
Revaluation Reserve		187,410	164,926
General Reserve		<u>(263,931)</u>	<u>(176,587)</u>
Total Equity		<u>(76,521)</u>	<u>(11,661)</u>

The notes on pages 97 to 130 form part of this account.

The financial statements on pages 93 to 130 were approved and authorised by the PSNI on 22 June 2017 and were signed on its behalf by:



George Hamilton
Chief Constable
Police Service of Northern Ireland
22 June 2017

POLICE SERVICE OF NORTHERN IRELAND
ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2017

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

		2016-17	*Restated
		£000	2015-16
	Note		£000
Cash flows from operating activities:			
Net operating cost		(718,836)	(725,608)
Adjustments for non-cash transactions	4,5,6,7,13	51,924	71,320
Decrease/(Increase) in trade and other receivables	10	13,515	(8,316)
Increase in trade and other payables	12	4,915	5,762
Decrease in Inventories	9	146	201
Use of Provisions	13	(37,908)	(37,839)
Movement relating to Capital Payables		<u>(2,552)</u>	<u>2,406</u>
Net cash outflow from operating activities		(688,796)	(692,074)
Cash flows from investing activities:			
Purchase of property, plant & equipment		(30,068)	(28,622)
Purchase of intangible assets		(871)	(688)
Proceeds on Assets Held for resale		1,790	916
Proceeds of disposal of plant, property & equipment		<u>117</u>	<u>420</u>
Net cash outflow from investing activities		(29,032)	(27,974)
Cash flows from financing activities:			
Grant from Sponsoring department		<u>719,009</u>	<u>720,927</u>
Net financing		719,009	720,927
Net increase in cash and cash equivalents in the period		1,181	879
Cash and cash equivalents at the beginning of the period		1,761	882
Cash and cash equivalents at the end of period		2,942	1,761

The notes on pages 97 to 130 form part of this account

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	General Reserve £000	Revaluation Reserve £000	Taxpayer's Equity £000
Balance at 31 March 2015	<u>(207,867)</u>	<u>140,950</u>	<u>(66,917)</u>
*Restated			
Changes in Taxpayers' Equity 2015-16			
Transfers between reserves	251	(251)	-
Actuarial Gain	35,710	-	35,710
Comprehensive net expenditure for the year	(725,608)	24,227	(701,381)
Grant from Sponsoring Entity	<u>720,927</u>	<u>-</u>	<u>720,927</u>
Balance at 31 March 2016	<u>(176,587)</u>	<u>164,926</u>	<u>(11,661)</u>
 Changes in Taxpayers' Equity 2016-17			
Transfers between reserves	193	(193)	-
Actuarial Loss	(87,710)	-	(87,710)
Comprehensive net expenditure for the year	(718,836)	22,677	(696,159)
Grant from Sponsoring Entity	<u>719,009</u>	<u>-</u>	<u>719,009</u>
Balance at 31 March 2017	<u>(263,931)</u>	<u>187,410</u>	<u>(76,521)</u>

The notes on pages 97 to 130 form part of this account.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2016-17 Government Financial Reporting Manual (FReM) issued by the DoF. 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 for the PSNI and giving a true and fair view has been selected. The particular policies adopted by the PSNI 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 inventories. The main accounting policies adopted by the PSNI are summarised below.

1.2 Income

This is income which relates mainly to the operational activities of the organisation. Operating income is earned principally from the issue of Firearms Licences, Refunds & Contributions, Rental Income, Income earned from the Barracuda system and for the safety camera scheme. Income earned from the Home Office through the Assets Recovery Incentivisation Scheme (ARIS) and monies seized through the proceeds of crime act are also included.

PSNI also receives income from fixed penalties relating to speeding and red-light running detection activity. Following direction from HM Treasury the surplus of income over expenditure that has accrued in relation to these monies is shown as owing to the consolidated fund and disclosed separately within note 12 and note 20. The comparatives for this income have been restated as set out in note 2.

Income is stated on an Accruals basis, in accordance with FReM and is stated net of VAT. PSNI complies with the charging guidelines as laid down by the National Police Chiefs Council (NPCC).

1.3 Property, Plant and Equipment

Property, Plant and Equipment comprise Land, Buildings, IT and Communications, Plant and Equipment, Vehicles and Aircraft, and Assets in the Course of Construction.

Expenditure is capitalised on property, plant and equipment that exceeds £5,000 for an individual asset, or £1,000 for an asset forming part of a significant asset group. The majority of firearms are not capitalised as they fall outside these threshold limits.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)

On initial recognition assets are measured at cost including any costs required to bring them into working condition. Items classes as ‘Assets in the Course of Construction’ are recognised in the Statement of Financial Position, to the extent money has been or a liability has been recognised. In compliance with IAS 16 Property, Plant and Equipment, subsequent expenditure on an asset which does not meet the criteria of an enhancement or an improvement is treated as revenue. All Property, Plant and Equipment are reviewed annually for impairment and are carried at fair value. Fair value is usually determined from market-based evidence by appraisal undertaken by professional valuers. This appraisal is undertaken by Land & Property Services (LPS) on behalf of PSNI. LPS is an “External Valuer” as defined by the RICS Professional Valuation Standards. A complete valuation of the Police Estate was last completed in January 2015, a rolling valuation is undertaken each year to ensure that the full Estate will be valued every Five Years.

The basis of valuation applied is governed by the RICS Valuation standards. Due to the nature of the PSNI property portfolio the following basis of valuation are applied. Operational Specialised assets, such as Police Stations, are valued at Depreciated Replacement Cost (DRC). Operational Non-Specialised Assets, such as Offices, are valued at market value based on existing use.

In accordance with IFRS, PSNI has secured an independent and professional valuation from Land & Property Services. They summarised each Land and Buildings asset into its constituent parts or components and they outlined their respective remaining lives. From this information, the PSNI calculated component depreciation in accordance with the requirements of IFRS. In compliance with IFRS disclosure requirements, separate disclosure is attributed to Dwellings (under Land & Buildings).

Non property assets are valued at fair value, using indices supplied by the Office for National Statistics.

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.

1.4 Depreciation

Property, plant and equipment are depreciated at cost or re-valued amount at fixed rates on a straight line basis over the estimated useful lives of the assets. Assets in the course of construction are not depreciated until the asset is brought into use and transferred to the relevant asset group. Depreciation rates are as follows:

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

Buildings	up to 50 years
Plant and Equipment	5 to 40 years
Vehicles and Aircraft	4 to 10 years
IT and Communications	3 to 10 years
Aircraft	10 to 20 years
Intangible Assets	3 years or life of purchased licence

Buildings are depreciated using the componentisation method. Componentisation is the breakdown of buildings into the constituent parts. The constituent parts are then depreciated based on their individual value and estimated useful life. Land is not depreciated.

1.5 Intangible Assets

The PSNI has classified expenditure on software licences and general information software technology costing more than £5,000 as Intangible Assets. Software licences are included at cost and principally amortised over a 3 year period or the life of the licence purchased which is estimated to be their useful economic life. Intangibles are revalued annually using indices provided by the Office for National Statistics.

1.6 Non-Current Assets Held for Sale

The PSNI has classified non-current assets as Held for Sale where their carrying amount will be recovered through sale rather than through continuing use. The condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale and it should be expected to be completed or realised within one year from the date of classification.

Such assets classified as Held for Sale are measured at the lower of carrying amount and fair value, costs of sale for these assets have been provided for separately due to the specialised nature of the assets. These decommissioning costs are set out in note 13. Depreciation is not charged once an asset has been classified as Held for Sale, any downward revaluation or impairment of non-current assets Held for Sale is charged to the Statement of Comprehensive Expenditure.

1.7 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognised when, and only when the entity becomes party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when and only when the contractual rights to the cash flows from the asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when it is extinguished.

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

The PSNI annually assesses whether a financial asset or group of assets are impaired. Where there is independent evidence that an impairment loss below historical cost has occurred, the carrying amount is reduced with the loss being recognised in the Statement of Comprehensive Expenditure.

Financial instruments are initially recognised at fair value unless otherwise stated. Fair value is the amount at which an instrument could be exchanged in an arm's length transaction between informed and willing parties.

PSNI categorises the following balances to be financial instruments:

Trade and Other Receivables:

Financial Assets within trade and other receivables are initially recognised a fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective method less provisions for doubtful receivables. Provisions are made specifically where there is objective evidence of a dispute or inability to pay.

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 and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

Trade and Other Payables:

Financial liabilities within trade and other payables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method.

Risk Management:

The PSNI is not exposed to the same degree of financial risk faced by business entities. This is due to the organisation being essentially a non-trading entity and financed as a Non Departmental Public Body. It has no powers to borrow or invest in surplus funds and has limited year end flexibility. It is therefore exposed to little liquidity, currency or market risks. The PSNI does not hold any complex financial instruments and there is no impact on the financial risk of the organisation.

1.8 Pension Costs

Pension benefits are provided through the following defined benefit pension schemes. Police Staff are members of the Principal Civil Service Pension Scheme (NI), (PCSPS (NI)) which is an unfunded defined benefit scheme. The PCSPS (NI) produces its own resource accounts but PSNI is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012 and details of this valuation are available in the PCSPS (NI) Resource Accounts.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)

Police officers are members of the existing PSNI Police Pension Scheme or the New Police Pension Scheme, introduced from 6 April 2006. PSNI contributes a percentage of pensionable earnings towards its employees superannuation, at the Accruing Superannuation Liability Charge (ASLC) rates, determined by the Government Actuary's Department and advised by HM Treasury.

A separate account is prepared showing details of the PSNI Police Pension Schemes.

1.9 Value Added Tax

Income and expenditure is shown exclusive of Value Added Tax, which in most cases is recoverable from HM Revenue and Customs, in accordance with the Value Added Tax Act 1994. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

1.10 Corporation Tax

The PSNI has had to register for corporation tax effective from April 2015. Corporation tax is calculated on any profits generated from the sale of assets, or through the use or rental of surplus properties. PSNI has no trading income. The costs of the initial return for the 2015-16 have been included as a prior year adjustment to reflect the accounting period they relate to. More details can be found in note 2.

1.11 Inventory

Inventory is stated at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

1.12 Provisions

PSNI provide for legal or constructive obligations which are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk adjusted cash flows have been discounted as set out in HM Treasury PES (2015) 08. The following provisions are included in the PSNI Statement of Financial Position.

1.13 Provisions for Severance Programmes

Provision is made for the costs of providing severance payments to Police Officers leaving the organisation under the Voluntary Severance or Full Time Reserve programmes based on anticipated numbers of leavers, their age and length of service.

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

1.14 Provision for Compensation Claims

A provision for compensation claims are charged against net expenditure when it is assessed that a liability is likely to arise, based on average amounts paid in respect of each category of claim.

1.15 Provision for Injury Awards

Injury awards are valued under International Accounting Standard (IAS) 19 Employee Benefits by GAD. As such the provision is made for the costs of providing injury awards to Police Officers based on the current number of injury awards and also on estimated life expectancy of these pensioners. The provision also contains an estimate of possible future awards for current members. The liability is measured on an actuarial basis by the Government Actuary's Department (GAD).

1.16 Provision for Decommissioning Costs on Assets Held for Resale

Provision is made for decommissioning costs of those assets identified as Assets Held for Resale (AHFS). The provision will be utilised when actual costs are incurred on disposal.

1.17 Miscellaneous Provisions

PSNI Uniform Contract:

As part of a managed service contract, PSNI has agreed to purchase any obsolete uniforms that are in possession of the contractor at the end of the contract. PSNI has estimated the amount of uniforms which may need to be purchased back, based on usage levels. The organisation has provided in full for this amount.

Early Retirement Costs:

PSNI has provided for the future obligations arising from staff being provided with Early Retirement under the Principal Civil Service Pension Scheme.

1.18 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, PSNI discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland. Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)

1.19 Leases

Finance Leases:

Leases of property, plant and equipment where PSNI holds substantially all the risks and rewards of ownership are classified as finance leases. PSNI did not hold any finance leases during 2016-17.

Operating Leases:

Leases where substantially all of the risks and rewards are held by the lessor are classified as operating leases. Rentals paid under operating leases are charged to the net expenditure account on a straight line basis over the term of the lease. In compliance with IAS 17 Leases, operating leases have been split between Land and Buildings and Other with all future commitments reported.

1.20 Employee Benefits and Staff Costs

In compliance with IAS 19 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 a sample of staff leave records. The PSNI has recognised, recorded and expensed all relevant staff costs as soon as it is obligated to honour them.

1.21 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 the PSNI's accounting policies. We continually evaluate our estimates, assumptions and judgments based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. There were no other material changes to accounting estimates and methodology adopted by the PSNI in preparing these accounts.

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 1.4.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)

Impairment and Revaluation of property, plant and equipment:

Where there is an indication that the carrying value of items of property, plant and equipment may have been impaired through events or changes in circumstances, a review will be undertaken of the recoverable amount of that asset. Revaluations of Property and PSNI Aircraft are based on the assessment of independent experts, while all other assets are revalued using details of indices as published by the Office for National Statistics.

Injury on duty awards - life expectancy:

Provision is made for the costs of providing injury awards to Police Officers based on the current number of injury awards and also on estimated life expectancy of these pensioners. The liability is measured on an actuarial basis by the Government Actuary's Department (GAD). Injury awards are valued under International Accounting Standard (IAS) 19 Employee Benefits by GAD.

Provisions for litigation claims and miscarriages of justice:

The decision to provide for, and the amounts provided for, compensation claims and associated legal costs is based on legal advice using the best estimate of the outcome of each case (the likely compensation and legal costs payable) from an assessment of the latest information.

1.22 Segmental Report

Under the requirements of IFRS 8 Operating Segments, PSNI must disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business in which it engages and the economic environment in which it operates. 'Total Assets' are only required to be disclosed in reporting segments where total assets for segments are regularly reported to the chief operating decision maker. As total assets for segments are not regularly reported to the chief operating decision maker PSNI has adopted this amendment. The amendment does not have a material impact on PSNI's financial statements. Full details of the reporting segments are contained within Note 3.

1.23 Police Fund

The Police Fund is a separate scheme administered by the PSNI in conjunction with the RUC Benevolent Fund. It was established by regulations under section 28 of the Police Act (NI) 1970 which consist of PSNI Grant and fines imposed on police officers as a result of disciplinary action. This together with investment income is applied by PSNI for the welfare of police officers and their dependants.

As from the 1 April 2005, the Police Fund has been treated as a Mutual Trust and is liable for corporation tax on interest and loan investment income. Due to the limited income received by the Fund, HMRC have marked the Fund as dormant from February 2014, this status is still applicable and no corporation tax is due in the 2016-17 year. Note 21 provide details of the performance of this fund for the 2016-17 financial year.

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

1.24 Police Property Fund

The Police Property Fund is a separate fund, administered by PSNI and established by regulations under section 2 of the Police (Property) Act 1987. It comprises unclaimed receipts arising from criminal investigations by the PSNI, which the Policing Board donate to charities. The Police Property Fund does not hold a separate bank account, but rather utilises the banking arrangements of the PSNI. Note 22 provides details of the performance of this fund for the 2016-17 financial year.

1.25 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2017

PSNI has reviewed the standards, interpretations and amendments to published standards that became effective during 2016-17 and which are relevant to its operations. These did not have an impact on the PSNI statements for the 2016-17 year.

1.26 Third Party Assets

Third party assets are assets for which the PSNI acts as a custodian or trustee, but in which neither the PSNI nor Government more generally has a direct beneficial interest in them. Third party assets are not public assets, and hence are not recorded in the primary financial statements. In the interests of general disclosure and transparency, details of PSNI third party assets are provided in note 24. These are not recognised in the financial statements as the PSNI does not have a direct beneficial interest in them.

1.27 Accounting standards, interpretations and amendments to published standards not yet effective.

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2017 or later periods, but which the PSNI has not adopted early. Other than as outlined below, the PSNI considers that these standards are not relevant to its operations.

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

Standard	Description of revision	Application date	Comments
IFRS 16 - <i>Leases</i> (IAS 17 <i>Leases</i> replacement) (new)	<p>IFRS 16 has been developed by the IASB with the aim of improving the financial reporting of leasing activities in light of criticisms that the previous accounting model for leases failed to meet the needs of users of financial statements.</p> <p>IFRS 16 largely removes the distinction between operating and finance leases for lessees by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This is a significant change in lessee accounting.</p>	1 January 2019 (not yet EU adopted)	The application of IFRS 16 is subject to further review by HM Treasury and the other Relevant Authorities before due process consultation.
IFRS 15 - <i>Revenue from Contracts with Customers</i> (IAS 18 <i>Revenue</i> replacement) (new)	<p>The core principle recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled, in exchange for those goods or services. The Standard sets out five steps to recognise revenue and also includes requirements for accounting for contract costs.</p> <p>The disclosure objective of the new Standard is to establish the application principles required for entities to report useful information to the users of financial statements to better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.</p>	1 January 2018 (not yet EU adopted)	The application of IFRS 15 is subject to further review by HM Treasury and the other Relevant Authorities before due process consultation.

POLICE SERVICE OF NORTHERN IRELAND
ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2017

2. PRIOR YEAR ADJUSTMENT

Prior year adjustments have been made relating to Income in respect of fixed penalties and PSNI corporation tax liability as set out in notes 1.2 and 1.10. The impact of this is outlined below:

	2015-16 £000	Adjustment £000	2015-16 £000
Income:			
Income from activities	<u>(8,756)</u>	<u>(541)</u>	<u>(9,297)</u>
Total operating Income	<u>(8,756)</u>	<u>(541)</u>	<u>(9,297)</u>
Expenditure:			
Staff Costs	510,087		510,087
Depreciation, impairment charges and write off	45,031		45,031
Provision Expense	26,146		26,146
Other Expenditures	<u>153,037</u>	<u>541</u>	<u>153,578</u>
Total operating expenditure	734,301	541	734,842
Net operating expenditure for the Year	<u>725,545</u>	=	<u>725,545</u>
Corporation Tax	-	63	63
Net expenditure for the Year	<u>725,545</u>	<u>63</u>	<u>725,608</u>
Other Comprehensive Net Expenditure			
Net gain on Revaluation of Property, Plant & Equipment	(24,232)		(24,232)
Net gain on Revaluation of Intangibles	5		5
Actuarial Gain	<u>(35,710)</u>		<u>(35,710)</u>
	<u>(59,937)</u>		<u>(59,937)</u>
Comprehensive net expenditure for the year	<u>665,608</u>	<u>63</u>	<u>665,671</u>
	2016 £000	Adjustment £000	2016 £000
Non-current assets:			
Property, plant & equipment	598,792		598,792
Intangible assets	<u>5,382</u>		<u>5,382</u>
Total non-current assets	<u>604,174</u>		<u>604,174</u>
Current assets:			
Assets classified as held for sale	2,030		2,030
Inventories	4,684		4,684
Trade and other receivables	38,714		38,714
Cash and cash equivalents	<u>1,761</u>		<u>1,761</u>
Total current assets	<u>47,189</u>		<u>47,189</u>
Total assets	<u>651,363</u>		<u>651,363</u>
Current liabilities:			
Trade and other payables	(85,480)	(63)	(85,543)
Provisions	<u>(43,782)</u>		<u>(43,782)</u>
Total current liabilities	<u>(129,262)</u>	<u>(63)</u>	<u>(129,325)</u>
Total assets less current liabilities	<u>522,101</u>	<u>(63)</u>	<u>522,038</u>
Non-current liabilities:			
Provisions	(533,699)		(533,699)
Pension Liabilities			
Total non-current liabilities	<u>(533,699)</u>		<u>(533,699)</u>
Total assets less total liabilities	<u>(11,598)</u>	<u>(63)</u>	<u>(11,661)</u>
Taxpayers' equity and other reserves:			
Revaluation Reserve	164,926		164,926
General Reserve	<u>(176,524)</u>	<u>(63)</u>	<u>(176,587)</u>
Total equity	<u>(11,598)</u>	<u>(63)</u>	<u>(11,661)</u>

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

3. STATEMENT OF OPERATING COSTS BY SEGMENT FOR THE YEAR ENDED 31 MARCH 2017

Operating Segments

2016-17:

	District Policing	Other Frontline Policing	Infrastructure Support Costs	Other Costs	Total
	£000's	£000's	£000's	£000's	£000's
Gross expenditure	279,282	226,066	171,719	52,762	729,829
Income	(747)	(4,841)	(4,564)	(841)	(10,993)
Net Expenditure	<u>278,535</u>	<u>221,225</u>	<u>167,155</u>	<u>51,921</u>	<u>718,836</u>

***Restated**

Operating Segments

2015-16:

	District Policing	Other Frontline Policing	Infrastructure Support Costs	Other Costs	Total
	£000's	£000's	£000's	£000's	£000's
Gross expenditure	271,462	219,112	173,750	70,581	734,905
Income	(691)	(2,295)	(5,961)	(350)	(9,297)
Net Expenditure	<u>270,771</u>	<u>216,817</u>	<u>167,789</u>	<u>70,231</u>	<u>725,608</u>

In compliance with IFRS8, a segmental report has been included. Segments are determined based on the internal reports used by management for decision making, and include the following;

District Policing:

This segment combines the directly attributable costs of North, South and Belfast Areas. It delivers a significant portion of operational policing services within Northern Ireland and is comprised of the geographically diverse eleven District's.

Other Front-line Policing:

This represents the directly attributable costs for both Crime Operations and Organisational Support departments. Crime Operations includes Reactive Crime, Serious Crime, Intelligence, Specialist Operations and Authorisations and Review. Organisational Support department provides a wide range of operational support to the PSNI in the delivery of front-line policing services including Statistics, Close Protection, Information Assurance and Records Management.

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

Infrastructure Support Costs:

This segment combines the costs of the main departments and branches which support District and other Front Line Policing services. They include Finance & Support Services, Human Resources, Legal Services, Legacy and Justice, Media, Executive Support, Professional Standards and other outsourced services.

Other Costs:

This segment includes Non-Cash costs, including Depreciation and Permanent Diminution and Movement in Provisions. (Net pension costs are excluded).

There have been no material changes from prior years in respect of how PSNI identifies its segments.

Any information in respect of fees and charges is provided for information purposes only. There are no transactions undertaken between reportable segments and PSNI places no reliance on income from any major customers.

POLICE SERVICE OF NORTHERN IRELAND
ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2017

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)

		*restated
4. OTHER OPERATING COSTS	2016-17	2015-16
	£000	£000
Wages and Salaries	404,742	400,875
Social Security Costs	43,186	34,318
Other Pension Costs	<u>73,840</u>	<u>74,894</u>
	521,768	510,087
Other Expenditures	40,563	35,673
Contracted Out	16,474	15,771
Forensics services	9,615	10,164
Accommodation services	36,473	38,298
IT & communications	32,297	34,810
Transport	11,527	11,010
Travel, subsistence & relocation	6,651	5,495
Charges for operating leases: property	1,397	1,594
Hospitality	146	121
Audit fees	79	79
Loss on Disposal of Non-Current Assets	<u>37</u>	<u>563</u>
	155,259	153,578
Non cash items:		
Depreciation & Amortisation	35,045	38,379
Impairment	1,590	6,534
Write Off	<u>553</u>	<u>118</u>
	37,188	45,031
Cost of Borrowing on provisions	18,209	19,120
Increase in Provision	(331)	12,230
Provision not utilised	<u>(2,339)</u>	<u>(5,204)</u>
	15,539	26,146
Total	<u>729,754</u>	<u>734,842</u>
A breakdown of the above costs into permanent staff and others can be found in the Remuneration and Staff Report on page 84.		
5. INCOME		
Fees for firearms certificates, permits & accident reports	1,789	1,236
Profit on Disposal of non-current assets	840	420
Police Transport	54	57
Asset recovery/HQ Incentivisation scheme	567	460
Refunds & Contributions	3,763	3,324
NI Road Safety Partnership	570	541
EU Income	267	180
Bad Debt	-	(13)
Other	<u>3,143</u>	<u>3,092</u>
Total	<u>10,993</u>	<u>9,297</u>

POLICE SERVICE OF NORTHERN IRELAND
ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2017

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)

6. PROPERTY, PLANT AND EQUIPMENT

2016-2017	Land	Buildings	IT and Comms.	Plant and Equip	Vehicles and Aircraft	Assets in Course of Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation:							
At 1 April 2016	57,169	581,556	124,574	14,078	111,682	28,596	917,655
Additions	833	398	254	29	1,662	29,442	32,618
Disposals	-	-	(3,613)	(97)	(1,031)	-	(4,741)
Assets Held for Sale	(845)	-	-	-	-	-	(845)
Reclassifications	-	13,302	2,594	948	4,619	(21,482)	(19)
Revaluations	880	24,601	(6,392)	-	-	-	19,089
Indexation	-	-	4,031	364	3,071	-	7,466
Impairments to SoCNE	(28)	(1,097)	(578)	25	17	-	(1,661)
Write off from AICC to SoCNE	-	-	-	-	-	(553)	(553)
At 31 March 2017	<u>58,009</u>	<u>618,760</u>	<u>120,870</u>	<u>15,347</u>	<u>120,020</u>	<u>36,003</u>	<u>969,009</u>
Depreciation:							
At 1 April 2016	-	177,039	94,392	8,234	39,198	-	318,863
Charged in Year	-	15,288	7,384	980	10,255	-	33,907
Disposals	-	-	(3,610)	(94)	(962)	-	(4,666)
Assets Held for Sale	-	-	-	-	-	-	-
Revaluations	-	5,415	(6,101)	-	-	-	(686)
Indexation	-	-	3,562	231	1,060	-	4,853
Impairments to SoCNE	-	-	195	21	16	-	232
At 31 March 2017	<u>-</u>	<u>197,742</u>	<u>95,822</u>	<u>9,372</u>	<u>49,567</u>	<u>-</u>	<u>352,503</u>
Carrying amount							
At 31 March 2017	<u>58,009</u>	<u>421,018</u>	<u>25,048</u>	<u>5,975</u>	<u>70,453</u>	<u>36,003</u>	<u>616,506</u>
At 31 March 2016	<u>57,169</u>	<u>404,517</u>	<u>30,182</u>	<u>5,844</u>	<u>72,484</u>	<u>28,596</u>	<u>598,792</u>
Asset Financing:							
Owned	<u>58,009</u>	<u>421,018</u>	<u>25,048</u>	<u>5,975</u>	<u>70,453</u>	<u>36,003</u>	<u>616,506</u>
Carrying Amount At 31 March 2017	<u>58,009</u>	<u>421,018</u>	<u>25,048</u>	<u>5,975</u>	<u>70,453</u>	<u>36,003</u>	<u>616,506</u>

Dwellings 2016-17

Cost or Valuation	£000
At 1 April 2016	550
Depreciation	-
Revaluation	(55)
Move to Assets Held for Sale	(495)
At 31 March 2017	<u>-</u>

POLICE SERVICE OF NORTHERN IRELAND
ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2017

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)

6. PROPERTY, PLANT AND EQUIPMENT

2015-2016	Land	Buildings	IT and Comms.	Plant and Equip	Vehicles and Aircraft	Assets in Course of Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation:							
At 1 April 2015	57,595	550,908	118,325	13,840	96,143	37,385	874,196
Additions	(87)	2,333	4,872	143	4,242	14,712	26,215
Disposals	-	-	(1,383)	(426)	(1,726)	-	(3,535)
Assets Held for Sale	(1,200)	-	-	-	-	-	(1,200)
Reclassifications	-	5,336	2,564	536	12,944	(21,569)	(189)
Revaluations	-	-	-	1	(485)	-	(484)
Indexation	551	28,831	221	(9)	484	-	30,078
Impairments to SoCNE	310	(5,852)	(25)	(7)	80	(1,814)	(7,308)
Write off from AICC to SoCNE	-	-	-	-	-	(118)	(118)
At 31 March 2016	<u>57,169</u>	<u>581,556</u>	<u>124,574</u>	<u>14,078</u>	<u>111,682</u>	<u>28,596</u>	<u>917,655</u>
Depreciation:							
At 1 April 2015	-	156,751	86,273	7,797	29,101	-	279,922
Charged in Year	-	14,620	9,015	816	12,638	-	37,089
Disposals	-	-	(958)	(380)	(1,457)	-	(2,795)
Assets Held for Sale	-	-	-	-	-	-	-
Revaluations	-	-	-	-	(1,233)	-	(1,233)
Indexation	-	6,390	75	4	126	-	6,595
Impairments to SoCNE	-	(722)	(13)	(3)	23	-	(715)
At 31 March 2016	<u>-</u>	<u>177,039</u>	<u>94,392</u>	<u>8,234</u>	<u>39,198</u>	<u>-</u>	<u>318,863</u>
Carrying amount							
At 31 March 2016	<u>57,169</u>	<u>404,517</u>	<u>30,182</u>	<u>5,844</u>	<u>72,484</u>	<u>28,596</u>	<u>598,792</u>
At 31 March 2015	<u>57,595</u>	<u>394,157</u>	<u>32,052</u>	<u>6,043</u>	<u>67,042</u>	<u>37,385</u>	<u>594,274</u>
Asset Financing:							
Owned	<u>57,169</u>	<u>404,517</u>	<u>30,182</u>	<u>5,844</u>	<u>72,484</u>	<u>28,596</u>	<u>598,792</u>
Carrying Amount At 31 March 2016	<u>57,169</u>	<u>404,517</u>	<u>30,182</u>	<u>5,844</u>	<u>72,484</u>	<u>28,596</u>	<u>598,792</u>
Dwellings 2015-16							
Cost or Valuation	£000						
At 1 April 2015	500						
Depreciation	(15)						
Revaluation	65						
At 31 March 2016	<u>550</u>						

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

7. INTANGIBLE ASSETS:

	£000
Cost or valuation:	
At 1 April 2016	14,036
Additions	871
Disposals	-
Indexation	749
Impairments to SoCNE	264
Reclassifications	19
at 31 March 2017	<u>15,939</u>
Amortisation:	
At 1 April 2016	8,654
Charged in year	1,136
Disposals	-
Indexation	458
Impairments to SoCNE	236
Write Backs	1
at 31 March 2017	<u>10,485</u>
Carrying amount as at 31 March 2017	<u>5,454</u>

	£000
Cost or valuation:	
At 1 April 2015	13,241
Additions	688
Disposals	-
Revaluations	(37)
Impairments	(45)
Reclassifications	189
at 31 March 2016	<u>14,036</u>
Amortisation:	
At 1 April 2015	7,417
Charged in year	1,289
Disposals	-
Indexation	(32)
Impairments to SoCNE	(20)
Write Backs	
at 31 March 2016	<u>8,654</u>
Carrying Amount as at 31 March 2016	<u>5,382</u>

Software licences are included at cost and principally amortised over a 3 year period which is estimated to be their useful economic life.

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

8. ASSETS CLASSIFIED AS HELD FOR SALE

IFRS 5 requires that non-current assets classified as held for sale must be disclosed separately from other assets in the Statement of Financial Position. The value of these assets are determined as set out in note 1.6.

	Land & Buildings 2016-17 £000s	Land & Buildings 2015-16 £000s
Opening Balance 1 April	2,030	1,485
Transferred from land & buildings	845	1,200
Disposals	(1,030)	(740)
Reversal of previous impairment	<u>275</u>	<u>85</u>
Closing Balance 31 March	2,120	2,030

Disposal proceeds of £1,790k were received in 2016-17 (£916k 2015-16) in respect of assets disposed. A profit of £760k (£176k profit 2015-16) was noted due to fluctuations in the current property market.

The breakdown of assets currently classified as held for sale are:

Year Ended 31 March 2017			
Donegall Pass	450	Craigavon	825
Downpatrick	350	Crawfordsburn	495
Total		Total	2,120
Year Ended 31 March 2016			
Bushmills	180	Donaghadee	100
Craigavon	550	Ballynaveigh	750
Donegall Pass	450		
Total		Total	2,030

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

	2016-17	2015-16
	£000	£000
9. INVENTORIES		
General stores	2,552	3,017
Transport Services stores	855	807
Heating oil	450	364
Petrol and diesel	<u>681</u>	<u>496</u>
Total	<u>4,538</u>	<u>4,684</u>

	2016-17	2015-16
	£000	£000
10. TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS:		
Prepayments and accrued income	5,489	5,308
Trade receivables	1,917	1,362
Contributions due from the Pensions Scheme	11,812	26,932
HMRC VAT Receivable	5,247	4,388
Other receivables	<u>734</u>	<u>724</u>
Total	<u>25,199</u>	<u>38,714</u>

POLICE SERVICE OF NORTHERN IRELAND
ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2017

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)

11. CASH AND CASH EQUIVALENTS	2016-17	2015-16
	£000	£000
Balance at 1 April	1,761	882
Net change in cash & cash equivalent balances	<u>1,181</u>	<u>879</u>
Balance at 31 March	<u>2,942</u>	<u>1,761</u>

All cash held in commercial bank accounts.

	2016-17	*Restated 2015-16
12. TRADE PAYABLES AND OTHER CURRENT LIABILITIES	£000	£000
Trade payables	5,492	5,134
Trade accruals and Deferred Income	42,327	42,859
Taxation & social security	12,181	10,588
Employee Benefit Accrual	11,534	9,012
Monies owed to the PSNI Pension Scheme	938	1,540
Advance Severance Payments for Leavers	78	183
Payroll accrual	9,364	8,864
NI Consolidated Fund Extra Receipts	6,314	5,430
Other payables	<u>2,230</u>	<u>1,933</u>
Total	<u>90,458</u>	<u>85,543</u>

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

13a. PROVISIONS FOR LIABILITIES AND CHARGES:

	Severance £000's	Compensation £000's	Injury Awards £000's	Decommissioning Costs £000's	Misc £000's	Total £000's
At 1 April 2016	477	40,437	536,057	58	452	577,481
Utilised in Year	(133)	(9,353)	(28,205)	(153)	(64)	(37,908)
Provision not utilised	(274)	(1,958)	-	-	(107)	(2,339)
Cost of borrowing	(7)	(626)	18,850	-	(8)	18,209
Actuarial loss	-	-	87,710	-	-	87,710
Movement in provisions	(60)	(4,294)	3,170	849	4	(331)
At 31 March 2017	<u>3</u>	<u>24,206</u>	<u>617,582</u>	<u>754</u>	<u>277</u>	<u>642,822</u>

	Severance £000's	Compensation £000's	Injury Awards £000's	Decommissioning Costs £000's	Misc £000's	Total £000's
At 1 April 2015	953	52,771	570,377	159	624	624,884
Utilised in Year	(182)	(10,966)	(26,370)	(180)	(141)	(37,839)
Provision not utilised	(265)	(4,939)	-	-	-	(5,204)
Cost of Borrowing	(14)	(766)	19,910	-	(10)	19,120
Actuarial Gain	-	-	(35,710)	-	-	(35,710)
Movement in Provision	(15)	4,337	7,850	79	(21)	12,230
At 31 March 2016	<u>477</u>	<u>40,437</u>	<u>536,057</u>	<u>58</u>	<u>452</u>	<u>577,481</u>

The above provisions are profiled to show the estimated spend for future periods.

13b. ANALYSIS OF EXPECTED TIMING OF DISCOUNTED FLOWS:

	Severance £000's	Compensation £000's	Injury Awards £000's	Decommissioning Costs £000's	Misc £000's	Total £000's
2016-17						
Not Later than one year	3	11,501	28,210	754	99	40,567
Later than one year and not later than 5 years	-	12,163	110,510	-	178	122,851
Later than 5 years	-	542	478,862	-	-	479,404
At 31 March 2017	<u>3</u>	<u>24,206</u>	<u>617,582</u>	<u>754</u>	<u>277</u>	<u>642,822</u>

	Severance £000's	Compensation £000's	Injury Awards £000's	Decommissioning Costs £000's	Misc £000's	Total £000's
2015-16						
Not Later than one year	395	16,814	26,360	58	155	43,782
Later than one year and not later than 5 years	82	22,879	100,060	-	297	123,318
Later than 5 years	-	744	409,637	-	-	410,381
At 31 March 2016	<u>477</u>	<u>40,437</u>	<u>536,057</u>	<u>58</u>	<u>452</u>	<u>577,481</u>

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

Severance

The Severance provision relates to both the Voluntary and Full Time Reserve (FTR) Severance programmes.

Voluntary Severance Programme

The Secretary of State for Northern Ireland established a Voluntary Severance Scheme for PSNI Regular and FTR Officers in July 2000. The remaining provision is to cover the retraining packages obtained by officers who have left under the severance scheme. This provision has been fully discharged at the end of March 2017.

Full Time Reserve (FTR) Severance Programme

The position on the FTR was highlighted by Patten Recommendation 103, which stated that the future PSNI should not include a Full Time Reserve. The Chief Constable carried out a number of security reviews and all FTR officers were phased out of operational duties in 2012.

The above provision relates to essentially Payments In Lieu (PIL) for FTR officers.

Compensation Claims

The compensation claim provision is analysed under five categories: injury claims, damage claims, legal fees and hearing loss (Injury & Legal). The following table shows the breakdown of the provision between these categories.

	Injury	Damage	Legal	Hearing Loss – Injury	Hearing Loss – Legal	Total
	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2016	10,315	480	13,064	8,725	7,853	40,437
Utilised in Year	(1,921)	(32)	(1,229)	(2,796)	(3,375)	(9,353)
Provision not utilised	-	-	-	(1,562)	(396)	(1,958)
Costs of Borrowing	(157)	(9)	(203)	(135)	(122)	(626)
Increase in Provision	(928)	(45)	(3,490)	(571)	740	(4,294)
At 31 March 2017	<u>7,309</u>	<u>394</u>	<u>8,142</u>	<u>3,661</u>	<u>4,700</u>	<u>24,206</u>

At 31 March 2017, there were 2,729 'live' injury or wrongful acts claims and 823 'live' damage to property claims. Associated legal fees are also provided for.

Claims have varying life spans with claims involving personal injury mostly concluded within six years of receipt and claims for damage to property usually being concluded within one or two years of receipt. In deriving the above figures, assumptions have been made relating to the number of outstanding claims likely to

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

attract compensation, the average claim value for the different claim types and likely timing of settlement. The data assumes that past trends will persist with only marginal fluctuations and any deviations from this pattern may have a material impact on actual claims settled. The provision for years 1-5 have been discounted at the HM Treasury rate of (2.7%).

Injury Awards

Relevant costs are recognised in the organisation's main financial statements. The pension liability relating to injury awards has been valued by the Government Actuary Department (GAD). The valuation was provided to PSNI by GAD for the 12 months to 31 March 2017, and the current Injury on Duty (IOD) provision reflects this position. Injury awards are valued under IAS 19 and as such include an element for active members. The split of the provision is shown below.

	Value at 31 March 2017 £000's	Value at 31 March 2016 £000's
Liability in respect of		
Active Members	32,460	65,050
Pensions in payment (injury awards)	<u>585,122</u>	<u>471,007</u>
Total liability	617,582	536,057

Liabilities for Injury awards are valued on an actuarial basis using the Projected Unit Credit Method. The assumptions proposed by the Government Actuary's Department and agreed with the PSNI in nominal terms are:

- A long term nominal discount rate of 2.8% pa
- A rate of long-term inflation and pensions increases of 2.55% pa

The PSNI's workforce is too small to provide sufficient data from which to draw statistically reliable conclusions for all of the assumptions which are to be made. As such demographic assumptions are derived from aggregate experience across all authorities with officers in the Police Pension Schemes supplemented as necessary by appropriate standard tables.

Expectation of life in years

At 31 March	2017	2016	2015	2014	2013
Males (45 year old future pensioner at age 65)	25.2	25.1	25.4	25.6	25.7
Females (45 year old future pensioner at age 65)	27.3	27.2	27.9	28	27.9

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

	Value at 31 March 2017	Value at 31 March 2016
History of Experience gains and losses	£000	£000
Experience Gains/(losses) on the scheme liabilities	(26,200)	18,920
Percentage of the liability at the end of year	(4.2%)	3.5%
Total actuarial Gain/ (loss)	(87,710)	35,710
Percentage of the liability at the end of year	(14.2%)	6.7%

Miscellaneous:

A number of Miscellaneous provisions are included relating to the purchase of excess stock from PSNI Managed Service uniforms supplier and Early Retirement Costs.

	Uniform Stock £000's	Early Retirement £000's	Total £000's
At 1 April 2016	284	168	452
Utilised in Year	(18)	(46)	(64)
Provision not utilised	(107)	-	(107)
Cost of borrowing	(5)	(3)	(8)
Increase in Provision	<u>1</u>	<u>3</u>	<u>4</u>
At 31 March 2017	<u>155</u>	<u>122</u>	<u>277</u>

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

14. CAPITAL COMMITMENTS

Contracted capital commitments at 31 March 2017 not otherwise included in these financial statements.

	2016-17	2015-16
	£000	£000
Property Plant & Equipment	11,830	11,901
Intangible Assets	<u>3,921</u>	<u>125</u>
Total	<u>15,751</u>	<u>12,026</u>

15. COMMITMENTS UNDER LEASES

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

	2016-17	2015-16
	£000	£000
Land:		
Not later than one year	157	172
Later than one year and not later than five	266	253
Later than five years	<u>307</u>	<u>356</u>
Total	<u>730</u>	<u>781</u>
Buildings:		
Not later than one year	135	173
Later than one year and not later than five	241	295
Later than five years	<u>275</u>	<u>325</u>
Total	<u>651</u>	<u>793</u>

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)

16. COMMITMENTS UNDER PRIVATE FINANCING INITIATIVES (PFI) CONTRACTS

The PSNI has no commitments to report under PFI contracts for the financial year 2016-17.

17. OTHER FINANCIAL COMMITMENTS

The PSNI has no other material financial commitments to report for financial year 2016-17. The main financial commitments currently facing the organisation are summarised above.

18. FINANCIAL INSTRUMENTS

In accordance with IAS 39 Financial Instruments, the PSNI has no financial instruments to report during the twelve months to 31 March 2017. As the cash requirements of PSNI are met through Grant in Aid provided by Department of Justice, 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 PSNI's expected purchase and usage requirements and the NDPB is therefore exposed to little credit, liquidity or market risk.

19. CONTINGENT LIABILITIES (disclosed under IAS 37)

The PSNI has the following contingent liabilities:

Hearing Loss Cases

The PSNI is named Defendant in a number of claims from current and ex-police officers and police staff for occupational hearing loss. Claims up to May 2017 are reflected in the compensation provision (note 13). Claims have also been received from members/ex-members of the Northern Ireland Prison Service who received firearms training from the RUC/PSNI. However, the number of claims likely to be received in the future is uncertain and cannot be reliably estimated. Each case will be considered on its own merits and any settlement based on the severity of hearing loss.

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

Other Legal Cases

There are a number of cases currently lodged with PSNI where it is not possible to provide a reliable estimate of the overall liability involved. These involve cases relating to injury claims that are complex in nature and dependent on the review of medical and forensic accounting details. There are currently 5 such cases lodged with PSNI and it is still not possible to identify from previous statistics, a scientific assessment of the likely settlement rates or an average figure for settlement of each case.

Holiday Pay

A number of cases have been lodged against the PSNI in respect of contractual overtime forming part of the calculation for holiday pay under article 7 of the working time directive, following the decision in the case of Bear Scotland Limited and Others. PSNI is currently reviewing the frequency, locality, pay and rate of any one who may be entitled to a claim, and is taking a preliminary point to court on the issue of whether police officers are within the definition for the purposes of this claim of “workers”. That decision will determine liability and quantum. These actions are ongoing and at this time it is not possible to provide a reliable estimate of any possible liability for PSNI.

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

20. Northern Ireland Road Safety Partnership

Within the PSNI trade and other payables there is an element that relates to funding held by PSNI relating to speeding and red-light running detection activity. These monies are managed by PSNI on behalf of the NI Road Safety Partnership (NIRSP) working group. This includes monies from fixed penalties and driver awareness courses. The surplus of this income over expenditure is due for payment to the NI Consolidated Fund as disclosed in note 12.

	31 March 2016 £000	Surplus of Income received over Expenditure £000	31 March 2017 £000
Amounts held relating to Fine Income	3,716	505	4,221
Amounts held relating to Fee & Other income	<u>1,714</u>	<u>379</u>	<u>2,093</u>
Amounts held with regards NIRSP	<u>*5,430</u>	<u>884</u>	<u>6,314</u>

*The opening balance has been adjusted to reflect £84k of income not included in previous years note.

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

21. POLICE FUND

**STATEMENT OF COMPREHENSIVE NET INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	2016-17 £000	2015-16 £000
EXPENDITURE		
Other Expenditure	9.1	10.0
INCOME		
Income from Activities	(8.2)	(5.7)
Other Income	<u>(6.9)</u>	<u>(9.4)</u>
	<u>(15.1)</u>	<u>(15.1)</u>
NET EXPENDITURE	<u>(6.0)</u>	<u>(5.1)</u>
NET EXPENDITURE AFTER INTEREST	<u>(6.0)</u>	<u>(5.1)</u>

STATEMENT OF FINANCIAL POSITION 31 MARCH 2017

	2016-17 £000	2015-16 £000
NON-CURRENT ASSETS		
Financial Assets	85.0	85.0
CURRENT ASSETS		
Trade and Other Receivables	56.8	50.9
Cash and Cash Equivalents	<u>37.6</u>	<u>37.5</u>
TOTAL CURRENT ASSETS	<u>94.4</u>	<u>88.4</u>
TOTAL ASSETS	<u>179.4</u>	<u>173.4</u>
CURRENT LIABILITIES		
Trade and Other Payables	—	—
Current Liabilities		
ASSETS LESS LIABILITIES	<u>179.4</u>	<u>173.4</u>
TAX PAYERS' EQUITY:		
General Reserve	179.4	173.4
Revaluation Reserve	—	—
TOTAL	<u>179.4</u>	<u>173.4</u>

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

POLICE FUND (CONTINUED)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	2016-17	2015-16
	£000	£000
CASH FLOW FROM OPERATING ACTIVITIES		
Net Surplus after interest	6.0	5.1
Increase in Trade and Other Receivables	(5.9)	(4.8)
Decrease in Trade Payables	—	—
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>0.1</u>	<u>0.3</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds on disposal of shares	—	—
NET CASH INFLOW FROM INVESTING ACTIVITIES	<u>—</u>	<u>—</u>
NET FINANCING		
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>0.1</u>	<u>0.3</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>37.5</u>	<u>37.2</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>37.6</u>	<u>37.5</u>

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

POLICE FUND (CONTINUED)

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	General Reserve £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2015	<u>168.3</u>	<u>-</u>	<u>168.3</u>
Changes in Taxpayers' Equity for 2015-16			
Surplus on Revaluation of Investments	-	-	-
Net Operating Surplus	<u>5.1</u>	<u>-</u>	<u>5.1</u>
Balance at 31 March 2016	<u>173.4</u>	<u>-</u>	<u>173.4</u>
Changes in Taxpayers' Equity for 2016-17			
Surplus on Revaluation of Investments	-	-	-
Net Operating Surplus	<u>6.0</u>	<u>-</u>	<u>6.0</u>
Balance at 31 March 2017	<u>179.4</u>	<u>-</u>	<u>179.4</u>

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

22. POLICE PROPERTY FUND

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2017**

	2016-17	2015-16
	£000	£000
EXPENDITURE		
Other Expenditure	3.2	7.0
INCOME		
Income From Activities	<u>(34.4)</u>	<u>(59.5)</u>
NET INCOME	<u>(31.2)</u>	<u>(52.5)</u>

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	2016-17	2015-16
	£000	£000
CURRENT ASSETS		
Trade and Other Receivables	205.9	174.7
CURRENT LIABILITIES		
Trade and Other Payables	<u>-</u>	<u>-</u>
ASSETS LESS LIABILITIES	<u>205.9</u>	<u>174.7</u>
TAXPAYERS' EQUITY:		
General Reserve	<u>205.9</u>	<u>174.7</u>

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017
(CONTINUED)**

POLICE PROPERTY FUND (CONTINUED)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	2016-17 £000	2015-16 £000
CASH FLOW FROM OPERATING ACTIVITIES		
Net Surplus after interest	31.2	52.5
Increase in Trade and Other Receivables	(31.2)	(52.5)
Decrease in Trade Payables	—	—
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>—</u>	<u>—</u>
NET FINANCING		
NET INCREASE IN CASH AND CASH EQUIVALENTS IN THE PERIOD	<u>—</u>	<u>—</u>

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Total Reserves £000
Balance at 31 March 2015	122.2
Changes in Taxpayers' Equity 2015-2016	
Net Operating Surplus	<u>52.5</u>
Balance at 31 March 2016	<u>174.7</u>
Changes in Taxpayers' Equity 2016-2017	
Net Operating Surplus	<u>31.2</u>
Balance at 31 March 2017	<u>205.9</u>

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2017 (CONTINUED)

23. RELATED-PARTY TRANSACTIONS

PSNI is a body of constables as set out in the Police Act, funded through the Policing Board which during the reporting period was a Non Departmental Public Body of the DOJ.

The DOJ is regarded as a related party. During the year PSNI had a number of material transactions with the DOJ and with other government departments and central government bodies. Most of these transactions have been with: the Forensic Science NI; the NI Prison Service (both Executive Agencies of the DOJ); the Land & Property Services (executive agency of the DoF) and the Central Procurement Directorate (DoF).

None of the senior staff of PSNI undertook any transactions during the year with PSNI.

24. THIRD-PARTY TRANSACTIONS

PSNI hold a number of bank accounts and sealed packages which contain evidence or proceeds of criminal activities. As these monies are not assets of the PSNI they are not included in these financial statements.

Following the outcome of investigations or court proceedings, the money is returned or paid to appropriate authorities.

	31 March 2016 £000	Gross Inflows £000	Gross Outflows £000	31 March 2017 £000
Bank Balances and Monetary Sealed Packages held.	<u>3,794</u>	<u>405</u>	<u>(95)</u>	<u>4,104</u>

Third Party Assets includes £30k held in relation to EU funded programmes. PSNI also holds sealed packages that are unable to be counted for evidential reasons. These amounts are not included in the figures above.

25. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no events to report after the reporting period.

The Annual Report and Accounts were authorised by the Chief Constable to be issued on 27 June 2017.



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