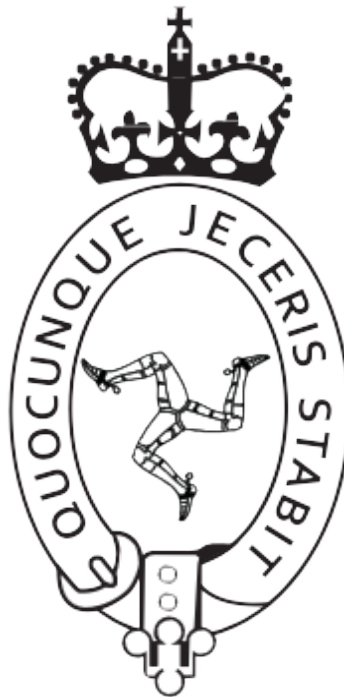


Attorney General's Chambers

Annual Operating Report
for the year ended
31st March 2019



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Introduction

This Report provides a summary of the work undertaken by my Chambers (“AGC”) during the year to 31st March 2019.

It has been another busy year continuing to meet the challenges and ever increasing scope of our work during which our focus has remained; to provide the statutory services I am responsible for and assist with meeting the aims of the Isle of Man Programme for Government adopted and approved by Tynwald in 2016. We remain committed to help ensure the Island remains a special place to both work and live by being an inclusive and caring society, an Island of enterprise and opportunity and with a financially responsible Government.

Details of the work carried out in each of the Divisions of Chambers is set out within this Report which I hope will be both informative and of value to our Stakeholders and to the public to help them better understand the nature and scope of the work which we continue to do.

As I mentioned in my last Annual Report, along with H.M. Solicitor General (“HMSG”), I still continue to look at opportunities to try and enhance the shared legal services which we provide to all of Government. During this year we have laid the foundations for further significant changes in the development of our services in various areas. These changes, which are briefly signposted in this Annual Report, will take effect during the coming year.

The first change will see AGC restructuring my core Crown Office which provides support across all of Chambers to help better delivery of our work and supporting my statutory functions as H.M. Attorney General. I mention a recent example; the passing of the Charities Registration and Regulation Act 2018, will see the transfer to AGC of the maintenance of the Charities Register for the Isle of Man, which development will facilitate and better inform my regulatory functions in relation to Charities.

A further change I mention is in relation to AGC’s delivery of legislative drafting services, which services firstly aim to deliver the Government’s Legislative Programme, also to be available to deal in a measured way with Private Members Bills and then generally to advise and assist Government Departments and Offices with the delivery of their own Secondary Legislation Programmes. To seek to improve delivery of all Legislation, the foundations have been laid for the eventual transfer into AGC of the Legislation Support Team Members from all Departments and Offices across Government with the aim of creating a Centre of Excellence for Secondary Legislation Drafting in AGC and, by so doing, improving delivery and increasing resilience. The transfer of these Legislative Support Team Members has commenced and will continue during the coming year.

The year to date has also seen a continuing emphasis on the Island's commitment to meet its obligations in the fight against financial crime and money laundering. The extent and scope of the work which AGC carried out using its International Cooperation and Asset Recovery Team ("ICART") is such that it now comprises a separate division in AGC led by a Senior Prosecution Lawyer resourced by professional staff to meet the increasing work pressures and the essential collaboration with on and off-Island law enforcement agencies.

Across Government the uncertainties relating to Brexit and the work in helping prepare the Island for the outcomes have contributed unabated during this year and so we have had to continue to dedicate significant resources (not least within AGC's Legislative Drafting Division) to the project. This work will inevitably continue.

Despite the challenges briefly mentioned above, and the work on future developments which are signposted, all the lawyers and support staff in AGC continue to work with dedication, enthusiasm and skill, and I thank them sincerely for all their hard work. AGC will continue to adhere to our published Code of Conduct as to our approach to quality, our approach to people outside chambers and our approach to colleagues within AGC's, to which we all prescribe.

John L.M. Quinn, QC MLC
Her Majesty's Attorney General
30th September 2019

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Appendix 1 – Priority Strategic Aims

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Part 1 – Progress against Business Plan

Priority Strategic Aims

Updated Against The Published Business Plan

Attached by way of Appendices are our Priority Strategic Aims (1 to 7 below) which have been updated against the published Business Plan. The Plan was revised in August 2017 and continues to form the basis for prioritisation of AGC work.

Priority Strategic Aim 1	Keeping our community safe from serious crime and financially motivated crime
Priority Strategic Aim 2	Providing support to our Stakeholders in delivering their objectives
Priority Strategic Aim 3	Implementing the Criminal Justice Strategy
Priority Strategic Aim 4	Improving our culture and managing ourselves more efficiently
Priority Strategic Aim 5	Improving the quality of advice, trust in our service and our reputation
Priority Strategic Aim 6	Improving our relationship with our clients and building our relationships within the community
Priority Strategic Aim 7	Supporting Government's Policy of Reform

Part 2 – The Divisions

Crown Division

1. Introduction

The Crown Officers (Her Majesty’s Attorney General “HMAG” and Her Majesty’s Solicitor General “HMSG”) have a broad range of statutory and non-statutory duties. In practice, each of the Crown Officers has separate legal duties, but nevertheless ensure that they are both aware of major developments in order to provide effective cover for their busy roles.

Her Majesty’s Attorney General (“HMAG”) continues to:

- Provide advice to His Excellency the Lieutenant Governor, as required
- Attend to Parliamentary duties, which are made up of regular meetings of the Legislative Council and the monthly sittings of Tynwald during the Parliamentary year
- Attend routine weekly and any Extraordinary Meetings of the Council of Ministers as its primary source of legal advice
- Work with Council of Ministers and its sub-committees, including supporting the Government’s delivery of:
 - The Legislative Programme
 - National Strategy
 - International Relations
 - Brexit
- Provide legal superintendence to his Directors and Legal Officers in AGC in relation to the delivery of his many Statutory functions, such as Charities oversight and Receiverships under the Mental Health Legislation
- Chair the Financial Intelligence Board, which Board provides statutory oversight of the Financial Intelligence Unit

Her Majesty’s Solicitor General (“HMSG”) continues to:

- Deputise for HMAG when required in respect of his duties above
- Provide oversight and strategic level support for the Government’s International Engagement Programme, including attendance at Moneyval Plenary and other

meetings, and ensuring work is undertaken which is aligned to the Financial Action Task Force Standards, OECD Global Standards and other entities

- Provide legal supervision to ICART work within AGC
- Personally provides support to the Financial Services Authority with regard to enforcement actions

2. Work undertaken during the reporting year

The following table provides statistics in relation to HMAG's formal committee attendance and roles during the year from 1st April 2018 to 31st March 2019:

Meeting	Role	Frequency	Attendance
Council of Ministers	Legal Adviser	Weekly	38
Council of Ministers Legislation Sub Committee	Legal Adviser	As Called	7
European Union Listing Group	Committee Member	As called	8
Financial Crime Prosecutions Forum	Chair	As Called	1
Financial Crime Strategic Board	Committee Member	As Called	4
Financial Intelligence Unit Board	Chair	As Called	4
His Excellency The Lieutenant Governor	Legal Adviser	Monthly & As Called	10
International Relations Coordinating Group	Committee Member	As Called	8
Legislative Council	Non-voting Member	Weekly (Oct to Jul)	19
National Strategy Group	Legal Adviser	As Called	10
National Strategy Group Extraordinary Meeting	Legal Adviser	As Called	2
National Strategy Group Officers Meeting	Legal Adviser	As Called	1
Tynwald	Non-voting Member	Monthly (Oct to Jul)	11

The Crown Officers meet the AGC **Senior Leadership Team** ("SLT") on an informal weekly basis. The SLT is made up of the Crown Officers, the Executive Director of Legal Services ("EDLS") and the Chief Operating Officer ("COO"). More formal meetings are held as required.

The Crown Officers also meet with the AGC **Extended Leadership Team** ("ELT"). The ELT is made up of the Crown Officers, the EDLS, the COO and the Directors of each Division.

Civil Division

1. Introduction

1.1 Overview

The Civil Division has had a very busy year throughout its four teams:

- Commercial & Property Team
- Civil Litigation & Advisory Team
- Advisory & Community Law Team
- Procurement Team

1.2 The Team

During the period covered by this report, the Civil Division was overseen by Elizabeth Smith as Director and divided into three main teams namely:-

- (1) Commercial (including procurement) and Property headed by Simon Watson.
- (2) Civil Litigation headed by Keiron Murray and
- (3) Advisory and Community Law headed by Michelle Norman

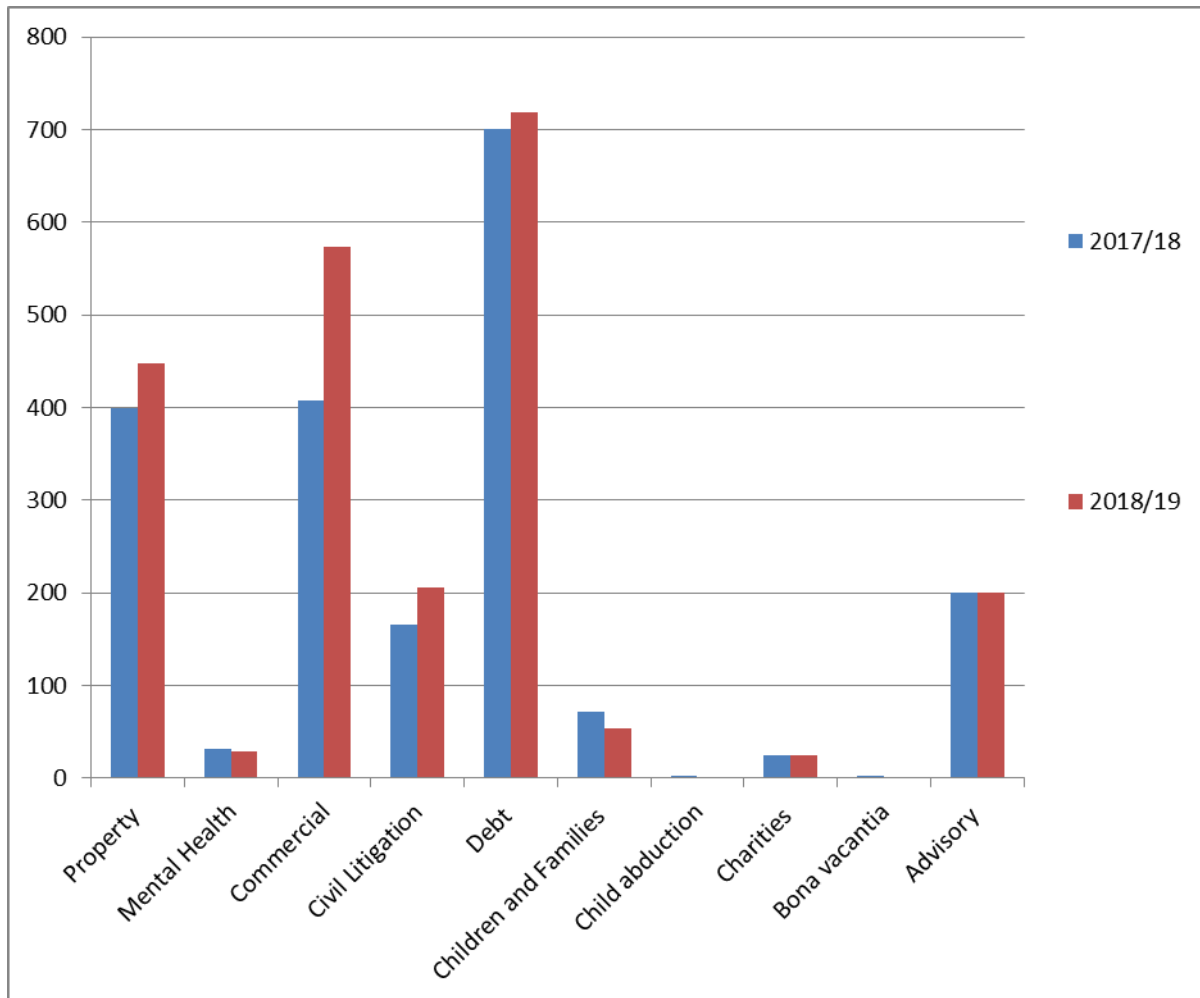
In total the Team was made up of 12 legal officers, 4 procurement officers and 5 other officers of executive and administrative level.

2. Work Undertaken During The Reporting Year

2.1. General - New Matters Opened For The Division

The number of new case referrals detailed in the Chart below is not a wholly accurate measure of the amount of work undertaken within the Division, as the Division has a policy whereby a new file is only opened if no prior record exists and only if the amount of work anticipated exceeds 1 hour. The number of new matters opened similarly does not reflect the amount of work undertaken on each file, which could range from a few hours to many hundreds of hours. Notwithstanding this, the numbers of files opened are useful indicators of the volume of work undertaken by the four teams in the Division and can illustrate trends when compared to previous years.

The following chart compares the number of new matters opened in the year 2017/18 to those opened in the year 2018/19:



2.2. Commercial Team

The Commercial Team deals with all commercial matters on behalf of Government and includes the centralised procurement function provided by Procurement Services. The Commercial Team advises on a broad range of contractual and procurement issues and negotiations including the drafting and negotiation of contracts and the review of suppliers terms and conditions. It also advises and assists in supporting significant Isle of Man Government programs and projects which have included in 2018-19, the purchase of the Isle of Man Steam Packet Company, the Liverpool Landing Stage development and the granting of a Hydrocarbon Exploration Licence.

In addition to its routine workload the team has continued to provide training on the procurement portal to officers across Government. The numbers of new files in the Commercial area has increased significantly (from 407 in 2017/18 to 573 in 2018/19 representing a 41%. The increase in workload can be attributed to an

increase in: (i) the number of procurements being undertaken, with the resulting preparation of legal documentation in support; (ii) increase in the reviewing of Suppliers Terms and Conditions; (iii) review and preparation of Data Processing/Sharing Agreements due to the introduction of GDPR; and (iv) increase in review and preparation of Planning Agreements.

The table below sets out the nature and type of work that was undertaken by the Commercial Team (excluding the work carried by the property team) during 2018-2019:

Commercial Table	
Work Type	Number
Administration	2
Advice	57
Assignment	1
Consent	1
Contract (including procurement matters)	477
Contract Disputes	2
Advice on Doleance matter	1
Drafting	4
Finance	2
General Advice	1
Leases	15
Leases - Prospecting or Mining	1
Licences	4
Miscellaneous	1
Purchase	2
Receipt to Cancel	1
Variation	1
Grand Total	573

2.2.1. Property Work in the Commercial Team

The figures below demonstrate that there has been a 12 % increase in the number of property matters opened in the year 2018/19 (448 in 2018/19 compared to 399 in 2017/18). This is an increase from the previous year and reflects the number of queries and transactions that are dealt with annually. The table below sets out the nature and type of property matters dealt with in 2018-2019.

Property Table	
Work Type	Number
Advice	15
Assignment	5
Bona Vacantia	4
Easement or Wayleave	7
General Property	6
Gov. Financial Assistance/Loans (not SEPA)	1
Land Registration	6
Leases	61
Licence - Grazing	6
Licences	24
Memorials of Arrest	124
Miscellaneous	2
Planning	1
Purchase	16
Receipt to Cancel	93
Release or Surrender	1
Research	11
Sale	21
Sale - Bona Vacantia	2
Searches / Deeds	2
Section 13 - (Development) Agreement	6
*SEPA - Loans	18
*SEPA - Purchase - Buy Back	2
*SEPA - Sale	10
Variation	4
Grand Total	448

*SEPA is Shared Equity Purchase Assistance- an IOM Government Scheme

2.3. Civil Litigation

The figures for Civil Litigation & Advisory files continue to show a year on year increase. The increase for this year was again c. 25% to 205 (from 166 matters in 2017/18) The Team have advised on a number of non-contentious employment instructions and have experienced increased demand for Equality Act related advice. We continue to assist the Cabinet Office on legal issues relating to the Area Plan for the East. We have undertaken significant work on planning appeal decisions, planning enforcement and development of planning policies and procedures.

2.3.1. Debt

The Civil Litigation team has responsibility to take action to recover debts due to Government which are referred by Treasury's shared service team. In 2018/19 we received 719 instructions relating to debts totaling £1,048,525.05. The previous year's figures for 2017/18 were 700 instructions (£781,118.28).

2.3.2. Court & Tribunal Work

When required, we represent all Departments, Offices and Statutory Boards before the Island's Courts and Tribunals. We have dealt with a number of high profile employment cases (an area of increasing demand) and doleance claims and handled complex litigation relating to the rights of those who submit bids or tender applications to challenge the process and/or to obtain documents. Increasingly individual employment cases referred to us require increased input; similarly, cases involving unrepresented parties tend to involve disproportionate demands to the issues to be litigated.

2.3.3. Clinical Negligence

Since 1 July 2018 Chambers has taken on the handling of all new clinical negligence cases and Inquests arising from the Department of Health and Social Care at a rate of approximately 2 new cases per month. Previously these cases were dealt with by local advocates.

2.4. Community Law Team

2.4.1. Children & Families Services

We act in cases where there is a perceived risk to children. The number of new cases for 2018/19 was 53 compared with 71 in 2017/18. Despite the drop in number of cases, the workload for the team has remained at a high level owing to number of cases involving litigants in person, complex cases involving fabricated and induced illness and non-accidental harm to children and cases which involved a number of ancillary applications. The courts have also introduced tighter timetables and more onerous requirements in relation to documents which have significantly increased the work required.

2.4.2. Child Abduction

There were no Hague Convention child abduction matters referred to AGC during the year.

2.4.3. Mental Health Matters

HMAG has a statutory duty to attend to the financial affairs of persons who lack capacity where there is no family member willing or able to undertake this role and where there are insufficient monies to permit the engagement of a third party professional to undertake this role.

The number of new matters in this area was 29 in 2018/19 compared with 32 in the year 2017/18. However, the number of open managed cases by AGC was 43, reflecting the change in the age demographic on the Island and the changing extent to which families now live separate from each other. The complexity of the work continues to increase.

2.4.4. Charities

During 2018/19 there were 15 applications for s18 licences and 3 cases in which HMAG's statutory powers were engaged, albeit the majority of these cases were where guidance was sought from AGC.

The number of new files is not necessarily the best way of judging volumes for Charities oversight. There has been a decrease in the number of files for new charities (from 25 in 2017/18) but in general terms the amount of work in this area has remained constant.

The Charities Registration and Regulation Bill predominantly passed through the Legislature during the year and the focus on dealing with this work was, and continues to be, a priority.

2.4.5. Bona Vacantia

Chambers acts on behalf of Treasury in relation to a range of *bona vacantia* matters. There was only one new case during the year.

2.4.6. Information Governance, Freedom of Information & Data Protection

Chambers has assisted Government fulfil its obligations following the implementation of the GDPR and related data protection legislation. Our work involved a mixture of compliance and risk advice, data privacy management and drafting of notices, policies and agreements. We advise the public authorities as regards their obligations and responsibilities under the Freedom of Information Act and provide legal support in respect of challenges made to the Information Commissioner.

Legislative Drafting Division

1. Introduction

1.1. Overview

The core objective of the Legislative Drafting Division (“LDD”) is to enable HMAG to meet his legislative obligations. This includes drafting all Manx primary legislation, some Orders in Council relating to the Island and drafting or reviewing Manx secondary legislation. By convention the Division also provides a confidential drafting service for Members of Tynwald who obtain leave to introduce Private Member’s Bills in accordance with the Standing Orders of the Council and the Keys, or who wish to move amendments to Bills which are passing through the Branches. The Division also prepares draft advice to the Attorney to the Lieutenant Governor and the Ministry of Justice on issues arising in connection with the grant of Royal Assent to Manx Bills and Manx Church Measures (the latter are drafted for the Diocesan Synod by lawyers outside Chambers).

1.2 The Team

During the year under review the Division comprised a Chief Legislative Drafter, 4 Drafters, an Assistant Drafter, a Legal Officer (Immigration), a Legal Officer (International) and a Legislative Research Officer.

The Legal Officer (Immigration) undertakes a mixture of drafting and advisory work on behalf of the Lieutenant Governor and the Cabinet Office in respect of their functions under legislation relating to nationality and immigration.

The Legal Officer (International) provides advice to Departments on questions of international law and contributes to the development of the Island’s policy on international matters.

2. Work Undertaken During The Reporting Year

2.1. Primary Legislation

The Primary Legislation passed during the year from April 2018 to March 2019 analysed by type and size is as follows (as compared with the previous year):-

Year	Type	Total (all excluding Schedules)	Small (less than 20 sections)	Medium (20-50 sections)	Large (51-100 sections)	Very Large (100-300 sections)
2017/18	Substantive	7	2	3	1	1
	Amending	8	6	1	1	0
2018/19	Substantive	6	2	4	0	0
	Amending	5	4	1	0	0

2.2. Secondary Legislation

The secondary legislation website:

(<http://www.tynwald.org.im/links/tls/SD/Pages/default.aspx>)

lists statutory documents which have been submitted to and, where necessary, approved (or not annulled) by Tynwald. It does not include other quasi-legislative instruments which may have been reviewed by the LDD. The number of statutory documents which were added to the secondary legislation website in each calendar year is as below:

2017	388
2018	338
2019 (to 31 July 2019)	312

Tynwald library publishes statutory documents as and when they are supplied to it by the originating Department etc.

2.3. Advice

The LDD provides advice pertaining to legislation to all Departments, Boards and Offices of the Isle of Man Government and on occasion to MHKs and MLCs (in relation to Bill amendments and Private Members Bills). The advice provided by the LDD can relate to a Bill or proposed Bill, or may be of a more general nature to assist with the interpretation and application of current legislation.

2.4. Legislation Website

The legislation website had over 41,000 unique visitors in the year and figures show over 3,400 unique visitors on average, per month.

The target that the legislation website should be up to date to the beginning of the previous month has been consistently achieved and exceeded. In order to meet that target, over 300 changes have been made to the website during the period 1 April 2018 to 31 March 2019, including:-

- 48 Acts amended (comprising 199 amendments made by 31 amending enactments)

- minor corrections to 49 Acts
- 12 new Acts prepared and uploaded to website
- 16 administrative changes made to website
- 23 new Bills uploaded to website
- 17 new ADOs for current Acts uploaded to website
- 27 Synod Measures prepared and uploaded to website.
- 10 Isle of Man Legislation Newsletters uploaded to website

For Comparison	2017/18	2018/19
Acts amended	252	48
Amending provisions	528	199
Acts with minor corrections	102	49
New Acts	14	12
Acts amending Acts	25	10
Statutory Documents amending Acts	33	18
Resolutions amending Acts	1	1
Administrative changes	12	16

2.5. International Matters

The Legal Officer (International) sits within the LDD and provides advice to Government in relation to all aspects of international law affecting the Island.

One of the areas of responsibility of the Legal Officer (International) is the provision of advice and assistance in relation to Exchange of Information Requests ("EOIs") received by the Isle of Man. This includes requests made under Tax Information Exchange Agreements ("TIEA") with various jurisdictions and also under the multilateral Convention on Mutual Administrative Assistance in Tax Matters.

2.6. Immigration Matters

The Legal Officer (Immigration) sits within the LDD and provides advice to the Passport, Immigration and Nationality Office of the Cabinet Office and the Lieutenant Governor in respect of passport, immigration and nationality matters. The role also involves advice on legislative issues which affect the movement of people within the Common Travel Area.

The Legal Officer (Immigration) has drafted a substantial Order in Council to update certain provisions of the Island's immigration law and to transfer immigration functions from the Lieutenant Governor to the Cabinet Office Minister. She has also been heavily involved in advice in the context of the changes to immigration law arising from the UK's proposed withdrawal from the European Union.

2.7. General - Legislation & Research Matters

The Legislation and Research Officer is responsible for the administration of the legislation website (<https://legislation.gov.im/cms>).

2.8. Training & Guidance

The LDD offers, and regularly provides, courses to Government employees and politicians. The majority of courses are offered via the Government's Learning, Education and Development Division. The LDD aims to provide at least 3 courses in every calendar year, subject to demand. However, during this year, no courses were required by or provided to Departments or their employees.

Prosecutions Division

1. Introduction

1.1. Overview

The Prosecutions Division comprises two teams:

- Prosecutions Team
- International Cooperation & Asset Recovery Team (“ICART”)

1.2. The Team

The Prosecutions Team compliment consists of 7 Prosecuting Advocates (including the Director), all of whom deal with a mixture of criminal case work, ranging from the Summary and Magistrates Courts to the more serious cases which are committed to the Court of General Gaol Delivery. This team is assisted by 5 Support Staff.

The Prosecutions Team works to standardised time limits, within which prosecution advices must be completed and peer reviewed. Advice files received from all Government Departments, including predominantly the Constabulary, decreased by 18% in the year 1st April 2018 to 31st March 2019 (150 compared to 177 in April 2017 - March 2018)).

During this second full year of operating, the ICART has gone from strength to strength, continuing to work according to the “zero tolerance” in the Attorney General’s ICART Asset Recovery Policy. This year has seen significant disruption of the activities of criminals, as well as employment of a number of previously untested methods of depriving criminals of their ill-gotten gains and disrupting multi-national organised crime, and taking action not previously taken to enforce Orders of the Courts.

ICART now comprises 3 full time Legal Officers, 2 full time investigators and for part of the year a member of support staff.

2. Work undertaken during the reporting year

2.1. The Prosecution Team

The prosecution team deals with:

- Cases before the Summary Courts
- Cases before the Court of General Gaol Delivery

2.1.1. Summary Court Cases

During the period 1 April 2018 to 31 March 2019, Prosecutions received a total number of 1,183 new Summary matters, an increase of 14.3% from the previous year, when for the period 1 April 2017 to 31 March 2018, there were a total of 1,015 cases.

An analysis of the source of instructions for the 1,183 cases is detailed below:-

	Apr 2017 – Mar 2018	Apr 2018- Mar 2019
Department of Infrastructure	0	0
Department for Enterprise (formerly the Department of Economic Development)	0	0
Cabinet Office	8	0
Department of Environment, Food & Agriculture	5	8
Information Commissioner	1	0
Treasury	19	19
Police	982	1,156
	1,015	1,183

2.1.2. Summary Cases By Referring Organisation

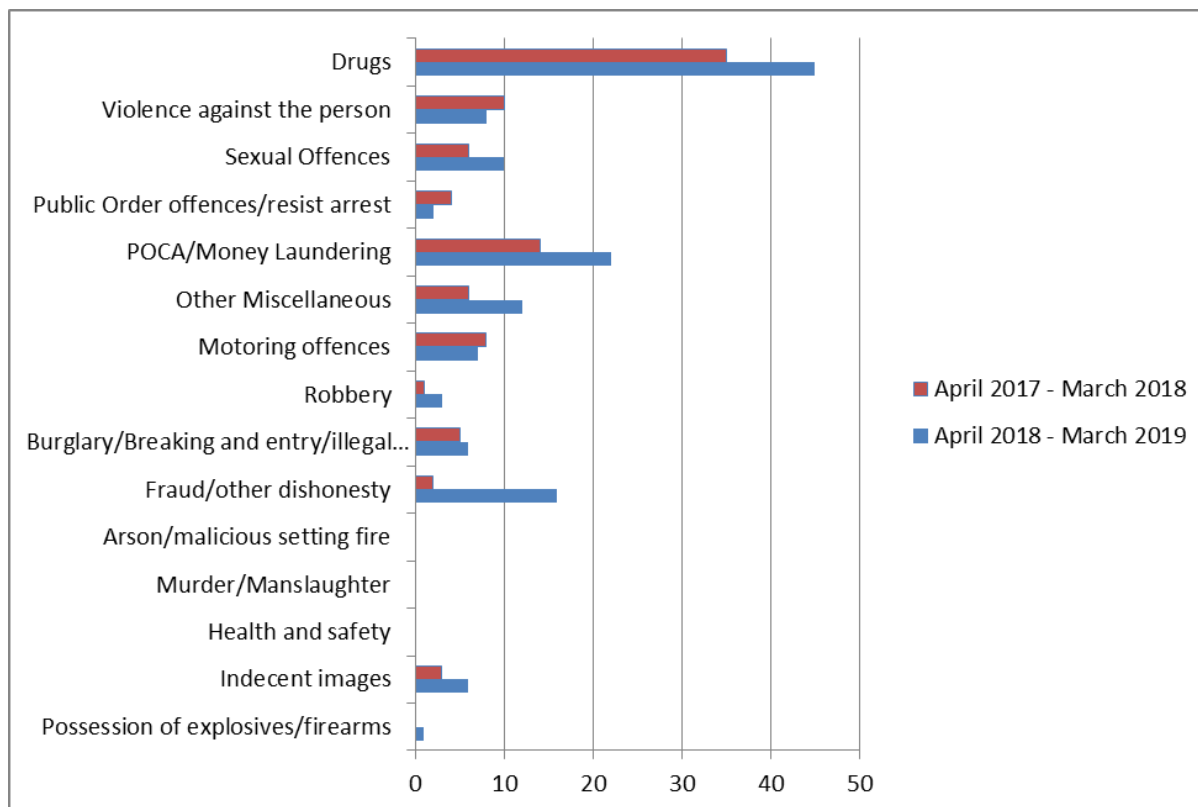
As expected, the clear majority of the cases still come from the Constabulary, with the remaining 2.4% from Treasury (benefit fraud cases) and the Department of Environment, Food and Agriculture. In this period, we successfully prosecuted one case under Health & Safety legislation.

2.1.3. Tax Court (AG's List)

There is a separate monthly Court prosecuting Income Tax and National Insurance cases for the Assessor of Income Tax. From April 2018 to March 2019, there were a total number of 505 cases, an average of 45 cases a month for the 11 Tax Courts that took place, compared to 31 cases a month in the year April 2017 – March 2018. From April 2018, we began Income Tax Instalment Payments (ITIP) and s120 Social Security Administration Act 1992 prosecutions involving employers who fail to pay National Insurance contributions. This will result in a continued rise in the number of monthly cases in this Court.

2.2. General Gaol Cases

During the period 1st April 2018 to 31st March 2019 there were a total number of 103 matters committed to the Court of General Gaol Delivery, a considerable increase (19%) from 83 cases in the period 1st April 2017 to 31st March 2018. An analysis and comparison of the nature of the offences charged in respect of these cases shows as follows: -



2.2.1. General Gaol Cases By Offence

Drug related offences still make up the highest percentage of the crimes committed to the Court of General Goal Delivery.

As per recommendations from the Moneyval Evaluation April 2016 – March 2017 report, the focus on financial crime has resulted in a rise in POCA/Money Laundering cases, with a total of 22 of such cases during this period compared to 14 cases during 1 April 2017 – 31 March 2018, and only 4 cases in the year prior to that.

The 'Other Miscellaneous' category of cases include offences of Criminal Damage, Witness Intimidation, Attempt to Pervert the Course of Justice, Attempting to bring prohibited articles into Prison and Possession of Prohibited Articles.

A total of 25 General Gaol trials took place (the number of Defendants was 24), compared to 12 in the previous year, a significant increase of 52%. This includes a Defendant who had 1 re-trial and another who had 2 re-trials. Of these, 12 were found guilty after trial, and 8 were acquitted. 2 trials commenced but were not concluded - one had to be withdrawn, the other case not concluded was due to a witness not being able to attend through illness and this matter is still ongoing.

2.3. Appeals

For the period 1st April 2018 to 31st March 2019, the number of Criminal Appeals held in the Staff of Government Division was 7, compared to 10 the previous year. Where HMAG believes that a sentence is unduly lenient, he may seek a review of sentence. There were 2 appeals under this category for this period, both of which were dismissed but which nevertheless resulted in helpful jurisprudence for the future.

3 of the appeal cases lodged by the Defence were against sentence, 1 of these cases was successful and 2 were dismissed.

The remaining appeals lodged by the Defence were 1 case in relation to costs, and the other against a default term of a sentence.

2.4. International Cooperation & Asset Recovery Team

2.4.1. 'Firsts'

For the first time following powers have been used, with some notable success:

- The ICART used powers which have been on the statute book since 1986 (Customs and Excise Management Act) to achieve the first 'Condemnation for forfeiture' in relation to 2 high value vehicles. These are being put to use by colleagues in other local law enforcement authorities.
- First use of Enforcement provisions in matters where there was an historic certificate of benefit with a smaller figure ordered as confiscation; the applications have been to increase the confiscation order to recoup more of the benefit figure certified by the Court – 3 successful matters concluded.
- A Civil Recovery investigation involving BitCoin was concluded.

- There has also been the first Warrant of Commitment for failing to pay a confiscation order in full within the time limit set by the Court, with a further term of custody being upheld in the Staff of Government Division.
- The provisions in POCA permitting applications to be made for Search and Seizure warrants were used for the first time, with 12 warrants being issued and defended at Court against a challenge by the subjects of them.
- We applied for the Island's first production order in relation to a detained cash investigation; the order was granted.

2.5. Outcomes

There have been challenges to some of the Court Orders which we achieved, both in relation to domestic investigations and prosecutions and also allied to international criminal cases. Such challenges have led to some welcome jurisprudence now growing in this area.

In terms of international co-operation, we have continued our response to foreign central authorities, receiving and acting upon International Letters of Request in a timely and efficient manner.

There has been a significant rise in the number of outgoing Letters of Request issued by the Attorney General from the Isle of Man to central authorities in other jurisdictions.

The ICART has obtained 49 investigative Court (Production) Orders during the year covered by this report.

2.6. Confiscation

From 1st April 2018 to 31st March 2019, the total confiscated was £115,178.59 from 17 cases. In addition, this year we successfully increased the available amount in 3 old confiscation orders, which realised a further £10,170.72, bringing the total confiscated this year to £125,349.31.

We have also enforced confiscation orders on behalf of foreign jurisdictions, totalling £1,640,336.01

2.7. Cash Seizures

From 1st April 2018 to 31st March 2019, the total forfeited under the civil cash seizure regime is £6,945 from 2 matters.

2.8. Restraint Orders

From 1st April 2018 to 31st March 2019 the ICART achieved 7 new restraint orders and the total funds restrained domestically during the period were £2,178,508. During this year, some Restraint Orders have been discharged, either on our application (because the investigation concluded without a prosecution or because the case finished, resulting in a confiscation order being made) or on the application of the subject of the restraint order. In 1 matter, a substantial restraint order was successfully defended against a challenge by a team of advocates acting on behalf of the suspect who is the subject of it.

The total currently restrained in relation to domestic investigations is in the region of £50M.

2.9. Property Freezing Orders

Two new property freezing orders were achieved during this year, freezing a total of just under £1.5M.

2.10. International Letter Of Request (“ILoR”)

- Number of incoming ILoR's Received - 51
- Number of outgoing ILoR's Issued - 9

2.11. Local & International Profile

We have continued to enhance our working relationships with others in the fight against international financial crime. Fortnightly meetings take place between partner agencies under formal Terms of Reference. We are also active members of the Financial Crime Law Enforcement Effectiveness Group and the Joint Tasking Group, whose members come from across the criminal justice service, and of the AML/CFT technical group which includes participants from industry. In addition, the ICART plays an active role the continuous assessment of the Isle of Man by MoneyVal, working closely with the AML/CFT Policy Office within the Government Cabinet Office.

Our out-reach work this year, raising awareness regarding our work, has included presentations at the Manx State of the Nation conference and the Global Tax Enforcement Conference.

One lawyer participated at the CARIN conference in Warsaw this year.

Our ICART lead lawyer was part of the FATF/MoneyVal Prosecutors and Judges Experts Conference and Terrorist Financing Workshop in Tel Aviv in March 2019, a conference attended by more than 300 delegates from all around the globe, making a presentation in the session on cyber assets and a prosecution on the subject of cross border conviction based asset recovery.

Part 3 – Operation of Chambers

Support Services & Core Operations

1. Financial Overview

AGC operates within an annual budget set by Treasury and approved by Tynwald of £4,813,000 in 2018/2019.

The employee cost budget, covering all costs associated with the positions of HMAG, HMSG, the legally qualified staff and the support staff, was £4,353,000. This cost includes salaries, Law Society fees, training and recruitment costs.

The remainder of the annual budget is allocated to non-employee related expenditure which covers such items as the costs of paying independent external advocates and guardians to support children who are the subject of family court proceedings, the electronic software licenses and legal library subscriptions, printing and stationery etc. Any unexpected expenditure, such as any adverse court cost awards, is generally met from the Legal Costs Reserve with appropriate Treasury permissions being sought in advance wherever possible. No reclaim was necessary in the year.

Annual expenditure for the year was £4,809,858 and was within budget, except for some unbudgeted expenditure which arose which was agreed by Treasury prior to being reclaimed from the Clinical Negligence Fund, Save Fund and Seized Assets Fund (SAF). The SAF expenditure enabled HMAG to continue the provision of administrative resources to the International Cooperation and Asset Recovery Team.

2. Income

HMAG also collects fees and expenses and had an income target of £65,000 (estimated on a prior year's basis). The end of year position for income collected against services provided was £54,412 which fell short of the estimated target.

Disbursement costs totalled £29,311 with £26,724 recovered within the period.

3. Recharging Of Costs

HMAG does not currently re-charge the operational costs of AGC to any other areas of Government for the provision of legal services to them, but there is an increasing need for Departments to understand the value of the support which is provided free of charge: it can help to know the indirect costs of legal support on contracts and procurement when outsourcing services or quantifying costs of legal advice when preparing certain business cases.

4. Time Recording

As AGC expenditure is primarily made up of salaries, it is imperative that there are effective controls in place in AGC on how time is spent and whether that expenditure represents best value. Since 1st April 2016, all staff in AGC (legal officers and support staff) have recorded their attendance with details of how their time is spent during each working day. This now allows improved reporting to support a better understanding of how AGC divides its time and how it uses its legal officers to support its clients' needs across government. As the records begin to build up through each successive financial year, reflecting on trends identified will allow HMAG to identify how best to seek to reduce operating costs and be even more efficient. AGC is seeking to continually improve its performance and the methodology used to record time. Time is recorded daily and a record is kept against each separate legal matter or Court sitting. The total time available in AGC is calculated as being 365 days, less 116 days for Saturdays and Sundays and other non-working days and a further deduction for annual leave and training days which averages 29 days deducted per person. That leaves an average available time of 220 days per person.

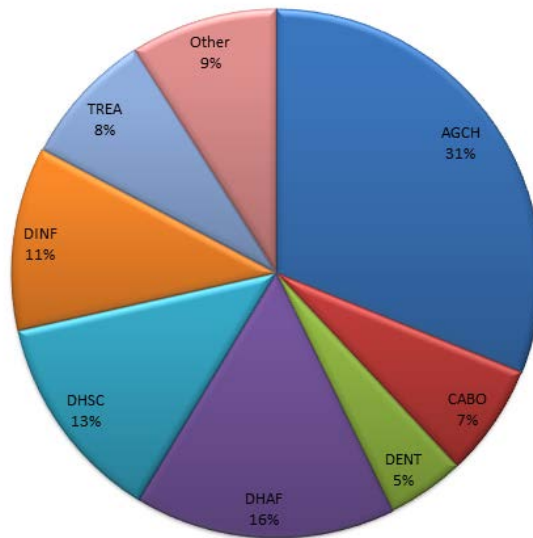
AGC had an average staffing complement of 62 people (including the two Crown Officers). However, adjusted for part time workers, maternity leave absence, leavers and joiners, the complement was equal to an approximate average of 57.76 full time persons for 220 days (at 7.4 hours per day = 1,628 hours) which equates to 94,033 available hours.

The time recorded within the period was 60,111 "chargeable" hours and 30,797 "non-chargeable" totalling 90,908 recorded hours.

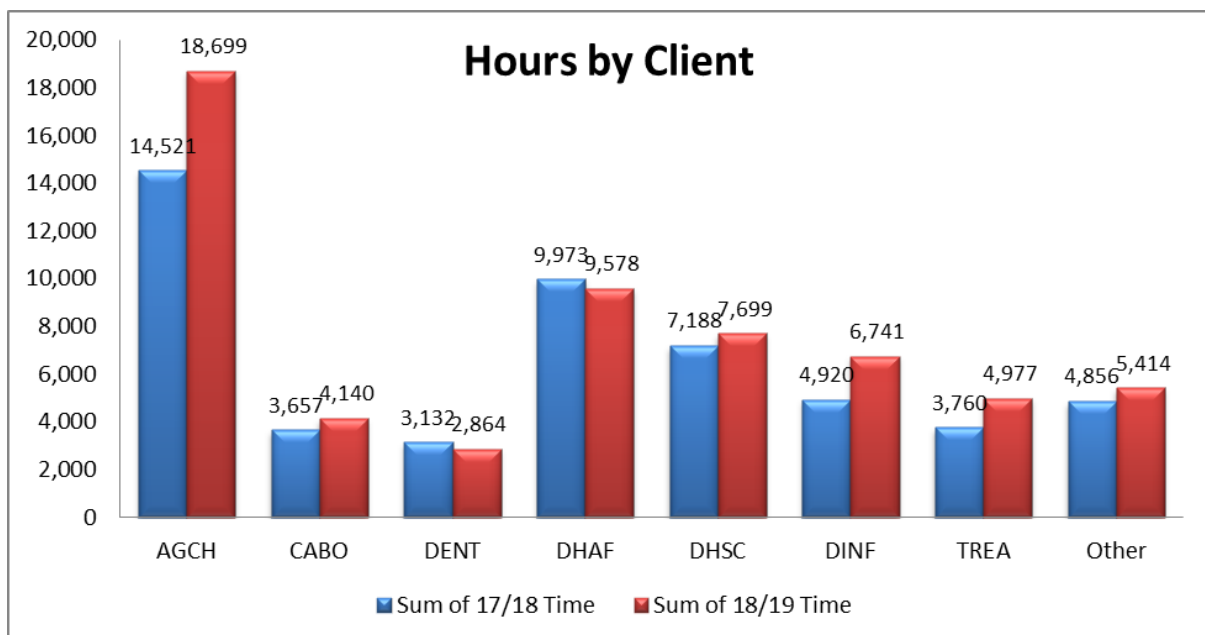
5. Detailed Time Recording

The chart below shows time recorded as expended to support our clients as a percentage of overall support provided. It does not include time not attributed to a particular client.

2018/19 Time by Client



	<u>Hours</u>	<u>%</u>
AGCH - Attorney General's Chambers (statutory duties etc.)	18,699	31
CABO - Cabinet Office	4,140	7
DENT - Department for Enterprise	2,864	5
DHAF - Department of Home Affairs	9,578	16
DHSC - Department of Health & Social Care	7,699	13
DINF - Department of Infrastructure	6,741	11
TREA - Treasury	4,977	8
Other	5,414	9
	60,111	100%



Time recording records are particularly relevant when considering the support provided to each of the areas of Government and the relative value of such legal advice and representation. It also aids an understanding of how much it costs to undertake HMAG's statutory functions, civil litigation (for various areas of Government) and criminal prosecutions (primarily for the Constabulary which is shown under the Department of Home Affairs).

HMAG's statutory responsibilities are broad and his parliamentary duties, which duties include attendance at Legislative Council and Tynwald and other related duties are shown as 'AGCH'. This category includes services such as charities oversight and acting as guardian for those persons who lack capacity to manage their own affairs. The figure has increased this year from 28% last year to 31% this year due partly to all teams continuing to make a concerted effort to more accurately record the nature of HMAG's statutory responsibilities, improving the time recording against internal management functions and also because of the relatively new work undertaken in ICART in relation to Asset Recovery, which was not previously undertaken.

Not surprisingly the majority of our resources utilized outside of AGC are given to supporting criminal prosecutions and working with the Department of Home Affairs (16%). This includes liaison with the Police and defence advocates and Court attendance.

The relatively broad scope of certain departments and level of contract management and public interaction explains the high level of support provided to the Departments of Infrastructure and Health and Social Care.

Areas of Government which have been provided with less than 3% of the overall support have been grouped as 'Other'.

6. AGC Website

The website was restructured to provide additional information for the public. AGC's Business Plan and Annual Operating Reports are now routinely published, as are any new Policy Statements or Guidance Notes in respect of each team's public services.

During the year the Attorney General's Chambers Government website received 6,445 page views with an average of 2.3 minutes on each page.

Feedback/Contact Us

This report is the second published Annual Operating Report produced by the AGC and we welcome feedback on information that you would find helpful to include in future reports. We will endeavour to continuously improve the amount of information that is routinely published by AGC.

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APPENDIX 1

Appendix- Priority Strategic Aim 1

Keeping our community safe from serious crime & financially motivated crime

Objective	Division	Progress	Comment
1.1 Provide timely and effective international co-operation.	Prosecutions	Achieved and ongoing	All International Letters of Request are responded to in a timely fashion. There were 51 requests received last year.
1.2 Assist local and international law enforcement agencies by enforcing forfeiture and asset recovery in the Isle of Man on their behalf and where appropriate, make requests of other countries to support domestic investigations in suspected criminal cases.	Prosecutions	Achieved and ongoing	International Cooperation and Asset Recovery Team ("ICART") was established in 2016 to process incoming and outgoing requests for mutual legal assistance in criminal cases. 9 requests were made to other jurisdictions last year.
1.3 Pursue, through all available statutory powers including civil procedures, the assets of all who profit from crime wherever committed, when it is proper to do so.	Prosecutions	Achieved and ongoing	ICART adopts a zero-tolerance approach to identify and seize the proceeds of crime at the earliest stage by utilising the provisions of the Proceeds of Crime Act 2008 and similar legislation.
1.4 Support the Financial Intelligence Unit ("FIU") to ensure it is appropriately resourced and supervised to deliver its strategic and operational objectives in the fight against financially motivated crime.	Crown	Achieved and ongoing	HMAG has continued to chair the FIU Board which provides strategic oversight for the FIU. The Crown Officers and team members in AGC continue to support the FIU by providing the secretariat and governance for the Board.
1.5 Develop a criminal justice policy for money laundering investigation and prosecution.	Prosecutions	Achieved	The Prosecutions Policy for prosecuting financial crime is published on the AG's website.
1.6 Ensure that wherever appropriate offences of money laundering are put before the courts.	Prosecutions	Ongoing	The Policy & Guidance for sanctions for money laundering is also published on the website.
1.7 Prioritise identification, restraint and recovery of assets resulting from serious and organised crime, with a particular focus on economic crime both in the Isle of Man and overseas.	Prosecutions	Ongoing	In conjunction with the FIU, Isle of Man Constabulary and other agencies in the Island and elsewhere using sharing protocols to pursue through all available statutory powers, investigative and legal measures to deter and disrupt economic crime and seize assets of all who profit from crime wherever committed.
1.8 Improve the enforcement of domestic and international confiscation orders.	Prosecutions	Ongoing	ICART Legal Officers allocated to manage and process all domestic and international confiscation orders to meet external international standards in anti-money laundering and combatting the financing of terrorism.

1.9 Establish an approach for dealing with the management of seized assets other than money, including the instrumentalities of crime.	Prosecutions	Achieved and ongoing	ICART, established in December 2016, continues to deal with retention and disposal of assets including management of restraint order variation requests.
1.10 Undertake a review and issue guidelines on the principle of proportionality.	Prosecutions	Achieved	Guidelines on the Principles of Proportionality developed during the period were issued on 17 th May 2018 and are published on the AGC website.

Appendix- Priority Strategic Aim 2

Providing support to our Stakeholders in delivering their objectives

Objective	Division	Progress	Comment
2.1 Ensure that the Government Legislative Programme is progressed in a timely and effective manner through effective liaison with instructing Departments and Boards.	Drafting	Ongoing	In addition to liaising with Departments and Boards, HMAG and the Chief Legislative Drafter both attend the regular meetings of the Council of Ministers' Legislation sub-committee, which controls the throughput of legislation in accordance with the Government's published legislative programme.
2.2 Give priority to advisory and other work that supports the Programme for Government or other subsequent priorities identified by the Government.	Civil	Ongoing	The Civil Division receives requests for advice and assistance from all parts of Government. The Division endeavours to respond to all requests without delay but at times of high demand, the requests are prioritised based upon the priorities identified in the Programme for Government.
2.3 Work with the Cabinet Office to support the introduction of legislation to meet the equivalency requirements of the EU General Data protection regulation by May 2018.	Civil	Ongoing	Law Officers in AGC continue to work collaboratively with the Cabinet Office and representatives from the Office of Cyber Security and Information Assurance ("OCSIA").
2.4 Work with the Cabinet Office to support the continuing preparations for Brexit and provide or secure appropriate legal advice and representation as required.	Drafting	Ongoing	The Drafting Division continues to support the Cabinet Office and Departments in relation to the ongoing need for Secondary Legislation.
2.5 Roll out the new Procurement Policy.	Civil	Achieved and ongoing	The Commercial Team continues to be involved with Treasury in the implementation of the new Procurement Policy.

Appendix- Priority Strategic Aim 3
Implementing The Criminal Justice Strategy

Objective	Division	Progress	Comment
3.1 Put victims at the centre of our considerations and aim to ensure they are fully informed on case progress and made aware of the procedure and of likely outcomes.	Prosecutions	Ongoing	In line with our published Sexual Offences Protocol and Domestic Abuse Protocol, victims are always spoken to and kept updated.
3.2 Work constructively to ensure that the time taken from charge to case disposal is reduced and that trials are more effective (and the number of 'cracked' trials is reduced) in order to reduce the impact on victims and to reduce costs.	Prosecutions	Ongoing	Time limits are complied with through the procedure to ensure that delays are minimized. Files are all detailed on a centralized spreadsheet and are reviewed on a regular basis to ensure compliance.
3.3 Support initiatives to reduce reoffending and ensure that we fully support our partners within the Criminal Justice System ("CJS") with an effective prosecution function.	Prosecutions	Ongoing	The Diversion Procedure to take individuals out of the CJS, as promoted by the Constabulary, is supported by the Prosecutions Division. There are regular meetings between the Prosecution Division and the Constabulary to consider the Diversion Procedure and how best it can be implemented.
3.4 Continue to work constructively with our partners to deliver the reform needed to move to a digital system of case management and digital Courts.	Prosecutions	Ongoing	We are working with our partners so as to deliver the digital strategy of the Criminal Justice Board and Government.
3.5 Support our partners in delivering services for families and children, which ensures the safety and wellbeing of the child is of paramount importance.	Civil	Ongoing	The Advisory and Community Law Team continue to work closely with the Children and Families Division of the Department of Health and Social Care in the making of public law applications in connection with children.
3.6 Work with the Legal Aid Committee on proposals to develop a more efficient effective and equitable legal aid provision for the future	Crown	Ongoing	The Executive Director of Legal Services in AGC will supervise a senior policy resource, who has been transferred to AGC, to progress this project.
3.7 Manage the Seized Assets Fund ("SAF") to ensure that the proceeds of crime are used appropriately in line with the Fund's agreed objectives.	Crown	Achieved	The governance of the SAF is overseen by the FIU Board and is now managed by AGC.

Appendix- Priority Strategic Aim 4
Improving Our Culture & Managing Ourselves More Efficiently

Objective	Division	Progress	Comment
4.1 Continue to improve our management information and develop our performance framework to ensure that our service provides value for money.	All Divisions	Ongoing	Work has continued to improve our management structure, time recording and availability of management information.
4.2 Establish and use a clear and transparent framework for career progression and job evaluation for legal roles so that the levels of contribution required are clear.	Crown	Achieved	A new framework is shortly to be rolled out to supplement the grading criteria for all reviews which pertain to legal roles.
4.3 Ensure that our practice management system is further developed and tailored to support more effective and efficient working.	Crown	Ongoing	Further training has been undertaken to enable the Crown IT and Finance Manager to expand and develop business reporting.
4.4 Improve our change management process and our internal communication to ensure our employees are engaged and well informed.	All Divisions	Ongoing	Work completed this year included encouraging more regular team briefings, a new series of practice directions and better systems for managing the communication of change.
4.5 With the aim of further raising standards, undertake a review of the availability and suitability of external legal accreditation systems for our practice.	All Divisions	Ongoing	A programme will be commenced in the coming year to seek future extended accreditation.

Appendix- Priority Strategic Aim 5
Improving The Quality Of Advice, Trust In Our Service & Our Reputation

Objective	Division	Progress	Comment
5.1 Ensure work is undertaken at the right experience level to ensure quality and to re-build a high level of trust in our services.	All Divisions	Ongoing	All Directors are now responsible to ensure that work is undertaken at the correct level and supervised appropriately.
5.2 Develop our people to ensure that we have adequate skilled cover and a good system of succession planning in place.	All Divisions	Ongoing	Managers are now expected to ensure a wider spread of skills to ensure business continuity. All staff have been asked to develop a personalised development plan.
5.3 Improve ongoing training and development to ensure it meets the needs of our people and is informed by likely future demands on our services.	All Divisions	Ongoing	Directors actively monitor the future demands through liaison with client departments and identify any areas of specialist training required.
5.4 Provide an annual report on performance and publish the document.	Crown	Achieved	As evidenced by this document.

Appendix- Priority Strategic Aim 6

Improving Our Relationship With Our Clients & Building Our Relationships Within The Community

Objective	Division	Progress	Comment
6.1 In consultation with law enforcement agencies, develop, review and publish prosecution policies so that people are made aware of the manner in which criminal offences on the Island will be dealt with and how we will try to bring about attitudinal change.	Prosecutions	Achieved and ongoing	All Policies, Procedures and Protocols are signed-off by HMAG and are published on the Chambers website which become published documents.
6.2 Improve the information available to our stakeholders about Chambers services.	All Divisions	Ongoing	The Drafting Division provides regular training courses through LEaD in relation to instructing the drafter and drafting secondary legislation. The Division publishes on the intranet the progress of Bills to Royal Assent and other miscellaneous publications. The Division also updates the Chambers' webpages on the Government website. The Prosecutions Division (including ICART) provides outreach education about our services and participates in training the Constabulary, including giving evidence at Court.
6.3 Ensure that we deliver what is required under the statutory responsibilities of HMAG.	All Divisions	Ongoing	All Divisions have identified HMAG's statutory responsibilities and continue to provide support for the delivery of those functions.
6.4 Ensure the resilience of the legislation website and increase the amount of information publically accessible in respect of the legislation of the Isle of Man.	Drafting	Ongoing	The Drafting Division continues to make various improvements on its Legislation Website and is planning to publish and maintain a list of UK Orders in Council which are relevant to the Isle of Man. The longer term plan is to publish consolidated Secondary Legislation on the website and to publish a legislation newsletter (which is to be the forerunner of a formal Gazette).
6.5 Maintain a responsive complaints handling process.	Crown	Ongoing	All complaints are managed by the Complaints Officer and reviewed or investigated by an appropriate Law Officer.

Appendix- Priority Strategic Aim 7
Supporting Government's Policy of Reform

Objective	Division	Progress	Comment
7.1 Continue to identify ways to reduce expenditure by government departments, boards and offices on external legal advice and representation.	Crown	Ongoing	HMAG continues to work with Government to identify areas where savings can be made on the costs of engaging external legal advisers. A new application has been made to Treasury for funding a dedicated Law Officer to specialise on employment issues.
7.2 Continue to develop a commercial service offering legal commercial and procurement advice.	Civil	Ongoing	The development of the Commercial Team continues to offer Government greater assistance in the provision of commercial advice and advice in relation to on-going contract management.
7.3 Improve our Public Records management by increasing our use of digital working to reduce our storage requirements	Crown	Ongoing	Work continues to apply our agreed records retention schedule to reduce our storage requirements in our archive. All case management and the majority of public records are now retained electronically.
7.4 Work with Treasury to support improvements to debt management procedures.	Civil	Ongoing	The Litigation Team continues to work with Treasury with a view to further developing Government policy in relation to the recovery of debt.
7.5 Ensure that the Government's procurement policy is implemented to increase local spend where possible.	Civil	Achieved and ongoing	The Division is continuing to monitor this.
7.6 To update immigration advice and legislation.	Drafting	Ongoing	The Drafting Division continues to provide advice to the Cabinet Office on immigration law and to assist with the development and drafting of immigration legislation, regulations, orders and other subordinate legislation required to bring the Isle of Man up to date and, thereafter, kept in line with the UK (or as otherwise determined by the Council of Ministers).
7.7 Work on a charities project to update charities legislation for the Island.	Civil	Ongoing	A new Charities Bill has now been passed by the Legislature and it is aimed to bring its provisions into effect as from 1 st April 2020.

APPENDIX 2

Code Of Conduct

Our Approach To Quality

Principles

We will:

- Deliver services professionally and to the highest standard;
- Seek to improve quality of service
- Observe all legal requirements and relevant rules and regulations;
- Show initiative
- Be conscientious
- Focus on results

Standards

We will:

- Secure best value for money
- Observe high standards of probity and safety
- Measure and evaluate performance on a regular basis

Our Approach To People Outside AGC

Principles

We will seek to understand and be sensitive to the needs of the people we deal with, even if we are not able to assist

Standards

We will:

- Seek to meet the needs of persons we are in a position to assist
- Communicate in a form that can be understood
- Give advice appropriate to the situation
- Treat everyone with courtesy, dignity and respect
- Respond to enquiries on a time basis

We will not:

- Take a hostile and aggressive attitude, even if the individual takes this approach
- Provide any confidential information that we are not entitled to
- Make promises that we cannot keep

Our Approach To Colleagues Within AGC

Principles

We will:

- Encourage a cooperative and harmonious team environment
- Assist and support colleagues across Chambers
- Seek to learn and realise our personal potential

Standards

We will:

- Treat colleagues with courtesy and respect at all times, avoiding a hostile or aggressive attitude
- Share information on matters of mutual interest
- Comply with legitimate instructions and requests on a timely basis
- Seek to resolve difficulties by mutual agreement
- Inform managers of problems as they arise