

NORTHERN IRELAND PRISON SERVICE

ANNUAL REPORT AND ACCOUNTS 2025-26

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ANNUAL REPORT AND ACCOUNTS 2025-26 **For the year ended 31 March 2026**

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by the Department of Justice
on 2 July 2026



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PERFORMANCE REPORT

OVERVIEW

The purpose of the overview is to provide sufficient information to ensure that the remit and purpose of the Agency is understood. The overview includes:

- a statement from the Director General providing her perspective on the performance of the Agency over the period;
- a statement of the purpose and activities of the Agency;
- the key issues and risks that could affect the Agency in delivering its objectives; and
- a performance summary.

FOREWORD BY ACCOUNTING OFFICER

I am pleased to present the Annual Report and Accounts for the Northern Ireland Prison Service (NIPS) for the year ended 31 March 2026.

I want to begin by recognising the professionalism, commitment and resilience of our staff across the Service. During a further year of sustained operational pressures, colleagues have continued to deliver safe, secure and purposeful custody, and to support and challenge those in our care to change. I remain deeply impressed by the dedication shown by staff in often difficult circumstances, and I am grateful for the contribution made by every individual working across our organisation.

The operating environment in 2025-26 remained challenging, with high prison population levels, a large remand cohort and increasingly complex needs continuing to place pressure on staff, the estate and available resources. These pressures were most acute in Maghaberry, which operated close to capacity and required careful day-to-day management to balance safety, decency and purposeful activity. Despite these challenges, the Service maintained a strong focus on public protection, rehabilitation and the wellbeing of those who live and work in our prisons. This was underscored by the findings of an unannounced inspection of Magilligan Prison,

which rated the prison as good across all four healthy prison tests and identified it as one of the best-performing prisons in the UK.

Population growth and changing demographics have continued to shape service delivery. We managed the impact of a population with increasingly complex health, mental health and social care needs, alongside the distinct requirements presented by women in custody, older prisoners and those on short sentences or remand. Responding to these pressures required close collaboration with our partners across health, probation, education and the voluntary and community sector, whose contribution remains essential to the effective operation of the prison system.

Work to strengthen staffing capacity and capability remained a priority throughout the year. Recruitment and training activity progressed, alongside continued investment in learning, leadership development and staff wellbeing. We also continued to respond to staff feedback, recognising that a supported and engaged workforce is fundamental to delivering a safe and effective prison system. While challenges remain, the actions taken during the year represent important steps in strengthening the resilience and sustainability of the Service.

Supporting rehabilitation and reducing reoffending remained central to our purpose. During 2025-26, we continued to deliver rehabilitation and resettlement services through the Prisoner Development Model (PDM), focusing on education, skills, employability, accommodation and family connections. Delivery was necessarily shaped by population pressures and staffing availability; however, progress continued through targeted interventions, partnership working and the development of alternatives to custody where appropriate. This work sits within the wider cross-government commitment to reducing offending and reoffending, recognising that many of the drivers of crime lie beyond the justice system.

Significant effort was also directed towards sustaining and improving our prison estate and infrastructure. Alongside ongoing capital and minor works programmes, we continued to invest in digital transformation, improving efficiency, service delivery and supporting engagement with families. Environmental sustainability remained an important consideration, with continued progress towards reducing energy

consumption and carbon emissions across the estate, while managing the increased demand associated with higher population levels.

Strong governance and risk management continued to underpin delivery throughout the year. The Prison Service Management Board, Audit and Risk Committee and wider governance structures provided effective oversight, ensuring that risks were identified, scrutinised and managed. Constructive engagement with external oversight bodies further strengthened transparency and accountability, and we remained committed to learning from inspection and audit findings.

Looking ahead, the challenges facing NIPS remain significant. While the progress made during 2025-26 reflects the professionalism and commitment of our staff and partners, our ability to sustain and build on this progress is contingent on sufficient resources being allocated to NIPS. Sustained high levels of remand contributes to the high prison population and impacts upon the resources that should be focussed on addressing the offender behaviours of the sentenced population. In the year ahead, our priorities will be to support and retain our workforce, manage ongoing population pressures, strengthen rehabilitation and resettlement, and continue to modernise our estate and ways of working. Without appropriate investment, however, these ambitions cannot be fully delivered.

Finally, I would like to record my sincere thanks to our staff, our trade union colleagues, our partners across government and the voluntary and community sector, and those who provide independent oversight of our prisons. At its heart, the Prison Service is about people, and I am proud of the professionalism and dedication shown throughout the organisation. I look forward to building on this work in the year ahead.

BEVERLEY WALL

Director General and Accounting Officer

Northern Ireland Prison Service

STATEMENT OF PURPOSE AND ACTIVITIES

History and statutory background

NIPS was established as an Executive Agency of the Northern Ireland Office in April 1995 under the Government's Next Steps Initiative.

On 12 April 2010 an amendment to Schedule 3 of the Northern Ireland Act 1998 devolved justice functions in Northern Ireland to the Northern Ireland Assembly and the Department of Justice (DoJ) came into existence as a new Northern Ireland Department. From this date, NIPS became an Executive Agency of DoJ.

The Annual Report and Accounts of NIPS for the year ended 31 March 2026 will be laid in the Northern Ireland Assembly.

NIPS is responsible for the operation and delivery of services within the Northern Ireland prison system with the main statutory duties set out in the Prison Act (Northern Ireland) 1953.

Statement of purpose

For 2025-26, the NIPS statement of purpose remained "making the community safer by supporting and challenging people to change".

Vision

NIPS vision for 2025-26 was to:

- develop and support a skilled and resilient workforce;
- deliver safe, secure and decent custody;
- provide effective rehabilitation and resettlement;
- strengthen organisational culture and governance; and
- improve our estate and systems to support service delivery.

Strategic aims

NIPS has also identified three strategic aims, which support delivery against this core purpose. These are:

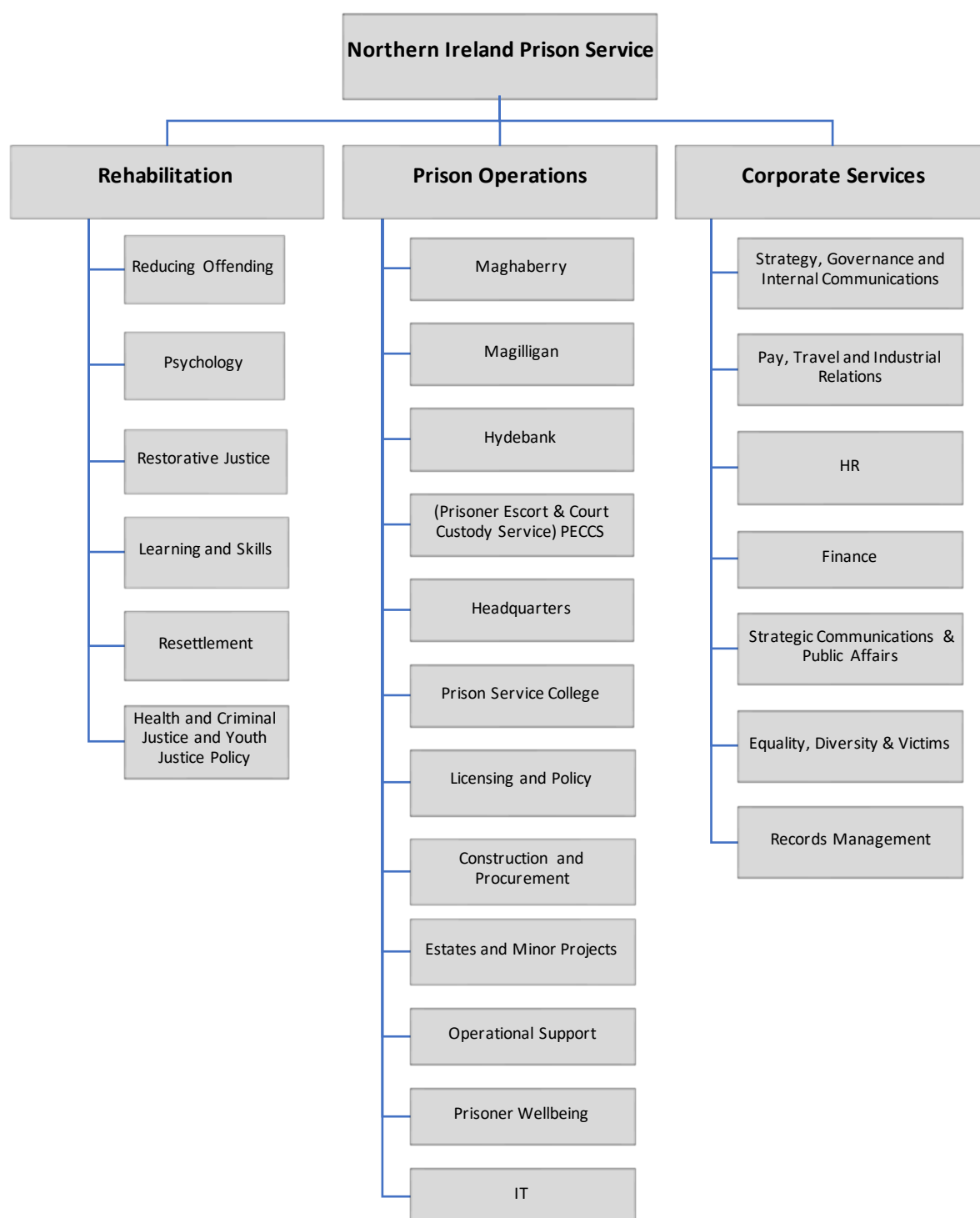
- **People working in the NI Prison Service:** To have an empowered and

skilled workforce that contributes to safer communities.

- **People living in prison:** The prison population is effectively managed within available resources and a stable environment maintained to support rehabilitation.
- **Supporting people to change:** Supporting family connections and providing those in our care with opportunities that will contribute to successful integration back into society and desist from offending.

Organisational structure

The organisational structure of NIPS is as follows:



Key risks and issues

NIPS' strategic risks are regularly reviewed and scrutinised by the Prison Service Management Board (PSMB) and by the Audit and Risk Committee (ARC). A summary of the organisation's top risks can be found below.

NIPS has managed these risks through robust governance structures and by putting mitigations in place as early as possible to minimise the risk. Each risk has been proactively managed with a view to minimising impact and this made a significant contribution to the ability of NIPS to meet the objectives set for this year. Identified risks include:

Safety and security

A significant operational incident by NIPS results in escape, significant security breach, serious prison incident, loss of accommodation, or release in error.

Insufficient staffing levels to deliver full rehabilitative regime and range of support functions

Failure to effectively plan to ensure operational and administrative staffing levels meet the evolving needs of the organisation and that staff are suitably skilled could lead to negative impacts on current staff and people in our care. It would also limit our ability to deliver rehabilitation and reduce the risk of re-offending and risk the deterioration of industrial relations. Furthermore, it could impact our ability to fulfil our statutory responsibility to deliver the Prisoner Release Victim Information Service to the required standard, leading to reputational damage.

Health and social care

Health and social services fail to meet the needs of the prison population including people in prison with mental health issues and/or risk of suicide and serious self-harm and divert prescription medication combined with the changing demographic of the prisoner community; high remand rate could lead to deaths in custody; increased admission to external hospital requiring bed watch; increased levels of self-harm; or increased levels of people in prison who should be managed in low, medium or high secure mental health environments.

Prison estate

Estate does not meet the need of the population due to the lack of capital and resource commitment to support the future prison estate could lead to the current built environment not being fit for purpose in supporting a productive workplace for staff, rehabilitation for prisoners. This could lead to criticism from oversight bodies, such as Criminal Justice Inspection Northern Ireland (CJINI); slowed roll out of digitisation due to unsuitable infrastructure; sustainability targets not being met; high energy and water consumption tariffs; Health & Safety issues and possible claims.

Insufficient funding/Budget pressures

Financial pressures arising from insufficient budget cover to deliver a full rehabilitative regime to meet the needs of the rising prison population, including increased staffing, accommodation and prisoner related costs and annual increases to pay/non-pay costs as a result of pay awards, inflation and Injury on Duty costs. If insufficient funding is allocated, NIPS will face significant challenges in maintaining a safe and secure regime, with increased crowding, and the lack of rehabilitation that can be delivered will have a detrimental impact on public safety and reoffending rates.

Ability to deliver outcomes

An increase in the prison population leads to a need to concentrate prisoners within the accommodation and staffing levels that NIPS currently has available. Crowded accommodation increases the likelihood of incidents (either collective or individual) that can impact upon the good order, discipline or security of prisons. Furthermore, the combination of an increasing population balanced with staff availability impacts upon the delivery of healthy regimes within and beyond residential areas, and NIPS continued performance against the His Majesty's Inspectorate of Prisons Healthy Prisons measures. This includes the provision of timely rehabilitation and effective resettlement planning to reduce reoffending.

Rising rate of custodial reoffending

The combination of an increasing population balanced with staff availability can result in a reduced ability to support the PDM and deliver the full rehabilitative regime. Inability to deliver timely rehabilitation and resettlement provision results in

people exiting custody without appropriate release planning arrangements in place, increasing their likelihood of reoffending and contributing to the rising prison population. This delay can also result in a failure to meet statutory requirements (i.e. Parole Commissioners for Northern Ireland) which could negatively impact on a person's right to freedom.

Information Management and Data Security

Ineffective management of information, compromise of IT systems, or human error could lead to a major data security breach resulting in unauthorised access to personal information, loss of access to critical IT systems, and potential regulator fines or personal damage claims. Such a breach may also give rise to legal action, undermine staff confidence in organisational systems and processes, and generate negative publicity, leading to significant reputational damage.

Equality of delivery of services to different groups in society

All prisoners have equal access to services provided within the prison. To promote good relations and eliminate discrimination, NIPS Prison Establishments each have an Equality & Diversity (E&D) Committee chaired by the Deputy Governor and supported by an E&D coordinator from the Prisoner Development Unit (PDU) at Senior Officer Grade.

Meetings are held monthly, to monitor the equality of provision of services to all prisoners. Attendees include staff from Headquarters, Residential, Safer Custody, the Equality Commission, Chaplaincy, Probation, Start 360, Independent Monitoring Board and Healthcare. Selected prisoners also attend to highlight any potential E&D issues raised with them by other prisoners.

All prisons have sought to work in partnership with the Independent Monitoring Board to improve prisoner representation and engagement. In addition, the format of our E&D committee has been adjusted to include prisoner perceptions of staff treatment as a standing agenda item. This has been supplemented by complaint monitoring by the Deputy Governors.

Prisoner Forums meet in advance of the main meeting to raise any issues prisoners may have. In addition to issues raised by prisoner representatives, statistical reports

are reviewed and examined for any anomalies in decision making relating to the provision of services, discipline, drug testing, searches, complaints, adjudications etc., all broken down by Section 75 group. Governors are asked to investigate and explain any apparent anomalies.

There is a complaints procedure for prisoners and NIPS is also subject to oversight and scrutiny by the Prisoner Ombudsman, CJINI, The Red Cross, Equality Commission, Human Rights Commission, Independent Monitoring Board and the United Nations Conventions around Human Rights amongst others, who investigate and raise issues around equality and the provision of services. Any issues raised by these bodies are investigated and addressed as necessary.

NIPS holds a number of events annually in all Establishments and provides training for prisoners and staff to raise awareness, foster good relations and provide a better understanding and appreciation of equality and diversity issues. These events and training in Human Rights, Inter-cultural Diversity, Equality and Diversity, Dignity at Work, JAM (Just a Minute), Modern Slavery and Human Trafficking, Unconscious Bias etc, benefit Officers supporting people to change their behaviour.

NIPS is an Equal Opportunities employer, where all eligible persons have equal opportunity for employment and advancement in the Service based on their ability, qualifications and aptitude for the work.

In addition, NIPS applies the recruitment principles as set out in the Recruitment Policy and Procedures Manual of the Northern Ireland Civil Service (NICS), appointing candidates based on merit through fair and open competition. All panel members sitting on interview panels complete Recruitment and Selection training, which includes raising awareness of unconscious bias. In addition, in order to maintain and promote a diverse and inclusive workforce the NICS, including NIPS, have in place a range of policies and procedures, as well as the use of Positive Action Advertising Statements to encourage applications from under-represented groups, and the provision of support for reasonable adjustments required as a result of Disability Discrimination Act requirements.

PERFORMANCE SUMMARY AND FORWARD LOOK

PERFORMANCE SUMMARY

Prison Population

The high and increasing prison population continues to present the most significant challenge to NIPS in terms of the stability of prison establishments, to the effectiveness of rehabilitation and resettlement interventions, and in achieving our wider ambition for continuous improvement.

On 1 April 2022, the total prison population in Northern Ireland was 1,552. On 1 April 2026 the population had increased by 34% to 2,079. On this date a total of 624 prisoners were sharing cells across the prison estate, 520 prisoners at Maghaberry and 104 at Magilligan.

Levels of remand continue to be a cause for concern with 42% of the total population, 56% of Maghaberry prisoners and 46% of the female prisoners falling into this category on 1 April 2026. This is both unsustainable and out of step when compared with levels of remand in the rest of the UK and Ireland - England and Wales (20.3%), Scotland (21.9%) and the Republic of Ireland (19.0%). The proportion of prisoners on remand is a major contributory factor to the level of the prison population and of crowding being experienced at Maghaberry in particular.

Maghaberry Prison is a high security prison for adult male prisoners, both sentenced and unsentenced, and in integrated and separated conditions. It is the largest and most complex prison in Northern Ireland. In April 2022, there were 1,000 prisoners in custody at Maghaberry, in April 2026 that population has risen to 1,408 – an increase of over 40%. At Maghaberry the sustained rise in the population has forced the prison service to reopen three square houses (which were closed when the modern accommodation provided by Davis House opened). The square houses offer old and outdated accommodation that NIPS would never wish to use in normal circumstances.

The increase in the population at Maghaberry is placing acute pressure upon the estate and accommodation, on staff and staffing levels, and upon the rehabilitative interventions that can be offered to a population of this size – including training and education, service and programme delivery, and sentence and release planning.

Magilligan Prison is an adult male prison, primarily holding sentenced prisoners as they progress towards release. The population of Magilligan is being carefully managed to sustain it as close to a capacity of around 500 prisoners as possible (in April 2022 the population was 423). The reason for that careful population management is to alleviate the ongoing pressure on Maghaberry.

Hydebank Wood Secure College and Women's Prison is a medium security prison. It accommodates young male prisoners (18-24 years) and all female prisoners and is the smallest prison establishment in Northern Ireland. Despite its size, housing both young male and female prisoners on the single site at Hydebank brings its own complexity. Whilst the young male population there has reduced since April 2022 (59 in April 2022 and 51 in April 2026), the female population has increased by 60% (from 70 to 112). Amongst the female population prison officers regularly respond to the very acute needs of a small number of women.

As well as rising numbers, changes in societal demographics are reflected and often concentrated in prison - with an aging population, with additional health and social care needs, and high levels of mental health and addiction issues which all require intervention and appropriate service provision. The Prison Service is responding to that challenge working across government and in partnership with statutory, voluntary and community sector organisations to provide the support needed to address these complex needs.

The prison population level remains highly challenging and finely balanced. Even if the population does stabilise NIPS and its staff will still be managing many more prisoners. If there are reductions in the population, they will need to be both substantial and sustained to offer any respite to the pressure the Service has responded to in recent years.

The work of a justice-wide Working Group on Remand is welcome given the stark difference in the proportion of prisoners on remand between jurisdictions. It is also very likely that any changes in this area will take time to implement and to make a meaningful difference to population pressure in NI. Beyond operational responses and estates development, NIPS does not have the legislative or policy responsibility or authority to directly influence population growth.

The continued priority for NIPS is to deliver the best prison regimes and services possible within available resources. These issues continue to receive daily attention from the NIPS senior management team and Governors, from an operational perspective, and in strategic and contingency planning.

From a resource perspective 97 new entrant prison officers commenced training during the reporting period with the majority already deployed to their new work areas. Further new entrant intakes are planned for the remainder of 2026.

The continued priority for NIPS is to deliver the best prison regimes and services possible within available resources. These issues continue to receive daily attention from the NIPS senior management team and Governors, from an operational perspective and in strategic and contingency planning.

Rehabilitation, Resettlement and Reoffending

DoJ's strategic approach to reducing reoffending acknowledges that, in order to deliver a whole-system approach, there is a need for enhanced collaboration between those working in the various aspects of the criminal justice system as well as our partners across Government. It acknowledges that only by working with those who offend can we make communities safer and reduce future harm to victims. However, the criminal justice system on its own cannot provide the knowledge, expertise or access to the services needed to truly reduce reoffending.

Rather a whole system across Government approach is needed, with a Programme for Government (PfG) commitment to develop a Cross-Government Strategy to Reduce Offending and Reoffending by 2027. A twin-track approach has been progressed, with the development of a Strategic Framework and Action Plan to cover

the period 2026–27. In parallel work is progressing on the longer-term Strategy and Action Plan, with a range of work progressed, including a series of Departmental meetings, facilitated roundtable discussions and a two-day Insight Lab and report as well as the completion of three research projects.

There are a range of socio-economic factors which have been shown to have an impact on reoffending, including poverty and social deprivation, mental health issues, substance misuse, homelessness, as well as a lack of educational attainment and employment opportunities. These factors contribute towards the reasons why people become involved in crime in the first place, and they are often exacerbated through contact with the criminal justice system, leading to a cycle of offending which causes significant harm to victims and communities. Addressing reoffending not only means tackling these issues but also creating positive connections back into supportive families and communities so that they become enablers of change.

During 2025-26, a new restorative justice diversionary approach has been introduced, including a new Practice Standards and Accreditation Framework, which governs the delivery of restorative interventions by accredited organisations and practitioners, setting out practice standards plus key skills, knowledge and competencies required by practitioners. New arrangements are in place to expand the use of restorative justice, with a focus on undertaking restorative justice conferences. The initial locations for the new restorative justice diversionary disposal are Ards & North Down and Lisburn & Castlereagh police districts, to be further extended to other police districts during 2026-27. Work is also underway in relation to the use of restorative practice within a prison setting.

The aim of NIPS is to support and challenge those in our care to change and address their offending behaviour while in custody. This is undertaken through the delivery of the PDM a person-centred approach that focuses on nine resettlement pathways, based on socio-economic factors outlined above. However, delivery has become increasingly challenging due to the rising prison population and the resultant pressure on both staff resources and the capacity of our support services.

The changing dynamics of the population, with large levels of remand and short-

sentenced prisoners as well as an increasingly older and female demographic, also brings additional considerations with each cohort requiring significantly different support needs. During the reporting period, significant progress has been made in advancing the PDM Review. Both external reviews have now been completed and there has been a strong focus on internal governance, stakeholder engagement and early delivery actions. Engagement has taken place across statutory partners, oversight bodies, trade unions and voluntary and community sector organisations, helping to build shared understanding of the future direction of rehabilitation. Initial implementation activity has prioritised time-critical actions, including progression of key recruitment, development of programme structures and early work on outcomes measurement, quality monitoring and policy reform to address operational risks and strengthen delivery.

Looking ahead, activity will focus on establishing the governance and programme infrastructure required to support full implementation. This includes the development of a comprehensive action plan, oversight arrangements and strategic task teams to drive delivery across the system. These steps will provide the foundation for a more structured and outcomes-focused approach to rehabilitation, ensuring that the recommendations from the reviews are embedded in practice and support sustained improvement in services and outcomes.

A short sentence programme is available to manage the transition of short-term prisoners into the community. A SkillSet programme supports progress towards gaining and sustaining employment through one-to-one mentoring, upskilling and training. Prisoners also have access to Department for Communities Work Coaches, who aim to make those in custody job ready, and Northern Ireland Housing Executive Housing Advisors. The Northern Ireland Association for the Care and Resettlement of Offenders (NIACRO) SkillSET programme supports people living with convictions in prison and in the community to progress towards gaining and sustaining employment through one-to-one mentoring, advice, upskilling and training.

The Department launched BRIDGE (Business for Reintegration, Inclusion, Development, Growth and Employment) on 23 October 2025. BRIDGE is an initiative

designed to harness the capacity and influence of local businesses to help reduce reoffending through sustainable, employment-focused solutions. It continues to grow partnerships between government, employers and the voluntary and community sector, all working together to support people who are motivated to turn their lives around and reintegrate successfully into society.

Alongside the introduction of BRIDGE, work has continued to strengthen the overall coherence and effectiveness of rehabilitation and resettlement arrangements across the justice system. This includes a greater focus on earlier intervention, improved coordination between custody-based provision and community services and clearer alignment across partners in addressing the key drivers of reoffending. This approach is intended to maximise the impact of existing interventions, support more effective transitions from custody to the community and contribute to improved outcomes in reducing reoffending.

A justice-wide Working Group on Remand is also overseeing the development of viable alternatives to remand for consideration by the judiciary, as well as the implementation of a delivery plan. This includes development of a bail support pilot for women, exploring the range of electronic monitoring technologies available; consideration of medium to long term legislative change and how these might assist in reducing the prison population, while maintaining public safety.

Criminal Justice Inspection Northern Ireland

Magilligan Prison

Magilligan Prison was subject to a full unannounced inspection in September 2025, with the report published in March 2026. Inspectors found that Magilligan Prison's performance had improved since the last full Inspection in 2021 and the 2023 Independent Review of Progress.

The outcomes for prisoners in the areas of Safety, Respect, Purposeful Activity and Preparation for Release were assessed as 'good'. This the highest outcome achievable for each test, and the Magilligan is the second prison in Northern Ireland to achieve that success, following the Hydebank report published in 2025.

Inspectors identified 19 examples of notable positive practice, which other prisons could learn from. They included:

- communication between dads in prison and their children;
- programmes, services and spaces developed to support the wellbeing of prisoners;
- the work and support of the Prisoner Safety and Support Team and the services provided by a Learning Disability Nurse and Speech and Language Therapist;
- a clear pathway for people to progress through the prison; and
- a good range of enrichment activities and work being done to help address trauma, get employment on release and programmes to take part in to improve self-esteem and personal responsibility.

Inspectors highlighted 11 concerns, four of which needed immediate action. These were:

- the supply and misuse of drugs, particularly of medication not prescribed to the prisoner who was taking it was the biggest threat to the safety and stability of the prison;
- many of the buildings were old, worn and in need of replacement;
- it was taking too long for prisoners to access substance misuse and addiction services with many resorting to illegitimate drug use to manage their addictions; and
- the need for an overarching employability strategy.

On publication Inspectors praised the Governor and the collective efforts of the leadership and staff team at Magilligan Prison for the rehabilitative environment they have developed, and the positive outcomes delivered for prisoners in their care.

Chief Inspectors (HM Inspectorate of Prisons and CJINI) commented: *“It was a pleasure to inspect this well-run medium to low security prison which is now considered one of the very best prisons in the United Kingdom (UK).”*

The Governor of each establishment has lead responsibility for the development and implementation of actions in response to inspection findings. PSMB provides oversight for the work of Governors to address inspection recommendations.

Continuous Development

NIPS Business Plan 2025-26

Having worked towards the delivery of the aims set out in Prisons 25 by 25 Strategy, which covered the period 1 April 2022 to 31 March 2025, NIPS took some time to reflect on the achievements over the lifetime of this Strategy and to consider the content of a new Strategy. The 2025-26 Business Plan was developed following engagement with, and input from, senior managers across the organisation. The 2025-26 Business Plan has acted as a one-year bridge between Prisons 25 by 25 and informed the development of a new five-year strategy, which will maintain a focus on continuous improvement and set out the vision and ambition for NIPS for the period 2026-31, aligned to Ministerial priorities, and the NI Executive's PfG. Alongside the new Strategy, the 2026-27 NIPS Business Plan will support the delivery of this strategy.

Progress on the Business Plan will be monitored by the Executive Forum and reported to the PSMB on a quarterly basis.

Capital Estates Programme

Due to the significant population pressures across the Maghaberry and Magilligan prison sites, a programme of work to is being taken forward to develop Emergency Cellular Accommodation to ensure it continues to provide safe, legal, and humane accommodation. NIPS is already at operational capacity for adult male prisoners at both Magilligan and Maghaberry. Additional accommodation is therefore needed as a matter of extreme urgency, and it is planned for 100 additional beds at Magilligan and 20 beds at Maghaberry. The Outline Business Case (OBC) is currently being developed, and Department of Finance (DoF) Construction and Procurement Delivery (CPD) have been engaged regarding the procurement strategy and indicative programme.

DoF approval for the OBC 1 for the New Kitchen and Café at Magilligan Project was gained on 1 September 2025. A tender package for the Integrated Consultant Team is currently being developed by CPD.

The project to develop three Independent Living Units on the Hydebank Wood site has been paused and a new master plan is being considered.

The OBC 2 is currently being drafted for Maghaberry Welcome and Visits Centre and a planning permission application is to be submitted by June 2026.

The Minor Works rolling programme has continued through the year with almost 100 minor works projects completed totalling approximately £11.8m.

This included projects in Maghaberry, Hydebank and Magilligan to upgrade mechanical and electrical infrastructure including boiler houses, plant rooms and lighting systems, all of which have resulted in significant reductions in energy usage and carbon emissions. Specialist security systems throughout the prison estate including CCTV, Alarm, Access Controls and Intercom Systems were installed or upgraded to ensure a safe and secure environment for staff, prisoners and visitors.

Procurement

The Central Procurement Unit (CPU) is responsible for all non-construction procurement within NIPS. CPU manages around 62 contracts with total contract value of £64m. These consist of:

- all food contracts for kitchens for both staff and prisoners. The foods supplied are beef, poultry, pork, all dried foods to include spices, flour, custard, gravy, all fruit and vegetables, dairy to include milk, cheese, creams and yogurt, frozen to include chips and potato wedges, fish fingers and chicken burgers;
- prisoner's tuckshop comprising of food-to-go, toiletries and fruit, confectionery, crisps, drinks and tinned food products e.g. tuna;
- stores items for all areas: bedding, prisoner clothing, footwear for both officers and prisoners, cleaning products, toilet rolls, uniform; and
- various non-goods and service requirements, for example Visitors' Centre provision and prisoner Phone System.

Additionally, the Unit provides draft tender documentation and advice on the tendering process for end-users. The Unit is a principal member of the Public Sector Food Working Group and is also the single point of contact for the Trader Support

Scheme within NIPS - this is now the only way goods can be brought in from Great Britain.

Digitalisation

Significant progress has been made during the last year on a range of digitalisation projects, including:

- Online Visits Services continue to be well used by Visitors, with 3 services live in 3 years. On-Line payments functionality was released on 12 January 2026, which allows families to pay money into Prisoners' accounts; a comparison of the payments for the period 11 January - 6 February 2025 and 2026 show the total value of transactions for this period in 2026 was £240,745.46 of which £59,360.46 were Online Payments, the same period in 2025 was £124,744.00, representing an increase of £116,001.46;
- NIPS and Healthcare in Prisons (HiP) have introduced data sharing between PRISM and ENCOMPASS systems using an IT Interface, solution that went live in November 2025, an additional phase will be considered in 2026-27 to include provision of a shared space for Supporting People at Risk (SPAR);
- Compassionate Temporary Release (CTR) digital functionality was implemented on PRISM in November 2025, this has seen a significant improvement in the applications process and reduction in legal challenges to NIPS;
- Promoting Positive Behaviour functionality went live in April 2026;
- Functionality to assist the Women's Support Officer in Hydebank is being developed with support of Hydebank PDU and Governors, target to go live by middle of 2026; and
- The Prisoner Portal (PP) system continues to be rolled out across the prison estate in Maghaberry with Moyola (Healthcare) completed in 2025, two Houses in Magilligan are at advanced stages of completion with all User Testing completed. PP will be further rolled out to other areas in Maghaberry for separated accommodation and the square houses, work commencing with Hydebank installation scheduled to begin Summer 2026.

Health and Safety

During the year, significant progress has been made in delivering the Health & Safety Review Implementation Programme, with key foundations now firmly in place. The NIPS Health & Safety Policy has been fully rewritten, aligning it with current legislation, best practice, and the emerging Health & Safety Management System.

A dedicated Nursing Mothers' Room at Maghaberry is in the final stages of completion, supporting staff wellbeing and equality commitments. A corresponding facility at Magilligan is currently in progress and remains on schedule.

To strengthen delivery and ensure continuity, a dedicated member of staff is now in post to lead the implementation programme. This supports the wider focus this year on strengthening governance, resourcing, and policy foundations, ensuring the programme is well positioned to move into further implementation and embedding.

FORWARD LOOK

As we move into 2026-27, NIPS continues to operate within a challenging and complex environment characterised by sustained prison population pressures, high remand levels, ongoing constraints within the prison estate and continued financial and workforce challenges. Maintaining safe, secure and decent custody will remain our overriding priority, alongside progressing reform in a measured and achievable way.

2026-27 will see the launch of our new five-year strategy, which reaffirms our mission of *"making the community safer by supporting and challenging people to change"*. The strategy will provide a clear strategic framework to strengthen leadership and workforce capability, embed an evidence-led approach to rehabilitation, deliver safe and purposeful custody, improve governance and organisational culture, and ensure our estate and systems are resilient and sustainable.

During the year ahead, we will focus on translating strategic intent into practical delivery through our annual Business Plan. Activity will prioritise stabilising regimes,

supporting staff wellbeing and capability, improving rehabilitation and resettlement pathways, strengthening partnerships across the justice, health and community sectors, and enhancing governance, assurance and performance management. We will also continue to play a central role in cross-government work to reduce offending and reoffending, in line with PfG commitments.

Our plans for 2026-27 will continue to reflect the realities of resource availability and wider system dependencies. Progress will be monitored closely, risks actively managed and priorities adjusted where necessary to ensure that limited resources are directed to areas of greatest impact. Through this approach, we aim to deliver sustainable improvements that support our staff, protect the public and improve outcomes for people in our care.

PERFORMANCE ANALYSIS

REVIEW OF PERFORMANCE 2025-26

Performance against Key Performance Targets

The delivery of our services is aligned with the strategic priorities, missions and wellbeing domains set out in the [2024-27 Programme for Government Our Plan: Doing what matters most](#).

Of the nine priorities identified in the 2024-27 PfG, NIPS contributes as an organisation to 'safer communities'.

Our work and business activity also aligns with the Executive's stated PfG missions of:

- people;
- planet;
- prosperity; and
- peace.

We also take account of and contribute to the PfG wellbeing domains to develop:

- safer communities; and
- living peacefully.

Our work is also aligned with and supports the [DoJ Corporate Plan 2025-28 and Business Plan 2025-26](#) vision of to *working together for fairness, justice and safety* and its strategic priorities of reducing offending, community safety, supporting victims of crime, access to justice and empowering people. The work of the DoJ is particularly aligned to the PfG 2024-27 'safer communities' priority and the 'ending violence against women and girls' priority.

Strategic Priority - Reducing Offending

To work with our partners to address issues that contribute to offending behaviours and that help support rehabilitation.

Action	What we will deliver during 2025-26	Position at 31 March 2026
Improving outcomes for young people in contact with the justice system, as well as their families, victims and communities.	Deliver the Year 4 action plan under the Strategic Framework for Youth Justice by taking forward actions including: • The development of a new Single Community Order for children, based on the outcome of responses to a public consultation; and • Improving the youth court experience for young people and their parents/carers.	Achieved
Improving outcomes for those in contact with the justice system by enhancing opportunities to address the needs of individuals, root causes of their offending behaviour and reduce the rate of offending.	Seek Executive approval on the approach to development of a draft cross-departmental strategy to Reduce Offending and Reoffending.	Partially Achieved A draft Strategic Framework and Delivery Plan for 2026-27 has been developed following a Strategic Insight Lab facilitated by the DoF. The interim Framework aligns existing priorities across the Executive and bridges to a longer-term cross-Executive strategy. The Framework was shared with Permanent Secretaries in five Departments with publication planned for early 2026-27, subject to Ministerial and Executive approvals, A Call for Views is due to issue in 2026-27 to inform further engagement and the longer-term strategy due for Executive consideration in 2027. Work is also underway to establish a Cross-Executive Strategic Board to provide governance and strategic direction.

Strategic Priority - Reducing Offending

To work with our partners to address issues that contribute to offending behaviours and that help support rehabilitation.

Action	What we will deliver during 2025-26	Position at 31 March 2026
Improving outcomes for those in contact with the justice system by enhancing opportunities to address the needs of individuals, root causes of their offending behaviour and reduce the rate of offending.	Develop and implement a bail support scheme pilot for women with a view to reducing the number of females committed to custody.	Partially Achieved The development of a Bail Support pilot scheme continues in conjunction with criminal justice partners, health and housing colleagues. This includes finalising operational details with Probation Board NI, Police Service of NI (PSNI) and NIPS Prisoner Escort and Court Custody Service (PECCS). Issue of a specification, which will be used to seek applications from the Voluntary and Community sector for the delivery of the service, has been delayed as budget allocations have not yet been confirmed. It is hoped that if funding is made available, the scheme can be implemented during 2026-27.
Improving outcomes for those in contact with the justice system by enhancing opportunities to address the needs of individuals, root causes of their offending behaviour and reduce the rate of offending.	Deliver actions under Year Four of the Adult Restorative Justice Strategy, including the introduction of a new Accreditation Framework and Practice Standards.	Achieved
Improving outcomes for those in contact with the justice system by enhancing opportunities to address the needs of individuals, root causes of their offending behaviour and reduce the rate of offending.	Implement in-year actions for 2025-26 under the <i>Strategy for Women and Girls in or at risk of contact with the justice system</i> , including: • Development of a communication and engagement framework; • Exploration of research opportunities with key partners and academia; • Development of a Good Practice Charter on the treatment and care of women and girls coming into contact with the criminal justice system.	Achieved

Strategic Priority - Reducing Offending

To work with our partners to address issues that contribute to offending behaviours and that help support rehabilitation.

Action	What we will deliver during 2025-26	Position at 31 March 2026
Enhancing the delivery of rehabilitation, resettlement and offender management provision to achieve better outcomes for individuals in our care.	Assess the impact of recommendations from external reviews of the NIPS Prisoner Development and Psychology Models, agree a revised rehabilitation framework and develop an implementation programme.	Achieved
Effective responses to an increased prison population.	Manage the prison population effectively within available resources and maintain a stable environment to support rehabilitation within the current operating context of highest overall prison population and remand levels in 25+ years and likelihood that prison capacity will be exceeded by Quarter 2.	Partially Achieved NIPS successfully sustained a stable regime throughout 2025-26 despite significant pressure from population growth and persistently high population levels. Capacity pressures required the re-opening of outdated accommodation at Maghaberry prison and increased cell-sharing, impacting resources, the physical environment, and placing additional demands on prison staff. While regime stability has been maintained, delivery of rehabilitation and resettlement interventions has been significantly impacted by population pressures. As a result, medium-term stability of adult male prisons remains at risk if operational capacity is exceeded in 2026-27. Planned justice system interventions have also not yet achieved the anticipated reduction in committals or population levels. In the meantime, strategic options to reduce reoffending through effective custody management and rehabilitation continue to be kept under review by the NIPS.

Financial Review

The net expenditure of the Agency for 2025-26 is compared to the previous two financial years in the table below.

	2025-26	2024-25	2023-24
	£000	£000	£000
Total operating income	(5,699)	(5,105)	(5,009)
Staff costs	107,960	95,860	88,472
Purchase of goods and services	41,280	38,718	37,719
Depreciation and impairment charges	16,400	15,666	15,445
Provision expense	5,131	4,452	4,081
Grants	2,517	2,226	2,038
Total operating expenditure	173,288	156,922	147,755
Net operating expenditure	167,589	151,817	142,746
Finance expense	3,495	3,249	2,797
Net expenditure for the year	171,084	155,066	145,543
Notional costs	3,030	3,275	3,111
Net expenditure for the year including notionals	174,114	158,341	148,654

Non-current assets

Non-Current Asset expenditure movements are detailed in Notes 8 and 9 to the financial statements. Capital expenditure in 2025-26 totalled £15.1m (2024-25: £14.0m). Further details are contained in the Performance Summary.

Financial position

The total net assets of the Agency at 31 March 2026 were £257.3m (2024-25: £255.3m).

Cash flow

As detailed in the Statement of Cash Flows, the Agency's Net Assembly draw down in 2025-26 was £164.7m (2024-25: £157.6m) and the net decrease in Cash and cash equivalents in the year was £0.8m (2024-25: increase £0.9m).

Financial risk

The Agency relies on the DoJ for funding and the risk to this funding is low. The Agency accounts for all transactions in sterling and has no borrowings. As such, the Agency is not exposed to any exchange rate or liquidity risk.

Cost per Prisoner Place

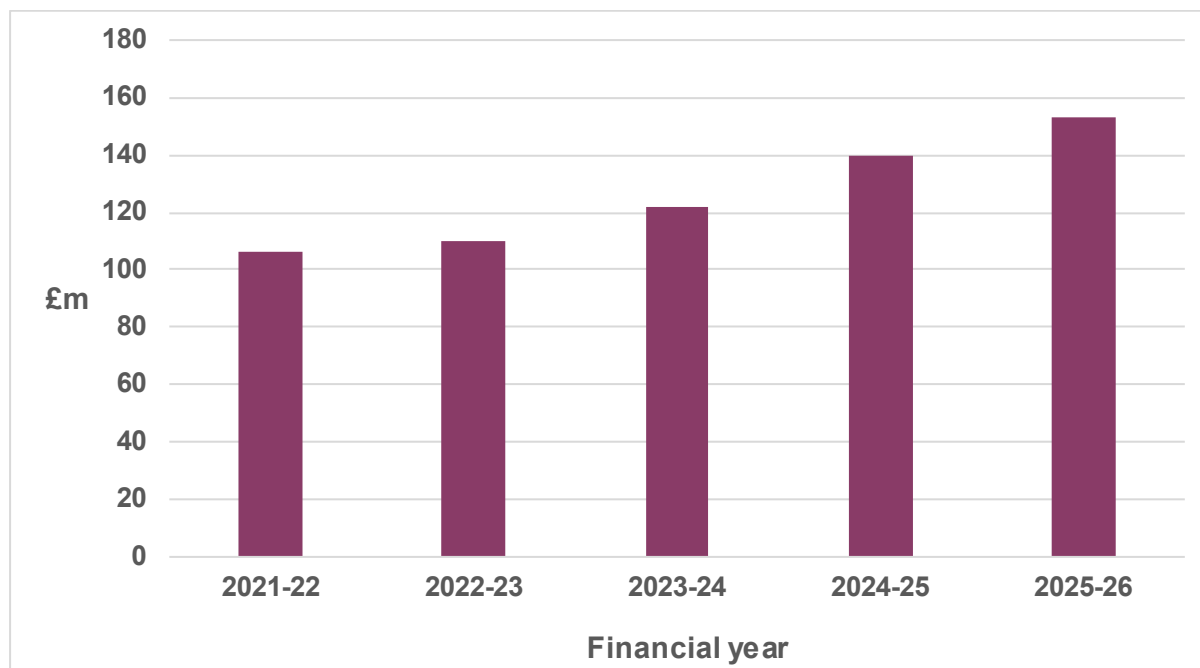
The Cost per Prisoner Place (CPPP), which excludes exceptional payments and the cost of the Prisoner Escorting and Court Custody Services, was £57,056 in 2025-26 (2024-25: £57,180). CPPP has decreased from last year due to the increase in the Certified Normal Accommodation by 223 places which has had the effect of reducing per capita overhead costs. This is due to the reopening of accommodation to manage the increase in prisoner numbers.

Long-term expenditure trends

The chart below shows the movement in the Agency's opening baseline for non-ringfenced Resource Departmental Expenditure Limit (DEL) over the period 2021-22 to 2025-26.

As outlined in further detail below, the Finance Minister has proposed a Draft multi-year Budget covering the period 2026-27 to 2028-29 for Resource DEL. However, a Budget has not yet been agreed by the Executive. As a result, the chart below has not been updated beyond 2025-26.

Chart 1: NIPS Non-Ringfenced Resource DEL opening baselines 2021-22 to 2025-26



2025-26 financial year

On 3 April 2025, in a Written Ministerial Statement, the Finance Minister set out the 2025-26 budgets for Northern Ireland departments which have been agreed by the Executive. The Written Ministerial Statement provided a non-ringfenced Resource DEL budget for the Department of £1,415.3m*.

The DoJ's non-ringfenced Resource DEL Budget was as follows:

- an opening baseline budget of £1,218.4m;
- an additional allocation of £137.7m, including £1.9m for NI Consolidated Fund judicial salaries;
- transformation funding of £5.4m;
- additional security funding for the PSNI of £37.8m; and
- funding for the Executive Programme on Paramilitarism and Organised Crime (EPPOC) of £16m (this is funding to be distributed across various departments and is not solely for the use of DoJ).

**Totals may not add due to roundings*

2026-27 to 2028-29

On 6 January 2026, the Finance Minister issued a Written Ministerial Statement to the Assembly outlining proposed Draft Budget allocations. These proposals covered Resource DEL for the three-year period 2026-27 to 2028-29. The Department's proposed Draft Budget allocations are illustrated below.

Proposed Resource DEL Draft Budget Allocations

Resource DEL	2026-27 £m	2027-28 £m	2028-29 £m
Proposed Departmental Budget Outcome	1,575.4	1,497.2	1,525.7
Proposed Autumn Budget - Indicative Allocation	10.0	6.5	-
Total Indicative Resource DEL allocation	1,585.4	1,503.7	1,525.7

Although the proposed Draft Budget was published for consultation, it has not yet been agreed by the Executive and therefore remains subject to change, including potential reductions given the pressures faced across all departments.

Consequently, there is currently no Executive-agreed Budget in place for the 2026-27 financial year or beyond.

In the absence of an agreed Budget, the DoF Permanent Secretary issued each departmental Accounting Officer with a Contingency Planning Envelope on 30 April 2026. These envelopes set out indicative Resource DEL funding levels for 2026-27 to support planning and affordability assessments pending agreement of a Budget by the Executive. Any Budget subsequently agreed by the Executive will supersede these arrangements.

Going Concern

NIPS is funded by the NI Assembly through the Estimates process and 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 NIPS's financial statements for 2025-26.

Auditors

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. The C&AG is head of the Northern Ireland Audit Office (NIAO) and reports her findings to the Assembly. The C&AG and her staff are wholly independent of the Agency.

The notional audit fee for the work performed by the staff of the C&AG during the reporting period, and which relates solely to the audit of these financial statements, was £52,000 (2024-25: £48,000).

The C&AG may also undertake other statutory activities that are not related to the audit of the Service's financial statements such as Value for Money (VFM) reports. In June 2023 the C&AG published a VFM report on Reducing Adult Reoffending, which was subject to a Public Accounts Committee Inquiry during April 2025. A key commitment incorporated within the Northern Ireland Executive's Programme for Government is the development of a Cross Governmental Strategy to Reduce Offending and Reoffending.

Payment of suppliers

The Agency'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. The Agency's compliance with Prompt Payment is provided in the table below.

	2025-26	2024-25
Total invoices paid	17,830	17,192
Total invoices paid within 10 days	16,918	16,260
% of invoices paid within 10 days	94.9	94.6
Total invoices paid within 30 days	17,451	16,858
% of invoices paid within 30 days	97.9	98.1
Statutory penalties paid for late payments (£k)	-	-

Human rights

NIPS staff have a statutory duty to respect, protect and fulfil people's human rights when delivering services.

The Northern Ireland Human Rights Commission (NIHRC) interactive guide to Human Rights is available to NIPS staff to ensure they have knowledge of human rights law and standards and the core principles through which human rights are realised.

152 recruits received Human Rights awareness sessions between March 2025 and March 2026. The sessions were delivered in partnership with the Ulster University as part of the accredited Induction Programme for new entrant operational staff. The training is designed to increase human rights knowledge and strengthen the culture of human rights awareness and good practice within NIPS.

Anti-corruption and anti-bribery

NIPS is committed to the values of probity and accountability which foster a positive organisational culture. Prison staff, whether on or off duty, should always act in a way which supports and upholds the reputation of the profession.

Clear expectations are set out within the NIPS professional code of ethics and values, and any alleged wrongdoing will be rigorously investigated by highly experienced and trained investigators from the Professional Standards Unit. NIPS has a zero-tolerance approach towards acts of bribery and corruption by staff, associated persons and organisations.

Serious allegations of wrongdoing e.g. bribery, corruption, theft etc. may also be referred to the PSNI for criminal investigation. NIPS will take proportionate steps to recover any assets lost as a result of fraud, corruption or theft.

Sustainability Report

Climate change / environmental management and sustainability

Throughout 2025-26 NIPS has continued to advance a broad range of initiatives to support their environmental and climate change commitments.

The organisations long established focus on energy efficiency and reducing Green House Emissions (GHG) means we have now surpassed the 2030 target of achieving a 48% reduction target in net GHG emissions (1990 baseline) set within the Climate Change Act (NI) 2022.

This sustainability section of our annual report has been prepared in accordance with DAO (DOF) 03/26 - 'Sustainability Reporting Guidance for NICS Departments 2025-26'.

1. Governance Statement

The progression of NIPS's programme of activity on Climate Change and Sustainability is co-ordinated through a Sustainability Steering Group (SSG), chaired by the Director of Prisons. The SSG includes representation from senior management within each Prison alongside sustainability leads from estate management, the transport manager and the head of financial planning.

The SSG tracks and monitors energy and water consumption across the organisation, reviews environmental, recycling and bio-diversity initiatives occurring within each prison and provides direction on sustainable development initiatives across the service. NIPS's ARC and PSMB provide oversight of the organisations management of climate related risks.

An early focus on sustainability has allowed NIPS to be seen as one of the leading lights within NI central government on reducing their carbon emissions and managing their broader response to sustainability. This has led to NIPS's Director General, Beverley Wall, being appointed the Departmental Sustainability Champion.

A Departmental Climate Change Strategic Oversight Board, chaired by the Director General of NIPS, provides strategic direction to the delivery of DoJ's obligations under the Climate Change Act (NI) 2022 and its contribution to the NI Climate Action Plan 2023-27.

2. Risk Statement

During 2026-27 NIPS will review the current information to allow the delivery of an appropriate Risk Statement in line with the requirements of the 'Sustainability Reporting Guidance for NICS Departments'; (Risk Statements are mandated from 2026-27 onwards under the NICS Sustainability reporting guidance).

3. Targets and Baseline

NIPS has a long-established record of monitoring and recording its utility usage across its estate. More recently NIPS had been reporting its progress on energy, water and waste consumption using a 2016-17 baseline (mandated by the NI Executive's Energy Management Strategy and Action Plan to 2030 for NI Central Government). Following the publication of the Climate Change Act (NI) 2022 NIPS have undertaken some initial baseline modelling to establish a 1990 baseline for GHG mandated by the Act.

In the interest of obtaining independent verification of the model the Department of Agriculture, Environment and Rural Affairs (DAERA) officials viewed and confirmed in April 2025 that they are content with the basis of the initial GHG modelling exercise used for the calculation of NIPS's progress against the 1990 baseline (including conversion factors and stated assumptions).

The recent publication of the '*Sustainability Reporting Guidance for NICS Departments*' has introduced the establishment of a broader set of Sustainability objectives and accompanying baselines. (Baselines are mandated from 2027-28 onwards under the NICS Sustainability reporting guidance). NIPS will work to establish and measure these additional metrics and report on them in line with the guidance.

4. Emissions Scope 1 (fuel burned) and 2 (purchased electricity)

The Prison estate operates on a 24/7 basis and extends to several sites across

Northern Ireland. These include Maghaberry Prison; Magilligan Prison; Hydebank Wood Secure College and Women's Prison; Burren House a pre-release open prison in Belfast together with a Training Facility (located at Hydebank Wood) and a Headquarters building on the Stormont estate.

Table 1 below summarises NIPS total scope 1 and scope 2 emissions, consumption and costs based on validated utility readings and application of the conversion factors stipulated in the Sustainability Guidance for NICS Departments.

Table 1: Energy emissions, consumption and cost for fuel burned and purchased electricity in 2025-26

	Scope 1 (fuel burned)	Scope 2 (purchased electricity)
Emissions (kg CO ₂ e)	6,023,552 kgCO ₂ e	$12,304,479 \times 0.177 =$ 2,177,893 kgCO ₂ e
Consumption (kWh Gross CVC)	30,560,814 kWh	12,304,479 kWh
Net Cost (£ millions)	£1,875,047	£2,506,737

The above data has been sourced from the aggregation of a number of fuel sources which are detailed below:

Scope1 (Fuel Burned) Emissions (kg CO ₂ e)	<i>Nat Gas: 24,095,612 x 0.18259 =</i> <i>Gas Oil: 6,139,442 x 0.25359 =</i> <i>Kerosene: 41,020 x 0.24557 =</i> <i>LPG: 257,153 x 0.21419 =</i> <i>BioLPG: 27,857 x 0.0675 =</i>	4,399,618 kgCO ₂ e 1,556,901 kgCO ₂ e 10,073 kgCO ₂ e 55,080 kgCO ₂ e 1,880 kgCO ₂ e
Scope 1 (Fuel Burned) Consumption (kWh Gross CVC)	Gas: Gas Oil: Kerosene: PG: BioLPG:	24,095,612 kWh 6,139,442 kWh 41,020 kWh 257,153 kWh 27,857 kWh
Scope 1 (Fuel Burned) Net Cost (£ millions)	Gas: Gas Oil: Kerosene: PG: BioLPG:	£1,445,189 £413,635 £2,383 £10,384 £3,456

Data source: Consumption data is taken from validated Utility bills (checked by NIPS Monitoring & Targeting (M&T) system). Conversion rates for Natural Gas and Electricity have been taken from the Sustainability Reporting Guidance for NICS departments. Conversion factors for all other fuel sources – which are not separately identified within the guidance - have applied the appropriate conversion factors stipulated within the UK Department of Energy Security and Net Zero – GHG

Reporting: conversion factors 2025.

5. Emissions Scope 1 – Fuel burned from NIPS owned transport

The calculations listed in Table 2 below are based on invoiced fuel supplies for NIPS fleet vehicles. The new Sustainability Reporting Guidance for NICS Departments indicates that recording details of emissions from fleet vehicles as optional, but whenever it is captured, it should be based on the mileage of the fleet.

NIPS will review its approach to the recording of fleet data to enable the recording of fleet mileage to be captured. This modification will be reflected in any future annual reporting of fleet mileage and emissions.

Table 2: Mileage and emissions by NIPS owned vehicle type in 2025-26

Vehicle size/ type	Fuel type	Mileage 2025-26	Kg CO2e 2025-26
Various Size/Type of Vehicles	DERV	134,519 Litres	$134,519 \times 2.53763 = 341,359$ kgCO2e
Prison Escort Fleet (3 Vehicles)	HVO	14,960 Litres	$14,960 \times 0.03558 = 532$ kgCO2e

Data source: Consumption data taken from fuel invoices obtained from Transport department applying the appropriate conversion factors stipulated within the UK Department of Energy Security and Net Zero – GHG Reporting: conversion factors 2025

6. Emissions Scope 3 – business travel (via transport not owned by NIPS)

6.1 Business travel using staff owned transport

Business travel using staff owned transport requires the compilation of data from two separate systems encompassing both civilian and prison grade staff. The business travel claims for prison grade staff are separately compiled and will require adjustment to allow emissions data to be accurately captured in accordance with the new sustainability reporting guidance. This information is not available at time of publication. NIPS will look to review the collation of travel data to allow the total combined business travel of staff using owned transport to be presented in the return for 2026-27.

6.2 Business travel using public transport that is claimed back

Business travel using public transport includes data from two separate systems encompassing both civilian and prison grade staff. The business travel claims for prison grade staff are separately compiled and will require adjustment to allow emissions data to be accurately captured in accordance with the new sustainability reporting guidance. This information is not available at time of publication. NIPS will look to review the collation of business travel using public transport to allow the total combined emissions of business travel using public transport to be presented in the return for 2026-27.

6.3 Business travel that is booked via Travel Desk or equivalent

Business travel booked via Travel Desk includes data from two separate systems encompassing both civilian and prison grade staff. The business travel claims for prison grade staff are separately compiled and will require adjustment to allow emissions data to be accurately captured in accordance with the new sustainability reporting guidance. The information is not available at time of publication. NIPS will look to review the collation of business travel to allow the total combined emissions from business travel booked via Travel Desk to be presented in the return for 2026-27.

7. Paper Printed

Table 3 listed below represents the total amount of printed paper generated by NIPS. The information has been sourced by the DoJ from IT Assist:

Table 3: Paper printed

Year	Paper printed (pages)
2025-26	1,846,590

Data Source: IT Assist (sourced by DoJ)

8. Responsible Disposal of ICT Waste

A pan-government contract is in operation for the disposal of ICT waste; “Framework for disposal services for IT equipment, electronic and electrical equipment”. This framework is used by NIPS whenever it requires the disposal of ICT waste.

All framework suppliers must have BS EN ISO 14001; 2015 - Environmental Management System accreditation (or equivalent) before being appointed to the framework.

The framework specification requires suppliers to ensure that all equipment that is not resold must be dismantled and recycled/disposed in accordance with the relevant legislation including, but not limited to:

- the Waste Electrical and Electronic Equipment Directive;
- BS EN ISO 14001: 2015;
- the Environmental Protection Act 1990; and
- the Hazardous Waste Regulations.

9. Sustainable Procurement

NIPS continues to follow DoF guidance on the implementation of environmental and sustainable practices in the procurement of goods and services.

The use of Social Clauses has been available for use by public sector bodies within Northern Ireland for the best part of the last two decades. In that time NIPS has successfully adopted social provisions to create apprenticeships and skills training as part of contract delivery within both Facilities Management contracts and major construction projects. Their primary role has been to encourage the creation of employment opportunities for those furthest from the labour market (apprenticeships, training for long term unemployed etc.) to support economic regeneration.

The introduction of PGN01/21 on 1 June 2022 mandated that the new 'Social Value' (SV) provisions must be used by public bodies within Northern Ireland on large value contracts, allocating a minimum of 10% of the total award criteria to SV.

The new SV process is a significant expansion on what went before. It requires Contracting Bodies to establish a minimum number of SV points. Bidders can achieve these points by delivering against a large menu of options spread across four themes (Employment and Skills; Resilient & Ethical Supply Chains; Delivering Zero Carbon and Promoting Wellbeing).

On 5 June 2025 the NI Executive stated, "*Social Value means economic,*

environmental and social benefits in support of the Programme for Government”.

The DoF SV Strategy document 2025-27 states, “*Social Value refers to wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment. It incorporates ethical and sustainable supply chains, community benefits and wealth building, job and skills creation and efforts to combat climate change*”. NIPS will continue to implement SV provisions within the procurement of its contracts.

10. Single Use Plastics

NIPS supports the cross-government approach led by DAERA, in partnership with the DoF, to eliminate unnecessary single-use plastics (SUPs) from the government estate. As a result, a ban on unnecessary SUPs is now in place across the NIPS estate.

11. Recycled Waste

Recycling activities occur across each of the NIPS sites, creating inmate activity and helping reduce levels of general waste. All Prisons have compactors, balers and other recycling equipment (recycling paper, plastics, cardboard, metal and wood). 30 prisoners are involved in the recycling activities at our largest prison. Recycled materials are segregated and collected separately helping reduce levels of general waste.

Food Waste is segregated and collected separately within Prisons. This reduces the volume of waste sent to landfill. Following collection, the food waste is put through an anaerobic digester whose gases are used to generate heat/electricity.

General Waste is sent to a Material Recovery Facility where any remaining recyclable material is abstracted and recycled. What remains is general waste that is recovered and used to create fuel for industry. These measures have helped to achieve an in-year recycling rate of 44%.

The information in Table 4 below has been taken from collection/cost reports provided by the Specialist Waste Contractor (NIPS appointed waste collection contractor)

Table 4: Total weight and cost of recycled waste

2025-26	Waste recycled (tonnes)	Cost of waste recycled (£,000)
Total waste recycled	1,296	£160,159
Waste composted/ food waste	Not available	Not available
Waste incinerated with energy recovery	Not available	Not available
Waste incinerated without energy recovery	0	Not available

Data source: Specialist Waste Contractor

12. Water consumption

Water consumption is tracked and monitored across the NIPS estate through an energy M&T system. In recent years NIPS have taken forward a number of projects to provide improved resilience this has included the replacement of a number of underground water and fire mains at various locations across its estate.

A summary of the current level of water consumption obtained from validated bills from NI Water is listed in Table 5 below:

Table 5: Water Consumed

Year	Water used (cubic metres)	Emissions (kg CO₂e)
2025-26	413,374	$413,374 \times 0.19130 = 79,078 \text{ kgCO}_2\text{e}$

Data Source: Consumption data taken from validated water bills (checked by NIPS M&T system) and applying the appropriate conversion factors stipulated within the UK Department of Energy Security and Net Zero – GHG Reporting: conversion factors 2025.

13. NIPS's own fleet

NIPS operates a range of Ultra Low Emission Vehicles (ULEV's) within its fleet. As part of Northern Ireland's continuing Climate Change journey, NIPS explored options to reduce the carbon emissions of their commercial vehicles.

After consulting the Department for Infrastructure and industry experts an examination was made of the options that exist, this included the direction of travel for Electric Vehicles (EV), new technologies under development as well as new sources of eco fuels entering the market.

As a result, a decision was made in 2024 to trial the use of Hydro-treated Vegetable Oil (HVO). HVO offers a 98.5%* reduction in vehicle CO² emissions. Based on the extended use of the product during a 6-month trial using a representative sample of vehicle types and real-world analysis the view of the Fleet manager was that:

“There was no material impact on either the driven performance or the mechanical integrity of vehicles as a result of their use of HVO fuel. I would be happy to use HVO fuels across the PECCS fleet and all other vehicles that aren’t suitable for transitioning to EV.”

Following the successful completion of the trial a decision was taken to continue to operate a number of prison escort vehicles using this eco fuel (with a commitment to transition the whole PECCS fleet if resources allow).

* Source: Government Conversion factors for company reporting of GHG emissions (updated July 2024) – Department for Economy, Security and Net Zero and the Department for Business, Energy & Industrial Strategy

Table 6: Percentage of NIPS's own hire or lease vehicle fleets that are categorised as Ultra-Low Emission Vehicles (less than 50g CO₂ per km)

	Total no. vehicles in fleet	% of vehicles in fleet that are ULEV
2025-26	97	5%

Data source: NIPS Fleet Manager

14. Nature recovery and biodiversity action planning

Biodiversity Action Plans have been produced for each prison site. NIPS continue to work with the NI Environmental Agency, the Royal Society for the Protection of Birds, Woodland Trust and conservation specialists to protect flora and fauna across the

prison estate.

At Magilligan, a tree nursery project run by prisoners has created a native tree nursery which nurtures 35,000 native tree saplings (which include Scots Pine, Oak, Chestnut and Birch) which are in short supply. The 'Justice for Woodlands' project is a joint venture between Magilligan Prison and Causeway Coast and Glens Heritage Trust. Each year trees are transferred from the Prison and planted in the local area, including schemes to prevent soil erosion.

The Magilligan project was the first large scale tree nursery of its kind in Northern Ireland which does not rely on imported stock, reducing the likelihood of disease. As Northern Ireland is one of the least wooded countries in Europe, having a native tree nursery, produced from local seeds for local projects is an important step forward.

15. Climate Change Adaption

NIPS recognises the importance of climate change adaptation and is committed to improving the resilience of the NIPS estate to climate related risks. While a dedicated Climate Change Adaptation Plan has yet to be fully developed, NIPS continues to engage with the Ministry of Justice in Westminster (who are participating in a national research study to better understand climate risks and consideration of appropriate mitigation measures) the Climate Change Committee in Westminster and prison services across Europe to understand best practice approaches to provide climate change adaptations.

The installation of effective heating control systems currently ensures that thermal comfort is achievable in all new living accommodation areas.

16. Sustainable Construction

NIPS long established policy has been that all new build projects over 1,000m² are designed to attain a Building Research Establishment Environmental Assessment Method (BREEAM) 'excellent' rating and BREEAM 'very good' rating on all refurbishment projects over 1,000m².

Moving forward all major projects now seek to produce designs which align with the principles of Net Zero to improve the energy efficiency and environmental performance of its estate as well as being better adapted to withstand our changing climate.

17. Reducing environmental impacts from ICT and Digital

NIPS is committed to reducing the environmental impacts associated with its ICT and digital operations. NIPS promotes sustainable ICT practices across its operations including extending the lifespan of equipment through reuse and redeployment, and minimising waste through responsible disposal and recycling. NIPS remains engaged with emerging best practice and will continue to strengthen its approach as further guidance and requirements are developed.

18. Energy & Water Management

NIPS continues to pursue an annual energy efficiency programme to strengthen the resilience of heating, hot water, power and lighting infrastructure, improve water management capabilities and reduce energy consumption across the prison estate.

During 2025-26 the following energy improvement works were completed:

- Phase 1 – Replacement District Heating System – Hydebank;
- Beech & Cedar Houses – ground floor heating & plumbing – Hydebank;
- Refurbishment of Ash House Plantroom – Hydebank;
- Renewal of Foyle Plantroom – Maghaberry; and
- New Heating system – Library & Healthcare – Magilligan.

Building Energy Management systems (BEMS) are installed at all the sites to monitor and control room temperatures across the prison estate. A recent upgrade programme saw BEMS refreshed in 3 of the 4 prison sites. A scheme to design and install a new BEMS across the largest site at Maghaberry is currently being progressed.

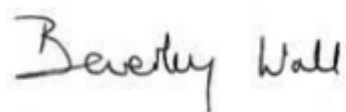
NIPS operates an Energy monitoring & targeting system which tracks energy and water consumption from a network of utility meters in real time (at 30-minute intervals 24/7) across the prison estate. This system provides a powerful tool to quickly identify where waste may be occurring which informs decisions on energy improvement

measures as well as targeting resources to quickly identify and action the repair of underground water leaks.

19. Renewable Energy

A solar farm was installed at Hydebank Secure College in 2024, and plans have been developed to introduce a Solar Farm at Maghaberry in the coming years (its advancement is currently on hold until capital funding becomes available). The schemes are designed to reduce the reliance on electricity from the power grid and support the ongoing reduction in GHG emissions.

PERFORMANCE REPORT



Beverley Wall

Accounting Officer

1 July 2026

ACCOUNTABILITY REPORT

The Accountability section of the Annual Report outlines how the Agency meets its key accountability requirements to the Assembly and ensures best practice with corporate governance norms and codes. The three sub-sections within the Accountability Report are outlined below.

i - Corporate Governance Report

The purpose of this section is to explain the composition and organisation of the Agency's governance structures and how they support the achievement of its objectives.

The Corporate Governance Report includes:

- Directors' Report;
- Non-Executive Members' Report;
- Statement of Accounting Officer's responsibilities; and
- Governance Statement.

ii - Remuneration and Staff Report

This section sets out the Agency's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors as salary and pension entitlements.

In addition, the report provides information relating to remuneration and staff that the Assembly and other users see as key to accountability.

iii - Assembly Accountability and Audit Report

This section brings together the key Assembly accountability documents within the Annual Report and Accounts. It comprises:

- Other Assembly accountability disclosures; and
- Certificate and Report of the Comptroller and Auditor General to the Assembly.

CORPORATE GOVERNANCE REPORT

DIRECTORS' REPORT

Management Board

NIPS is headed by the Director General who is supported by a Management Board consisting of three Executive Directors and two Non-Executive Members.

The Service's Management Board is responsible for the strategic and business management of the Agency's operations.

At 31 March 2026, the Management Board was as follows:

- Beverley Wall - Director General;
- David Kennedy - Director of Prisons;
- Emma McCullough - Director of Governance and Corporate Services;
- Maria Watson - Acting Director of Rehabilitation and Reducing Offending;
- Michael Bloomfield - Non-Executive Member; and
- Edgar Jardine - Non-Executive Member.

Appointments to the Management Board (except for the Non-Executive Members) are made in accordance with the Civil Service Commission's general regulations. Details of the salary and benefits of the Management Board Members are disclosed in the Remuneration Report.

Register of interests

Declaring conflicts of interest is a standing agenda item at all meetings of the NIPS Management Board and the NIPS ARC; no interests declared were deemed to conflict with Agency business. In addition, an annual exercise is commissioned from all senior management, including Non-Executive Board Members, reminding them of their responsibilities in regard to declaring interests and requesting them to update their declaration of interests. A register of interests for NIPS Board members is available on the Department's website at [NIPS Board Register of Interests](#). No

significant interests are currently held by Board members that may conflict with their management responsibilities.

Reportable loss of data

NIPS had one reportable data breach during 2025-26. The matter was investigated by the Information Commissioner's Office (ICO) and closed without any further action.

Application of Business Appointment Rules

The NICS Standards of Conduct Policy, (Section 8 and Annexes 4) sets out the rules on the acceptance of outside business appointments, employment or self-employment for staff after they leave the NI Civil Service, including procedures to make staff aware of these rules and provides that the Permanent Secretary of the Department is responsible for the effective operation of the Business Appointment Rules within their Department. Further detail is available in the [NICS Standards of Conduct Policy](#).

During 2025-26 there were 75 staff exits from the Civil Service within NIPS, with no applications from Senior Civil Servants.

Complaints procedure

When appropriate, the Service follows Departmental procedures in respect of complaints made by members of the general public. During 2025-26 fourteen complaints were raised through Departmental procedures. Out of fourteen complaints, six were upheld, five were partially upheld, and three were not upheld.

Complaints made by prisoners and their families are initially dealt with internally but, if required, may be escalated to the Prisoner Ombudsman. There were no complaints which did not fall into one of these categories.

Raising a Concern

The Department's Raising a Concern policy, which includes NIPS, is designed to reassure staff that it is safe and acceptable to speak up should they have a concern about malpractice.

The procedures provide arrangements in order that concerns can be addressed at an early stage and in a fair and proper way.

If an individual has a concern about malpractice, they may raise it with their line manager. Any civil servant who believes that they are being required to act in a way which conflicts with the core values and standards set out in the Civil Service Code of Ethics, or who has become aware of the actions of others which they believe conflict with the Code, may raise the matter with the Department's Nominated Officer: David Lennox, Deputy Director, Corporate Engagement and Communications Division.

Matters may also be raised with the appropriate regulator or assurance body - such as the NIAO, CJINI or the Health and Safety Executive of Northern Ireland.

NIPS maintain a Raising a Concern database and has introduced oversight assurance at the ARC. During the 2025–26 period, a total of five concerns were raised through departmental procedures. Of these, one case was not upheld, one has not been progressed and three remain ongoing.

NON-EXECUTIVE MEMBERS' REPORT

During 2025-26 the NIPS has been focussed on efficient and effective delivery of its services, on delivery of its strategic objectives, and on good governance, all in the context of increasing budgetary pressures and a consistent and unprecedented increase in prison population. The focus of NIPS is on its mission of making Northern Ireland a safer place by reducing reoffending.

Appointed through the DoJ, NIPS has two Non-Executive Members (NEMs). The NEMs for the reporting period were:

- Edgar Jardine;
- Sarah Wakfer (to 26 June 2025); and
- Michael Bloomfield (from 1 May 2025).

The NEMs are members of the PSMB and the NIPS ARC. NIPS also has an Independent Committee Member, appointed by the Permanent Secretary, who provides additional financial expertise, and is a member of the ARC only. The Independent Committee Member was:

- Helen Trimble (to 31 October 2025); and
- Andy McCaw (from 4 December 2025).

Prison Service Management Board

Throughout the year, NEMs have provided independent and external support and challenge to the work of the PSMB. The NEMs have contributed positively to the good governance of NIPS by offering independent, constructive support and challenge across all areas of PSMB business. NEMs have supported the scrutiny of all aspects of NIPS strategy, policy and service delivery for effectiveness and efficiency.

NEMs welcomed the progress of the 2025-26 Business Plan, which sought to deliver 38 actions within the three strategic priorities: People working in NIPS; People living in the prison and Supporting people to change. Updates received at PSMB on the 2025-26 Business Plan showed that significant progress was made despite the very substantial challenges facing the Service throughout the year.

NEMs received comprehensive strategic and operational updates throughout the year and commended the work of operational staff in delivering positive outcomes despite on-going budget pressures and the consistent increase in prison population. In particular, NEMs recognised the considerable work to support people in our care with significant and complex needs through Supporting People At Risk (SPAR) procedures. NEMs recognise that the journey through the justice system is highly complex and dependent on positive and cohesive working with partners including with our Probation, Housing and Healthcare partners. All of the Justice “family” of partners are subject to their own challenges and NEMs welcomed the innovative and agile way that NIPS are working with partners to deliver better outcomes for the people in our care whilst they are in prison and as they prepare to return to our community.

NIPS services and activities are scrutinised by a number of external sources. These external agencies’ inspection and scrutiny add significantly to our ability to understand the operation of prisons and the experience of staff and of people in our care. NEMs welcomed the renewed focus at PSMB on ensuring that recommendations from previous external inspections are implemented and commended the significant improvements made and examples of best practice that were highlighted by external inspections this year.

Audit and Risk Committee

During this reporting period, the ARC was chaired by Sarah Wakfer until 30 June 2025 and subsequently by Edgar Jardine. Michael Bloomfield replaced Sarah Wakfer on the ARC from 1 May 2025. The ARC has carried out its work in line with its terms of reference, including having a focus on:

- The Internal Audit strategy and schedule for the forthcoming year;
- Reviewing the overall assurance framework and considering assurances provided in year;
- Considering findings from the Northern Ireland Audit Office’s ‘Report to Those Charged with Governance’;
- The External Audit strategy and schedule for the coming year;
- Review of the Annual Report and Accounts prior to submission for audit;

- A review of previous year's recommendations made by Internal and External Audit, and progress on actions taken;
- A review of recommendations from external Inspections, and progress on implementation; and
- Scrutiny of risk management processes.

In addition, ARC has an annual work programme and receives reports from across the wider operations of NIPS. Members welcomed the assurances provided by business areas.

ARC has provided clear and effective scrutiny, challenge and support to NIPS throughout 2025-26.

The Committee undertook an internal review of its effectiveness during the year, using a NIAO Self-Assessment Checklist. This requires completion of a detailed questionnaire split into three distinct areas: Essential Requirements; Other Good Practice arrangements and Additional Comments/Takeaways. ARC was found to be substantially compliant, and any necessary amendments were subsequently incorporated into the ARC Terms of Reference.

The NEMs and Independent Committee member of ARC would like to thank the Director General of NIPS, NIPS staff, Internal Audit and the Northern Ireland Audit Office for their cooperative and efficient support for their roles and work throughout the year.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001, DoF has directed the NIPS to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the NIPS and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- Observe the Accounts Direction issued by DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for the DoJ has designated the Director General as Accounting Officer of NIPS.

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 NIPS' assets, are set out in the Accounting Officer's Memorandum, issued by DoF and published in Managing Public Money Northern Ireland (MPMNI).

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that NIPS auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

GOVERNANCE STATEMENT

1. Scope of responsibility

As the designated Accounting Officer for the Agency, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Agency's policies, aims and objectives, whilst safeguarding public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in MPMNI.

I am accountable for the effective, efficient and economic use of resources provided to the Agency; for the regularity and propriety of its expenditure; and for ensuring that the requirements of MPMNI are met.

In addition to my role as Accounting Officer and Director General for NIPS, I hold the role of Director, Reducing Offending. The Reducing Offending Directorate is one of four Directorates within the DoJ and has a sponsorship role for both NIPS and the Youth Justice Agency.

I am a member of the Department's Board, held to account by the Departmental Accounting Officer (Chair of the Departmental Board), which takes the form of regular reports to the Department, as well as regular bi-lateral discussions with the Departmental Accounting Officer.

2. Purpose of the governance framework

MPMNI summarises the purpose of the Governance Statement as being to record the stewardship of the organisation to supplement the accounts, providing a sense of how successfully it has coped with the challenge it faces.

The Agency's governance framework consists of the Board operating framework, the risk management framework, financial management systems, and supporting policies and procedures.

The governance framework delivers the systems and processes as well as the culture and values by which the Agency is directed and managed. It sets out how the

Agency monitors the achievement of its strategic objectives and considers whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

There is also a risk management system in place which is designed to identify the Agency's risk appetite and prioritise the risks to the achievement of the Agency's policies, aims and objectives, to evaluate the likelihood of those risks being realised, their potential impact and to manage them effectively. The system of internal control has been in place in the Agency throughout the year ended 31 March 2026 and up to the date of approval of the accounts.

3. Governance framework

The governance framework supports me in my role as Accounting Officer. The framework provides detail on NIPS approach to ensure the proper and effective governance and management of its affairs, outlining NIPS governance and accountability arrangements, both external and internal.

NIPS complied with the Corporate Governance Code during 2025-26. A copy of the framework can be accessed on [NIPS website](#) under Publications/Corporate Documents.

The key organisational structures which support the delivery of effective governance are the:

- Prison Service Management Board;
- Audit and Risk Committee;
- Executive Forum
- Operational Management Board; and
- Finance Committee.

NIPS regularly reviews its framework and is satisfied it has a robust framework that is compliant with relevant guidance issued by DoF.

There are two mechanisms in place to monitor the potential conflicts of interest of NIPS Board Members:

- Note 21 to the Accounts details Related Party Transactions; and
- Board Members are asked to declare any potential conflicts of interest to items on the agenda at the start of each PSMB and ARC meeting.

One Board Member has declared that they hold a position as a Non-Executive Member in another public sector organisation, but this is not considered to conflict with their management responsibilities in NIPS.

Prison Service Management Board

PSMB brings together the strategic and operational leadership of NIPS. The Board is chaired by the Director General and consists of two Non-Executive Members. It is the top management structure in NIPS, and its main role is to provide advice to the Director General; lead on the development and implementation of policy and strategy; challenge decisions made by the Executive Forum (EF); monitor NIPS performance and to provide overall assurance to the Director General on NIPS affairs.

The Board works to a scheduled Forward Work Programme with key items scheduled at each meeting and recurring issues scheduled on a quarterly basis. A feature of the Board is its focus on exception reporting and monthly 'progress and challenge' reports from Executive Directors, each of which highlights quickly and efficiently the key issues from the previous month, allowing the Board to focus their attention on the key issues and request further information on topics of concern.

The information received is considered to be of a high standard and allows the Board to be kept informed of any issues that it needs to be aware of to support decision making and drive improvement. The Board provides an effective challenge function for the senior team as it reviews performance, governance and risk with independent members providing challenge and guidance when required.

PSMB met on eight occasions during 2025-26; attendance by members is shown in the table below.

Member	Attendance
Director General – Beverley Wall	8
Director of Prisons - David Kennedy	6
Acting Director of Corporate Services – Lorraine Montgomery*	2
Acting Director of Corporate Services – Brendan Giffen**	-
Director of Governance and Corporate Services - Emma McCullough***	4
Acting Director of Rehabilitation and Reducing Offending – Maria Watson	7
Non-Executive Member - Sarah Wakfer ****	2
Non-Executive Member – Edgar Jardine	8
Non-Executive Member – Michael Bloomfield*****	6

* Term ended 27 June 2025

** Term commenced 30 June 2025 until 19 October 2025

*** Term commenced 20 October 2025

**** Term ended 26 June 2025

***** Term commenced 1 May 2025

Among matters considered by the Board during 2025-26 were:

- Strategic and business planning;
- Prisoner Population;
- Performance;
- Financial planning and management, with particular regard to budget pressures; and
- Human resource management, including staffing levels and sickness absence.

Audit and Risk Committee

ARC is appointed by the Board, and its membership comprises of two Non-Executive Members and an Independent ARC Member. Edgar Jardine continued his role as

NEM throughout 2025-26. NEM Sarah Wakfer's term ended on 26 June 2025 following a short period of transition to her replacement Michael Bloomfield who commenced on 1 May 2025. Helen Trimble, the Independent ARC member, ceased on 31 October 2025 and was replaced by Andy McCaw from 4 December 2025. The Committee is assisted by attendees from relevant NIPS business areas as required.

The primary function of the Committee is to test and challenge the assurances which the Board and the Accounting Officer have identified as meeting their needs, the way in which these assurances are developed and the management priorities and approaches on which the assurances are premised.

In addition, ARC ensures that recommendations are implemented by reviewing the actions taken by management in response to the Northern Ireland Audit Office's 'Report to Those Charged with Governance'.

ARC met four times during 2025-26; attendance by members is shown in the table below.

Member	Attendance
Non-Executive Member - Sarah Wakfer (Chair)*	2
Non-Executive Member – Edgar Jardine (Chair from 30 June 2025)	4
Non-Executive Member – Michael Bloomfield**	4
Independent ARC Member – Helen Trimble - Official in Department of Finance***	1
Independent ARC Member – Andy McCaw - Official in NI Executive Office****	1

*Term ended 26 June 2025

** Term commenced 1 May 2025

*** Term ended 31 October 2025

**** Term commenced 4 December 2025

Key matters considered during 2025-26 included:

- In-depth review of the Corporate Risk Register;

- Review of recommendations arising from Inspection/Audit reports;
- Review of the draft Annual Report and Accounts; and
- Updates from Internal Audit and NIAO.

A review of ARC effectiveness is carried out on an annual basis through a short questionnaire to members.

Executive Forum

EF is chaired by the Director General¹. Under the general direction and control of the Director General, the remit of EF is to provide advice to the Director General, including but not limited to, key operational matters affecting prison establishments and the approach being taken to manage them. EF will also consider any other matters deemed appropriate in order to provide overall assurance to the Director General on NIPS' affairs.

EF will act in an advisory and consultative capacity, offering guidance when sought.

It will not usually direct any of its members on how their business areas should be run, with day-to-day operational matters being the responsibility of the Director General and the Executive Directors.

Although EF may decide to delegate decisions as considered appropriate, the range of matters reserved for its consideration and decision may include:

- Horizon scanning to identify emerging risks/issues and agreeing appropriate mitigating actions;
- Overseeing implementation of the Annual Business Plan;
- Monitoring the implementation of outstanding inspection recommendations;
- Considering reports from any Sub-Committees of the EF; and
- Initial assessment of proposals to progress significant projects or programmes which are above DoJ's delegated limits prior to referral to PSMB for approval.

¹ In the absence of the Director General, the Director of Prisons will chair the meeting.

EF met eight times during 2025-26; attendance by members is shown in the table below.

Member	Attendance
Director General	7
Director of Prisons	8
Acting Director of Rehabilitation and Reducing Offending	7
Acting Director of Corporate Services*	2
Acting Director of Corporate Services**	3
Director of Governance and Corporate Services***	3
Assistant Director of Strategic Communications and Public Affairs****	3
Deputy Director of Prisons	6
Governor of Maghaberry Prison	8
Governor of Magilligan Prison	5
Governor of Hydebank Prison	4
HR Business Partner	5

* Term ended 27 June 2025

** Term commenced 30 June 2025 until 19 October 2025

*** Term commenced 20 October 2025

**** Assistant Director of Strategic Communications and Public Affairs *formally joined EF, November 2025*

Operational Management Board

The Operational Management Board (OMB) provides the governance mechanism to ensure that the operational responsibilities of NIPS are effectively delivered, and that implementation and delivery remains effectively aligned to the overarching corporate vision, priorities, values and behaviours.

OMB met on eight occasions during 2025-26; attendance by members is shown in the table below.

Member	Attendance
Director of Prisons (Chair)	8
Deputy Director of Prisons	6
Acting Director of Rehabilitation and Reducing Offending	6
Acting Director of Corporate Services*	1
Acting Director of Corporate Services**	2
Director of Governance & Corporate Services***	3
Governing Governor, Maghaberry	8
Governing Governor, Magilligan	7
Governing Governor, Hydebank Wood	8
Governor in Charge - PECCS	6
Head of Estates	4
Head of Licensing, Legislation and Public Protection	8
Head of Prisoner Wellbeing and Healthcare	8
Head of Equality and Diversity	5
Head of Records Management and Information Assurance	7
Head of Operational Support	7
Senior Legal Advisor	7

* Term ended 27 June 2025

** Term commenced 30 June 2025 until 19 October 2025

*** Term commenced 20 October 2025

Finance Committee

The Finance Committee is an Executive Committee chaired by the Director General and supported by the Department's Financial Services Division (FSD). Its purpose is to discuss and scrutinise key strategic finance plans and financial issues impacting on NIPS.

Among the matters considered by the Committee during 2025-26 were:

- Review of in-year financial position;
- Challenge and quality assure business issues with financial consequences;
- Scrutinise strategic financial plans in the face of financial and operational difficulties and to test the robustness of those plans and proposals with shared service partners from FSD;
- Review and challenge capital proposals and priorities and agree adjustments as necessary within affordability constraints;
- Oversee progress on finance projects which are of significant strategic importance and which impact on NIPS ability to meet its targets; and
- The improvement of financial planning, monitoring and reporting within NIPS.

During 2025-26 the Finance Committee met ten times; attendance by members is shown in the table below.

Member	Attendance
Director General	10
Director of Prisons	9
Deputy Director of Prisons	1
Acting Director of Corporate Services*	2
Acting Director of Corporate Services**	3
Director of Governance and Corporate Services***	4
Acting Director of Rehabilitation and Reducing Offending	10

* Term ended 27 June 2025

** Term commenced 30 June 2025 until 19 October 2025

*** Term commenced 20 October 2025

4. Risk management and internal control

The management of risk is controlled by the Agency's PSMB and ARC. It is the responsibility of the PSMB to identify and control the risks faced by the Agency in order to minimise any potential issues. Evaluation of the effectiveness of risk controls and governance processes is undertaken regularly, enabling the Agency to identify areas for improvement and strengthen its internal control environment. The Agency's Risk Register has been reviewed and reformatted to link with the Department's Corporate Risk Register. This has resulted in a uniform approach across the Department in how we present and manage risk. Risk management forms a central element of the NIPS internal control framework and is also embedded within the business planning process.

The NIPS Corporate Risk Register 2025-26 consisted of eight risks. PSMB has taken the approach of reviewing and addressing, in-depth, one risk per meeting while providing continuous assessment to the risk register as a whole. Underpinning this, the risk register is regularly reviewed and formally updated quarterly. Risks are managed locally to a level appropriate to their authority and duties, with the most serious being escalated to PSMB. I am content that the methods in place to monitor risk have proved effective in identifying risks as they arise, quickly and efficiently.

A key element of the Agency's risk and control framework is a professionally led Internal Audit function that works to Government Internal Audit Standards. It reviews the overall arrangements for managing risk, provides assurance, and reports any matters of concern to the ARC.

Assurance is also obtained from the NIAO who present their report to the ARC following the statutory audit of the Agency's Annual Report and Accounts. The NIAO published a report on 'Reducing Adult Reoffending in Northern Ireland' in June 2023 which had several recommendations that were relevant to the Prison Service. This has now been the subject of Public Accounts Committee hearings in April 2025 and a published report in June 2025, with a recommendation that a cross-government offending and reoffending strategy be brought forward, work on which is being progressed.

There are a number of other sources from which support assurance on the system of internal control. These include the work of the following independent bodies:

- Criminal Justice Inspection Northern Ireland (CJINI) - an independent statutory Inspectorate with responsibility for inspecting all aspects of the Criminal Justice System in Northern Ireland, apart from the judiciary;
- Prisoner Ombudsman - investigates complaints from prisoners, deaths in NIPS custody and complaints from visitors to prisoners;
- His Majesty's Inspectorate of Prisons - independent scrutiny of the conditions for and treatment of prisoners and promoting the concept of 'healthy prisons' in which staff work effectively to support prisoners and detainees to reduce reoffending or achieve other agreed outcomes; and
- Independent Monitoring Board – independent members monitor the day-to-day life in prison and ensure that proper standards of care and decency are maintained.

5. Review of effectiveness of the governance framework

As Accounting Officer, I have responsibility for reviewing the effectiveness of the governance framework. I have been advised throughout the year on the effectiveness of the system of internal control by PSMB and ARC, and from reports by executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework. I have also ensured the effective management of financial resources by following financial management practices and guidance issued by DoJ/DoF.

My review of the effectiveness of the system of internal control has been informed by the reports produced by Internal Audit. During 2025-26 there was a total of five separate audits in the overall NIPS Internal Audit Plan. Provision was also made should the raising a concern policy be invoked throughout the year. The key areas reviewed included. NIPS procurement and Contract management, NIPS Central and Local Stores, Establishment Cafes, NIPS Fines, Bails and offender Levy Monies and NIPS Estates and Facilities Management.

There were five internal audits conducted in 2025-26 with audits having a satisfactory opinion with no Priority One or Priority Two recommendations. There

have been seven Priority Three recommendations, all of which have been accepted by management.

Sufficient audit work has been completed to enable satisfactory assurance to be reported in the Head of Internal Audit's Annual Assurance Report and Opinion for 2025-26 as this is based on a cumulative assurance over the past three years.

6. Budget Position and Authority

The Budget Act (Northern Ireland) 2026, which received Royal Assent on 20 March 2026, together with the Northern Ireland Spring Supplementary Estimates 2025-26 which were agreed by the Assembly on 23 February 2026, provide the statutory authority for the Executive's final 2025-26 expenditure plans. The Budget Act (Northern Ireland) 2026 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2026-27 financial year. The Department is currently operating under the authority provided by the Vote on Account which provides 45% of the 2025-26 financial year's cash and resources. The cash and resource balance to complete for the remainder of 2026-27 will be authorised by the 2026-27 Main Estimates and the associated Budget Bill based on an agreed 2026-27 Budget.

In the event that this is delayed, then the powers available to the Permanent Secretary of the Department of Finance under Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 will be used to authorise the cash, and the use of resources during the intervening period.

7. Significant internal control issues

Effective governance arrangements and senior oversight are maintained to ensure appropriate and timely responses to such issues that arise. The following issue was noted for 2025-26:

Deaths in custody

During this year there were five deaths in custody. The cause of death is determined by the Coroner at inquest, and no inquests have taken place related to these deaths.

The Prisoner Ombudsman's Office was notified following each death in custody and their investigations into the circumstances are ongoing. The NIPS extends its sympathy to the families of those who have died.

8. Accounting Officer statement on assurance

NIPS has established a robust assurance framework that includes primary assurance through line management structures on the achievement of objectives. This primary assurance is supplemented by secondary assurances provided through oversight of management activity, and by Internal Audit operating to Government Internal Audit Standards. They deliver an agreed prioritised programme of systems-based audits covering the Agency's systems over time.

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

NIPS has maintained a framework of control to ensure that there are sufficient control processes in place to provide assurance over financial and operational risks, as well as performing a regular review of the effectiveness of the system of internal control.

I am therefore satisfied that I have effective governance arrangements and the necessary policies and procedures in place to provide a sound system of internal control to support the Agency in delivering its statutory duties and to meet the aims and objectives set by the Minister, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in my letter of delegation and in MPMNI.

REMUNERATION AND STAFF REPORT

Remuneration Policy

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following approval of the 2025-26 Budget in the Assembly, on 19 May 2025, in which the Finance Minister outlined the overarching approach to public sector pay, the NI public sector pay policy guidance was published on 27 May 2025 in FD (DoF) 04/25.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The 2024 pay award, due from 1 August 2024, was paid in April 2025 for weekly paid staff and May 2025 for monthly paid staff. The 2025 pay award, due from 1 August 2025, was paid in August for weekly paid staff and September 2025 for monthly paid staff.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance and other eligibility criteria.

Service Contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The [Recruitment Code](#) published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made by exception to merit.

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation as set out in the Civil Service Compensation Scheme².

²[Civil Service Commissioners for Northern Ireland \(nicscommissioners.org\)](https://www.nicscommissioners.org)

Sarah Wakfer commenced as a Non-Executive Member on 1 July 2019 for a period of three years, and this was renewed on 1 July 2022 for a further three years until 26 June 2025.

Edgar Jardine commenced as a Non-Executive Member on 1 August 2024 for a period of three years.

Michael Bloomfield commenced as a Non-Executive Member on 1 May 2025 for a period of three years.

The remuneration of the Non-Executive Members was determined by the Director General, taking account of guidance issued by The Executive Office on the appointment of independent Non-Executive Members.

Remuneration and pension entitlements

The following sections provide details of the remuneration and pension interests of the senior management of the Agency.

[Audited information]

Single total figure of remuneration 2025-26

Board Member	Salary	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1,000)	Total
	£000	£000	£000	£000
Beverley Wall Director General	120-125	-	111	230-235
David Kennedy Director of Prisons	105-110	-	56	160-165
Emma McCullough Director of Governance and Corporate Services (from 20 October 2025)	35-40 (FYE 85-90)	-	10	45-50
Lorraine Montgomery Acting Director of Corporate Services (until 27 June 2025)	20-25 (FYE 80-85)	-	7	25-30
Brendan Giffen Acting Director of Corporate Services (from 30 June to 19 October 2025)	25-30 (FYE 82-90)	-	37	65-70
Maria Watson Acting Director of Rehabilitation and Reducing Offending (from 7 May 2024)	85-90	-	72	155-160
Sarah Wakfer Non-Executive Member (until 26 June 2025)	0-5	0.1	-	0-5
Edgar Jardine Non-Executive Member	5-10	0.2	-	5-10
Michael Bloomfield Non-Executive Member (from 1 May 2025)	5-10	0.3	-	5-10

FYE - Full Year Equivalent

The salary figures presented in this table are based on actual payments made during the financial year. These figures include the 2024-25 pay award from August 2024, which paid in the 2025-26 financial year.

** 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.*

[Audited information]

Single total figure of remuneration 2024-25

Board Member	Salary	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1,000)	Total
	£000	£000	£000	£000
Beverley Wall Director General	105-110	-	82	190-195
David Kennedy Director of Prisons	105-110	-	57	165-170
Lorraine Montgomery Acting Director of Corporate Services (from 8 April 2024)	80-85 (FYE 85-90)	-	31	115-120
Steven McCourt Acting Director of Rehabilitation (until 11 June 2024)	25-30 (FYE 85-90)	-	103	130-135
Maria Watson Acting Director of Rehabilitation and Reducing Offending (from 7 May 2024)	75-80 (FYE 85-90)	-	96	175-180
Claire Keatinge Non-Executive Member (until 31 October 2024)	0-5	1.6	-	5-10
Sarah Wakfer Non-Executive Member	5-10	0.4	-	5-10
Edgar Jardine Non-Executive Member (from 1 August 2024)	0-5	0.1	-	0-5

FYE - Full Year Equivalent

The salary figures presented in this table are based on actual payments made during the financial year. These figures do not include the 2024-25 pay award, which has been accrued in the financial statements.

** 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.*

Salary

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

payments. This report is based on actual payments made by the Northern Ireland Prison Service during the financial year.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. The benefits in kind shown above are in respect of travel and subsistence expenses incurred on Agency business. In line with revised guidance from HMRC for Non-Executive Members (NEMs) with effect from 1 April 2019, expenditure on benefits in kind has been grossed up for individual NEMs and PAYE/NIC rules applied in line with normal payroll procedures.

Fair pay disclosures

Pay ratios

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the Northern Ireland Prison Service in the financial year 2025-26 was £120,000-£125,000 (2024-25: £105,000 - £110,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

[Audited information]

<u>2025-26</u>	25th percentile	Median	75th percentile
Total remuneration (£)	39,085	43,742	51,221
Pay ratio	3.1:1	2.8:1	2.4:1

<u>2024-25 restated*</u>	25th percentile	Median	75th percentile
Total remuneration (£)	32,376	36,629	44,913
Pay ratio	3.3:1	2.9:1	2.4:1

* Restated following correction to calculation basis of ratio against highest paid director

The 25th percentile, median and 75th percentile remuneration figures are based on annualised salaries for the last month of the financial year, adjusted for any non-consolidated payments made to staff during the year.

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

The values for the salary component of remuneration for the 25th percentile, median and 75th percentile were £39,085, £43,742 and £51,221 (2024-25: £32,376, £36,629 and £44,913) respectively.

In 2025-26, no employees (2024-25: None) received remuneration in excess of the highest paid Director.

Remuneration ranged from £25,000 to £122,500 (2024-25: £21,000 to £110,000).

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- a) salary and allowances, and
- b) performance pay and bonuses

of the highest paid director and of their employees as a whole.

The percentage changes in respect of NIPS are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year. The percentage increase in 2025-26 v 2024-25 is a result of the payment of the 2024-25 NICS pay award in June 2025. No performance pay or bonuses were payable in these years.

[Audited information]

Percentage change for:	2025-26 v 2024-25	2024-25 v 2023-24
Average employee salary and allowances	19.4%	14.1%
Highest paid director's salary and allowances *	14.0%	8.5%

* The calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Pension entitlements

[Audited information]

Board Member	Accrued pension at pension age as at 31/3/26 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at *31/3/26 £000	CETV at 31/3/25** £000	Real increase in CETV £000
Beverley Wall Director General	55-60 plus lump sum 135-140	5-7.5 plus lump sum 7.5-10	1253	1089	99
David Kennedy Director of Prisons	65-70 plus lump sum 175-180	2.5-5 plus lump sum 0-2.5	1630	1499	44
Emma McCullough Director of Corporate Services (from 20 October 2025)	15-20	0-2.5	253	241	6
Lorraine Montgomery Acting Director of Corporate Services (until 27 June 2025)	25-30	0-2.5	385	379	4
Brendan Giffan Acting Director of Corporate Services (30 June to 19 October 2025)	30-35 plus lump sum 75-80	0-2.5 plus lump sum 2.5-5	657	620	33
Maria Watson Acting Director of Rehabilitation and Reducing Offending	35-40 plus lump sum 85-90	2.5-5 plus lump sum 2.5-5	776	675	60

* Or date of leaving if earlier

** Or date of joining if later

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

Northern Ireland Civil Service (NICS) Pension Schemes

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

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. Transitional protection measures introduced alongside these reforms meant any members who on 1 April 2012 were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 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 (tapered protection).

McCloud Judgment and 2015 Remedy

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by DoF to remedy this discrimination.

DoF has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed alpha scheme only from 1 April 2022, and
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the Remedy Period) retrospectively calculated under either the current (reformed) scheme rules, or the old (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme

members.

DoF is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period. i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or alternatively calculated under the reformed alpha rules. As part of this 'retrospective' remedy most active members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice. There are a significant number of Immediate Choice Remediable Service Statement (RSS) packs to issue. This process involves complex calculations to provide members with individually tailored statements. Due to the complexity of the calculations and some prolonged work to finalise policy elements of the remedy, not all Immediate Choice packs have been issued by the original regulatory timeline of 31 March 2025. The Scheme Manager has invoked the discretion allowed by the remedy legislation and has extended the timeline for issuing Immediate Choice RSS packs to 31 March 2027. The Pensions Regulator has been notified of this extension. Our priority remains to provide members with all the accurate information they need to make a choice. It can be noted that other Public Service Pension Schemes are also in a similar position. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at [DoF Annual Reports and Accounts](#).

As part of the remedy involved rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits for the 2025-26 pension disclosures for affected members continue to be based on the rolled back position.

Alpha

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

Information on the PCSPS(NI) - Closed Scheme

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account.

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Benefits in Classic accrued 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 accrued 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.

Partnership Pension Account

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).

Annual Benefit Statements

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy Classic, Premium, and Classic Plus arrangements and 65 for any benefits accrued in Nuvos. Further details about the NICS pension schemes can be found at the website [Civil Service Pensions \(NI\)](#).

Pension Increases

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2025 was 3.8% and HM Treasury has announced that public service pensions will be increased accordingly from April 2026.

Employee Contribution Rates

Percentage rates for employee contribution were revised for all members 1 July 2025 as a result of the [Northern Ireland Civil Service Pension Scheme: Consultation on Scheme Yield / Member Contributions](#) as shown below*:

Annualised Rate of Pensionable Earnings (Salary Bands) 1 April 2025 to 31 August 2025	Annualised Rate of Pensionable Earnings (Salary Bands) 1 April 2025 to 31 August 2025	Contribution rates – All members from 1 April 2025 to 30 June 2025	*Contribution rates – All members from 1 July 2025
From	To		
£0	£27,091.99	4.6%	4.65%
£27,092.00	£61,645.99	5.45%	5.65%
£61,646.00	£165,793.99	7.35%	7.55%
£165,794.00 and above	-	8.05%	8.25%

Salary bands were also updated from 1 September 2025 as follows:

Annualised Rate of Pensionable Earnings (Salary Bands) 1 September 2025 onwards	Annualised Rate of Pensionable Earnings (Salary Bands) 1 September 2025 onwards	Contribution rates – All members
From	To	
£0	£28,716.99	4.65%
£28,717.00	£65,343.99	5.65%
£65,344.00	£175,740.99	7.55%
£175,741.00 and above	-	8.25%

Cash Equivalent Transfer Values

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

The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional

years of pension service in the scheme at their own cost.

CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended).

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. The HM Treasury Guidance of 27 April 2023 can be found at: [Basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes - GOV.UK](#) **As at the year-end** there have been no further changes to the SCAPE discount rate of 1.7% above CPI inflation since the HM Treasury guidance was published.

Real increase in CETV

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

Compensation for loss of office

There were no compensation benefits paid by the Agency to any senior staff members during the financial year (2024-25: £Nil).

STAFF REPORT

Staff costs

[Audited information]

	Permanently employed staff £000	Others £000	2025-26 Total £000	2024-25 Total £000
Wages and salaries	75,518	420	75,938	69,046
Social security costs	10,303	-	10,303	7,674
Other pension costs	21,719	-	21,719	19,140
Total costs	107,540	420	107,960	95,860

Of which:	Note	2025-26 Total £000	2024-25 Total £000
Admin staff costs	5	8,225	7,372
Programme staff costs	6	99,735	88,488
Total admin and programme staff costs	3	107,960	95,860
Capital projects		-	-
Total costs		107,960	95,860

The NICS main pension schemes are unfunded multi-employer defined benefit schemes, but NIPS is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD

in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which was applied to the 2020 scheme valuations and included the introduction of a reformed-scheme-only cost control mechanism which assesses just the costs relating to reformed schemes (alpha for the NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed-scheme-only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for the Department of Finance to consult on changes to the scheme. Further information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

For 2025-26, employers' contributions of £21,652,661 were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay, for all salaries (2024-25: £19,204,792 at a flat rate of 34.25%).

Employees can opt to open a Partnership Pension Account, a stakeholder pension with an employer contribution. Employers' contributions of £2,464 (2024-25: £2,498) were paid to one or more of the panels of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 10.75% (2024-25: 8% to 14.75%) of pensionable pay.

The Partnership Pension Account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £84, 0.5% (2024-25: £85, 0.5%) of pensionable pay, were payable to the NICS pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

9 persons (2024-25: 9 persons) retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £64,198 (2024-25: £67,514).

Average number of persons employed

[Audited information]

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

	Permanently employed staff	Others	2025-26 Total	2024-25 Total
Operational staff	1,465	6	1,471	1,441
Administration staff	155	6	161	159
Staff engaged on capital projects	-	-	-	-
Total number of staff	1,620	12	1,632	1,600

Staff composition

The tables below provide a gender breakdown of all operational and non-operational staff:

At 31 March 2026	Female staff	Male staff	Total staff
Prison Service Management Board	3	1	4
Senior Civil Service	3	1	4
Staff	672	1,016	1,688

At 31 March 2025	*Female Staff	Male staff	Total staff
Senior Civil Service	3	1	4
Staff	635	1,014	1,649

The breakdown of Senior Civil Service staff by pay scale is as follows:

Pay Scale	Banding in 2025-26	2025-26 Number	2024-25 Number
Pay Scale 1	£88,268 to £97,070	2	2
Pay Scale 2	£113,060 to £123,946	1	1

One board member is operational staff and is on operational pay scale 12, banding in 2025-26 is £101,743 – £102,930.

Management of sickness absence

The NICS HR Handbook contains a section on Sickness Absence which provides a framework for the management of staff who are absent for work due to illness.

Long term sickness absence (absences of 20 consecutive working days or more) accounts for the majority of sickness absence in NIPS. All reasonable action is taken to support staff to achieve a return to work at the earliest possible time and to support their colleagues who are providing service delivery in their absence.

The Agency had an overall sickness absence rate of 23.4 days lost per employee in 2024-25. Annual sickness absence figures can be found at [Sickness Absence in the Northern Ireland Civil Service 2024-25 Northern Ireland Statistics and Research Agency](#). The 2025-26 sickness absence data is not currently available and will be published later this year.

Sickness absence management has been and continues to be proactively managed by the NICS HR Business Partnering Team in collaboration with Governors. The various interventions in place to support staff through any difficulties they may experience are widely publicised throughout the Prison Establishments and fully utilised by staff with some positive results, although this remains a challenging issue.

Occupational support

NIPS has an established embedded HR function where dedicated NICS HR staff are situated on site across each of the prison establishments (Maghaberry, Hydebank and Magilligan) and Prison Service Headquarters. This arrangement is bespoke to NIPS and these DoF staff provide dedicated HR Business Partnering services and advice to Prison Officers and other staff working within NIPS. NIPS staff also have access the full range of health and wellbeing services available to NICS staff through NICS HR. These include Occupational Health Services, a Welfare Support Service, the Well Programme, an Employee Assistance Programme with a self-referral facility to confidential counselling through Lena by Inspire Workplace Services and a range of learning and development interventions. NIPS' partnership with the Police Retraining and Rehabilitation Trust (PRRT) continues to evolve and operational staff can attend for a range of services through PRRT, including psychology and physio

services; resilience training; and a Health and Wellness Programme developed specifically for prison staff.

Employee wellbeing

The PrisonsWell programme, launched in March 2019, continues to support staff wellbeing and is delivered by the PrisonsWell team at NIPS Headquarters.

Throughout 2025-26, we have continued to deliver the programme with a number of intranet and email communications, reinforcing the importance health and wellbeing.

In 2025, the NIPS Women's Network organised a series of Menopause Awareness sessions to support women across the organisation. The sessions aimed to promote a clear understanding of perimenopause and menopause, empower women with practical strategies to manage symptoms, support individual health and wellbeing, and foster a more inclusive and resilient workforce.

The sessions were delivered by a fully qualified healthcare professional, supported by the registered charity Menopause Together, and took place in each of the three prisons. A separate session was also delivered specifically for women in our care.

In February 2026, a Wellbeing Week was delivered in partnership with NICS Well, providing health checks to 120 staff across the Service. In addition, a representative from Lena by Inspire attended all Establishments to raise awareness of the support available, with seven awareness sessions delivered during February and March 2026.

STAFF POLICIES

Employment, training and advancement of disabled persons

The NICS is a lead partner of Employers for Disability NI (EFDNI) and is an accredited [Disability Positive](#) employer.

The NICS delivers an annual programme of communications and training on disability awareness and has policies in place to support inclusive workplaces. A review of the NICS reasonable adjustment policy and processes for in-work support,

and for its recruitment selection and onboarding processes to deliver improvements was progressed in 2025 and will conclude in 2026-27, subject to Ministerial approval and Trade Union consultation. Colleagues with lived experience and external independent advocates have been stakeholders in the reasonable adjustment policy review.

The NICS is committed to the employment of Disabled people and offers work experience through its [Work Experience Scheme for Disabled People](#), it has also participated in the previous two phases of the Department for Communities JobStart Scheme which aims to improve the employability and long-term employment prospects of those who face additional barriers to employment. The Civil Service will participate in phase three of the scheme during 2026-27 offering paid work placements to eligible benefit claimants aged 16-65 to address barriers to economic participation.

In order to encourage job applications from Disabled people, positive action advertising and targeted advertising alongside a programme of outreach are used. The NICS operates a Guaranteed Interview Scheme (GIS) which ensures a guaranteed number of Disabled applicants, who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. Further information can be found on the “Information for Disabled applicants” section of the [NICS recruit website](#).

All selection panel members complete mandatory recruitment and selection training, and appointments to the NICS are made on merit on the basis of fair and open competition, adhering to the [Recruitment Code](#).

Equality, diversity and inclusion

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all. As part of this commitment, leadership and inclusion is a key pillar within the new five-year NICS People Strategy 2025-30 which launched in April 2025. The strategy was developed with a range of stakeholders including NICS staff networks and through its delivery the NICS aims to foster a culture of

leadership, inclusivity and diversity that will help drive better outcomes for its workforce and the public it serves.

The NICS Diversity Champions Network includes senior colleagues as designated Diversity Champions for each of the nine NICS departments, as well as four thematic leads for gender, race and ethnicity, disability and LGBTQ+. The network works in partnership with the NICS corporate HR function, People and Organisational Development and the seven NICS staff networks (LGBTQ+, Women, Disability, Race & Ethnicity, Cancer Support, Carers and Students), to develop and deliver actions to help promote and embed equality, diversity and inclusion across the Service.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. Further information on the NICS' commitment to equality of opportunity is available in the [Equality, Diversity and Inclusion Policy](#). A strategic HR policy renewal programme is underway as part of the new People Strategy to modernise NICS people policies, ensuring they are user-centric and have a positive impact on employee experience.

As part of the NICS' efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of data. The statistics are available on the [Northern Ireland Statistics and Research Agency \(NISRA\)'s website](#).

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. Although not a statutory requirement, the NICS also conducts a similar formal review of the gender profile of its workforce. The findings from both tri-annual reviews are published in the [Workforce Reviews](#). The next review was submitted to the Equality Commission for

Northern Ireland in 2025. The next review was submitted to the Equality Commission for Northern Ireland in 2025 and will be published in 2026.

The NICS uses the findings of all the equality monitoring and analysis to inform its programme of targeted outreach activity to address any areas of under-representation.

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the department's equality scheme is available on its website [Department of Justice](#).

Learning and development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

Development and delivery of generic staff training is centralised in NICSHR³. Training is delivered using a variety of learning delivery channels (including classroom delivery, on-line, and virtual classrooms), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS People Strategy 2025-30.

NICSHR L&D contributes to the delivery of the Strategy's three priorities:

- Skills and Capacity – Building capability and future-ready skills;
- Experience and Environment – Creating inclusive, high-quality working environments; and
- Leadership and Inclusion – Developing leaders who collaborate and innovate.

A portfolio of learning products is developed in consultation with customers and subject experts internally and externally, accessible by staff through the [LnKS](#)

³ NICSHR is the NICS' centralised human resources operational delivery function, falling under the responsibility of the Department of Finance

learning management system icon on all NICS desktops. The themes covered in our portfolio of training are:

- Policy and Government;
- Leadership & Management;
- Collaborative & Collective Working;
- Innovation, Improvement & Transformation;
- Health & Wellbeing; and
- Digital Skills Development.

NIPS colleagues participated in two leadership development pilots during the year, the first being a programme developed jointly by the Public Protection Advisory Group (PPAG), which comprises membership from policing, probation, prisons and the core departments North and South. The latter pilot is a bespoke leadership programme developed by the Scottish Prison Service, which was jointly delivered to participants from NIPS and the Irish Prison Service (IPS). The pilots concluded in November 2025 and January 2026 respectively, with staff deriving considerable benefits from both programmes. A decision on the continuation of the PPAG programme is awaited, while the Scottish Prison Service pilot has been extended for another year, with staff from NIPS and IPS again taking part.

Staff information

Senior leaders regularly visit each prison as part of engagement with a cross-section of staff. The staff intranet continues to be available to all, including operational staff on the landings. Regular engagement is also facilitated through the Senior Leaders' Forum (Grade 7 and above as well as all governor grades) and other staff forums including the NIPS Women's Network.

This is in addition to the normal day to day engagement between managers and staff. Formal Whitley structures facilitate communication between staff and their representatives including:

- Local Whitley meetings in each Establishment chaired by the Governor;
- Quarterly Headquarters meetings chaired by the Director of Prisons; and
- Annual Whitley Council chaired by the Director General of NIPS.

There is also informal engagement with both trade unions and staff via a range of communication and engagement strategies, which facilitate staff engagement with senior management.

Employee Consultation and Trade Union Relationships

The DoF is responsible for the NICS Trade Union Arrangements Policy. People & Organisational Development consults and/or negotiates with the NICS recognised trade unions on matters such as pay, promotion, and annual leave which are relevant across the NICS. Local issues relevant only to a particular office or area of work is handled by local managers, and branch trade union representatives, through agreed Local Whitley procedures/constitutions. Each department will have their own Departmental Whitley structure, to consider matters unique to individual departments and their agencies across business areas. Business areas may also have a Whitley arrangement in place dealing with issues specific to that business area.

Employee Engagement

The NICS People Survey was conducted by NISRA in Spring 2025 across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey from 29 April to 23 May 2025. Since 2021, NIPS operational staff no longer take part in the NICS People Survey as they now participate in a dedicated NIPS operational staff survey. For NIPS, there were 319 (2023: 314) staff invited to complete the survey, of which 105 (2023: 88) participated, a response rate of 33% (2023: 28%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. NIPS responses indicated an Employee Engagement Index of 61% (2023: 55%), compared to the NICS average of 56% (2023: 54%). The full survey can be accessed at: <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>. The next NICS People Survey is due to take place in 2027.

The first dedicated NIPS People Survey was conducted in March 2024, and by the end of April 2025, an Action Plan had been developed and presented to the Director General to deliver the agreed recommendations. These recommendations were subsequently incorporated in the NIPS People Plan. The People Plan was discussed

and agreed at Executive Forum in August 2025 and approved by PSMB in September 2025.

A People Plan Oversight Group (PPOG) was established to progress actions from the People Survey and oversee implantation of the NIPS People Plan. The Group is responsible for identifying specific actions and supporting and monitoring their delivery. The PPOG is co-chaired by the Director of Governance and Corporate Services, and the Deputy Director of Prisons, with membership drawn from all across NIPS business areas. The Terms of Reference for the PPOG were agreed by the Director General in July 2025.

The inaugural meeting took place in September 2025, with a subsequent meeting held in February 2026.

Staff turnover

The Agency Turnover percentage (the total number of people that have left the Agency including those who have moved within the NICS) for 2025-26 is 5.1%, and the General Turnover percentage (the people who have left the Agency and have not gone elsewhere in the NICS) is 4.5%. This has been calculated by NICSHR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

	2025-26	2024-25
Departmental Turnover Rate	5.1%	7.4%
General Turnover Rate	4.5%	6.6%

Expenditure on consultancy

NIPS incurred £90,170 expenditure on consultancy during 2025-26 (2024-25: £52,419). The use of consultants during this financial year was to develop in house professional and support staff to deliver a better operational service to meet the needs of a change in the prisoner population. The consultancy support provided included the identification and recommendation for changes that would help NIPS meet their operational objectives.

Off-payroll engagements

There were no off-payroll engagements requiring disclosure during 2025-26 (2024-25: Nil).

Reporting of Civil Service and other compensation schemes - exit packages

[Audited information]

	Compulsory redundancies	Other departures agreed	2025-26 Total exit packages	Compulsory redundancies	Other departures agreed	2024-25 Total exit packages
Exit package by cost band	Number	Number	Number	Number	Number	Number
<£10,000	-	4	4	-	5	5
£10,000 - £25,000	-	-	-	-	3	3
£25,000 - £50,000	-	-	-	-	2	2
£50,000 - £100,000	-	-	-	-	2	2
£100,000 - £150,000	-	-	-	-	-	-
£150,000 - £200,000	-	-	-	-	-	-
Total number of exit packages	-	4	4	-	12	12
Value	£'000	£'000	£'000	£'000	£'000	£'000
Total resource cost £	-	14	14	-	320	320

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland) (CSCS (NI)), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. The table above shows the total cost of exit packages agreed and accounted for in 2025-26 and 2024-25. £0.014m exit costs were paid in 2025-26, the year of departure (2024-25 £0.32m). Where the Agency has agreed early retirements, the additional costs are met by the Agency and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT**OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURES**

[Audited information]

Losses

There were no losses that require disclosure in 2025-26 or 2024-25.

Special payments

Included in the provision note (Note 16) are special payments. Amounts utilised during the year included 62 compensation payments (2024-25: 84) totalling £1,235,696 (2024-25: £1,926,348).

Remote contingent liabilities

[Audited information]

In addition to contingent liabilities reported within the meaning of International Accounting Standard (IAS) 37 *Provisions, Contingent Liabilities and Contingent Assets*, the Agency is required to report liabilities for which the likelihood of economic benefit in settlement is too remote to meet the definition of a contingent liability. The Agency has no such liabilities.

Note 20 provides further details regarding the contingent liabilities that are included within the financial statements.

ACCOUNTABILITY REPORT

Beverley Wall

Accounting Officer

1 July 2026

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

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Prison Service for the year ended 31 March 2026 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Northern Ireland Prison Service financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Prison Service's affairs as at 31 March 2026 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs)(UK), applicable law and Practice Note 10 'Audit of Financial Statements and

Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the Northern Ireland Prison Service in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Northern Ireland Prison Service's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Prison Service's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Northern Ireland Prison Service is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other Information

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001.

In my opinion based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; 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.

Matters on which I report by exception

In light of the knowledge and understanding of the Northern Ireland Prison Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remunerations and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Northern Ireland Prison Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting

Officer anticipates that the services provided by Northern Ireland Prison Service will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Prison Service through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Prison Act (Northern Ireland) 1953 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010;
- making enquiries of management and those charged with governance on the Northern Ireland Prison Service's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment

of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;

- completing risk assessment procedures to assess the susceptibility of the Northern Ireland Prison Service's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website

www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure 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.

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU
1 July 2026

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2026

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

	Note	2025-26 £000	2024-25 £000
Revenue from contracts with customers	3	(5,608)	(5,053)
Other operating income	3	(91)	(52)
Total operating income		(5,699)	(5,105)
Staff costs	3	107,960	95,860
Purchase of goods and services	3	41,280	38,718
Depreciation and impairment charges	3	16,400	15,666
Provision expense	3	5,131	4,452
Grants	3	2,517	2,226
Total operating expenditure		173,288	156,922
Net operating expenditure		167,589	151,817
Finance expense	3	3,495	3,249
Net expenditure for the year		171,084	155,066
Audit notional costs		52	48
Other notional costs		2,978	3,227
Total notional costs		3,030	3,275
Net expenditure for the year including notionals		174,114	158,341
Other comprehensive net expenditure			
Items that will not be reclassified to Net operating expenditure:			
- Net (gain) on revaluation of property, plant and equipment	8	(8,769)	(7,929)
- Net (gain) on revaluation of intangibles	9	-	(97)
- Actuarial (gain)/loss on provisions	16	350	3,467
Comprehensive net expenditure for the year		165,695	153,782

The notes on pages 105 to 141 form part of these Accounts.

Statement of Financial Position**As at 31 March 2026**

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

	Note	31 March 2026 £000	31 March 2025* £000
Non-current assets			
Property, plant and equipment	8	359,147	352,289
Right-of-use assets	8	169	-
Intangible assets	9	4,495	4,072
Trade and other receivables	14	60	2
Financial assets	10	3	4
Total non-current assets		363,874	356,367
Current assets			
Inventories	12	1,299	1,255
Trade and other receivables	14	2,329	2,093
Financial assets	10	2	3
Cash and cash equivalents	13	126	149
Total current assets		3,756	3,500
Total assets		367,630	359,867
Current liabilities			
Trade and other payables	15	(29,223)	(26,531)
Provisions	16	(7,435)	(7,682)
Total current liabilities		(36,658)	(34,213)
Total assets less current liabilities		330,972	325,654
Non-current liabilities			
Provisions	16	(73,568)	(70,337)
Other payables	15	(89)	-
Total non-current liabilities		(73,657)	(70,337)
Total assets less total liabilities		257,315	255,317
Taxpayers' equity and other reserves:			
General Fund		138,997	140,465
Revaluation Reserve		118,318	114,852
Total equity		257,315	255,317

**Restated to disclose right-of-use assets separately from property, plant and equipment*



Beverley Wall
Accounting Officer

1 July 2026

The notes on pages 105 to 141 form part of these Accounts.

Statement of Cash Flows

For the year ended 31 March 2026

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

	Note	2025-26 £000	2024-25 £000
Cash flows from operating activities			
Net expenditure for the year		(174,114)	(158,341)
Adjustments for non-cash transactions	4	28,045	26,637
Decrease/(increase) in trade and other receivables	14	(294)	353
(Increase)/decrease in inventories	12	(44)	(69)
Increase/(decrease) in trade and other payables	15	2,052	(4,924)
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		(2,608)	14
Use of provisions	16	(5,975)	(6,293)
Net cash outflow from operating activities		(152,938)	(142,623)
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,151)	(13,340)
Purchase of intangible assets		(1,247)	(712)
Proceeds of disposal of assets		-	-
Repayments from other bodies	10	2	2
Net cash outflow from investing activities		(12,396)	(14,050)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		164,663	157,610
Capital element of payments in respect of finance leases		(80)	-
Net financing		164,583	157,610
Net increase in cash and cash equivalents before adjustment for receipts and payments to Consolidated Fund		(751)	937
Receipts due to the Consolidated Fund which are outside the scope of the Agency's activities		46	46
Payments of amounts due to the Consolidated Fund		(47)	(45)
Net increase in cash and cash equivalents after adjustments for receipts and payments to the Consolidated Fund		(752)	938
Cash and cash equivalents at the start of the period	13	(1,042)	(1,980)
Cash and cash equivalents at the end of the period	13	(1,794)	(1,042)

The notes on pages 105 to 141 form part of these Accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2026

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

		General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2024		136,457	111,757	248,214
Net Assembly Funding		157,610	-	157,610
Comprehensive net expenditure for the year		(161,808)	8,026	(153,782)
Auditor's remuneration	3	48	-	48
Other notionals	3	3,227	-	3,227
Transfers between reserves		4,931	(4,931)	-
Balance at 31 March 2025		140,465	114,852	255,317
Net Assembly Funding		164,663	-	164,663
Comprehensive net expenditure for the year		(174,464)	8,769	(165,695)
Auditor's remuneration	3	52	-	52
Other notionals	3	2,978	-	2,978
Transfers between reserves		5,303	(5,303)	-
Balance at 31 March 2026		138,997	118,318	257,315

The notes on pages 105 to 141 form part of these Accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2025-26 Government Financial Reporting Manual (FReM) issued by 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 has been judged to be the most appropriate to the particular circumstances of NIPS for the purpose of giving a true and fair view has been selected. The particular policies adopted by NIPS are described below. They have been applied consistently in dealing with items considered material to the financial statements.

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 and the revaluation of financial instruments which are recorded in the Statement of Financial Position at their fair value, being the carrying amount discounted to present value at the effective rate of interest of 2.45%.

The accounts are stated in sterling, which is the Agency's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£000).

1.2 Property, plant and equipment

Freehold Land and Buildings on the NIPS estate are capitalised where title is held by the Agency. Land and Buildings are subject to professional valuation every five years and revalued using Land and Property Services indices in intervening years.

Property, plant and equipment, other than land and buildings, are carried at current cost using indices compiled by the Office for National Statistics (ONS). The standard threshold for capitalisation is £1,000. Lower thresholds apply to certain types of IT equipment.

Expenditure on office furniture and equipment is classified as capital expenditure if the purchase cost of an individual item is over the standard threshold of £1,000. An exception to this is if, as the result of a refurbishment or the establishment of a new office or project, a pool of new office furniture or equipment is purchased with individual items costing less than £1,000 but the total purchase costs are more than £1,000.

Properties regarded by NIPS as operational are valued on the basis of existing use, or where this could not be assessed because there is no market value for the property, its depreciated replacement cost. Properties regarded by NIPS as non-operational are valued on the basis of open market value.

NIPS uses Producer Price Indices (PPI) published by the Office for National Statistics (ONS) to apply indexation to the value of non-property assets at year-end. In line with previous years, the December 2025 indices have been applied in 2025-26. In March 2025, ONS paused publication to review an issue with the chain-linking methodology affecting historical data from 2008 onwards. ONS recommenced publication of the indices in October 2025, including revised historical series. In accordance with IAS 8 the fair value of assets is an accounting estimate, and retrospective restatements are not required for changes in accounting estimates. As such, no adjustments have been made to the prior-year comparative figures as a result of the changes to PPI, but the updated indices have been applied in determining the asset values for the current year-end.

1.3 Intangible assets

Purchased computer software licences are capitalised as intangible assets where expenditure of £1,000 or more is incurred. All intangible assets were carried at fair value to 31 March 2025 using the revaluation model, however in line with FReM as the revaluation model has been withdrawn, from the 1 April 2025 all intangible assets will be measured at cost. For all intangible assets held at the 1 April 2025 the carrying value at the 1 April 2025 will be considered the historical cost. Intangible assets are amortised on a straight-line basis over the expected useful lives of the assets concerned. At 31 March 2026, the amount of revaluation surplus that relates to intangible assets is £554k (at 31 March 2025: £448k).

1.4 Depreciation and amortisation

Freehold land is not depreciated. NIPS has depreciated separately identified components of its buildings assets according to the useful life of that component, with individual lives applied to each component.

Component	Definition
Building structure	Substructure, frame, upper floors, roof, stairs, external walls, windows and external doors, internal walls and partitions, internal doors, floors/wall/ceiling finishes.
Engineering systems	Sanitary appliances, services equipment, disposal installation, water installation, heat source, space heating and air treatment, ventilation systems, electrical, gas, lift and protective installations.
Equipment and security installations	CCTV, access control, alarm systems, control rooms including all associated Information and Communications Technology hardware and software; fixed furniture, fittings, equipment and appliances.
External works	Roads, footpaths, drainage, fences, gates, boundary walls, street furniture, landscaping and external lighting.

Provision for depreciation and amortisation is made to write-off the cost of property, plant and equipment and intangible assets on a straight-line basis over the expected useful lives of the assets concerned. Land, assets under construction or assets awaiting disposal are not depreciated. The overall expected useful lives of assets are as follows:

Asset category	Useful Life
Buildings	up to 80 years
Plant and Equipment	2 - 40 years
Furniture and Office Equipment	3 - 40 years
Information Technology and Software	1 - 15 years
Vehicles	5 - 20 years

1.5 Realised element of depreciation from Revaluation Reserve

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

1.6 Inventories

Inventories are valued on a First in First Out basis.

1.7 Financial instruments

Under IAS 39 and IFRS 7, NIPS is required to recognise, measure and disclose the elements of its 0% interest Housing Loan Scheme at fair value. These elements have been identified within both Non-current and Current Financial Assets. The carrying value has been discounted at a rate of 2.45%. NIPS does not hold any other financial instruments.

1.8 Pension costs

Employees of the Agency are covered by the provisions of the NICS pension arrangements.

The NICS pension arrangements are defined benefit schemes which are unfunded. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the NICS pension arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the NICS pension arrangements. In respect of defined contribution schemes, the Agency recognises the contributions payable for the year.

1.9 Early retirement costs

NIPS is required to meet the cost of paying pensions of employees who retire early from the date of their retirement until they reach normal pension age. NIPS accounts in full for this cost when the applications for early retirement have been approved and the individuals have been notified.

1.10 Employee benefits

Under IAS 19 an employing entity should recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for the service. NIPS has therefore recognised both annual and flexi leave entitlements that have been earned by the year end but not yet taken. These are included in Current Liabilities and in Staff Costs for both administration and programme staff across the service.

1.11 Provision for liabilities and charges

NIPS provides for legal and constructive obligations, which are of uncertain timing or amount, at the Statement of Financial Position 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 material, the estimated cash flows are discounted.

1.12 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, NIPS 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 MPMNI.

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.

1.13 Leases

In accordance with IFRS 16, the Agency as a lessee is required to recognise assets and liabilities for all leases (apart from the exemptions listed below).

Scope and exclusions

At inception of a contract, the Agency assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time. To assess whether a contract conveys the right to control the use of an identified asset, the Agency assesses whether:

- the contract involves the use of an identified asset;
- the Agency has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- the Agency has the right to direct how and for what purpose the asset is used for.

IFRS 16 has also been applied to leases with nil or nominal consideration, for example peppercorn leases, defined as lease payments significantly below market value. These assets are measured at current value in use or fair value on initial recognition.

When making the above assessments the Agency excludes two types of leases:

- low value assets, with an assessment performed on the underlying asset when new (these are determined to be in line with capitalisation thresholds); and
- leases with a lease term of 12 months or less.

The Agency as a lessee

At the commencement of a lease the Agency recognises a right of use asset and a lease liability.

Right of use assets

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease. The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property, plant and equipment assets. The Agency applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HM Treasury (5.32% for leases recognised in 2026, 4.81% for those in 2025). The lease

payment is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the Agency's estimates of the amount expected to be payable under a residual value guarantee, or if the Agency changes its assessment of whether it will exercise a purchase, extension or termination option.

1.14 Grants

Grants payable to third parties are charged to the Statement of Comprehensive Net Expenditure as the recipient carries out the activity that creates entitlement.

1.15 Value Added Tax (VAT)

The majority of the activities of NIPS are outside the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment. Where output tax is charged or input VAT is recoverable the amounts are stated net of VAT.

1.16 Administration and Programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs set by DoF.

1.17 Notional costs

Some of the costs directly related to the running of NIPS are borne by other Government Departments or organisations. These costs have been included on the basis of the estimated cost incurred by the providing organisation.

1.18 Insurance

Except where there is a statutory requirement to do so, NIPS does not take out general insurance. Instead, expenditure in connection with uninsured risks is charged as incurred.

1.19 Third-party assets

NIPS holds, as custodian, certain assets belonging to third parties. These assets consist of cash held in respect of a Prisoners' Amenity Fund administered by each Prison Establishment and used for the welfare and benefit of all prisoners. Also included are cash amounts belonging to prisoners in the Prisoners' Personal Cash (PPC) accounts, held in the NIPS bank account. PPC balances are disclosed at Note 22 but not elsewhere in these accounts since neither NIPS nor the Government more generally has a direct beneficial interest in them.

1.20 Related party transactions

NIPS is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence NIPS or to be controlled or influenced by NIPS. Disclosure of these transactions allows readers to assess the extent to which the NIPS financial position and income and expenditure may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

1.21 Operating income

Operating income is income that relates directly to the operating activities of NIPS. This includes income from Trading Activities in relation to prisoners and staff catering and is shown gross on the face of the Statement of Comprehensive Net Expenditure and in Note 7 with related costs and expenses shown separately in Notes 5 and 6 of these financial statements.

1.22 Income

Financing

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

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Agency is expected to be entitled in exchange for transferring goods or services to a

customer. For each contract with a customer, the Agency: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods and services

Revenue from the sale of goods and services is recognised either:

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

Other operating income

Other operating income is income which relates directly to the operating activities of the Agency including:

Other income

Other revenue is recognised when it is received or when the right to receive payment is established.

1.23 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 NIPS accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) Depreciation of property, plant and equipment

Depreciation 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.

(ii) Impairment 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.

(iii) Injury on duty awards life expectancy assumption

Benefits payable under the Civil Service Injury Benefit Scheme (Northern Ireland) relating to NIPS are payable to former employees for life. Provision is made for the costs of providing injury awards to employees based on the current number of injury awards and also on the estimated life expectancy of these pensioners. The injury awards were valued under International Accounting Standard (IAS) 19 Employee Benefits by Government Actuary's Department (GAD). IAS 19 requires the employer to value the expected injury awards for active members, who are currently uninjured, but who may become injured in the future, and include the value in the Statement of Accounts.

(iv) Litigation provisions

The litigation provision relates to legal claims against NIPS by staff, prisoners and third parties for injuries and other damages including fair employment and industrial tribunal cases. The provisions are based upon the assessment of the likely damages and legal costs payable, with reference to legal experts and in consideration of settlements in cases of a similar nature where it is probable that the claim will be successful. NIPS also carry out an objective exercise to compare estimates to actual settlements in current and previous years and will adjust the provisions in line with these findings on an annual basis.

Other than depreciation, provisions and employee benefits, no material accounting

estimates or judgements were made by NIPS in preparing these accounts.

1.24 Accounting standards, amendments, interpretations or other updates that were issued and effective for the 2025-26 financial year

The Agency has considered those new Standards, interpretations and amendments to existing Standards which have been published and are mandatory for the Agency's accounting periods beginning on or after 1 April 2025 or later periods, but which the Agency has not adopted. The Agency considers that these are either not relevant or material to its operations.

Note 1.3 provides information on the withdrawal of the revaluation of intangible assets.

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

The Agency has considered those new Standards, interpretations and amendments to existing Standards which have been published but are not yet effective, nor adopted early for these Accounts. Other than as outlined below, the Agency considers that these are either not relevant or material to its operations.

Standard	IFRS 18 Presentation and Disclosure in Financial Statements
Effective date	1 January 2027
FReM application	Not before 2027-28
Description of revision	IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.
Comments	IFRS 18 will be adopted upon its effective date and applied in accordance with the interpretations and guidance set out in the FReM.

Standard	IFRS 19 Subsidiaries without Public Accountability: Disclosures
Effective date	1 January 2027
FReM application	Not before 2027-28
Description of revision	IFRS 19 Subsidiaries without Public Accountability: Disclosures allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date
Comments	IFRS 19 will be adopted upon its effective date and applied in accordance with the interpretations and guidance set out in the FReM.

1.26 Financial reporting - future developments

The Agency has considered the accounting initiatives identified by HM Treasury and Department of Finance covering potential changes and projects where standards, amendments or interpretations are in development. The Agency considers that these changes are either not relevant or material to its operations.

2. Statement of Operating Expenditure by Operating Segment

2025-26	Maghaberry £000	Magilligan £000	Hydebank £000	Others £000	Total £000
Gross expenditure	73,086	30,994	19,461	56,272	179,813
Income	(3,548)	(1,516)	(564)	(71)	(5,699)
Net expenditure	69,538	29,478	18,897	56,201	174,114

2024-25	Maghaberry £000	Magilligan £000	Hydebank £000	Others £000	Total £000
Gross expenditure	66,425	28,132	18,424	50,465	163,446
Income	(3,157)	(1,434)	(483)	(31)	(5,105)
Net expenditure	63,268	26,698	17,941	50,434	158,341

In line with the requirements of IFRS 8, NIPS has reported on Income, Gross and Net Expenditure by geographical segment as pertains to each operational Establishment and is consistent with the management approach and internal reporting structures existing within the Service.

2. Statement of Operating Expenditure by Operating Segment (continued)

The 'Others' segment reported above includes Headquarter Functions, Prisoner Escorting and Court Custody Service, Offenders Services, Central Stores, Establishment Training and Learning and Skills.

3. Summary of information for Statement of Comprehensive Net Expenditure

2025-26	Note	Administration £000	Programme £000	Total £000
Revenue from contracts with customers	7	-	(5,608)	(5,608)
Other operating income	7	-	(91)	(91)
Total operating income		-	(5,699)	(5,699)
Staff costs	5, 6	8,225	99,735	107,960
Purchase of goods and services	5, 6	3,626	37,654	41,280
Depreciation and impairment charges	6	-	16,400	16,400
Provision expense	6	-	5,131	5,131
Grants	6	-	2,517	2,517
Total operating expenditure		11,851	161,437	173,288
Net operating expenditure		11,851	155,738	167,589
Finance expense	6	-	3,495	3,495
Net expenditure for the year		11,851	159,233	171,084
Audit notional costs		52	-	52
Other notional costs		2,978	-	2,978
Total notional costs		3,030	-	3,030
Net expenditure for the year including notionals		14,881	159,233	174,114

3. Summary of information for Statement of Comprehensive Net Expenditure (continued)

2024-25		Administration	Programme	Total
	Note	£000	£000	£000
Revenue from contracts with customers	7	-	(5,053)	(5,053)
Other operating income	7	-	(52)	(52)
Total operating income		-	(5,105)	(5,105)
Staff costs	5, 6	7,372	88,488	95,860
Purchase of goods and services	5, 6	3,480	35,238	38,718
Depreciation and impairment charges	6	-	15,666	15,666
Provision expense	6	-	4,452	4,452
Grants	6	-	2,226	2,226
Total operating expenditure		10,852	146,070	156,922
Net operating expenditure		10,852	140,965	151,817
Finance expense	6	-	3,249	3,249
Net expenditure for the year		10,852	144,214	155,066
Audit notional costs		48	-	48
Other notional costs		3,227	-	3,227
Total notional costs		3,275	-	3,275
Net expenditure for the year including notionals		14,127	144,214	158,341

4. Non-cash costs

2025-26		Administration	Programme	Total
	Note	£000	£000	£000
Purchase of goods and services	6	-	6	6
Notional costs		3,030	-	3,030
Depreciation and impairment	5, 6	-	16,400	16,400
Provision expense	6	-	5,131	5,131
Finance expense	5, 6	-	3,478	3,478
Total		3,030	25,015	28,045

2024-25		Administration	Programme	Total
	Note	£000	£000	£000
Purchase of goods and services	6	-	1	1
Notional costs		3,275	-	3,275
Depreciation and impairment	5, 6	-	15,666	15,666
Provision expense	6	-	4,452	4,452
Finance expense	5, 6	-	3,243	3,243
Total		3,275	23,362	26,637

5. Other administrative expenditure

	2025-26	2024-25
Note	£000	£000
Staff costs*		
Wages and salaries	5,700	5,013
Social security costs	650	691
Other pension costs	1,875	1,668
	8,225	7,372
Purchase of goods and services		
Accommodation costs, maintenance and utilities	194	252
IT, communications and office services	1,911	1,489
Consumables, equipment and transport costs	5	6
Contracted out and managed services	606	676
Professional and consultancy costs	290	142
Rentals under operating leases	4	40
Staff related costs	609	865
Other costs	7	10
	3,626	3,480
Total administrative expenditure	11,851	10,852

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

6. Programme expenditure

	Note	2025-26 £000	2024-25 £000
Staff costs*			
Wages and salaries		70,238	64,033
Social security costs		9,653	6,983
Other pension costs		19,844	17,472
		99,735	88,488
Purchase of goods and services			
Accommodation costs, maintenance and utilities		14,136	13,314
IT, communications and office services		524	505
Consumables, equipment and transport costs		1,309	1,172
Contracted out and managed services		103	103
Professional and consultancy costs		988	879
Prisoner costs		19,317	17,388
Rentals under operating leases		8	74
Staff related costs		1,323	1,436
Other costs		(60)	366
		37,648	35,237
Non-cash items			
Loss on disposal of non-current assets	8, 9	6	1
Gain on lease modification		-	-
		6	1
Total purchase of goods and services		37,654	35,238
Depreciation and impairment charges			
Depreciation	8	15,775	15,306
Amortisation	9	793	524
Revaluation and impairment released to SoCNE	11	(168)	(164)
		16,400	15,666
Provisions expense			
Provisions: provided for in year	16	6,249	5,985
Provisions: written back in year	16	(1,118)	(1,533)
		5,131	4,452
Grants			
		2,517	2,226
Finance expense			
Interest payable and similar charges		17	6
Interest charges (non-cash)		-	-
Borrowing costs on provisions (non-cash)	16	3,478	3,243
		3,495	3,249
Total programme expenditure		164,932	149,319

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

7. Income

	2025-26 £000	2024-25 £000
Administration income	-	-
Programme income		
<i>Revenue from contracts with customers</i>		
Sale of goods and services	5,608	5,053
<i>Other operating income</i>		
Other non-trading income	56	52
Grant income	35	-
	91	52
Total operating income	5,699	5,105

Income can be further analysed as follows:

2025-26	Maghaberry £000	Magilligan £000	Hydebank £000	Others £000	Total £000
Revenue from contracts with customers	3,541	1,470	551	46	5,608
Other operating income	7	46	13	25	91
Net income	3,548	1,516	564	71	5,699
2024-25	Maghaberry £000	Magilligan £000	Hydebank £000	Others £000	Total £000
Revenue from contracts with customers	3,153	1,389	480	31	5,053
Other operating income	4	45	3	-	52
Net income	3,157	1,434	483	31	5,105

8. Property, plant and equipment

2025-26	Land £000	Buildings £000	Vehicles, Plant & Machinery £000	Information Technology £000	Assets Under Construct- ion £000	Total £000
Cost or valuation						
At 1 April 2025	4,562	367,259	16,212	2,863	28,261	419,157
Additions	-	224	778	344	12,494	13,840
Disposals	-	5	(815)	(188)	-	(998)
Transfers and reclassifications	-	13,992	-	45	(13,992)	45
Revaluation charged to SoCNE	-	205	(6)	2	-	201
Revaluations	91	10,252	448	32	-	10,823
At 31 March 2026	4,653	391,937	16,617	3,098	26,763	443,068
Depreciation						
At 1 April 2025	-	52,754	12,084	2,030	-	66,868
Charged in year	-	14,388	1,095	292	-	15,775
Disposals	-	-	(807)	(185)	-	(992)
Transfers and reclassifications	-	-	-	14	-	14
Revaluation charged to SoCNE	-	34	(2)	1	-	33
Revaluations	-	1,726	309	19	-	2,054
At 31 March 2026	-	68,902	12,679	2,171	-	83,752
Carrying amount at 31 March 2026	4,653	323,035	3,938	927	26,763	359,316
Carrying amount at 31 March 2025	4,562	314,505	4,128	833	28,261	352,289
Asset financing:						
Owned	4,653	322,866	3,938	927	26,763	359,147
Right-of-use	-	169	-	-	-	169
Carrying amount at 31 March 2026	4,653	323,035	3,938	927	26,763	359,316

Land and Property Services (LPS) carried out a full valuation of land and buildings as at 1 April 2021, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and on a componentised basis. The next full valuation of land and buildings will be 1 April 2026. Indexation is applied between asset revaluations to update the asset register, taking into account the general

8. Property, plant and equipment (continued)

market in property values and building costs. The indices used for land were set at 2% and for buildings at 2.75% by LPS for 2025-26. Other property, plant and equipment were adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

2024-25					Assets Under Construct	
	Land £000	Buildings £000	Vehicles, Plant & Machinery £000	Information Technology £000	-ion £000	Total £000
Cost or valuation						
At 1 April 2024	4,562	353,078	15,579	3,193	20,613	397,025
Additions	-	7,306	602	276	5,141	13,325
Disposals	-	-	(194)	(600)	-	(794)
Transfers and reclassifications	-	(2,216)	(234)	(16)	2,507	41
Revaluation charged to SoCNE	-	199	(12)	-	-	187
Revaluations	-	8,892	471	10	-	9,373
At 31 March 2025	4,562	367,259	16,212	2,863	28,261	419,157
Depreciation						
At 1 April 2024	-	37,599	10,965	2,324	-	50,888
Charged in year	-	13,903	1,100*	303	-	15,306
Disposals	-	-	(193)	(600)	-	(793)
Transfers and reclassifications	-	-	-	-	-	-
Revaluation charged to SoCNE	-	26	(3)	-	-	23
Revaluations	-	1,226	215	3	-	1,444
At 31 March 2025	-	52,754	12,084	2,030	-	66,868
Carrying amount at 31 March 2025	4,562	314,505	4,128	833	28,261	352,289
Carrying amount at 31 March 2024	4,562	315,479	4,614	869	20,613	346,137
Asset financing:						
Owned	4,562	314,505	4,128	833	28,261	352,289
Right-of-use	-	-	-	-	-	-
Carrying amount at 31 March 2025	4,562	314,505	4,128	833	28,261	352,289

*Correction to the 2024-25 published accounts of 1,110.

9. Intangible assets

2025-26

	Software and Licences £000	Assets Under Construction £000	Total £000
Cost or valuation			
At 1 April 2025	4,897	1,159	6,056
Additions	7	1,240	1,247
Disposals	(9)	-	(9)
Transfer and reclassifications	1,564	(1,609)	(45)
Revaluation charged to SoCNE	-	-	-
Revaluations	-	-	-
At 31 March 2026	6,459	790	7,249
Amortisation			
At 1 April 2025	1,984	-	1,984
Charged in year	790	3	793
Disposals	(9)	-	(9)
Transfer and reclassifications	(14)	-	(14)
Revaluation charged to SoCNE	-	-	-
Revaluations	-	-	-
At 31 March 2026	2,751	3	2,754
Carrying amount at 31 March 2026	3,708	787	4,495
Carrying amount at 31 March 2025	2,913	1,159	4,072
Asset financing:			
Owned	3,708	787	4,495
Carrying amount at 31 March 2026	3,708	787	4,495

9. Intangible assets (continued)**2024-25**

	Software and Licences £000	Assets Under Construction £000	Total £000
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Cost or valuation

At 1 April 2024	4,641	748	5,389
Additions	8	704	712
Disposals	(167)	-	(167)
Transfer and reclassifications	252	(293)	(41)
Revaluation charged to SoCNE	-	-	-
Revaluations	163	-	163
At 31 March 2025	4,897	1,159	6,056

Amortisation

At 1 April 2024	1,561	-	1,561
Charged in year	524	-	524
Disposals	(167)	-	(167)
Transfer and reclassifications	-	-	-
Revaluation charged to SoCNE	-	-	-
Revaluations	66	-	66
At 31 March 2025	1,984	-	1,984

Carrying amount at 31 March 2025**2,913 1,159 4,072****Carrying amount at 31 March 2024****3,080 748 3,828****Asset financing:**

Owned	2,913	1,159	4,072
Carrying amount at 31 March 2025	2,913	1,159	4,072

10. Financial assets

Housing Loans Scheme	2025-26 £000	2024-25 £000
Balance at 1 April	7	9
New Loans	-	-
Repayments	(2)	(2)
Revaluations	-	-
Balance at 31 March	5	7
Current Assets	2	3
Non-current Assets	3	4
Balance at 31 March	5	7

As the cash requirements of NIPS are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

Under IAS 39 and IFRS 7, NIPS is required to recognise, measure and disclose the elements of its 0% interest Housing Loan Scheme at fair value. These elements have been identified within both Non-current and Current Financial Assets. The carrying value has been discounted at a rate of 2.45% (2024-25: 2.15%). NIPS had 4 loans to officers at 31 March 2026 (4 at 31 March 2025) and does not hold any other financial assets. NIPS is therefore exposed to little credit, liquidity or market risk.

11. Impairments

		2025-26	2024-25
	Note	£000	£000
Charged directly to SoCNE			
Property, plant and equipment	8	(168)	(164)
Intangible assets	9	-	-
		(168)	(164)
Taken through Revaluation Reserve			
Property, plant and equipment	8	(8,769)	(7,929)
Intangible assets	9	-	(97)
		(8,769)	(8,026)
Total charge for the year		(8,937)	(8,190)

12. Inventories

	2025-26	2024-25
	£000	£000
Consumables and equipment	1,006	963
Fuel stores	293	292
	1,299	1,255

13. Cash and cash equivalents

	2025-26	2024-25
	£000	£000
Balance at 1 April	(1,042)	(1,980)
Net change in cash and cash equivalent balances	(752)	938
Balance at 31 March	(1,794)	(1,042)

The following balances at 31 March were held at:

NI banking pool	(1,834)	(1,088)
Cash in hand	40	46
Balance at 31 March	(1,794)	(1,042)

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

	Note	2025-26	2024-25
		£000	£000
Current assets		126	149
Current liabilities	15	(1,920)	(1,191)
Total		(1,794)	(1,042)

14. Trade receivables, financial and other assets

	2025-26	2024-25
	£000	£000
Amounts falling due within one year		
VAT	1,143	973
Trade receivables	30	31
Other receivables	5	7
Prepayments and accrued income	1,151	1,082
	2,329	2,093
Amounts falling due after one year		
Other receivables	60	2
	60	2
Total	2,389	2,095

15. Trade payables, financial and other liabilities

		2025-26	2024-25
	Note	£000	£000
Amounts falling due within one year			
Bank overdraft	13	1,920	1,191
Trade payables		186	466
Other payables		1,268	1,090
Accruals and deferred income		25,765	23,783
Current part of lease liabilities	17	84	-
Consolidated Funds Extra Receipts to be paid		-	1
		29,223	26,531
Amounts falling due after one year			
Leases		89	-
		89	-
Total		29,312	26,531

16. Provisions for liabilities and charges**2025-26**

	Injury awards £000	Litigation claims £000	Early departure costs £000	Total £000
Balance at 1 April 2025	68,400	9,045	574	78,019
Provided in the year	1,510	4,739	-	6,249
Provisions not required written back	-	(1,118)	-	(1,118)
Provisions utilised in the year	(4,240)	(1,687)	(48)	(5,975)
Provisions borrowing costs	3,450	-	28	3,478
Actuarial (gain)/loss	390	-	(40)	350
At 31 March 2026	69,510	10,979	514	81,003

Analysis of expected timing of discounted flows***2025-26**

	Injury awards £000	Litigation claims £000	Early departure costs £000	Total £000
No later than one year	3,480	3,907	48	7,435
Later than one year and not more than five years	12,620	7,072	192	19,884
Later than five years	53,410	-	274	53,684
At 31 March 2026	69,510	10,979	514	81,003

* The only cash flows shown as discounted in the table above relate to the injury awards as NIPS do not discount other provisions on the basis that the time value of money is considered immaterial and therefore these cash flows are disclosed as undiscounted.

16. Provisions for liabilities and charges (continued)**2024-25**

	Injury awards £000	Litigation claims £000	Early departure costs £000	Total £000
Balance at 1 April 2024	64,250	8,219	681	73,150
Provided in the year	1,322	4,660	3	5,985
Provisions not required written back	-	(1,533)	-	(1,533)
Provisions utilised in the year	(3,932)	(2,301)	(60)	(6,293)
Provisions borrowing costs	3,210	-	33	3,243
Actuarial (gain)/loss	3,550	-	(83)	3,467
At 31 March 2025	68,400	9,045	574	78,019

Analysis of expected timing of discounted flows***2024-25**

	Injury awards £000	Litigation claims £000	Early departure costs £000	Total £000
No later than one year	3,100	4,522	60	7,682
Later than one year and not more than five years	11,470	4,523	238	16,231
Later than five years	53,830	-	276	54,106
At 31 March 2025	68,400	9,045	574	78,019

* The only cash flows shown as discounted in the table above relate to the injury awards as NIPS do not discount other provisions on the basis that the time value of money is considered immaterial and therefore these cash flows are disclosed as undiscounted.

16. Provisions for liabilities and charges (continued)**16.1 Injury awards - £69.510m (2024-25: £68.400m)**

Benefits payable under the Civil Service Injury Benefit Scheme relating to NIPS are charged to NIPS by Civil Service Pensions on a monthly basis. The allowance is payable to the former employee for life. Provision is made for the costs of providing injury awards to employees based on the current number of injury awards, and also on estimated life expectancy of these individuals.

The injury awards are valued under IAS 19 by GAD. IAS 19 requires the employer to value the expected injury awards for active members, who may become injured in the future, and include the value in the Accounts. The relevant assumptions underpinning the actuarial valuation of the liability were as follows for both 2024-25 and 2025-26:

- rate of future injury award - 3.5%; and
- current service cost - 6.0%.

The demographic assumptions adopted for the assessment of the liabilities as at 31 March 2026 are those adopted for the 2020 valuation of the PCSPS (NI) since NIPS employees are a member of this pension scheme. The use of the 2020 valuation assumptions is a consistent approach to 2024-25.

The 2022-based population projections consider COVID-19 as a mortality shock event, applying an appropriate short-term adjustment rather than projecting its effects forward. Death rates from COVID-19 in excess of that already allowed for in the mortality assumptions and reflected in the membership data would emerge as an experience gain in future years' accounts.

16. Provisions for liabilities and charges (continued)**16.1 Injury awards - £69.510m (2024-25: £68.400m)**

The split of the provision is shown below:

	2025-26	2024-25
	£000	£000
Liability in respect of:		
Active members	8,900	9,390
Pensions in payment (injury awards)	60,610	59,010
Total	69,510	68,400

Key financial assumptions:

	2025-26	2024-25
	%	%
Rate of discounting scheme liabilities	5.60%	5.15%
Rate of CPI inflation	2.55%	2.65%
Pension increase awarded	2.55%	2.65%
Long-term rate of increase in salaries	3.30%	3.40%

Key demographic assumptions:

	2025-26	2024-25
	Years	Years
Average expected future life at age 65 for:		
Male currently aged 65	21.5	21.4
Female currently aged 65	22.9	22.8
Male currently aged 45	23.0	22.9
Female currently aged 45	24.4	24.3

Incidence of injury awards:

	2025-26	2024-25
	%	%
Liability (proportion of liability of active members in respect of non-injury Pension Scheme benefits)	3.5%	3.5%
Current service cost (proportion of current service cost in respect of main Pension Scheme benefits)	6.0%	6.0%

16. Provisions for liabilities and charges (continued)**16.1 Injury awards - £69.510m (2024-25: £64.800m)****Analysis of movement in scheme liability:**

	2025-26	2024-25
	£000	£000
Net deficit at 1 April	68,400	64,250
Current service cost	1,020	970
Past service cost	490	350
Net interest on the net defined benefit liability	3,450	3,210
Benefits paid (recurring element)	(3,750)	(3,580)
Benefits paid (lump sums)	(490)	(350)
Re-measurements of the net defined liability	390	3,550
Net deficit at 31 March	69,510	68,400

Re-measurements of the liability can be further analysed as:

	2025-26	2024-25
	£000	£000
Experience (gains) and losses arising	5,340	3,620
Changes in financial assumptions	(4,950)	260
Changes in demographic assumptions	-	(330)
Re-measurements of the liability	390	3,550

Sensitivity analysis - sensitivity to changes in assumptions*

Assumption	Sensitivity	Approximate effect on total liability %	Approximate effect on total liability £000
Financial assumptions:			
Discount rate	+0.5% p.a.	(6.1)%	(4,300)
Salary inflation	+0.5% p.a.	0.2%	200
Pension increases	+0.5% p.a.	6.0%	4,200
Demographic assumptions:			
Additional 1 year increase in life expectancy at retirement	-	2.4%	1,700

* Opposite changes in the assumptions will produce approximately equal and opposite changes in the liability. Doubling the changes in the assumptions will produce approximately double the change in the liability. The sensitivities show the change in assumption in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between the assumptions the actual impact may be different from simply combining the changes above.

16. Provisions for liabilities and charges (continued)**16.2 Litigation claims - £10.979m (2024-25: £9.045m)*****Legal cases***

The litigation provision relates to legal claims against NIPS by staff, prisoners and third parties for injuries and other damages including fair employment and industrial tribunal cases. The provision reflects all known claims where it is considered that it is probable that the claim will be successful, and the amount can be reliably estimated. The timing of the settlement of claims depends on the circumstances of each case.

Other Legal Issues

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can extend as far back as 1998. The 2025-26 Holiday Pay provision has been estimated by NICS HR and covers the period from November 1998 to 31 March 2020, reflecting an assessment of the possible extent of liability under the current legal framework: settlement remains subject to negotiation and resolution of outstanding uncertainties.

There are still some significant elements of uncertainty around this estimate for a number of reasons including:

- Lack of agreement with claimants' legal representatives around how to treat data for years previous to 2011; and
- Ongoing negotiations with Trade Union and their legal representatives which will determine the final scope of settlement.

Hearing loss

The hearing loss provision relates to claims from current and ex-prison officers for occupational hearing loss. The provision reflects claims up to March 2026 - 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.

16. Provisions for liabilities and charges (continued)**16.3 Early departure costs - £0.514m (2024-25: £0.574m)**

This provision relates to pension costs associated with the early departure of staff and benefits payable in respect of loss of earning capacity (or loss of support in respect of a death). The pension costs are payable to NILGOSC over the lifetime of the retired staff member and his/her spouse (where applicable).

17. Leases - Right of use assets**17.1 Right of use assets**

	2025-26	
	Buildings	Total
	£000	£000
Cost or valuation		
As at 1 April 2025	-	-
Additions – new leases	253	253
Disposals	-	-
Remeasurement – existing leases	-	-
As 31 March 2026	253	253
Depreciation		
As at 1 April 2025	-	-
Depreciated charged in year	84	84
Disposals	-	-
As 31 March 2026	169	169
NBV 31 March 2025	-	-
NBV 31 March 2026	169	169

The Agency did not enter into any finance lease obligations during 2024-25 that required recognition as a right of use asset in accordance with IFRS 16. The previously held finance lease in relation to Dundonald House was terminated in March 2024. NIPS entered a new lease in 2025-26.

17.2 Quantitative disclosures around lease liabilities

	2025-26 £000	2024-25 £000
Buildings		
No later than one year	90	-
Later than one year and not more than five years	90	-
Later than five years	-	-
	180	-
Less interest element	(7)	-
Total Present Value of obligations	173	-
 Current Portion	 84	 -
Non-Current Portion	89	-
	173	-

17.3 Lease payments not recognised as a liability

The table below shows details of short-term leases (leases of 12 months or less) or leases for low values assets. Payment for such leases are expensed on a straight-line basis and are included as an expense in the Statement of Comprehensive Net Expenditure.

	2025-26 £000	2024-25 £000
Variable lease payments not included in lease liabilities	-	-
Short term leases	-	31
Expense relating to low-value asset leases	12	83
Total	12	114

17.4 Lease amounts recognised in the cash flow statement

	2025-26 £000	2024-25 £000
Total cash outflow for leases	(80)	-

18. Capital commitments

	2025-26	2024-25
	£000	£000
Contracted capital commitments at 31 March not otherwise included in these accounts:		
Property, plant and equipment	10,789	6,623
Intangible assets	-	-
	10,789	6,623

19. Other financial commitments

The Agency has entered into non-cancellable contracts (which are not lease or PFI contracts) and funding agreements for grant expenditure. Total future commitments are shown in the table below analysed according to the period in which the payments fall due.

	2025-26	2024-25
	£000	£000
Not later than one year	2,539	3,737
Later than one year and not later than five years	-	-
Later than five years	-	-
	2,539	3,737

20. Contingent liabilities

At the year-end NIPS has estimated contingent liabilities of £5.5m (2024-25: £5.5m) in respect of litigation claims against NIPS. This relates to a legal claim by former staff for fair employment, industrial tribunal and court proceedings. There are also a number of legal claims against NIPS by staff, prisoners and third parties for injuries and other damage. These have not been provided for in the financial statements as NIPS considers that it is not probable that they will be successful.

20. Contingent liabilities (continued)

Public Sector Pensions - McCloud

The DoF is a named Respondent in a class action affecting employers across the public sector and is managing claims on behalf of the NICS Departments. This is an extremely complex case with potential implications for the NICS and wider public sector. However, given the complexities, the cases are still at an early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

21. Related party transactions

NIPS is an Executive Agency of the DoJ. During the year, NIPS had various material transactions with the Core Department and other agencies within the Department including Forensic Science Northern Ireland, Northern Ireland Courts and Tribunals Service and Youth Justice Agency.

NIPS also had various material transactions with other entities for which the DoJ is regarded as the parent Department including Police Service of Northern Ireland, Probation Board for Northern Ireland and Northern Ireland Policing Board.

In addition, NIPS had various material transactions with other government Departments and other central government bodies. Most of these transactions have been with the Department of Health and DoF. No Board member, key manager or other related parties has undertaken any material transactions with NIPS.

22. Third-party assets

These are assets for which an entity acts as custodian or trustee but in which neither the entity nor government more generally has a direct beneficial interest.

There is a Prisoners' Personal Cash (PPC) facility for the lodgement of prisoner earnings and funding of tuck shop purchases. When prisoners are discharged, they are paid in full the balance on their PPC account.

22. Third-party assets (continued)

Each Prison Establishment administers a Prisoners' Amenities Fund. Payments from the fund are used for the welfare/benefit of all prisoners. Fund receipts include income from the sale of tuck shop items and donations.

	1 April 2025 £000	Gross Inflows £000	Gross Outflows £000	31 March 2026 £000
Monetary assets such as bank balances and balances on deposit:				
Prisoners' Private Cash Accounts	230	5,522	(5,512)	240
Prisoners' Amenities Funds	212	172	(164)	220
	442	5,694	(5,676)	460

23. Events after the reporting period

There were no events after the reporting period date that required adjustment to or disclosure in these financial statements.

Date authorised for issue

The Accounting Officer authorised these financial statements for issue on 1 July 2026.