

JUDICIAL APPOINTMENTS COMMISSION

ANNUAL REPORT AND ACCOUNTS

1 April 2015 to 31 March 2016



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1 April 2015 to 31 March 2016

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to the Constitutional Reform Act 2005

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# PERFORMANCE REPORT

## OVERVIEW

### CHAIRMAN'S AND CHIEF EXECUTIVE'S PERSPECTIVE ON PERFORMANCE



The JAC marked the 10th year of its operations this year. While much progress has been made during that time, a number of challenges remain.

We have continued to drive down our costs (£4.88m compared to £5.44m last year), while the level of exercises we were asked to run by the Lord Chancellor was similar to that of last year. We ran 22 selection exercises – including Circuit Judge, District Judge, District Judge (Magistrates' Courts) and several tribunal exercises – received 2,588 applications and made 340 recommendations.

Nearly half of all applications during the year were for the Recorder exercise (1,231 candidates). This was the first Recorder exercise the JAC had been asked to run for 5 years. There was a huge pent-up demand within the profession and a highly competitive field of candidates. The majority of posts were in the crime jurisdiction and so for these posts there was an emphasis on criminal law in the assessment materials used – something candidates with non-crime backgrounds have expressed concerns about. At the same time, we introduced a new IT system and the Recorder exercise was the first time the system had been used for a large entry-level exercise.

While the new system is already beginning to deliver efficiencies, we experienced some technical problems in making the transition from our old system. We recognise these caused difficulties for our candidates, for the judges that have taken part in our processes, and for our staff and panel members. We are also looking at ways in which the early stages of selection can be made more open to candidates from all backgrounds. While it is not for the JAC to decide, we take the view that the whole process would have worked more effectively if there had been smaller and more regular exercises over the last 5 years.

With the strong support of the Lord Chief Justice and Lady Justice Hallett, we also ran an exercise which, for the first time, invited applications from qualified lawyers to become Deputy High Court Judges directly from the profession with no previous judicial experience. This creates the potential for an exciting new route to the High Court bench for candidates from a wider range of backgrounds. This is one of a number of initiatives that may help to offset the reductions we have begun to see in the level of applications for High Court selection exercises and we hope there will be an opportunity to run similar exercises in the future.

To assist with recruitment to these, and other, entry-level roles we also introduced an 'Am I Ready?' tool on our website. This comprises a series of questions designed to help potential candidates to assess whether they are ready to apply for fee-paid 'entry-level' judicial posts. The JAC is grateful to those members of the judiciary who helped to develop this test and to those who have given considerable time to develop scenarios and tests which are used in our selection processes; their work has been invaluable.

As well as our core selection activity, the Lord Chancellor asked the JAC to provide assistance in selecting a UK Judge for the European Court of Human Rights. This built upon our earlier selection of Judge of the General Court of the European Union. We have also sought to help the Government promote the rule of law more widely, including receiving numerous international visitors, and sending a delegation to Myanmar at the invitation of Aung San Suu Kyi.

The JAC contributed to an important joint project to develop guiding principles for judicial appointment commissions across the Commonwealth. The project involved the Bingham Centre for the Rule of Law and the University of Cape Town, and resulted in the publication of the 'Cape Town Principles on the Role of Independent Commissions in the Selection and Appointment of Judges'.

There was also heightened interest in our work from academics and some of our Commissioners and staff were pleased to attend and participate in an international conference at the University of Birmingham with the theme 'Appointing Judges in an Age of Diversity'.

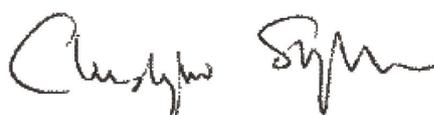
During the year, we developed our own Welsh Language Scheme and refined our assessment processes for all posts located in Wales. We also ran exercises to select tribunal members on behalf of the Government of Wales for the first time.

The JAC continues to work closely with its partners in government, the judiciary and the legal profession to improve diversity outcomes through the Judicial Diversity Forum, and

through ongoing engagement with these and other interested groups. While women have continued to progress well in JAC selection exercises this year, the picture is less positive for other key target groups. In particular we are concerned by the poorer success rates of BAME candidates and work is underway to better understand the reasons for this.

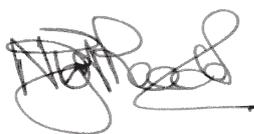
Following the recommendation of the Social Mobility and Child Poverty Commission, in October 2015 we added questions to our diversity monitoring form on educational background. This year was also the first full reporting year in which the JAC's policy on the equal merit provision was applied, with 14 recommendations made following application of the provision.

The JAC welcomed our new Vice-Chairman in November 2015, The Rt Hon Lord Justice Burnett, who took over from The Rt Hon Lady Justice Macur. We would like to take this opportunity to warmly thank Lady Justice Macur for her service.



**Christopher Stephens**

Chairman, Judicial Appointments Commission



**Nigel Reeder**

Chief Executive, Judicial Appointments Commission

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**"Finally, in my final Annual Report as Chairman, I would like to acknowledge the great support I have received from all quarters over the past 5 years, with particular mention of my fellow Commissioners and JAC staff. I wish the JAC and my successor well for the future."**

**Christopher Stephens**

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# PURPOSE AND ACTIVITIES

## KEY FACTS

### JAC background and role

The JAC started operating on 3 April 2006. It is an executive non-departmental public body, sponsored by the Ministry of Justice.

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

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

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

### Key statutory duties

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

### Selection exercise activity in 2015-16

Exercises reported	Applications received	Selections made
22	2,588	340

### Budget

The JAC's allocated funding in 2015-16 was £4.38m (£4.68m in 2014-15). It spent £3.73m in 2015-16 (£4.01m in 2014-15).

In addition to funding it received, the JAC incurred £1.15m (£1.43m in 2014-15) of non-cash charges such as rent, IT support and amortisation, giving a total expenditure of £4.88m (£5.44m in 2014-15).

#### Total expenditure in 2015-16



### The Commission

In this report, the JAC refers to the organisation as a whole and the Commission represents its governing Board. The Commission consists of a lay chairman and 14 Commissioners.

Commissioners are recruited through open competition with the exception of 3 senior judicial members: 2 of these members are selected by the Judges' Council and the third is selected by the Tribunal Judges' Council. Membership of the Commission is drawn from the courts and tribunals judiciary, the legal profession, and the lay magistracy or lay tribunal members.

### The JAC's aims

The JAC's aims were set out in the Business Plan for 2015-16. In this report they are addressed in the following order:

- make the candidate experience as positive as we can
- work with partners to reduce the time it takes to make an appointment
- operate cost effectively
- support the business need as far as it is possible to do so
- improve the diversity outcomes of our selection processes
- increase the certainty in the quality of selections
- make the JAC a recognised centre of excellence

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"I feel strongly that the JAC should be proud of everything it has achieved over the last 10 years and the real and tangible advancement it has made in the diversity of judicial appointments. I am sure the JAC will continue to move forward positively in the next decade and beyond."

- a candidate for fee-paid chairman of a tribunal

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# ACHIEVEMENTS AGAINST AIMS 2013-14 TO 2015-16

## 1

### MAKE THE CANDIDATE EXPERIENCE AS POSITIVE AS WE CAN

**Measure:** A large majority of candidates rate the selection process as good or excellent

#### Candidate feedback

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

The questions asked in our candidate feedback surveys are reviewed and updated regularly, in line with changes to any processes. For example, following the launch of the new website and online application system in 2015, the survey was updated to seek feedback on both.

#### Customer service and information provided to candidates

At post-application stage, data collected from 18 exercises indicated that 74% of candidates who contacted the JAC during the application process rated the customer service received as good or excellent.

Post-selection day data from 14 exercises showed that 87% of candidates who attended selection day rated the customer service received as good or excellent.

53% of candidates at post-application stage rated the information provided about their exercises as good or excellent.

#### Selection process

Feedback from 14 exercises post-selection day showed that 67% of candidates rated the selection process as good or excellent.

	2014-15	2015-16
<b>Customer service rated good or excellent: post-application</b>	138 of 158 total responses (87%)	304 of 411 total responses (74%)
<b>Customer service rated good or excellent: selection day</b>	208 of 220 responses (95%)	251 of 290 responses (87%)
<b>Information provided rated good or excellent: post-application</b>	325 of 403 responses (81%)	387 of 737 responses (53%)
<b>Selection processes rated good or excellent: selection day</b>	181 of 220 responses (82%)	169 of 251 responses (67%)

While these indicators remain broadly positive, they have fallen in comparison with the previous year, particularly in respect of the information provided to candidates. The JAC had introduced a new IT system to manage candidate applications in January 2015, and therefore the JAC and its candidates were effectively in a period of transition during much of this reporting period. In addition, the exercises undertaken during the year involved a large

number of applicants taking qualifying tests for the first time on the JAC's new online recruitment system. Candidate feedback comments indicate that the reduction in satisfaction rates may be largely attributed to these factors, and these ratings are already improving as the system beds in.

The JAC reviews the information provided to candidates on an ongoing basis and is using the feedback received to ensure this information is as clear and helpful as possible.

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*“The very low level of complaints received and the absence of any finding of maladministration indicates that the JAC's selection processes, and its handling of any ‘first tier’ complaints, are generally very good.”*

- **Judicial Appointments & Conduct Ombudsman Annual Report 2014-15**

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## COMPLAINTS

**Measure:** That no more than 1% of applicants make a complaint about the JAC's processes

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

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

In 2015-16 the JAC dealt with 54 complaints. The increased number can be attributed to a single large selection exercise that resulted in 40 complaints. For this exercise, it was the first time a significant number of candidates had used the JAC's new application system to undertake an online assessment.

The JAC responded to 83% of complaints within 20 working days. Nine complaints took longer to investigate. Where this was the case, the JAC wrote to the complainants to explain why and to inform them of when to expect a full reply.

The JAC partially upheld one complaint. Anyone who remains dissatisfied following the investigation of their complaint by the JAC may ask the Judicial Appointments and Conduct Ombudsman to investigate further.

Four candidates went to the Ombudsman in 2015-16. Three of the complaints were not upheld. The Ombudsman did not consider that the issues complained of had any bearing on the outcomes and did not recommend any redress. One complaint was still under investigation at end March 2016. This subsequently was not upheld.

Technical problems with the JAC's new website and online application system affected some candidates. Candidates' issues were dealt with by JAC staff and the JAC will continue to improve the application system and website in response to candidate feedback.

	2013-14	2014-15	2015-16
<b>% complaints/applicants</b>	1.2% (66/5648)	0.5% (11/2356)	2.1% (54/2588)
<b>% complaints upheld</b>	9% + 20% partial	0% + 0% partial	0% + 2% partial
<b>% complaints referred to JACO</b>	9%	9%	7%
<b>% JAC referrals upheld by JACO</b>	20% partial	0%	0%

**Note:** Numbers in brackets refer to the number of complaints/applicants in each year. Complaints may not relate to exercises run in the year within which they were received.



## 2

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

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

The JAC continued to work with Her Majesty's Courts & Tribunals Service (HMCTS), Judicial Office (JO), the Ministry of Justice (MoJ) and the judiciary to limit the overall time it takes to appoint a judge. This is measured as the time an exercise is launched to the point at which offer letters are sent to successful candidates. In 2013 the JAC, JO, HMCTS, MoJ and the judiciary agreed to work to the target of an average of 20 weeks for the end-to-end process.

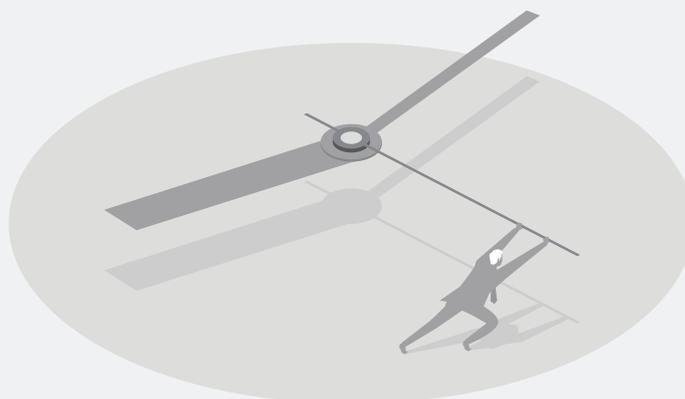
A target of 18 weeks was identified for the parts of the process under the control of the JAC. While some exercises did

not meet this target the average was 17 weeks for the JAC to meet its target. However, the average 20-week target for the end-to-end process was not met, largely due to extended consideration of recommendations by the appropriate authority (Lord Chief Justice, Senior President of Tribunals or Lord Chancellor). In several cases this involved large numbers of recommended candidates and/or complex sets of requirements for different vacancies within a single exercise. The JAC responded to a number of requests for further information and worked closely with the appropriate authorities to identify and anticipate their full information requirements to enable end-to-end targets to be met in future.

	2013-14	2014-15	2015-16	Target
<b>End-to-end</b>	21 weeks	17 weeks	22 weeks	20
<b>JAC</b>	19 weeks	15 weeks	17 weeks	18

Figures are accurate at time of publication.

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



# 3

## OPERATE COST EFFECTIVELY

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

The JAC continued to meet requests and timelines for selection exercises with a reduced budget and staffing levels.

Staff numbers, measured as average full-time equivalent over the year, reduced

from 59 in 2014-15 to 50, largely due to staff leaving and not being replaced.

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

	2013-14	2014-15	2015-16
<b>Staff numbers</b>	67	59	50

**Note:** The staff numbers given refer to average full-time equivalent staff numbers over the year.

	2013-14 £m	2014-15 £m	2015-16 £m
<b>Total funding allocation</b>	4.91	4.68	4.38
<b>Expenditure on pay (staff and commissioner pay)</b>	3.02	2.92	2.59
<b>Expenditure on the programme</b>	0.99	0.90	1.06
<b>Expenditure on administration</b>	0.17	0.19	0.08
<b>Total expenditure</b>	4.18	4.01	3.73
<b>Soft charges (includes non-cash costs)</b>	1.39	1.43	1.15
<b>Total cost</b>	5.57	5.44	4.88



## 4

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

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

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

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

In 2015-16, the JAC accommodated all of the changes requested by HMCTS, amending the programme accordingly to deliver all of its requirements.

**During 2015-16**

There were 22 exercises that reported in total in 2015-16, attracting 2,588 applications and resulting in 340 selections.

The ratio of applications to selections increased from 6.6 per post in 2014-15 to 7.6 this year.

There were 4 selection exercises where the JAC was unable to recommend enough candidates to fill all of the vacancies in 2015-16. This was due to insufficient numbers of applications from candidates able to demonstrate that they were of sufficient merit. All vacancies involved were for non-legal roles, which are listed on pages 25 and 26. The 4 exercises saw 29 vacancies remain unfilled out of a total of 57 advertised.

A full list of selection exercises for the year is on pages 25 and 26.

	2013-14	2014-15	2015-16
<b>Number of exercises</b>	35	30 <sup>1</sup>	22 <sup>2</sup>
<b>Number of applications</b>	5,591	2,356	2,588
<b>Total selections</b>	806	310	340
<b>Average selections per exercise</b>	23	10	15
<b>Exercises 1 to 9 selections</b>	20	22	15
<b>Exercises 10 to 49 selections</b>	10	5	3
<b>Exercises 50 to 99 selections</b>	3	3	3
<b>Exercises 100+ selections</b>	2	0	0

1. In 2014-15 the JAC made one extra recommendation each to 2 exercises run in 2013-14. These exercises are not included in the total number of exercises in 2014-15, but the 2 recommendations are included.

2. In 2015-16 the JAC was unable to make a recommendation in one exercise.

During the year the Lord Chief Justice rejected one recommendation for a salaried legal post, on the basis that the candidate did not have the particular experience required for the office.

### Other JAC judicial selection activity

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

- Court of Appeal: the JAC Chairman and 2 lay Commissioners sat on the panel to select 4 judges; secretariat support was also provided
- Senior President of Tribunals\*: the JAC Chairman and 1 lay Commissioner sat on the selection panel; secretariat support was also provided

\*This activity was reported in the 2014-15 selection exercise statistics as a large part of the activity took place in that year.

Under section 9 of the Senior Courts Act 1981, as amended by the Crime and Courts Act 2013, the JAC assisted in the:

- Court of Appeal Criminal Division: 1 lay Commissioner sat on the panel to select 8 circuit judges; secretariat support was also provided

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“Regular updates provided when necessary on the website; staff always exceptionally courteous and made to feel welcome by staff on the selection day.”

- candidate, District Judge (Magistrates’ Court) selection exercise

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## 5

## IMPROVE THE DIVERSITY OUTCOMES OF OUR SELECTION PROCESSES

**Measure:** Candidates from under-represented groups progress through selection exercises, and overall are recommended in the same or higher proportions as their level in the eligible pool

Under the Constitutional Reform Act 2005, the JAC must select candidates solely on merit, while also encouraging diversity in the range of people available for selection. In addition the JAC is subject to specific duties that require it to publish relevant, proportionate information demonstrating compliance with the equality duty in the Equality Act 2010.

The Equality Act 2010 applies a general equality duty to the JAC as a public authority to have due regard to:

- the elimination of discrimination
- the advancement of equality of opportunity
- the fostering of good relations between diverse groups

Diversity continued to be a major focus of the JAC's outreach activity and of improvements to the selection process.

The JAC has a 3-pronged diversity strategy:

- advertising and outreach
- fair and non-discriminatory selection processes
- working with others to break down barriers

### Advertising and outreach

Activities for 2015-16 included:

- working with partners in the legal profession, the JAC supported outreach events for potential candidates in Bedford, Birmingham, Manchester and London. A number of these events were targeted at lawyers in under-represented groups
- the Chairman and 3 Commissioners were involved in discussion panels at a conference on *Appointing judges in the age of diversity* at the University of Birmingham
- publication of articles in the legal specialist media, particularly to inform potential candidates about joining the judiciary, and the new 'Am I Ready?' tool on the JAC website
- improving the JAC website to include videos for references, and clearer navigation for users to find information
- supporting Judicial Office in the development of mentoring programmes

### Fair and non-discriminatory selection processes

The JAC uses quality assurance checks throughout the selection process to ensure proper procedures are followed, standards are maintained and all stages of recruitment are free from bias.

This includes:

- reviewing selection exercise materials for possible unfairness
- observing dry-runs, role plays and interviews

- monitoring the progression of candidate groups at key stages in the selection process for any possible unfairness
- carrying out equality impact assessments on all changes to the selection process
- making reasonable adjustments for candidates who need them

### Working with others to break down barriers

The JAC continued to work with partner organisations to break down barriers to increasing diversity among the judiciary, including through chairmanship of the Judicial Diversity Forum. The Forum now has an expanded remit, monitoring implementation of the recommendations of the Advisory Panel on Judicial Diversity, as well as those of the Barriers to Application working group. Salaried part-time working (SPTW) is a key issue for many potential

candidates, and the JAC encourages it to be made widely available. Initial analysis indicates that SPTW in some form is now available in around a third of selection exercises.

### Monitoring diversity

The JAC continued to monitor the diversity of applicants and those selected for judicial posts.

Following consultation with the judiciary, legal groups and representatives on the Social Mobility Commission on best practice, questions aimed at monitoring social mobility were incorporated into the confidential diversity monitoring form in October 2015.

The JAC continues to work with the legal profession and judiciary on improving diversity data in order to calculate an eligible pool for disability.

Recommended candidates	2013-14 <sup>1</sup>	2014-15 <sup>1</sup>	2015-16 <sup>1</sup>
<b>Black, Asian and minority ethnic (BAME)</b>	86, 11% (17, 6% legal)	41, 13% (20, 8% legal)	29, 9% (20, 7% legal)
<b>Women</b>	405, 50% (135, 45% legal)	135, 43% (112, 44% legal)	144, 42% (125, 44% legal)
<b>Solicitors</b>	(108, 36% legal)	(68, 27% legal)	(11, 3% legal) <sup>2</sup>
<b>Declared disability</b>	97, 12% <sup>3</sup> (15, 5% legal)	11, 4% (10, 4% legal)	10, 3% (8, 3% legal)

**Note:** The figures represent proportions of total s87 and s94 recommendations followed by recommendations in exercises requiring legal qualifications.

1. Statistics are presented for candidates who agreed to share their diversity data.

2. The 2015-16 figures on professional background must be treated with caution, as over 60% of applicants did not complete the relevant section of the diversity monitoring form. This was due to a technical issue with the recently launched online recruitment system, which was subsequently rectified.

3. The 12% figure reflects the large number of candidates declaring a disability who applied for a specific Disability Member tribunal post reported in the December 2013 JAC official statistics.

### Further steps to increase diversity

2015-16 was the first full year in which the JAC applied its policy on the equal merit provision (EMP), as introduced by the Crime and Courts Act 2013. In line with the JAC's policy, 14 recommendations were made following the application of the provision during the year. An initial review of the operation of the EMP policy has been carried out, and the findings of this review are being taken forward in 2016-17.

The JAC decided to expand the review launched at the end of the last reporting period into the progression of BAME candidates through selection exercises. Initial findings indicate a significant difference in the performance of BAME and white candidates in qualifying tests. The reasons behind this appear to be complex and work is ongoing to identify and understand these, as well as any further steps that can be taken to address the differential in performance.

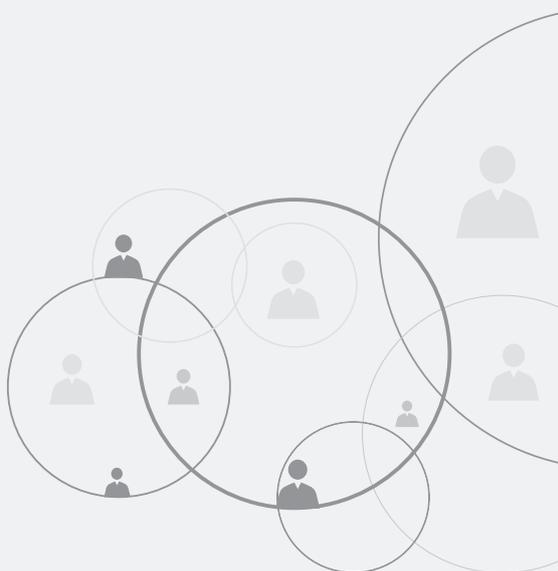
In October 2015 the JAC launched a public consultation on proposals for its Welsh Language Scheme. The scheme aims to better specify how the JAC treats the Welsh and English languages when assessing candidates' suitability for judicial appointment in Wales. It also explains how to enable candidates to communicate with the JAC in English or Welsh, according to their personal choice. The consultation ran between October and December 2015, and the scheme will be launched in 2016-17.

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“The JAC runs a thorough and fair process that allows all applicants an equal opportunity to demonstrate their suitability for the role.”

- a lay panel member for the JAC

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# 6

## INCREASE CERTAINTY IN THE QUALITY OF SELECTIONS

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

The JAC assesses candidates as:

- A: outstanding
- B: strong
- C: selectable
- D: not presently selectable

The awarding of these bandings is initially made by the JAC’s selection panels, which usually consist of a lay panel chair, a judicial member and an independent lay member. Commissioners, sitting as the Selection and Character Committee, make the final decision on bandings.

	2013-14	2014-15	2015-16
<b>Strong or outstanding candidates selected: total</b>	640 of 806 (79%)	258 of 312 (83%)	290 of 340 (85%)
<b>Strong or outstanding candidates selected: court posts</b>	110 of 128 (86%)	144 of 164 (88%)	244 of 281 (87%)
<b>Strong or outstanding candidates selected: tribunal posts</b>	530 of 678 (78%)	114 of 148 (77%)	46 of 59 (78%)
<b>Strong or outstanding candidates selected: salaried posts</b>	143 of 169 (85%)	93 of 99 (94%)	130 of 154 (84%)
<b>Strong or outstanding candidates selected: fee-paid posts</b>	491 of 637 (77%)	165 of 213 (77%)	160 of 186 (86%)
	130 of 134 legal (97%)	122 of 158 legal (77%)	124 of 138 legal (90%)
	361 of 503 non-legal (72%)	43 of 55 non-legal (78%)	36 of 48 non-legal (75%)

**Note:** Legal and non-legal roles are listed on pages 25 and 26.

“What reassures me is that everybody: the JAC staff, the front of house team, the panel – everybody takes the process very seriously. No candidates can say they’ve had an unfair deal. They have been given a good opportunity to tell us why they are suitable and have been considered honestly and fully.”

- a lay panel chair for the JAC



## 7

## MAKE THE JAC A RECOGNISED CENTRE OF EXCELLENCE

In 2015 the Triennial Review of the JAC by the Ministry of Justice (MoJ) concluded that the principle of an independent judicial appointments process is now considered “a core pillar of a democratic system”. The Review also recognised the good governance and efficiency of the JAC, and that it had “established itself as a universally respected part of the constitutional landscape, bolstering judicial independence and supporting the business of the courts and tribunals”.

The performance of the JAC is reflected in the indicators below, which are set out in more detail in the preceding sections of the report:

- meeting the business need: all requested exercises delivered
- selecting high calibre candidates: 85% assessed as strong or outstanding
- attracting diverse candidates: 45% of recommended candidates were women and 9% BAME
- operating a swift selection process: 18-week target met for JAC part of the process, although the 20-week overall target was not met
- driving down costs: spend reduced by 10% from previous year
- providing good customer service: rated as good or excellent by over 70% of candidates
- receiving low number of complaints: 2% of applications and none upheld by Ombudsman

Areas where the JAC is working to make further progress are set out in Future plans on page 23.

The strong performance of the JAC has attracted a high degree of interest from other bodies responsible for selecting judicial and quasi-judicial post-holders. This has enabled the JAC to respond to Recommendation 2 of the Triennial Review, according to which the “JAC, MoJ and the judiciary should explore options to clarify and expand its functions in terms of senior appointments, promoting international rule of law, international and overseas territorial appointments, and appointments which are not constitutionally judicial but judicial in nature”.

### New JAC selection activity

Assistance with the following selections was provided under section 98 of the Constitutional Reform Act 2005, under which the JAC is required to provide assistance following a request from the Lord Chancellor:

- UK Judge of the European Court of Human Rights

The JAC also carried out selection exercises for the Welsh Government under section 83 of the Government of Wales Act 2006 as follows:

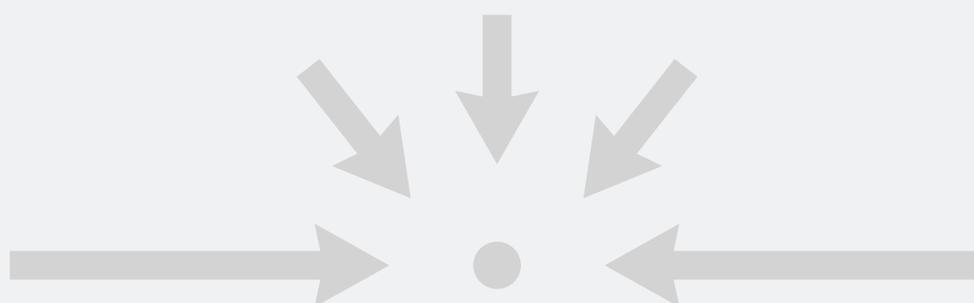
- President of the Adjudication Panel for Wales
- Legal Members of the Adjudication Panel for Wales
- Lay Members of the Adjudication Panel for Wales
- Lay Members of the Special Educational Needs Tribunal for Wales

Appointments outside Schedule 14 of the Constitutional Reform Act 2005 are not included in the JAC’s official statistics.

### International and overseas engagement

The JAC continued to receive a high level of interest from overseas bodies in its appointments model during 2015-16. International connections of particular note included:

Country	Nature of visit	Host
Oman	JAC Commissioner Katharine Rainsford and senior officials hosted the Head of Omani Judiciary.	Ministry of Justice
Kazakhstan	JAC senior officials gave a presentation to members of Kazakhstan’s constitutional council on selection and appointment process, and judicial independence.	Ministry of Justice
United States of America	JAC senior officials gave a presentation to a delegation of lawyers and academics from the University of Missouri-Kansas City School of Law on judicial appointments in England and Wales.	JAC Chairman
Jersey	JAC senior officials met with the Director of Constitutional Affairs and Justice Policy in Jersey to discuss the JAC’s selection processes and establishing a judicial commission in Jersey.	JAC Chairman
Macedonia (FYROM)	The JAC Chairman and senior officials hosted the Head of Department for Criminal Law, Ministry of Justice of Macedonia for 3 days as part of the Programme of Professional Development for the Western Balkans: leaders for the future, which is funded by the Foreign and Commonwealth Office.	British Council
Myanmar	The JAC Chairman and senior officials hosted the senior legal adviser to the-then Myanmar opposition leader Aung San Suu Kyi to learn about judicial appointments in England and Wales.	JAC Chairman
Myanmar	The JAC Chairman and JAC Head of International and Senior Appointments travelled to Myanmar at the invitation of Aung San Suu Kyi to learn about Myanmar’s justice reform plans, and potential assistance the UK could provide to build capacity in independent judicial recruitment, selection and appointment.  The visit was sponsored by the Department for International Development and supported by the British Embassy in Myanmar. The visit formed part of the UK’s efforts in promoting the Rule of Law globally.	Foreign and Commonwealth Office
Republic of Serbia	JAC senior officials met with 2 senior judges from the Serbian judiciary as part of the Programme of Professional Development for the Western Balkans: leaders for the future, which is funded by the Foreign and Commonwealth Office.	British Council



## DEVELOPMENTS IN 2015-16

In line with the aims set out on page 7, the JAC has continued to work on making its selection process more efficient and effective. This continues to be achieved in an environment of reduced public expenditure.

The JAC's change programme, introduced in 2012-13 to facilitate this, has continued through 2015-16. This year began with 4 projects, 2 of which were completed in the reporting year: organisational restructure and candidate attraction. One new project was initiated – exploration of a charging model – in line with Finding 8 of the Triennial Review.

### Change programme objectives

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

- to deliver a more effective and less costly selection system
- to continue to meet the needs of courts and tribunals
- to improve the candidate experience (easier, quicker, more responsive)
- to improve diversity results
- to ensure continued high quality in the selections the JAC makes

### Improvements to the selection process

The JAC continued the work to improve selection processes in 2015-16. Key pieces of work included:

- development of a set of online 'Am I Ready?' tools to support prospective candidates in assessing their readiness to apply for fee-paid judicial roles; these were published on the JAC website in July 2015
- the use of job analysis to define the behaviours and abilities required of successful performers in every role

for which the JAC selects, with 24 competency frameworks produced to cover a wide range of roles. Since April 2015, competency frameworks have been aligned with the judiciary's own Judicial Skills and Abilities framework

- research and implementation of new methods of selection: in 2015-16 the JAC successfully trialled the use of telephone interviews as a shortlisting tool, and introduced the use of case studies and the submission of recent judgments as ways of assessing the merit of candidates

### Judicial Appointments Recruitment System (JARS)

The JAC's online recruitment system, JARS, and new website were launched in January 2015.

During the first full year in live service JARS has:

- processed 2,757 candidate applications
- enabled 2,091 qualifying tests to be taken
- sent 2,234 reference requests

During the first part of 2015-16 development took place to improve existing functionality and to support the launch of selection exercises. A further phase of development began in January 2016 with a focus on:

- improving the resilience and security features of the system
- improving the content, navigation and layout of the website
- developing new features to improve business efficiency and candidates' experience when using the system

This phase of development was completed at the end of May 2016.

### Charging model

This project was initiated in response to Triennial Review Finding 8, according to which the “JAC and MoJ should explore the potential for the JAC to develop a charging model, following full consultation with National Audit Office and Her Majesty’s Treasury on final models and accountability”. This is of increasing importance in light of the number of requests the JAC has received for assistance from other bodies. The JAC has successfully trialled a charging process, and has also asked the MoJ to consider the possibility of securing a legislative power to charge for certain support provided outside of its existing statutory duties.

### Candidate attraction

The candidate attraction project was aimed at developing ways to encourage increased applications from high calibre candidates among under-represented groups. It used previous research and further engagement with potential candidates to inform and develop key messages designed to appeal to different groups. Following a pilot campaign, the principles of targeted candidate attraction are being incorporated into outreach activities on an exercise-by-exercise basis.

### Organisational restructure

The organisational restructure project, which concluded early in 2015-16 was designed to re-shape the JAC to make it flexible to support the programme of change while continuing to meet business needs. The project had a number of phases as the change programme evolved and also took into account the challenging budgetary restraints facing public bodies. Key achievements were:

- implementation of organisational structures to reflect changes in staff deployment, movement and organisational objectives
- assisting with reducing overall expenditure ensuring that the JAC was well placed to meet the challenging budget restrictions
- reducing the number of senior staff while maintaining business objectives and encouraging staff development and succession planning
- ensuring all staff departures were managed through natural attrition with no compulsory redundancies

## FUTURE PLANS

In 2016-17 JAC activity will include the following, which will be reported on in the next annual report:

- further work to refine and improve selection tools, with a particular focus on large exercises for 'entry-level' fee-paid roles, where the number of applications can exceed a thousand
- enhancement of the information available to all candidates on the selection process, as well as the feedback provided to unsuccessful candidates
- work with the branches of the profession and judiciary to attract greater numbers of high calibre candidates from under-represented groups
- work with its partners in the judiciary towards the development of 'performance metrics' to help assess the quality of candidates recommended by the JAC, and thereby the effectiveness of the selection process
- further enhancement of the Judicial Appointments Recruitment System (JARS), including to enable the JAC to assist a wider range of other bodies with selections

## THE COMMISSION (as at 31 March 2016)

The members of the Commission are drawn from the lay public, the legal profession, courts and tribunals judiciary, and lay magistracy or non-legal tribunal members.

Twelve Commissioners, including the Chairman, are appointed through open competition. The other 3 are selected by the Judges' Council (2 senior members of the courts judiciary) and the Tribunal Judges' Council (one senior member of the tribunals judiciary).

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

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

\*The legal qualifications are:

- barrister in England and Wales
- solicitor in the senior courts of England and Wales
- fellow of the Chartered Institute of Legal Executives

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

Commissioners during 2015-16 were:

- Christopher Stephens CBE, Chairman
- Lady Justice Julia Macur DBE, Vice chairman (judicial), until 31 October 2015
- Lord Justice Ian Burnett, Vice chairman (judicial), from 1 November 2015
- Martin Forde QC (professional: barrister)
- Professor Emily Jackson (lay)
- Her Honour Judge Usha Karu (judicial)
- Professor Noel Lloyd CBE (lay)
- Alexandra Marks (professional: solicitor)
- Katharine Rainsford JP (lay magistrate)
- Lieutenant-General Sir Andrew Ridgway KBE CB (lay)
- Lucy Scott-Moncrieff CBE (judicial: tribunal)
- District Judge Christopher Simmonds (judicial)
- Dame Valerie Strachan DCB (lay)
- His Honour Judge Phillip Sycamore (judicial: tribunal)
- Debra van Gene (lay)
- Mr Justice Alan Wilkie (judicial)

# FULL SELECTION EXERCISE PROGRAMME

## Selection exercises reported in 2015-16

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

### Courts selection exercises

#### Salaried

Legal (legally qualified/non-legal)	Exercise title	Reference	Selections made
Legal	District Judge (Magistrates' Courts)	887	20
Legal	Queen's Bench Master	004	2
Legal	Costs Judge	003	3
Legal	Senior Circuit Judge (Resident Judge)	007	1
Legal	District Judge	981	61
Legal	Circuit Judge	980	62
Legal	Specialist Circuit Judge (Mercantile)	925	1

#### Fee-paid

Legal (legally qualified/non-legal)	Exercise title	Reference	Selections made
Legal	Recorder	800	99
Legal	Deputy Chancery Master	009	6
Legal	Deputy Queen's Bench Master	005	4
Legal	Deputy Bankruptcy Registrars	010	3
Legal	Deputy High Court Judge s9(4)	011	19

## Tribunals selection exercises

### Fee-paid

Legal (legally qualified/non-legal)	Exercise title	Reference	Selections made
Non-legal	FP Valuer Members FtT Property Chamber, Residential Property	008	8
Non-legal	FP Valuer Chairman FtT Property Chamber, Residential Property	006	6
Non-legal	Valuation Tribunal Chairmen Valuation Tribunal Ordinary Members	001	14 20
Legal	Appointed Person Trademarks	956	3
Legal	Appointed Person Design	957	3
Legal	Deputy Chairman of the Copyright Tribunal	023	1

### Salaried

Legal/Non-legal	Exercise title	Reference	Selections made
Legal	Regional Employment Judge, Wales	016	1
Legal	Salaried Judge of the First-tier Tribunal, Health, Education and Social Care Chamber, Special Educational Needs and Disability	022	1
Non-legal	Regional Medical Member of the First-tier Tribunal, Social Entitlement Chamber	002	2
Non-legal	Deputy Regional Valuer of the First-tier Tribunal, Property Chamber	970	0

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

Legal/Non-legal	Exercise title	Reference	Selections made
Legal	UK Judge of the European Court of Human Rights		Not applicable

# KEY ISSUES AND RISKS

The key issue the JAC is faced with is the delivery of the selection exercise programme, and complying with our statutory duties. The risks to the delivery of these are summarised in the Corporate Risk Register. On the date the accounts in this report were authorised for issue there were 5 risks rated as Amber, and these are listed below:

## 1. Progression and diversity of selection from target groups

That the JAC does not achieve its aim of widening the diversity of the judiciary. We address this through advertising and outreach, panel briefing, unconscious bias training, review of selection materials, monitoring at diversity checkpoints and work with partners to break down barriers to application.

## 2. Staff engagement and morale

That this reduces due to increased workload. This is continually looked at through HR discussions with senior leaders, training on new systems, increased flexible working and the People Survey, which has given rise to the 'Make it Happen' plan.

## 3. Loss of corporate knowledge

That staff, panellist, Commissioner and Chairman experience is lost, leading to a failure to deliver our priorities. Control measures to mitigate this risk include succession planning and re-appointment. The annual People Survey monitors staff perceptions.

## 4. The Change Programme does not deliver intended benefits

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

## 5. The Change Programme is not delivered in a timely fashion

That delay to the implementation of the Change Programme causes reputational damage with our Board, partners, own staff and key interested parties. This is especially with regard to JARS, which could impact on our candidate experience and delay efficiencies. The JAC mitigates the risk by having strong governance arrangements in place including the Change Programme Board.

Senior leaders monitor these corporate risks (through the Corporate Risk Register) each quarter and takes action to ensure that the risks are, to the extent possible and proportionate, mitigated. The Corporate Risk Register is then discussed at the Audit and Risk Committee, and a summary provided to the main Commission Board through the Management Information Pack.

## Going concern

The Statement of Comprehensive Net Expenditure shows a deficit in 2015-16. Due to grant-in-aid funding the Statement of Financial Position at 31 March 2016 shows an excess of assets over liabilities of £852k. The closing bank balance relates to grant-in-aid drawn down by the JAC in readiness to pay its liabilities.

The JAC has recently undergone a Triennial Review. This was published on 19 January 2015, and it concluded that the JAC should continue to deliver its function independently of the Executive and the Judiciary, as a non-departmental public body, and therefore we know of no intention to suspend the JAC's activities. It has therefore been considered appropriate to adopt a going concern basis for the preparation of the financial statements in this report. Grant-in-aid for 2016-17, taking into account the amounts required to meet the JAC's liabilities, has already been included in the departmental estimate.

### Performance summary

Further details of the progress made by the JAC against the strategic objectives, set out in the 2015-16 Business Plan, are in the performance report, pages 8 to 20.

As described in the performance report, the JAC completed 22 selection exercises in 2015-16 (30 in 2014-15), and began a further 9 continuing into 2016-17. The number of recommendations made, and applications received during the year, is dependent upon the mix of exercises. The JAC made 340 recommendations in 2015-16 (310 in 2014-15), and received 2,588 applications for these positions (2,356 in 2014-15).

In 2015-16 the JAC made a similar number of selections compared with 2014-15, and the expenditure reflects this, with selection exercise spend being broadly the same. The Statement of Comprehensive Net Expenditure shows that net expenditure for the year was £4,858k compared with £5,442k the previous year, an 11% decrease, although the one-off payment to fund early departures of £276k inflated the 2014-15 expenditure. If this were to be excluded the expenditure for the year would have been a 6% reduction. Overall, there was a reduction of £2k (0%) in pay costs following staff departures (excluding the early departures; an increase of £29k (4%) in Other expenditure, mainly due to spend on our Judicial Appointments Recruitment System and amortisation; and a £316k (23%) decrease in non-cash charges relating to services provided by the MoJ.

In response to the continuing reductions in budgets, the JAC looks at its staffing and organisational structure whenever a member of staff leaves, to see whether efficiencies can be made. There has been a reduction in staff during the year, and our Voluntary Early Departure Scheme in 2014-15 led to 6 departures (including a member of the SCS) mostly at the end of 2014-15. The JAC underspent its grant-in-aid allocation, which was originally £4,400k, and subsequently reduced to £4,375k, by £670k (15%), spending just £3,705k of its net allocation on its 'cash' items. We therefore did not draw down our full grant-in-aid allocation. For the purposes of the summary financial data on pages 6 and 12 panel chairs and lay panel members' costs are treated as selection exercise programme costs.

The JAC continues to make extensive use of shared services for central functions, such as the provision of accommodation, HR, IT and Finance by the MoJ, to benefit from economies of scale. These costs are generally 'soft' charged, with no funds exchanged, although some are 'hard' charged. Further details of the 'soft' charges can be found in note 4 to the financial statements. At the start of 2015-16 we moved within the MoJ main building to reduce our office space, and this led to a reduction in these charges during the year.

# PERFORMANCE ANALYSIS

## How the JAC measures performance

The JAC's key performance measures were set out in its Business Plan for 2015-16. These were:

- deliver the 2015-16 selection exercise programme, agreed with the Ministry of Justice, the Judiciary and Her Majesty's Courts & Tribunals Service, recommending high quality candidates, solely on merit, to the Appropriate Authority
- deliver our diversity duty by encouraging a diverse range of eligible applicants, and ensure working practices support diverse recommendations
- enable full staff engagement
- improve JAC selection processes to ensure they become faster, more effective, efficient, economical and candidate-focused for any given selection exercise
- further develop our online recruitment system and website, which will enable and support new processes and structures digitally, and improve the user experience
- expand JAC functions to include delivery of further senior appointments, international and Overseas Territorial appointments, and others which are judicial in nature in line with Triennial Review recommendations
- move to a charging model, following full consultation with MoJ and other stakeholders, to ensure we make appropriate recoveries on our expanded operations

Every month the detailed objectives behind these measures are reviewed by JAC senior leaders, with a full review every quarter. This is achieved through our Management Information Pack. This pack is issued to the Board for each meeting for information and review,

and is fully scrutinised by the Audit and Risk Committee at its quarterly meetings. After it has been reviewed by the committee it is sent to MoJ, and forms part of its sponsorship discussions.

## Analysis and explanation of the development and performance of the JAC

Other measures on performance are also contained within the Management Information Pack, including sections on selection exercise activity, finance, staffing issues, outreach activity with a summary risk analysis. This allows a complete overview of performance to take place, and therefore it is possible for any user of the information to gain an understanding of the overall position of the JAC.

The grant-in-aid allocation provided by MoJ will decrease from £4,375k in 2015-16 to £4,290k in 2016-17 (a 2% reduction). This recognises additional work we are undertaking in relation to assistance with the Parole Board and includes hosting costs for JARS, which were previously incurred by MoJ. The allocation should allow for the further refinement of JARS and taking forward other initiatives in relation to our review of selection processes, whilst recognising the need to reduce our funding allocation.

There are fluctuations in the number and type of exercises the JAC is asked to run each year, and the full programme for 2016-17 is not yet known, but we will continue to deliver the exercises as required by the Lord Chancellor, and are flexible to any changes requested to the programme.

### Other performance matters

JAC staff are encouraged to be conscious of sustainability and energy-saving issues.

The JAC is based at MoJ's London headquarters and benefits from wider MoJ sustainability initiatives.

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

A handwritten signature in black ink, appearing to read 'Nigel Reeder', with a horizontal line extending to the right from the end of the signature.

**Nigel Reeder**

Accounting Officer  
Judicial Appointments Commission  
7 July 2016

# ACCOUNTABILITY REPORT

# CORPORATE GOVERNANCE REPORT

## DIRECTORS' REPORT

For the purposes of this report, Directors are defined as those who influence the decisions of the JAC as a whole, including Commissioners and those in the Senior Civil Service. Commissioners and the Chief Executive who served during 2015-16 are set out in the Remuneration and Staff Report on pages 42 to 49.

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

There were no losses of personal data during the year – as set out in the Governance Statement (one loss in 2014-15).

### Statement of the accounts

The financial statements for the period 1 April 2015 to 31 March 2016 have been prepared in a form directed by the Lord Chancellor with the approval of the Treasury in accordance

with paragraph 31(2) of Schedule 12 to the Constitutional Reform Act 2005.

### Timeliness in paying bills

The JAC aims to pay all properly authorised and undisputed invoices in accordance with contractual conditions or, where no such conditions exist, as soon as possible, but certainly within 30 days of the presentation of a valid invoice. During the financial year 2015-16 the JAC also monitored its payment performance against a 10-day target (of 90%).

As the JAC has one weekly payment run, these targets are often difficult to achieve, whilst also ensuring that proper checks are made to ensure invoices are valid. During 2015-16 a new shared system was introduced throughout the Ministry of Justice, which the JAC uses, and subsequent to the changeover to the new system, the speed of payment processes declined. There was a significant increase in the number of invoices processed due to the more frequent payment of weekly agency staff invoices.

The following sets out the JAC's performance:

JAC's performance	2015-16 %	2014-15 %	Target %
Payment within 10 days	27.4	79.0	90
Payment within 30 days	96.2	100.0	100
Total number of invoices	475	210	

### Pension liabilities

Details regarding the treatment of pension liabilities are set out in notes 1e and 2 to the financial statements (page 63).

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

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

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

- confirm that the annual report and accounts as a whole is fair, balanced and understandable
- confirm that he takes personal responsibility for the annual report and accounts and judgments required for determining that it is fair, balanced and understandable
- observe the Accounts Direction issued by the Lord Chancellor including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis

The Accounting Officer of the MoJ has designated the Chief Executive as Accounting Officer of the JAC. The responsibilities of an

Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the JAC's assets, are set out in *Managing Public Money* published by HM Treasury.

### Auditors

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

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

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

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

## GOVERNANCE STATEMENT

### Introduction

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

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

### Committee structure

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

- The Commission (comprising 15 Commissioners including the Chairman as set out in the Constitutional Reform Act 2005 (CRA), as amended by the Crime and Courts Act 2013 (CCA) and the Judicial Appointments Regulations 2013) – meets monthly (except in January, April and August). Members of the Commission come from a wide background and are drawn from the lay public, the legal profession, tribunals, the magistracy and the judiciary. The Commission has overall responsibility for the JAC’s strategic direction, within the provisions of the CRA, as amended by the CCA, and supporting the Framework Document agreed between the MoJ and the Chairman of the JAC
- Selection and Character Committee (SCC) – generally meets twice a month (with some variation depending on business need). Membership is the same as the Commission, and the Committee is chaired by the JAC Chairman, Vice-Chairman or another nominated Commissioner. The SCC identifies candidates suitable for recommendation to the Appropriate Authority for appointment to all judicial offices under Schedule 14 to the CRA, as amended by the CCA, and to other offices as required by the Lord Chancellor under Section 98 of the CRA
- Audit and Risk Committee (ARC) – comprises the Chair (a Commissioner), an independent (non-JAC) member and 2 other Commissioners. The Committee meets 4 times a year, with an additional meeting to consider the annual accounts, and advises me on the adequacy and effectiveness of risk management and internal control, including the strategic risk register processes. The Committee assesses the internal and external audit activity plans and the results of such activity

### Attendance at Board and Committee meetings during the year:

Commissioner details	Meetings attended in 2015-16		
	Board	SCC <sup>1</sup>	ARC
Number of meetings: 01/04/2015 to 31/03/2016	9	24	5
Christopher Stephens CBE (Chairman)	9	23	-
Lord Justice Burnett (Vice Chairman) joined 01/11/2015	4	9	-
Lady Justice Macur DBE (Vice Chairman) left 30/10/2015	4	8	-
Martin Forde QC	4	6	-
Professor Emily Jackson	8	10	-
Her Honour Judge Usha Karu	9	12	-
Professor Noel Lloyd CBE	9	17	5
Alexandra Marks	9	15	-
Katharine Rainsford JP	8	9	-
Lieutenant General Sir Andrew Ridgway KBE CB	8	11	-
Lucy Scott-Moncrieff CBE	6	15	-
District Judge Christopher Simmonds	9	18	5
Dame Valerie Strachan DCB	9	19	5
His Honour Judge Phillip Sycamore	7	10	-
Debra van Gene	7	9	-
Mr Justice Wilkie	7	9	-

**Notes:** <sup>1</sup> Commissioners are allocated to attend around 11 SCC meetings per year. It is open to them to attend additional meetings at their own discretion, or when additional meetings are scheduled to deal with urgent business.

### Working with partners

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

- Diversity Forum: hosted by the JAC, the Forum meets quarterly. The Forum comprises the JAC, MoJ, Law Society, Bar Council, CILEx, Judiciary and the Judicial Office
- Advisory Group: meets monthly. The Group comprises the Chair (a JAC Commissioner), the Head of Operations, and other JAC staff members, in addition to representatives of the Judiciary and legal professions. The Advisory Group considers the suitability of materials and methods to be used in selection processes for specific exercises.

## BOARD AND COMMITTEE PERFORMANCE

### Board papers

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

### Board performance evaluation

The Board assessed its performance in November 2015. Overall the responses were overwhelmingly positive with 93% agreeing (78% strongly agreeing) with the statements on the areas questioned. Steps are being taken to address any of the concerns raised.

### Board discussions

I am content with the wide range of issues covered over the year, including: Competency Frameworks; 'Am I Ready?' tool; JARS updates including the candidate feedback process; use of judicial resources; the general selection process – video/telephone pilots; the Welsh Language Scheme; selection processes on s9(4), European Court of Human Rights, High Court; Triennial Review progress update and the monthly Management Information Pack.

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

As part of the Chairman's goal of increasing engagement with key interested parties, guests are invited to attend Board meetings to exchange views, discuss priorities and other pertinent issues. Guests attend a portion of a Board meeting and are not present when the Board considers and makes decisions regarding Commission business. Guests attending Board meetings in the year were: Sir Jeffrey Jowell KCMG QC, Director of the Bingham Centre for the Rule of Law; Lady Justice Hallett; the Lord Chief Justice; Senior President of Tribunals; Lord Chancellor Rt

Hon Michael Gove MP; Jonathan Smithers, President of the Law Society; and Catherine Dixon, Chief Executive of the Law Society.

Commissioners participated in a 2-day Annual Strategic Review on 10-11 March 2016. Discussions covered issues including Strategic Objectives for 2016-2020; selection process review on shortlisting, grading and statutory consultation; and diversity including the 'equal merit' provision.

### Changes to the Commission

Continuity in the Commission has been evidenced by only the single change during the year, with the appointment of a new Vice Chairman. Lord Justice Burnett received a full induction on his appointment covering the selection process, equality and diversity, exercise programme, regularity and propriety, information assurance and security and general administrative issues.

### Audit and Risk Committee performance

The Audit and Risk Committee did not assess its performance during the year. I do not consider it to be necessary every year, especially as the last one was carried out in December 2014, and compliance with the NAO checklist was found to be good with only minor recommendations for change.

## CORPRATE GOVERNANCE

### Guidance followed

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

There is no formal Nominations and Governance Committee in place identifying leadership potential. Compliance with Corporate Governance guidance is outlined in much greater depth in the Triennial Review report, issued in January 2015.

### Responsibility

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

The JAC has a balanced Board in place, which consists of the Chairman and the Commissioners, who all have equal decision-making rights. As Chief Executive I attend Board meetings, in a non-voting capacity. Of utmost importance is that all Board members uphold the 7 principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

## ASSURANCE

### Assurance process

At the mid-year and end-year stages, assurance was provided through an Assurance Framework, in accordance with the HM Treasury document Assurance Frameworks, issued in December 2012. Each member of the senior leaders team also prepares a list of exceptions that occurred in their areas of responsibility, that is where processes have not operated as intended. These are scrutinised through the Audit and Risk Committee, and so I am confident that all assurance matters have been brought to my attention, and that assurance is well managed. There were no significant control exceptions identified during the year.

### Internal audit

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

The Annual Report from the Head of Internal Audit reflects very well on the organisation, reporting a Substantial level of assurance (the framework of governance, risk management and control is adequate and effective). This gives me additional assurance that the organisation is managed well.

### External audit

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

### Sponsor department (MoJ)

My responsibilities also include our requirement to meet the Business Plan objectives agreed with the MoJ. I therefore have regular meetings with the Lord Chancellor's officials to discuss progress in meeting our strategic objectives. These meetings are very constructive and demonstrate that there is a great deal of co-operation between us.

## DATA QUALITY

### Data considered by the Board

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

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

### Data considered by the Selection and Character Committee

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

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

### Data considered by the Audit and Risk Committee

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

## RISK

Risk is well managed in the JAC through the embedded risk registers throughout the organisation, underpinned by a supporting Risk Management Policy and Framework and Risk Improvement Manager. This provides guidance and assistance as required, whether through the handling of individual queries, attendance at various meetings, or to support my role as Accounting Officer.

### Audit and Risk Committee

The Committee monitors the key risks to achieving our strategic objectives through the Corporate Risk Register, which is updated by the senior leaders. Commissioners have delegated to the Committee responsibility for advising on the adequacy and effectiveness of risk management and internal control, including the risk management process.

### Risk Management Policy and Framework

The JAC's Risk Management Policy and Framework outlines the key principles underpinning the JAC's approach to risk management and explains the risk management processes and the roles and responsibilities of staff. The JAC has a low to medium risk appetite, which means that the JAC is prepared to accept, tolerate or be exposed to a low to medium level of risk at any one point in time. The Framework is reviewed annually by the Audit and Risk Committee (ARC). We maintain risk at a tolerable level rather than try to eliminate all risk of failure to achieve policies, aims and objectives. We can therefore only provide reasonable and not absolute assurance of effectiveness. I am satisfied that this is a proportionate approach.

### Risk management and training

All staff have been informed of their responsibility for managing risk and new staff receive a summary on managing risk in their induction packs. Many staff members are involved actively in the management of risk through reporting at individual project boards and other forums.

### Risk registers

The JAC regularly reviews risks to its objectives and monitors controls to mitigate these risks through the effective use of risk registers. We follow the guidance in HM Treasury's The Orange Book (2004), by evaluating risks in terms of their impact on corporate objectives and likelihood of occurrence.

There is a hierarchy of risk registers, starting with the organisation-wide Corporate Risk Register at the top (the key risks in the Corporate Risk Register are set out in the Overview section of the Performance Report (page 27)). Feeding into this are detailed registers on: health and safety; information security; a register for each strand of the JAC Change Programme; the Selection Exercise Programme Board; with a separate register for each selection exercise within its Selection Exercise Project Record (SEPR). I consider this to be appropriate for the JAC.

The JAC jointly owns and manages the Joint Delivery Group risk register with HM Courts and Tribunal Service, Judicial Office and the MoJ. This register is reviewed at the group's monthly meetings.

## INFORMATION SECURITY, FRAUD AND WHISTLEBLOWING

### Senior Information Risk Owner (SIRO)

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

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

Any operational requirement to deviate from the JAC Security Policy regarding data security requires SIRO agreement. The SIRO reported that there were no known incidents of data loss for the period covered by the Governance Statement.

An Anti-Fraud Policy and Anti-Fraud Response Plan are available to staff on the intranet and the JAC has a whistleblowing policy in place. I am content that the measures we have in place are effective for the JAC to enable staff to report any concerns that they may have and that we are well placed to deal with such concerns should they arise.

### Summary

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

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

I am therefore able to confirm that there have been no known significant governance issues that could undermine the integrity or reputation of the JAC up to 31 March 2016 and up to the date of this report.

# REMUNERATION AND STAFF REPORT

## REMUNERATION POLICY

### Chief Executive

The Chief Executive (a senior civil servant) is a permanent member of the JAC. Details of his contract are set out below. The terms and conditions of his appointment, including termination payments, are governed by his contract.

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

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities

- regional and local variations in labour markets and their effects on the recruitment and retention of staff
- government policies for improving public services, including the requirement on departments to meet the output targets for the delivery of departmental services
- the government's inflation target

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

The Chief Executive served during the year, and details of his appointment are set out below:

	Date of appointment	Contract
Chief Executive: Nigel Reeder	20/12/2011	Permanent member of staff (3 month notice period)

### Service contracts

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

Unless otherwise stated below, the Chief Executive covered by this report holds his appointment which is governed by his contract. Early termination, other than for misconduct, results in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners is at <http://civilservicecommission.independent.gov.uk>

### Panel chairs and panellists

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

### Commissioners

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

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

Commissioners who are entitled to a fee are paid an annual amount of £9,473 in respect of 28 days service a year. In exceptional circumstances they may be paid for additional days' work at £338.33 per day. The remuneration of the Chairman is included in the remuneration table on page 45.

The members of the Commission during 2015-16 and details of their appointments are set out on the following page.

	Date of original appointment	Date of re-appointment	Length of current term
<b>Chairman</b> Christopher Stephens CBE	07/02/2011	07/02/2014	2 years
<b>Commissioners</b>			
Lord Justice Burnett (joined 01/11/2015)	01/11/2015		5 years
Martin Forde QC	05/01/2012	05/01/2015	3 years
Professor Emily Jackson	01/02/2014		3 years
Her Honour Judge Usha Karu	09/06/2014		3 years
Professor Noel Lloyd CBE	01/02/2012	01/02/2014	3 years
Lady Justice Macur DBE (left 30/10/2015)	01/10/2013		5 years
Alexandra Marks	05/01/2012	05/01/2015	3 years
Katharine Rainsford JP	01/02/2014		3 years
Lieutenant General Sir Andrew Ridgway KBE CB	01/02/2012	01/02/2014	3 years
Lucy Scott-Moncrieff CBE	01/02/2014		3 years
District Judge Christopher Simmonds	01/02/2014		3 years
Dame Valerie Strachan DCB	01/02/2012	01/02/2015	3 years
His Honour Judge Phillip Sycamore	09/06/2014		3 years
Debra van Gene	01/02/2014		3 years
Mr Justice Wilkie	25/05/2012		5 years

## TOTAL FIGURE OF REMUNERATION

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

The following sections provide details of the remuneration and pension interests of the Chairman and Chief Executive of the JAC, (subject to audit), which were as follows:

Officials	Salary £000		Bonus Payments £000		Benefits in kind (to nearest £100)		Pension benefits <sup>2</sup> £000		Total £000	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Christopher Stephens	160-65	160-65	-	-	-	-	-	-	60-65	60-65
Nigel Reeder	80-85	80-85	5-10	-	-	-	25-30	10-15	120-125	95-100

#### Notes:

1 The figure is the rate based on a 0.6 FTE, full-year equivalent rate being £100-105k.

2 The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

### Benefits in kind

The Chairman and Chief Executive have no entitlement to benefits in kind and did not receive any (2014-15 Nil).

Total travel and subsistence claims over the reporting period for the Chairman and Chief Executive were as follows: Christopher Stephens £99 (2014-15 Nil); Nigel Reeder £Nil (2014-15 Nil).

### Commissioners' remuneration

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

	2015-16			2014-15		
	Remuneration £000	Benefits in kind (to nearest £100)	Total £000	Remuneration £000	Benefits in kind (to nearest £100)	Total £000
Lord Justice Burnett	-	-	-	-	-	-
Martin Forde QC	9	-	9	9	-	9
Professor Emily Jackson	16 <sup>1</sup>	-	16	13 <sup>5</sup>	-	13
Her Honour Judge Usha Karu	-	-	-	-	-	-
Professor Noel Lloyd CBE	13 <sup>2</sup>	15,100	28	9	9,800	19
Lady Justice Macur DBE	-	-	-	-	-	-
Alexandra Marks	9	-	9	9	-	9
Katharine Rainsford JP	9	200	9	9	200	9
Lieutenant General Sir Andrew Ridgway KBE CB	9	6,000	15	14 <sup>6</sup>	8,600	23
Lucy Scott-Moncrieff CBE	9	-	9	9	-	9
District Judge Christopher Simmonds	-	-	-	-	-	-
Dame Valerie Strachan DCB	17 <sup>3</sup>	-	17	13 <sup>7</sup>	-	13
His Honour Judge Phillip Sycamore	-	-	-	-	-	-
Debra van Gene	14 <sup>4</sup>	-	14	9	-	9
Mr Justice Wilkie	-	-	-	-	-	-

1. Includes remuneration for acting as a panellist on the High Court selection exercise.
2. Includes remuneration for acting as a panellist on the Court of Appeal selection exercise.
3. Includes remuneration for acting as a panellist on the High Court selection exercise.
4. Includes remuneration for acting as a panellist on the Court of Appeal and Senior President of Tribunals selection exercises.
5. Includes remuneration for acting as a panellist on the Court of Appeal selection exercise.
6. Includes remuneration for acting as a panellist on the General Council of the European Union selection exercises and observing in the Court of Appeal Criminal Division.
7. Includes remuneration for acting as a panellist on the Court of Appeal selection exercise.

All remuneration is based on the time each Commissioner was in office, so does not necessarily represent a full year's service – see dates for original appointments on page 44.

Commissioners acted as panellists for a total of 147 days in the reporting period (62 days in 2014-15).

## Benefits in kind

Commissioners may be reimbursed for their travel and subsistence costs in attending Commission business if the cost of their journey is greater than what they would otherwise have incurred with their other employment. Since non-judicial Commissioners are deemed to be employees of the JAC, the amounts of these reimbursements are treated as benefits in kind and are disclosed in the table above and incorporated into the benefits in kind amounts.

The taxation on such expenses is borne by the JAC. There are no other benefits in kind.

Judicial Commissioners are not deemed to be employees of the JAC, and therefore their travel and subsistence costs are not treated as benefits in kind. There were no claims made by Judicial Commissioners.

## Pension entitlements

The pension entitlements of the Chairman and Chief Executive (subject to audit) were as follows:

	Total accrued pension at pension age as at 31/03/2016 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/16	CETV at 31/03/15	Real increase in CETV	Employer Contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £000
Christopher Stephens <sup>1</sup>	-	-	-	-	-	-
Nigel Reeder	40-45 plus Lump sum 125-130	0-2.5 plus Lump sum 2.5-5	1,005	915	26	-

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

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

## Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has 4 sections: 3 providing benefits on a final salary basis (**classic, premium or classic plus**) with

a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded, with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic, premium, classic plus, nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (the pension figures quoted

for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the 2 schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and 8.05% for members of **premium**, **classic plus** and **nuvos** and all other members of **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to 3 years’ initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with the Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases, members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the 2 schemes, but note that part of that pension may be payable from different ages.)

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

### Cash equivalent transfer values

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

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

### Real increase in CETV

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

### Fair pay

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

The median remuneration of the workforce was £30,100 (2014-15, £30,386). The Remuneration ranged from £20-25,000 to £90-95,000 (£20-25,000 to £80-85,000 in 2014-15). The banded remuneration of the highest-paid director in the JAC in the financial year 2015-16 was £90-95,000 (2014-15, £80-85,000). This was 3.1 times (2014-15, 2.7 times) the median remuneration of the workforce. Prior year information has been restated to include agency staff. In 2015-16, Nil (2014-15, Nil) employees received remuneration in excess of the highest-paid director.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. This presentation is based on the cash payments made in the year by the JAC.

The calculations exclude the pay to the Chairman and Commissioners as their employment terms and conditions, including pay rates, are determined by the MoJ, and the JAC is unable to influence those rates. Details of their pay is provided above. The calculations also exclude the pay made to our panel chairs and panellists, who are employed on a fee-paid basis, as to include them would lead to misleading information.

## STAFF REPORT

### Staff composition

The split of the staff is as follows:

	Male	Female	Total
Director - SCS	1	0	1
Senior leaders	5	4	9
Other staff	16	24	40
<b>Total</b>	<b>22</b>	<b>28</b>	<b>50</b>

These correspond to the total of permanent, fixed term contracts and seconded staff as set out below (subject to audit):

Staff costs comprise								
2015-16								2014-15
	Commissioners	Panel chairs and lay panel members	Permanent staff	Seconded staff	Fixed term contracts	Other contracted staff	Total	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Wages and Salaries	177	368	1,587	18	51	261	2,462	2,437
Social Security Costs	23	74	131	1	3	-	232	234
Other Pension Costs	-	-	324	4	8	-	336	361
	<b>200</b>	<b>442</b>	<b>2,042</b>	<b>23</b>	<b>62</b>	<b>261</b>	<b>3,030</b>	<b>3,032</b>
Early Departure	-	-	-	-	-	-	-	276
	<b>200</b>	<b>442</b>	<b>2,042</b>	<b>23</b>	<b>62</b>	<b>261</b>	<b>3,030</b>	<b>3,308</b>

During the year Nil (2014-15 - £147k) of staff costs has been capitalised.

In 2015-16, the JAC employed its own staff (permanent staff, on loan and those on fixed term contracts). Other contracted staff are supplied by agencies. All irrecoverable value added tax is included within wages and salaries. No VAT is included in social security or other pension costs.

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

Employers' contributions for staff seconded from other government departments, payable to the PCSPS, are made from the sponsor department. The JAC is recharged the full cost of employing staff on secondment, including other pension costs. For 2015-16, employers' contributions of £336k were payable to the PCSPS (2014-15: £361k), at one of 4 rates in the range 20.0% to 24.5% (2014-15: 16.7% to 24.3%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every 4 years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

JAC and government department employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. These are handled through the MoJ (which provides the pension service for JAC staff) or the employee's sponsor department and are paid to one or more of a panel of 3 appointed stakeholder pension providers. There were no such contributions for 2015-16 (2014-15: Nil).

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

	Commissioners	Panel chairs and lay panel members	Permanent staff	Seconded staff	Fixed term contracts	Other contracted staff	Total
<b>2014-15</b>	2	5	49	-	8	2	<b>66</b>
<b>2015-16</b>	2	5	42	1	2	5	<b>57</b>

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

There were no voluntary departures in the year (2014-15: 6).

### Sickness absence data

Staff sickness absence levels are again above the average across the Civil Service organisations. For 2015-16 on average 9.89 days for each member of staff was lost (9.80 days in 2014-15). The days lost was 72% due to long-term absences.

From February 2016 the JAC adopted new Attendance Management policy in line with the rest of the MoJ. This standardises the approach to managing sickness absence, and provides trigger points that make it compulsory to conduct interviews with staff when a certain level of absence is reached.

### Staff policies

The JAC works directly with staff through team meetings and electronic communications. It has regular, at least every 2 months, all-office meetings where significant information, or changes that apply to all, are cascaded and discussed. All staff are encouraged to ask about organisational issues and how these relate to themselves and their work.

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

Our health and safety policy was revised in April 2015, and is published on the intranet for staff, along with a health and safety action plan. We communicate other health and safety information to staff through the intranet and by notices. We have sufficient trained first aiders and fire wardens in place. There were no reportable health and safety incidents.

Our annual staff survey showed a lower response rate of 64% (78% in 2014), but our overall engagement score remained the same at 59% (59% in 2014). There were mixed results, with improvements in how staff feel about flexible working with challenging roles. In addition, it was felt that we manage and communicate change well. However, perceptions about their managers, teamwork and the levels of harassment and bullying fell. We also do need to continue to recognise the challenges being faced by public sector staff concerning pay and other resources.

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

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

### **Other**

The JAC had no spend on consultants during the year. In addition it did not have any off-payroll engagements or exit packages.

# PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

## Regularity of Expenditure

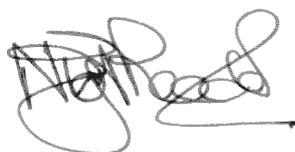
There were no losses and special payments made during the year (Nil 2014-15) and no irregular spend (subject to audit).

## Remote contingent liabilities

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

## Long-term expenditure trends

The expenditure is expected to continue to reduce over the coming years – especially over this Spending Review period (2016-17 to 2019-20). The JAC has an excellent track record of delivering spending reductions in the previous years, and we expect to continue this. However, it will be more difficult to maintain the previous level of reductions, but we shall continue to work to deliver efficiency savings to help ensure that reductions on allocations are adhered to.



## Nigel Reeder

Accounting Officer  
Judicial Appointments Commission  
7 July 2016

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

I certify that I have audited the financial statements of the Judicial Appointments Commission for the year ended 31 March 2016 under the Constitutional Reform Act 2005. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Parliamentary Accountability disclosures that is described in that report as having been audited.

## **Respective responsibilities of the Board Accounting Officer and auditor**

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

## **Scope of the Audit of the financial statements**

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

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

### Opinion on Regularity

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

### Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Judicial Appointments Commission's affairs as at 31 March 2016 and of the net expenditure for the year then ended and
- the financial statements have been properly prepared in accordance with the Constitutional Reform Act 2005 and directions issued thereunder by the Lord Chancellor with the approval of HM Treasury

### Opinion on other matters

In my opinion:

- the part of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited has been properly prepared in accordance with directions made under the Constitutional Reform Act 2005 by the Lord Chancellor with the approval of HM Treasury and
- the information given in the Performance Report and the 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

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

### Report

I have no observations to make on these financial statements.

#### Sir Amyas CE Morse

Comptroller and Auditor General

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

12 July 2016



# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE NET EXPENDITURE

for the year ended 31 March 2016

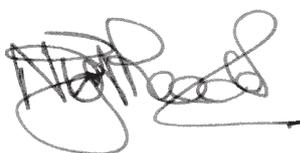
		2015-16	2014-15
	Note	£000	£000
<b>Expenditure</b>			
Staff costs	2	3,030	3,308
Other expenditure	3	764	735
Services and facilities provided by sponsoring department	4	1,084	1,400
		<b>4,878</b>	<b>5,443</b>
<b>Income</b>			
Income		(20)	(1)
<b>Net expenditure</b>		<b>4,858</b>	<b>5,442</b>
<b>Other comprehensive expenditure</b>			
Net (gain)/loss on revaluation of intangible asset		(9)	-
<b>Comprehensive net expenditure for the year</b>		<b>4,849</b>	<b>5,442</b>

The notes on pages 62 to 66 form part of these accounts.

## STATEMENT OF FINANCIAL POSITION

as at 31 March 2016

		31 March 2016	31 March 2015
	Note	£000	£000
<b>Non-current assets</b>			
Intangible assets	5	604	664
<b>Total non-current assets</b>		<b>604</b>	<b>664</b>
<b>Current Assets</b>			
Trade and other receivables	6	47	39
Cash and cash equivalents	7	552	540
<b>Total current assets</b>		<b>599</b>	<b>579</b>
<b>Total assets</b>		<b>1,203</b>	<b>1,243</b>
<b>Current liabilities</b>			
Trade and other payables	8	(82)	(66)
Other liabilities	8	(269)	(660)
<b>Total current liabilities</b>		<b>(351)</b>	<b>(726)</b>
<b>Total assets less current liabilities</b>		<b>852</b>	<b>517</b>
<b>Taxpayers' Equity</b>			
General fund		843	517
Revaluation reserve		9	-
		<b>852</b>	<b>517</b>



**Nigel Reeder**

Accounting Officer  
Judicial Appointments Commission  
7 July 2016

The notes on pages 62 to 66 form part of these accounts.

## STATEMENT OF CASH FLOWS

for the year ended 31 March 2016

		2015-16	2014-15
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Net expenditure		(4,858)	(5,442)
Adjustments for non-cash transactions:			
Services and facilities provided by sponsoring department	4	1,084	1,400
Other expenditure	3	69	27
(Increase) in trade receivables and other current assets	6	(8)	(3)
(Decrease)/Increase in trade payables and other current liabilities	8	(375)	213
Use of provision		-	(10)
<b>Net cash (outflow) from operating activities</b>		<b>(4,088)</b>	<b>(3,815)</b>
<b>Cash flows from investing activities</b>			
Purchase of Intangible asset		-	(553)
<b>Net cash (outflow) from investing activities</b>		<b>-</b>	<b>(553)</b>
<b>Cash flows from financing activities</b>			
Grant from MoJ		4,100	4,000
<b>Net financing</b>		<b>4,100</b>	<b>4,000</b>
Net increase/(decrease) in cash and cash equivalents in the period	7	12	(368)
Cash and cash equivalents at the beginning of the period	7	540	908
Cash and cash equivalents at the end of the period	7	552	540

The notes on pages 62 to 66 form part of these accounts.

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

for the year ended 31 March 2016

		Revaluation Reserve	General Fund	Total Reserves
	Note	£000	£000	£000
<b>Balance at 31 March 2014</b>		-	559	559
<b>Changes in taxpayers' equity in 2014-15</b>				
Grant from MoJ		-	4,000	4,000
Non-cash charges – services provided by sponsoring department	4	-	1,400	1,400
Net expenditure for the year		-	(5,442)	(5,442)
<b>Balance at 31 March 2015</b>		-	517	517
<b>Changes in taxpayers' equity in 2015-16</b>				
Grant from MoJ		-	4,100	4,100
Non-cash charges – services provided by sponsoring department	4	-	1,084	1,084
Net gain on revaluation of Intangible asset	5	9	-	9
Net expenditure for the year		-	(4,858)	(4,858)
<b>Balance at 31 March 2016</b>		9	843	852

The notes on pages 62 to 66 form part of these accounts.

## NOTES TO THE ACCOUNTS

for the year ended 31 March 2016

### Note 1 Statement of accounting policies

These financial statements are prepared on a going concern basis in accordance with the Constitutional Reform Act 2005 and with the 2015-16 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the JAC for the purpose of giving a true and fair view has been selected. The particular policies adopted by the JAC are described below. They have been applied consistently in dealing with items that are considered material to the accounts, and are in a form as directed by the Lord Chancellor with the approval of HM Treasury.

#### a) Accounting convention

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

#### b) Funding

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

#### c) Accounting for value added tax

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

#### d) Intangible Assets

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

Subsequent to initial recognition, intangible assets are recognised at fair value. As no active market exists for the JAC's Intangible Asset, fair value is assessed as replacement cost less any accumulated amortisation and impairment losses (Depreciated Replacement Cost, or DRC). The capitalisation threshold for software projects and for subsequent additions that enhance the economic benefit of the asset is £5,000. Intangible Assets are revalued at each reporting date using the Producer Price Index (PPI) produced by the Office for National Statistics (ONS). The accumulated amortisation is eliminated against the gross carrying amount of the asset. The policy is to revalue at the year-end through indexation. The useful life of this internally developed software has been revised from 5 years to 10 years. This has resulted in a reduction of £66k in the amortisation charge during the year.

### e) Pensions policy

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

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

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

Note 2 Staff costs								
2015-16								2014-15
	Commissioners	Panel chairs and lay panel members	Permanent staff	Seconded staff	Fixed term contracts	Other contracted staff	Total	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Wages and Salaries	177	368	1,587	18	51	261	2,462	2,437
Social Security Costs	23	74	131	1	3	-	232	234
Other Pension Costs	-	-	324	4	8	-	336	361
	200	442	2,042	23	62	261	3,030	3,032
Early Departure	-	-	-	-	-	-	-	276
	200	442	2,042	23	62	261	3,030	3,308

All other staff details are contained within the Accountability Report.

<b>Note 3 Other expenditure</b>		
	<b>2015-16</b>	<b>2014-15</b>
	<b>£000</b>	<b>£000</b>
<b>Selection exercise programme</b>		
Panel members' travel and subsistence	163	165
Advertising	8	7
Outsourced accommodation and IT	-	49
Actors' costs	103	66
Direct selection process costs	14	16
Staff travel and subsistence	8	4
Commissioners' travel and subsistence	8	6
	<b>304</b>	<b>313</b>
<b>Other programme costs</b>		
Outreach and Communications	7	10
Commissioners' travel and subsistence	7	6
Research	6	40
Judicial Appointments Recruitment System	278	111
Panellist training	16	39
	<b>314</b>	<b>206</b>
<b>Administration costs</b>		
Staff travel and subsistence	2	7
Staff training and events	9	15
Office expenses	10	6
Recruitment	2	2
Legal services	(6)	24
External audit	29	29
Internal audit	31	31
E-delivery/IT services	-	4
Financial services	-	71
	<b>77</b>	<b>189</b>
<b>Non-cash items</b>		
Amortisation	69	23
Approved early retirement	-	4
	<b>69</b>	<b>27</b>
<b>Total</b>	<b>764</b>	<b>735</b>

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

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

- **Outsourced accommodation and IT:** In 2015-16 we realised benefits of our new IT system, which meant that there was no more reliance on an outside supplier for the provision of online qualifying test costs.
- **Actors' costs:** Selection exercise costs generally depend on the nature of the programme being delivered, and in 2015-16 there was one particular exercise that required a significant use of actors – Recorders, whereas in 2014-15 there was a lower cost for Deputy District Judge (Civil).
- **Research:** This work differs each year, in 2014-15 more spend was incurred due to work in relation to diversity and the selection process review on competency frameworks, with a much reduced spend on diversity work in 2015-16.
- **Judicial Appointments Recruitment System:** This relates to spend on the new IT system that didn't relate to enhancements of functionality and more spend was incurred on this in 2015-16 than in the previous year.
- **Legal services:** We received a receipt to cover previous costs due to the settlement of a case.
- **Financial services:** With the move to Shared Services we no longer incurred charges for accounting services.
- **Amortisation:** The JARS asset was amortised over a full year during 2015-16, but only a part-year in 2014-15.

<b>Note 4 Services and facilities provided by sponsoring department (non-cash)</b>		
	<b>2015-16</b>	<b>2014-15</b>
	<b>£000</b>	<b>£000</b>
Legal and Judicial Services Group	-	-
Commercial Group	544	858
Human Resources Directorate	8	8
E-Delivery Group	414	417
Information operations	12	11
Communications	12	23
Shared services	53	42
Procurement	41	41
	<b>1,084</b>	<b>1,400</b>

The MoJ has not recharged us the legal costs, but it provides us with legal advice, the value of which is immaterial to the JAC.

<b>Note 5 Intangible assets</b>	
	<b>Information Technology</b>
	<b>£000</b>
<b>Cost or valuation</b>	
At 1 April 2015	687
Additions	-
Revaluation	10
At 31 March 2016	<b>697</b>
<b>Amortisation</b>	
At 1 April 2015	23
Charged in year	69
Revaluation	1
At 31 March 2016	<b>93</b>
<b>Carrying amount at 31 March 2016</b>	<b>604</b>
<b>Carrying amount at 1 April 2015</b>	<b>664</b>

The whole amount of the intangible asset relates to the JARS project. The remaining amortisation period at the year-end is 8 years and 10 months.

<b>Note 6 Trade receivables and other current assets</b>		
	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year</b>		
Deposits and advances	9	9
Other receivables	23	30
Prepayments	15	-
	<b>47</b>	<b>39</b>

<b>Note 7 Cash and cash equivalents</b>		
	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	540	908
Movement	12	(368)
Balance at 31 March	<b>552</b>	<b>540</b>

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

<b>Note 8 Trade payables and other current liabilities</b>		
	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year</b>		
Trade payables	39	12
Other payables	43	54
	<b>82</b>	<b>66</b>
Other taxation and social security	58	68
Accruals	211	592
	<b>269</b>	<b>660</b>
	<b>351</b>	<b>726</b>

#### **Note 9 Related party transactions**

The JAC is a non-departmental public body sponsored by the MoJ. The MoJ is regarded as a related party. During the period, the JAC had various material transactions with the MoJ. In addition the JAC has had material transactions with HM Revenue and Customs.

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

#### **Note 10 Events after the reporting period**

There were no significant events after the reporting period.

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

#### **Note 11 Financial instruments**

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



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