



MEDIA RELEASE

Financial audit and reporting

The Legal Services Agency Northern Ireland 2017-18

The Comptroller and Auditor General (C&AG), Kieran Donnelly, reported to the Assembly today on the results of his audit of the accounts of the Legal Services Agency Northern Ireland (the Agency) for 2017-18. The accounts record the annual expenditure of the Agency on legal aid and the outstanding liabilities for on-going legal cases. The audit opinions on the annual accounts of the Agency (previously the Legal Services Commission) have been qualified since 2003 due to:

- the lack of effective counter fraud arrangements; and
- weaknesses in the financial estimates of provisions for legal aid liabilities in the annual accounts.

These issues remain unresolved and the audit opinion on the 2017-18 financial statements has been qualified once again.

Key findings

The Public Accounts Committee of the Northern Ireland Assembly has published two reports on the subject of legal aid; one in 2011 and another in January 2017. The reports were critical of how the Agency had managed the legal aid budget over a number of years. The report expressed concerns with the delays to reform the governance of the legal aid system and that previous assurances to improve the management of the legal aid system following its report in 2011 had not been kept. The report contained five recommendations for improvement.

Mr. Donnelly said: *'The delays in implementing the recommendations of the Committee's report undermine the credibility of the legal aid system. Nearly 18 months later the Department and the Agency have not taken action on all of the recommendations.... I accept that there are significant constraints on the delivery of the recommendations in some areas without a Minister and a legislative Assembly. Nevertheless, I am disappointed by the slow progress being made. I will continue to monitor this and expect to see a substantial improvement in the pace and delivery of the legal aid reform.'*

The Agency and the Department of Justice have taken steps to address some of the recommendations in the Committee's report. Draft legislation has been prepared for the implementation of a Registration Scheme for legal aid providers. New IT has also been developed to support the registration scheme. However, the legislation cannot be progressed further in the absence of an Assembly.

The Agency is also investing significant resources to develop a robust strategy to counter fraud and error, working initially with the Department for Communities to develop an estimate of the levels of fraud and error in the system.

THIS STATEMENT IS ISSUED ON THE STRICT UNDERSTANDING THAT IT IS NOT FOR PUBLICATION OR BROADCAST BEFORE 00.01 hrs ON FRIDAY 6 JULY 2018

Notes for Editors

1. The Comptroller and Auditor General is Head of the Northern Ireland Audit Office (the Audit Office). He and the NIAO are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. His reports are published as Assembly papers.
2. The report relevant to this Press Release is attached and is published with the 2017-18 LSANI accounts which can be obtained from the LSANI website.
3. Background briefing can be obtained from the Northern Ireland Audit Office by contacting Neil Gray (028 9025 4345) or Declan Cooper (028 9025 1142).