



Northern Ireland

**Public Services**

Ombudsman

# Annual Report & Accounts

For the year ended 31 March 2022

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NORTHERN IRELAND PUBLIC SERVICES OMBUDSMAN  
Annual Report and Accounts  
For the year ended 31 March 2022

*Laid before the Northern Ireland Assembly by the*

*Department of Finance under  
section 10(4) of the Government Resources  
and Accounts Act (Northern Ireland) 2001*

*28 October 2022*

# Northern Ireland Public Services Ombudsman (NIPSO)

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# Performance Report

The purpose of this section of the Annual Report and Accounts is to explain the structure, purpose and performance of the Northern Ireland Public Services Ombudsman (NIPSO) during 2021-22:

- Ombudsman's Statement;
- NIPSO purpose and activities;
- Issues risks and challenges;
- Performance overview.

All aspects of performance during the reporting year were impacted in various ways by the Covid-19 pandemic and reported performance should be viewed in the changing context of Covid-19 during 2021-22.

## ***Ombudsman's Statement***

I am pleased to present this Annual Report and Accounts for the year ended 31 March 2022.

With effect from 19 August 2020, on the nomination of the Northern Ireland Assembly, I took up post as Ombudsman under Royal Warrant. From the same date I was appointed by the Treasury Officer of Accounts in the Department of Finance as Accounting Officer. From that date I also took up the offices of Northern Ireland Judicial Appointments Ombudsman and Northern Ireland Local Government Commissioner for Standards.

In these three statutory roles I have responsibility for the overall organisation, management and staffing of NIPSO and for its procedures in relation to finance, governance and operational matters.

## ***NIPSO Purpose and Activities***

As stated in the Strategic Plan 2020-2023<sup>1</sup>, NIPSO's **purpose** is *'To serve the public by independently and impartially investigating complaints and supporting improvements and learning in public services'*. The Ombudsman's Office is part of the system of administrative justice in Northern Ireland, investigating complaints about maladministration (mal) and service failures of bodies in jurisdiction when the complainant has exhausted all available internal complaint mechanisms. When assessing a complaint for investigation, staff will consider whether the complainant has an alternative legal remedy or a right of appeal, reference or review to another body.

NIPSO's **values** underpin and drive all our decisions, actions, policies, processes and systems. They are as follows:

- **Fairness** (We will treat others fairly, justly and without bias. We will ensure that our investigation and adjudication processes are fair to all).
- **Impartiality** (We will make decisions impartially and keep an open mind in relation to our work).

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<sup>1</sup> A new NIPSO Strategic Plan for the period 2022-25 was developed during 2021-22.

- **Openness** (We will take decisions in an open and transparent manner. Information will not be withheld from the public unless there are clear and lawful reasons for so doing. We will be open with our staff and communicate decisions to them as soon as practicable. We will give reasons for our decisions. We will publish information about our performance as well as public interest reports).
- **Excellence** (We will aim for quality in everything we do and say, behaving professionally, taking ownership and recognising our role as an exemplar to others. We will take pride in our work and the organisation, reflecting on the lessons we have learned from our own experiences and from other ombudsman schemes.)
- **Respect** (We will show respect for equality and the rights of others (including human rights). We will respect the views of others and show consideration for others at all times).
- **Integrity** (We will declare and resolve any interests and relationships that conflict with our functions. We will observe the highest ethical and personal standards and be honest in dealings with each other and our work).

### ***Strategic Objectives***

NIPSO's current strategic objectives (SO) are as follows:

- SO1.** To provide a high quality, impartial and independent investigation service.
- SO2.** To build confidence in Local Government by regulating and promoting the Northern Ireland Local Government Code of Conduct and delivering a high quality, independent investigation and adjudication function.
- SO3.** To improve complaints handling by all public service providers.
- SO4.** To be an accountable, ethical public service organisation that pursues excellence and continuous improvement
- SO5.** To support learning from complaints and improvement in public service delivery.

All of the NIPSO's activities are carried out in pursuance of these strategic objectives and all resources agreed by the NI Assembly are applied accordingly.

During the year we undertook consultation with staff and stakeholders to produce a new Strategic Framework for NIPSO which was launched in April 2022 to cover the period 2022-25 and has an associated business plan.

## **Main Activities**

As Ombudsman my key role is to investigate complaints of maladministration<sup>2</sup> regarding public services in Northern Ireland, and also professional judgment in health and social care. Where I find maladministration, I make recommendations to address injustice sustained by complainants, to improve public services and to seek to prevent future occurrence of similar failings. I apply the *Principles of Good Administration*, appropriate legislation, policy, procedures and standards as the benchmarks against which to judge the actions of public bodies, identify learning and bring about improvement. In carrying out my functions I am supported by a Senior Management Team (SMT).

During 2021-22 I took steps to strengthen NIPSO's ability to become more accessible and maximise the impact from our work by establishing an Improvement, Engagement and Impact team and a Complaints Standards team.

The listed authorities in jurisdiction include all nine Northern Ireland government departments, their statutory agencies and Non Departmental Public Bodies, Local Councils, Health and Social Care bodies, Schools, Universities, Colleges of Further and Higher Education, the Northern Ireland Audit Office, the Northern Ireland Assembly Commission, the Northern Ireland Housing Executive, registered Housing Associations and a range of other public service providers. In the case of Health and Social Care, I also investigate complaints about general and independent health care providers where they provide services for public bodies.

Since April 2018, under Section 8 of the Public Services Ombudsman Act (Northern Ireland) 2016 ("the 2016 Act"), I have the power to undertake Own Initiative (OI) investigations where I have a reasonable suspicion of systemic maladministration or systemic injustice. This power enables me to identify and address systemic failures which have the potential to affect the wider public, and not only individual complainants.

In June 2021 NIPSO's first Own Initiative investigation report into Personal Independence Payments (PIP) was published. This concluded there was systemic maladministration in the use of 'further evidence' in the awarding of PIP claims and made 33 recommendations for change to the Department for Communities (DfC). I have committed to continuing to work with DfC on compliance with my recommendations and expect to publish a progress report in autumn 2022.

Where I determine that an issue has not met my published criteria, but I consider that an overview of my actions in considering an Own Initiative investigation could provide learning, I may publish an Overview report. In May 2021 I published an overview report, on 'The Use of Restrictive Practices in Northern Ireland Schools' and provided a briefing to members of the Northern Ireland Assembly Education Committee in advance of the debate on a committee motion on this issue.

I am required to consult with other Ombudsman offices and regulators on potential Own Initiative investigations. To that end my office participates in a Regulation and Oversight Forum comprising a range of oversight bodies in Northern Ireland to ensure best use of public resources and that NIPSO investigations do not unnecessarily overlap with the respective remits of other forum members.

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<sup>2</sup> The term maladministration is not defined in legislation but is generally taken to mean poor administration or the wrong application of rules. It also extends to the examination of actions and decisions taken in consequence of clinical judgement.

During 2021-22 NIPSO worked with the Northern Ireland Assembly Audit Committee, the Executive Office Committee and the Assembly Commission to secure the resources and the necessary approval for the establishment of a complaints standards function as set out in part 3 of the Public Services Ombudsman Act (NI) 2016 but which had not yet been commenced. The necessary statutory approvals for commencement of the complaints standards function were agreed by the Assembly on 28 May 2021.

Following commencement NIPSO conducted a public consultation from 10 June 2021 to 30 September 2021 on our approach to the new function, a statement of complaints handling principles and the format and scope of a public sector model complaints handling procedure for Northern Ireland. One hundred and one responses to the consultation were received with the majority in agreement with the proposals put forward. On 19 January 2022 the NI Assembly approved the statement of complaints handling principles proposed by NIPSO. This completed the final stage of the legislative process to enable NIPSO to take forward this new function aimed at simplifying and improving complaints handling by public services in Northern Ireland with a focus on early resolution and learning.

NIPSO have now established a new Complaints Standards team to support a culture change in complaints handling by public services in Northern Ireland which is supported by standardised procedures, guidance and training for staff.

A new Improvement Engagement and Impact team was established to work alongside NIPSO's Communications team to focus on maximizing, internally and externally, the impact from the work undertaken by NIPSO. Three key stakeholder groups have been identified by NIPSO; users of public services, providers of public services and elected representatives. It is anticipated that there will be regular engagement with these key groups to improve access and understanding of the role of NIPSO and the development of a range of products to share the learning from NIPSO's investigative work as widely as possible.

As Ombudsman I similarly act as Northern Ireland Judicial Appointments Ombudsman, dealing with complaints of maladministration in respect of judicial appointments.

Also, Part 9 of the Local Government (Northern Ireland) Act 2014 provides for the functions of the Local Government Commissioner for Standards to investigate and adjudicate upon complaints about alleged breaches by Councillors of the Local Government Code of Conduct ('the Code').

NIPSO has discretion to publish reports in the public interest. In the financial year April 2021 to March 2022, 34 such reports have been published. Two Bulletins were also published, in this year, which provide further information about the Office's activities.

### ***Issues, Risks and Challenges***

In support of NIPSO's strategy a detailed corporate risk register is maintained and regularly reviewed. This register identifies the key financial, operational and reputational risks to achievement of each of the agreed NIPSO strategic objectives. It also details the measures in place, or planned, in order to best manage these risks.



During the year the SMT regularly reviewed the identified risks, recorded the controls currently in place to manage them and, where appropriate, identified additional control measures for consideration, subject to available resources. The register was also presented to and discussed at meetings of the NIPSO Audit and Risk Committee (ARC).

The register details the status of the Ombudsman's corporate risks on an ongoing basis. The Internal Audit '*Annual Assurance Report 2021-22*', has also provided a satisfactory level of assurance in relation to risk management, internal control and governance based upon the work undertaken on the 2021-22 internal audit programme.

NIPSO regularly identifies emerging risks to the achievement of its strategic objectives and addresses them proactively and in a prioritised manner. At the end of the reporting year the potential impact of the previous most significant risk, the Covid-19 pandemic, was reducing as new ways of working became embedded and the spread of the virus and its impact on other public services reduced. The longer term impact of two years of the pandemic is still unclear and has the potential to effect the achievement of NIPSO's objectives as we move into the recovery phase of the pandemic.

This and the other key risks recognised by NIPSO as at 31 March 2022 are subject to careful re-assessment in 2022-23. This will take account of emerging issues such as cyber-security and also the longer-term GDPR related risks arising from a change to a hybrid model of working for most staff and the digitisation of the majority of NIPSO processes. At the end of 2021-22 NIPSO remodelled its risk register to align with the risks associated with the achievement of objectives set to meet the 5 new strategic themes set in the NIPSO strategic Plan 2022-25;

- Accessibility,
- Engagement,
- Making a Difference,
- Demonstrating and Delivering Value
- Modernisation and Innovation.

Further information on the identification and management of NIPSO's wider risks is contained in the Governance Statement.

## ***Performance Overview***

### **Performance regarding maladministration complaints**

The receipt, assessment and, where appropriate, further investigation of complaints of maladministration, including professional judgment in health and social care, continues to be the largest single area of NIPSO's work.

In this reporting year the number of complaints increased by 30% from 2020-21. The number of complaints was up 16% on 2019-20, when the previous highest number of complaints was received by NIPSO. The long term trend remains steeply upwards: an increase of 125% over the period since NIPSO's establishment in 2016.

During the year the front-of-office Advice, Support Service and Initial Screening Team (ASSIST) continued to manage incoming complaints in the face of the multiple challenges arising from the Covid-19 restrictions and helped to achieve early resolution of many of the cases. The targets in place regarding the time taken to determine

whether the Ombudsman could investigate a complaint and whether the Ombudsman should investigate, both continued to be achieved.

### **Maladministration Complaint Numbers**

The following table details the key statistics on maladministration cases for 2021-22:

<b>Case Statistics</b>	<b>2021-22</b>
Complaints ongoing from previous year	228
New Complaints in year	1,211
Cases determined in year	1,203
Complaints ongoing at year end	236

The table below illustrates the trend in new maladministration complaints received over the years since NIPSO establishment, by reference to the number received in the final year of the predecessor organisation:

<b>Year</b>	<b>New complaints about public services</b>	<b>Year-on-year % change</b>	<b>Cumulative % increase 2016-17 to 2021-22</b>
2016-17	539		
2017-18	665	23%	23%
2018-19	762	15%	41%
2019-20	1,043	37%	94%
2020-21	932	-11%	73%
2021-22	1,211	30%	125%

### **Maladministration KPI Performance**

NIPSO's operational efficiency, effectiveness and accountability is measured through key performance indicators (KPIs). These focus on the time taken to assess complaints and complete investigations. Complementary qualitative assessments are completed through established internal procedures reflecting the importance of ensuring balance between quality and timeliness.

The Office's maladministration KPIs, together with the recorded performance in 2021-22, are as follows:

Indicator	Target	Achieved
<b>KPI 1</b> – measures how quickly we make a decision on whether the Ombudsman can accept a complaint for further assessment. We aim to inform the complainant within 2 weeks or less of their complaint being received in <b>90%</b> of cases.	<b>90%</b>	<b>96%</b>
<b>KPI 2</b> – measures how quickly we decide on what action we can take on a complaint which has been accepted for assessment. We aim to complete this assessment and inform the complainant of the decision within 10 weeks of their complaint being received.	<b>70%</b>	<b>79%</b>
<b>KPI 3</b> – measures how quickly we reach a decision on the investigation of a complaint and share the draft report with the body and the complainant. We aim to complete this within 50 weeks of the decision at KPI 2 being made.	<b>70%</b>	<b>90%</b>

### ***Performance Commentary***

The continuation of measures to control the health and economic impact of the global pandemic meant that 2021-22 still presented considerable challenge for the majority of public sector bodies and NIPSO was no exception. As reported in 2020-21 during the initial stages of the pandemic complaints to public services and then to NIPSO dropped considerably. By the end of 2020-21 complaint numbers were returning to pre pandemic levels. The year 2021-22 saw an increase in complaint numbers to well above pre pandemic levels. By year end NIPSO experienced an overall increase of 30% in complaints compared to 2020-21 and a 16% increase on 2019-20 which was largely unaffected by the pandemic. Overall NIPSO has experienced a 125% increase in the number of complaints since it was created in 2016.

Despite the majority of staff, working from home NIPSO adapted well to new ways of working and the increased complaint numbers and performance across all three KPI's was either maintained or improved. At the Initial Assessment (KPI 1) stage of the process, our performance was maintained at 96%, which was well ahead of the target of 90%. The number of initial assessment decisions made during the year increased by 31% in line with the increase in the number of complaints received.

Performance on KPI 2 (the Assessment stage) was also considerably ahead of target in 2021-22; 79% against the target of 70% and slightly improved on the 78% achieved in 2020-21. The increase in the number of complaints received resulted in a considerable increase in the number of cases which progressed to this second stage of our investigation process. The number of cases progressing to assessment increased by 23% compared with the previous year.

NIPSO continue to focus on achieving early resolution of complaints where possible. During 2021-22 the ASSIST team successfully resolved 65 cases via settlement. This was a reduction from the 68 cases settled during 2020-21. It is likely that many of the cases resolved at this stage would have met the threshold for further investigation, had a resolution not been achieved for the complainant. This emphasis on achieving resolution is a positive approach to managing resources across the maladministration teams. It allows NIPSO to focus resources on those cases which warrant further

investigation, while achieving beneficial outcomes in a timely manner for complainants, where possible.

The number of cases referred back to the body for further local resolution where this was considered an appropriate mechanism to achieve a beneficial outcome reduced from 26 to 21 compared to 2020-21. NIPSO continues to focus on giving feedback to bodies to assist them to resolve complaints at source. A referral back to the body to consider further local resolution can be an effective means to achieve an alternative and speedier resolution of complaints, particularly in cases concerning poor complaints handling by that body. This approach is useful where there is an ongoing relationship between the complainant and the public body and it enables trust to be rebuilt. Overall the number of cases either resolved at this stage or returned for further local resolution reduced by 9%.

The number of cases progressed to the further Investigation stage this year, increased significantly (29%) on the previous year and up 5% on the previous highest number progressed to further investigation. It is notable that there has been a steady overall increase of 51% over the past 5 years in the number of cases accepted for further investigation.

Performance at KPI 3 (the Investigation stage) improved significantly on the previous year and ended the year at 90% well above the target of 70%. This improvement in performance was especially noteworthy given the delay in receiving information and responses due to the effect of Covid-19 pandemic on public bodies. This final stage of NIPSO's maladministration complaints process saw a 29% increase in the number of cases progressed to further investigation. The significant improvement in performance was very pleasing given the challenges in receiving responses to draft decisions and is a continuation of the work undertaken in previous years to clear the backlog of cases at this stage.

The ASSIST and Investigation teams work closely on the progression of cases and identification of cases where early resolution, including settlement, is appropriate. Following a process review of our complaints handling procedures at the end of 2019-20, both teams are now benefitting from the improvements in process.

The office continues to undertake outreach and to engage with a number of key sectors. During the reporting year staff engaged with Health Trusts, Local Councils and Central Government to understand how public services and complaints were being impacted by the continued restrictions brought about by the pandemic

In line with guidance, outreach during the reporting year shifted significantly to online engagement rather than face-to-face meetings or presentations.

As part of the office's ongoing engagement with elected representatives, online presentations and discussions continued to be held during the year with political parties. During the year we undertook a Public Awareness Survey and a Customer Satisfaction Survey. In 2022-23, the office will be using the findings of the Public Awareness Survey to identify engagement opportunities with a number of groups who are under-represented in their engagement with NIPSO, with the aim of increasing the range of people accessing the Ombudsman's services. The findings from the Customer Satisfaction Survey will be used to provide a focus on work undertaken to improve the experience of those who use our service.

The NI Assembly Audit Committee agreed to bring NIPSO's baseline funding up to 2021-22 levels and this has greatly assisted in the development and embedding of new functions. It is hoped that the general improvement in performance detailed above can be sustained however this is more challenging to achieve when there is uncertainty about the future funding available to NIPSO. Longer term budgetary uncertainties inevitably affect NIPSO's ability to plan and recruit beyond the short term.

Arising from this, the predominant risk factors that are of relevance to NIPSO's complaints case handling performance are:

- (i) The long term increase in complaints (125% since NIPSO was created in 2016) which has the potential to place significant demands on limited resources.
- (ii) Staff turnover, partly associated with the reliance on short term staff and/or short term contracts; and
- (iii) Uncertainty over future years' resources and inability to identify and mitigate future financial pressures, threatening the achievement of key business objectives.

### ***Own Initiative***

In June 2021 we published our investigation report into '*PIP and the value of further evidence*'. This was the first systemic investigation to be undertaken by NIPSO using our 'own initiative' powers, and a first from any UK Ombudsman. The investigation looked at the delivery of Personal Independence Payment, a non means tested benefit, which is intended to provide individuals with help toward the extra costs arising from having a disability or long term health condition.

Overall our investigation found significant failings in how further evidence was used by the Department for Communities (DfC)) and Capita in the decision making process, and 33 recommendations were made for wide scale improvement. The findings received significant media and other coverage both within Northern Ireland and across the UK. Since publishing our findings, we have continued to engage regularly with DfC on their action plan to implement our recommendations and to obtain supporting evidence of change. We intend to report later in 2022 on the progress made.

During the year we continued to consider the range of issues for possible Own Investigations. We engaged with harder to reach groups, as well as analysing trends in complaints received. We considered a wide range of issues to determine whether an 'own initiative' investigation would be the best and most effective use of resources and in doing so undertook several Strategic Inquires on significant issues.

One of the Inquiries undertaken during this year, '*Communication with patients on health care waiting lists*', has since progressed to a full Own Initiative investigation.

Where scoping work did not proceed to an 'own initiative' investigation, we identified other opportunities to use the learning gathered and collaborate with others to improve public services. We produced an overview report on Restraint and Seclusion and shared with the NI Assembly Education Committee. We also engaged with the Criminal Justice Inspectorate and RQIA on trends identified in prison health care complaints.

## Local Government Ethical Standards (LGES)

### Performance relating to complaints about alleged breaches of the Local Government Code of Conduct ('the Code')

In 2021-22 the LGES team received 42 complaints alleging that councillors had breached the Local Government Code of Conduct ('the Code') – a 12.5% decrease from the previous reporting period. Complaints in progress at the start of 2021-22 increased to 78 from the 53 live complaints brought forward at the start of the previous year. These activity figures are set out in the table below:

Caseload	2021-22	2020-21
Complaints ongoing from the previous year	78	53
Written complaints received in year	42	48
Total complaints under investigation in year	120	101
Number closed at Initial Assessment Stage ' <i>can</i> we investigate'	12	4
Number closed at Assessment Stage ' <i>should</i> we investigate'	11	10
Number of Complaints closed by Alternative Action <sup>3</sup>	5	0
Number of complaints withdrawn	2	0
Number determined at Investigation Stage (with no breach found)	16	9
Adjudications	7 <sup>4</sup>	0
Complaints ongoing at year end	67	78

**LGES KPI performance is set out in the table below:**

Indicator	Target	Achieved
<b>KPI 4</b> – we will notify the complainant and the complained-against councillor(s) within 4 weeks of receipt of a valid complaint of the decision whether to investigate.	<b>85%</b>	<b>69%</b>
<b>KPI 5</b> – we will complete an investigation within 40 weeks of the date of receipt of the complaint. The target is 60%	<b>60%</b>	<b>20%</b>

### LGES Performance Commentary

A total of 53 complaints were concluded in 2021-22. The following breakdown of closure by stage was achieved, 12 complaints were closed at initial assessment stage, 11 were closed at the assessment stage, and a further 23 closed at investigation stage. 7 were closed at adjudication.

<sup>3</sup> "Alternative Action" seeks, where appropriate and subject to laid down criteria, the satisfactory resolution of a complaint without the cost and resource implications of an investigation and/or an adjudication.

<sup>4</sup> 7 cases consolidated into 5 adjudications

In relation to the LGES team's performance, the decision whether to investigate was reached within the 4-week target in 18 of the 26 cases that were considered in 2021-22: a 69% achievement rate against a target of 85%. The KPI was therefore missed.

Against the target to complete an investigation within 40 weeks of receipt of complaint, 6 out of 30 (20%) of the cases which reached the investigation stage achieved the timescale in 2021-22, against a 60% target. The KPI was therefore missed.

The LGES team focused on clearing older cases and has made good progress in reducing the number of older cases. An older case is defined as one which has breached its target for completion of the investigation within 40 weeks. This focus on clearing older cases, that had built up over several years, significantly affected performance particularly at KPI 5 during the year. Performance was also impacted by the long-term absence of several members of the team as well as the disruption to normal ways of working caused by COVID 19

The Commissioner disposed of 7 complaints at adjudication, which were consolidated into 5 cases, during the financial year 2021- 2022. Due to the ongoing Covid 19 restrictions no in person hearings were held. Throughout the year the Acting Commissioners undertook prehearing reviews and held hearings using the secure virtual platform WebEx. This ensured that 5 cases were disposed of at adjudication during 2021-22. Of those 5 cases, 3 were referred to the Commissioner in 2019-2020 and 2 were referred in 2020-2021. Of the 8 cases live at adjudication at 31<sup>st</sup> March 2022 and brought forward to 2022 - 2023, 1 related to a referral made to the Commissioner in 2019-2020; 1 to a referral in 2020-21 and the remaining 6 cases were referred to the Commissioner in 2021-2022.

## Financial Performance

In 2021-22 NIPSO achieved all of the three established financial KPIs.

Of particular note, the overall Net Resource Outturn for the reporting period was 0.2% less than estimated and within the target of 2% despite the disruptive effects of the Covid-19 pandemic in the reporting year.

The financial KPIs, together with the recorded performance in 2021-22, are as follows:

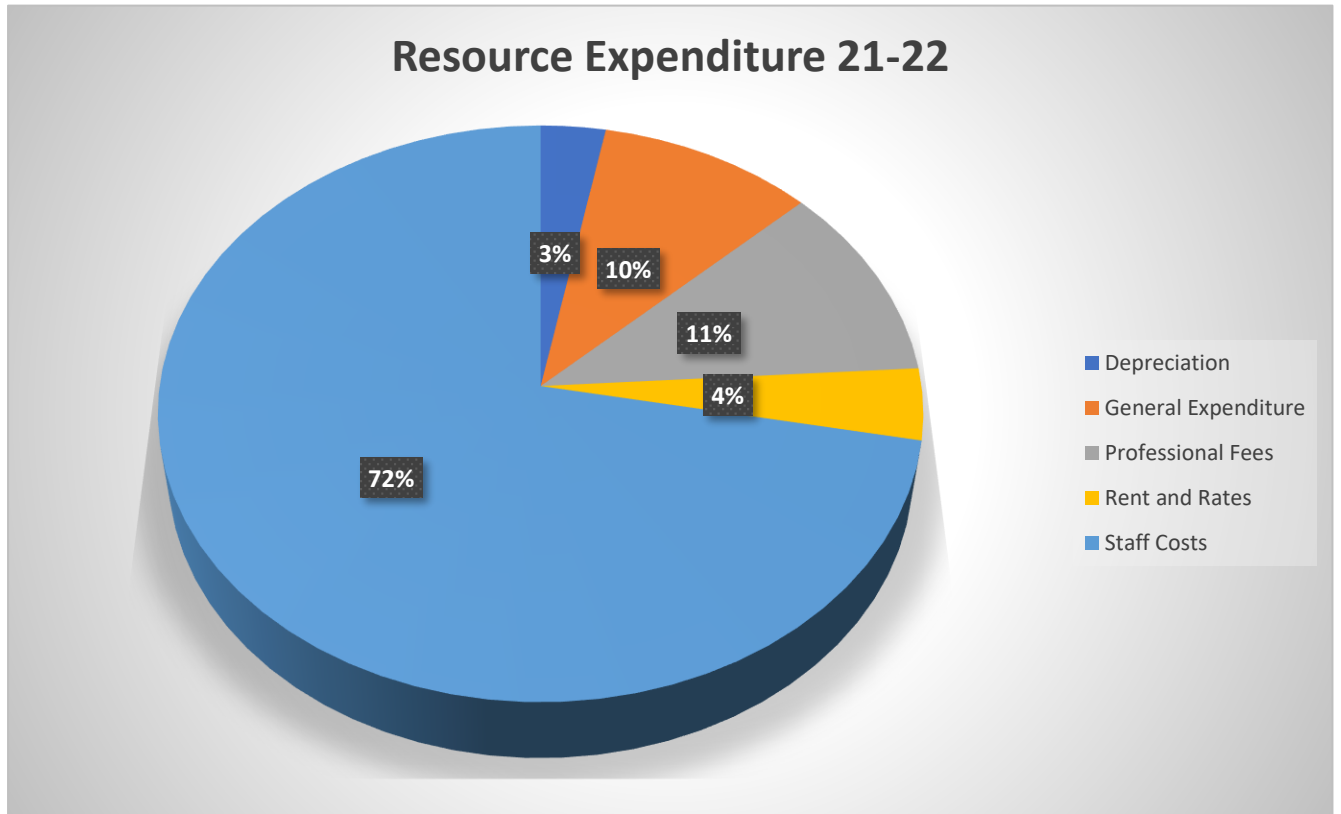
Indicator	Target	Achieved
<b>KPI 6</b> – we will not exceed the total Net Total Resource expenditure for the year authorised by the Northern Ireland Assembly as detailed in the 2020-21 Spring Supplementary Estimate, limiting any underspend to 2%.	<b>Not &gt; 2%</b>	<b>0.2%</b>
<b>KPI 7</b> – in supporting the work of the Office the total cash utilised within the year will not exceed the Net Cash Requirement limit authorised by the Northern Ireland Assembly as detailed in the 2020-21 Spring Supplementary Estimate.	<b>n/a</b>	<b>Yes</b>
<b>KPI 8</b> – we will pay 98% of correctly presented supplier invoices within 10 working days of receipt.	<b>98%</b>	<b>99%</b>

Performance against the 2021-22 Spring Supplementary Estimate is summarised in the following table:

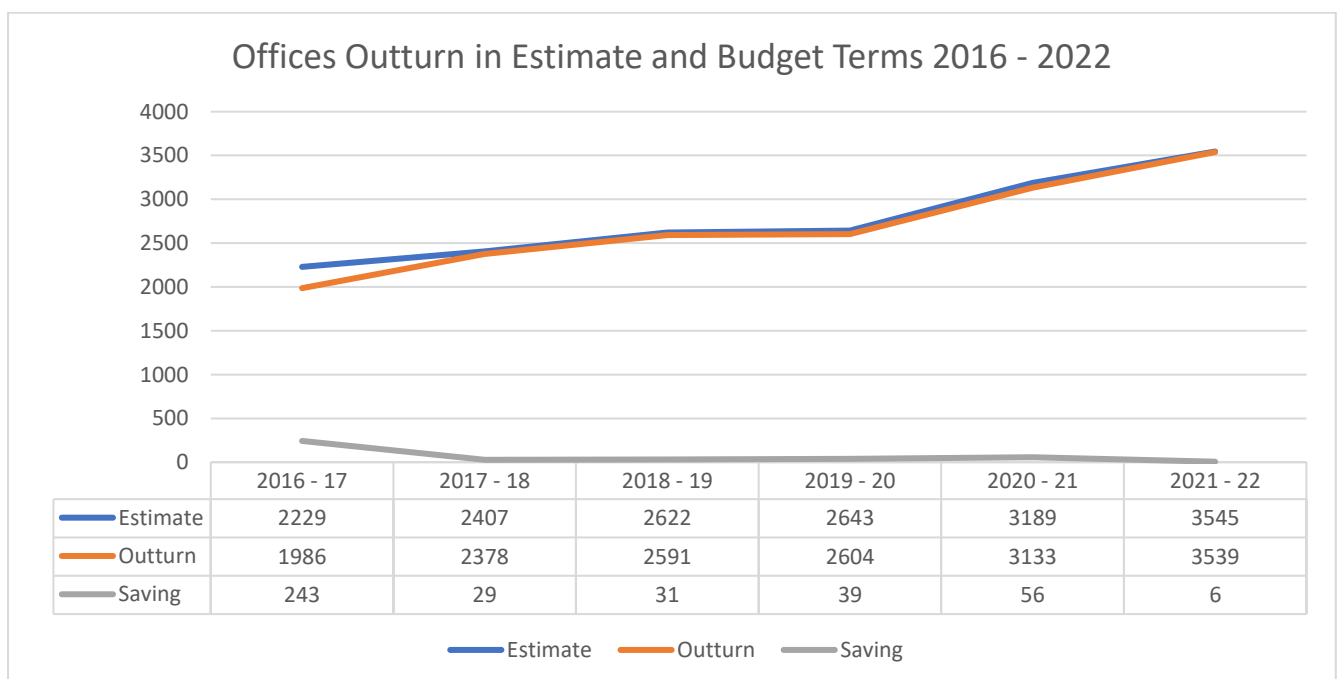
	Estimate £k	Outturn £k	Saving £k	Percentage saving
<b>Net Resource Outturn</b>	<b>3,545</b>	<b>3,539</b>	<b>6</b>	<b>0.2%</b>
<b>Net Cash Requirement</b>	<b>3,468</b>	<b>3,392</b>	<b>76</b>	<b>2.2%</b>



**Illustrated below is the breakdown of resource expenditure for 2021-22.**



**The Office's outturn in Estimate and Budget terms for the years 2016-17 to 2021-22 is illustrated below.**



## ***Resource requirements***

NIPSO continues on a trend of significant growth in overall demand for its services combined with ongoing extensions of remit. As detailed earlier, the Office has experienced significant longer term increases in complaints over its first five years. Since NIPSO was established in 2016 complaints received have increased by 125%, representing a significant challenge for the Office to manage whilst maintaining and improving performance.

The more recently commenced legislative powers that have had greatest impact are as follows.

- (i) The power to undertake (since April 2018) Own Initiative investigations, whether or not the Office has received a complaint.
- (ii) The power to publish investigation reports where it is in the public interest to do so has significantly raised visibility. Since the first such publication in February 2018 a total of 150 reports had been published up to the end of 2021-22.
- (iii) The establishment of NIPSO as the Complaints Standards Authority for the public sector in Northern Ireland.

NIPSO will continue to engage with the relevant stakeholders including the NI Assembly Audit Committee and the Department of Finance to secure the optimal level of financial resources. Adequate funding is essential to enable the Office to deliver on an ever-increasing range of responsibilities. The delivery of services that the public are entitled to expect in respect of complaints and investigations is the Office's core function and resource constraints could impact on the level of service.

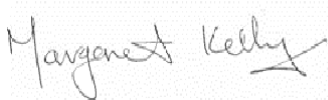
NIPSO is most appreciative of the Assembly Audit Committee's support for and approval of a significant budgetary uplift of over 8% for 2021-22 and anticipated uplift of 8.6% for 2022-23 subject to the Assembly approval of a budget. Amongst other things this is supporting us in the establishment of our new Complaints Standards function and on developing our outreach, learning and engagement capability.

## ***Social and Environmental Matters***

In carrying out its functions NIPSO has regard for human rights obligations and the need to ensure that anti-corruption, anti-bribery, social responsibility and environmental protection policies and measures are in place. The following demonstrates NIPSO's commitment in this regard:

- (i) NIPSO has developed, jointly with the NI Human Rights Commission and with the financial support of the International Ombudsman's Institute, a Human Rights Manual, as a result of which a human rights approach to our work is fully embedded in NIPSO's business processes.
- (ii) NIPSO keeps under review, in liaison with the Audit and Risk Committee, the NIPSO Anti-Fraud (including bribery and corruption) and Raising Concerns (formerly Whistleblowing) policies.
- (iii) The significant office refurbishment during 2019-20 has ensured that state-of-the-art energy efficient measures are embedded, for instance in respect of the materials used and the design of up-to-date environmentally responsible energy-efficient heating and lighting.

- (iv) NIPSO also pursues a number of simple but effective initiatives aimed at reducing waste and respecting the environment. For example through the increased use of scanning and secure emails as an alternative to paper copying and printing, and through availing of all opportunities to recycle office consumables and paper, cardboard and plastic.
- (v) NIPSO has updated our IT systems and related policies to facilitate working from home reducing the impact on the environment of travel to work and will introduce a trial Hybrid Working policy during 2022-23.

A handwritten signature in black ink that reads "Margaret Kelly". The signature is written in a cursive style with a horizontal line under the name.

**Margaret Kelly**  
**Accounting Officer**

**20 October 2022**

# Accountability Report

This Accountability Report meets the Ombudsman's key accountability requirements to the Assembly. It is analogous to the requirements in a Directors Report, as set out in chapter 5 of Part 15 of the Companies Act and Schedule 7 of SI 2008 No. 410, and in the Remuneration Report, as set out in Chapter 6 of the Companies Act 2016 and in SI 2013 No.1981. It is adapted for a public sector context. This Report is signed and dated by the Ombudsman as Accounting Officer. It comprises three sections:

- (i) Corporate Governance Report;
- (ii) Remuneration and Staff Report; and
- (iii) Assembly Accountability and Audit Report.

## Corporate Governance Report

The purpose of the corporate governance report is to explain the nature and composition of NIPSO's governance arrangements and outline how they contribute to the achievement of strategic objectives.

## Ombudsman's Report

In accordance with the Public Services Ombudsman Act (Northern Ireland) 2016 ('the 2016 Act'), the Ombudsman holds three statutory Offices; Northern Ireland Public Services Ombudsman, Northern Ireland Judicial Appointments Ombudsman and Northern Ireland Local Government Commissioner for Standards. In addition, the Ombudsman is designated as the Accounting Officer for the Office.

As an Officer of the Northern Ireland Assembly, she is independent of government and the bodies within NIPSO's jurisdiction. The 2016 Act provides for the appointment and tenure of office of the Ombudsman for a single non-renewable period of seven years. Margaret Kelly took up post as Ombudsman on 19 August 2020.

As at 31 March 2022 the Office staffing comprised the Ombudsman and 54 members of staff (48 Permanent and 6 Agency) : a part-time acting Deputy Ombudsman; a part time acting Deputy Commissioner; a Director of Investigations; a Director of Finance and Corporate Services; a Head of Communications; a Head of Improvement Engagement and Impact; 35 investigative staff (2 of whom were temporary agency/contract staff) and 13 other administrative staff (4 of whom were temporary agency staff members).

### ***Corporation Sole***

The Ombudsman holds the statutory position of a Corporation Sole. This is defined as an individual person who represents an official position which has a single, separate legal entity, an entity that can only be created by statute, enabling legal continuity with succeeding Office holders having the same powers as their predecessors.

As a Corporation Sole, she has a personal jurisdiction in respect of the functions of her Office and is solely responsible for the performance of those functions. The 2016 Act requires the Office-holder to lay annually a general report on the exercise of NIPSO's functions before the Northern Ireland Assembly. Further details are set out in the Governance Statement.

## ***Senior Management Team***

While recognising the Ombudsman's status as a Corporation Sole and the associated responsibilities in setting strategy and policy, the Senior Management Team (SMT) is the principal mechanism for supporting the Ombudsman in preparation of business plans and aiding decision-making in NIPSO.

Under the SMT Operating Framework, reviewed in September 2021, the role of SMT is to assist the Ombudsman with setting the strategic direction of the Office and to provide advice and support in the discharge of the Office-holder's statutory duties.

The SMT members as at 31 March 2022 were:

Ombudsman (Chair):	Ms Margaret Kelly
Acting Deputy Ombudsman:	Mr Sean Martin
Acting Deputy Commissioner:	Ms Michaela McAleer
Director/Acting Directors:	Mr John McGinnity Ms Corinne Nelson, Mr Andrew Ruston, Ms Julie Healy

## ***Significant Interests***

A Register of Interests of all staff is maintained by the Office, a copy of which is available to the public on request. No significant interests were noted in this reporting year.

## ***Personal Data Incidents***

The Office reports on all personal data related incidents. Within its Governance framework, the Office has an explicit control system to meet its responsibilities under the Data Protection Act (DPA) 2018, the Freedom of Information Act (FOIA) 2000 and the Environmental Information Regulations (EIR) 2004. The control system has been established to ensure the appropriate processing of personal data and other information used for investigation and reporting purposes through the development of appropriate policies and procedures.

There was one personal data breach that met the required threshold to be notified to the Information Commissioner's Office during 2021-22. The Information Commissioner's Office have indicated they do not intend to take any further action at this time.

## ***Pensions applicable***

As at 31 March 2022 all members of SMT are members of the Principal Civil Service Pension Scheme (PCSPS) (NI). This is a defined benefit scheme which is unfunded. The Office recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from the staff services by payment to the Principal Civil Service Scheme (PCSPS) (NI) of an amount calculated on an accruing basis. Liability for payment of future benefits is a charge on the Principal Civil Service Pension Scheme (PCSPS) (NI). Further information is contained within the Remuneration and Staff Report, which forms a separate part of this document.

## ***Acceptance of our Recommendations***

The Ombudsman seeks to ensure compliance with recommendations through sharing draft reports and in dialogue with the bodies in remit. In 2021-22 all recommendations made as a result of investigation reports were accepted by bodies in jurisdiction.

## ***Disclosure of relevant audit information***

The NIPSO external auditor is the Northern Ireland Audit Office (NIAO). So far as the Ombudsman is aware, there is no relevant information of which the NIAO is not aware. The Ombudsman has taken all necessary steps to make herself aware of any relevant audit information, and confirms that the auditors are aware of that information.

## ***Complaints and Reviews***

The Office has two separate processes in place for responding to dissatisfaction with our service. The 'service standards' complaints procedure deals with complaints from any member of the public about the conduct of NIPSO staff, instances of delay or failure to meet the service standards of the Office. In 2021-22 there were eight service standards complaints received. Of these eight complaints, one was upheld, three were partially upheld, three were not upheld and one was, upon consideration, not held to be service standards complaints as it related to a complainant's dissatisfaction with a decision on their case, rather than a service issue.

During 2021-22 as part of the Northern Ireland Assembly Audit Committee's review of NIPSO's governance, NIPSO proposed to introduce an independent second stage into the service standards complaints process. This proposal was endorsed by the committee, and it is expected that this updated process will be operational in early 2022-23.

There is a separate internal review process for complainants who are unhappy with a decision which has been made in relation to their complaint about public services. A complainant may ask for a review of a decision not to accept their complaint for investigation.

A request must be made in writing within 20 working days of the date the complainant receives the decision that their complaint has not been accepted for investigation. In total, during 2021-22 the Office received 88 requests for a review of a decision not to accept a complaint for investigation. Of the 68 requests completed during this period, 8 were upheld and the cases reopened. The remaining 20 requests are on-going.

In relation to complaints of maladministration where it has been decided not to accept a complaint for investigation on jurisdictional grounds, on request, a review of the decision will be completed to ensure that the legislative tests have been correctly applied.

In cases accepted for investigation under the 2016 Act, the Office provides the complainant, the listed authority, and any named person(s) with a copy of the draft report. This affords the parties an opportunity to comment on the Ombudsman's provisional findings, conclusions and recommendations before the final report is issued.

Where a complainant remains dissatisfied with the outcome of a NIPSO decision, they may seek a judicial review. In 2021-22 there was one application for judicial review which had been lodged with the court prematurely as the practice directions in relation to pre-action had not been followed. The matter was resolved at pre-action stage and the application was withdrawn. At 31 March 2022 there were two ongoing leave applications for judicial review.

### ***Raising Concerns (Whistleblowing)***

There were no issues recorded under NIPSO's Raising Concerns policy (formerly Whistleblowing policy) within the reporting period.

### ***Data Protection and Freedom of Information Obligations***

By comparison to the prior financial year, there has been a significant increase in the number of requests for access to information under the Data Protection Act (DPA) 2018 and the Freedom of Information Act (FOIA) 2000. In 2021-22 the Office formally processed 78 information requests (20 Subject Access Requests, 58 FOI Requests and 0 'mixed' requests) compared to a total of 37 (22 Subject Access Requests and 15 FOI Requests) in the previous financial year.

Requests for information under the Environmental Information Regulations (EIR) 2004 are low in number and none were received during 2021-22. Such requests would usually relate to planning complaints.

We continue to progress an internal and external file review as well as implementing a full review of our corporate information management and security.

All Ombudsman investigations are conducted in private and there is a statutory bar on the disclosure of 'information obtained' for the purposes of an investigation under the 2016 Act. Given the existence of the statutory bar in the Ombudsman's legislation and the complex legal obligations that the Ombudsman is subject to under DPA, FOIA and EIR, a Memorandum of Understanding (MOU) was concluded between the Ombudsman and the Information Commissioner in 2011. A review of this MOU commenced in 2019 and has not yet been concluded. This will be concluded in 2022-23. The principles in the current MOU, whilst based on the predecessor legislation to the 2016 Act and the DPA 1998, remain broadly applicable to the Ombudsman under the 2016 Act and the DPA 2018/GDPR.

## ***Statement of Accounting Officer's Responsibilities***

1. Under the Government Resources and Accounts Act (NI) 2001, the Department of Finance has directed the Accounting Officer to prepare, for each financial year, resource accounts detailing the resources acquired, held, or disposed of during the year and the use of resources during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NIPSO and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.
2. In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:
  - observe the Accounts Direction issued by the Department of Finance, 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; and
  - confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.
3. The Department of Finance has appointed the Ombudsman as Accounting Officer for NIPSO.
4. 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 NIPSO's assets, are set out in *Managing Public Money Northern Ireland*, published by the Department of Finance.
5. As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the NIPSO's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



## **Governance Statement**

### **Introduction**

This governance statement covers the period 1 April 2021 to 31 March 2022 and describes NIPSO's internal control structure and resource management processes.

As Ombudsman I am a Corporation Sole. I discharge my functions under the Public Services Ombudsman Act (Northern Ireland) 2016 ('the 2016 Act'). My role in relation to complaints about public services is to impartially and independently investigate complaints of maladministration relating to Government Departments and their agencies, local Councils, health and social care, education and other public service providers. I also investigate complaints about professional judgment in health and social care. I also have jurisdiction in relation to the investigation of complaints of maladministration about the judicial appointments process. My remit also extends to the investigation and adjudication of complaints of alleged breaches of the Northern Ireland Local Government Code of Conduct ('the Code') as Northern Ireland Local Government Commissioner for Standards.

I report to the Northern Ireland Assembly on the performance of my Office by means of an Annual Report as required under the provisions of the 2016 Act. The application and commitment of public money allocated to support the work of my Office is reported through the Office's Annual Report and Accounts.

During 2021-22 the NI Assembly commenced part 3 of the 2016 Act to provide for NIPSO to set standards for the handling of complaints about public services in Northern Ireland

As Accounting Officer, I have had responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of Office policies and strategic objectives. I am required also to safeguard public funds and the Office's assets for which I am responsible, in accordance with the responsibilities assigned to me as Accounting Officer and provided for in *Managing Public Money Northern Ireland*.

In accordance with DAO (DoF) 05/17, I have, in April 2022 completed a declaration confirming my fitness to carry out the Accounting Officer role.

### **Governance Framework**

In my role I aim to achieve compliance with the spirit of the '*Corporate Governance in Central Government Departments: Code of Good Practice NI 2013*' ('the 2013 Code') issued by the Department of Finance. I accept the tenets of the 2013 Code as constituting best practice. However, as Corporation Sole I am unable to directly apply the 2013 Code arrangements to my Office. In order to ensure a proportionate and appropriate response to the guidance, as detailed later in this statement I am advised by a Senior Management Team (SMT). I believe that this reflects the principles and best practice contained in the guidance and practical application of the 2013 Code.

NIPSO has an established corporate governance framework that sets out, for staff and all stakeholders: the basis on which my Office has been established; the manner in which its governance is structured and managed; and my accountability for its statutory functions. My officials reviewed the framework document that my Office maintains in

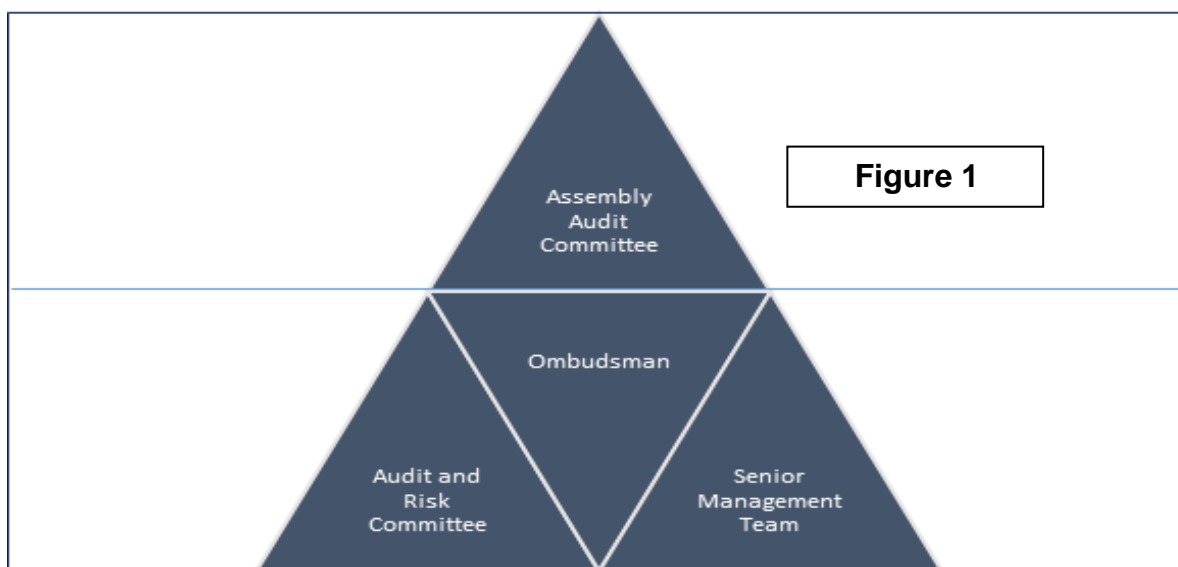
January 2022 and work is ongoing to update the document. This sets out in detail the corporate governance mechanisms and arrangements to which NIPSO adheres.

I am satisfied that the corporate governance framework and arrangements for the Office comply with the spirit of the 2013 Code on an appropriate and proportionate basis, so far as it is compatible with my status as a Corporation Sole.

### Governance Structure

NIPSO's governance structure reflects my position as the statutory holder of three Offices - Northern Ireland Public Services Ombudsman, Northern Ireland Judicial Appointments Ombudsman and Northern Ireland Local Government Commissioner for Standards. This necessitates a balance between appropriate controls and oversight, whilst preserving the independence of the role.

As Ombudsman I am solely responsible and accountable for the conduct and administration of all the work carried out by my staff and for the decisions made in relation to each complaint received. My decisions and those made by staff under delegated authority regarding complaints about maladministration are amenable to judicial review. In respect of complaints that a councillor has breached the Code of Conduct the investigation of complaints has been delegated to my LGES Team. Where cases investigated by the LGES team meet the appropriate threshold they are referred to me for consideration of holding an adjudication. If a case referred to me is accepted for adjudication and where I find a breach of the Code, I can decide to take no action or impose a sanction in any given case. The sanction can be censure; suspension (or partial suspension) for a period up to one year, or disqualification. A Councillor may seek leave to appeal to the High Court regarding a decision on sanction.



The governance arrangements established to support my statutory functions are illustrated in **Figure 1**. They are also set out in a 'Memorandum of Understanding on the Governance and Accountability Arrangements of the Northern Ireland Public Services Ombudsman'<sup>5</sup>.

<sup>5</sup> This MOU was finalised and agreed by the previous Assembly Audit Committee (AAC) in November 2016, although not formally signed by the respective parties. Upon restoration of the Assembly in January 2020 the re-established AAC has indicated plans to review and formalise this document. The AAC "Review of the Governance and Accountability Arrangements for the Northern Ireland Assembly Audit Office (NIAO) and Northern Ireland Public Services Ombudsman (NIPSO)", was published in February 2022 and recommended that the MOU between NIPSO and the Audit Committee should be updated to reflect organisational changes and any review recommendations applicable at the time.

## Current NIPSO Governance Mechanisms

The following governance mechanisms are in place to provide extensive assurance that NIPSO is directed and controlled in an efficient and effective manner.

- Accountability, under a Memorandum of Understanding, to the Northern Ireland Assembly Audit Committee (AAC)
- An independent Audit and Risk Committee (ARC) to which NIPSO provides regular and comprehensive information regarding the effective discharge of our functions and in respect of which the ARC provides an appropriate challenge role;
- An externally appointed Internal Audit Service, which examines and reports on a rolling programme of operational and administrative areas of NIPSO's business and which presents an annual Assurance Report;
- External Audit, undertaken by the Northern Ireland Audit Office (NIAO), including an assurance that the expenditure and income in the annual financial statements have been applied for the purposes intended by the Assembly;
- A SMT comprising multi-disciplinary directors who support the Ombudsman in the development and delivery of the Office's strategic and business plans;
- Publication of quarterly SMT minutes on the [NIPSO website](#);
- The maintenance and regular review of a Corporate Risk Register in respect of each of NIPSO's strategic objectives;
- The operation of a regular Quality Assurance audit framework with a view to ensuring that those coming into contact with the office receive the best quality service possible and that all opportunities for internal organisational learning are identified;
- Engagement of external peer review and/or specialist assurance in respect of key business activity areas;
- Adherence to the Ombudsman Association Service Standards Framework – a document that sets out what the Association considers best practice and which the Association's members (including NIPSO and all other Ombudsmen in the UK and Ireland) are required to adopt;
- A Review procedure for delegated decisions on complaints;
- A procedure for complaints from the public about our service;
- Active participation and contribution to the sharing of best practice between other ombudsman services within the UK, Ireland and internationally;
- Regular NIPSO participation in a range of specialist Ombudsman Association working groups to develop and learn from current Ombudsman best practice;

Key elements of the above list are expanded upon in the following sections.

### Northern Ireland Assembly Audit Committee

I am accountable to the Northern Ireland Assembly Audit Committee for the exercise of my functions and must report annually to the Assembly in respect of those functions. This Committee's responsibilities include: examining NIPSO's Estimate and laying it before the Assembly; considering NIPSO's Strategic Plan; examining the NIPSO Annual Report and Accounts and NIAO audit reports thereon. I attended the committee on 6 occasions during 2021-22 in relation to these matters. The Audit Committee completed its review of the governance and accountability arrangements for NIPSO (alongside the NIAO) and published its report in February 2022. The Committee made 5 recommendations specific to NIPSO. One of the recommendations endorsed proposals

made by NIPSO to improve governance and accountability which NIPSO has been progressing. The Committee made 2 further recommendations to both NIPSO and the NIAO. The first that the next NI Assembly Audit Committee consider the level of scrutiny and interchange between them and NIPSO including a review of the MOU. The second, that the next Assembly Audit Committee be asked to prioritise in its forward work programme, taking forward recommendations requiring legislative change and undertake sufficient stakeholder engagement on these matters.

### **Audit and Risk Committee**

The NIPSO Audit and Risk Committee (‘the Committee’) supports the Accounting Officer by monitoring the corporate governance, risk management and control systems in the Office. The current Committee Chair, Mr Dónall Curtin, was appointed for an initial period of three years, with effect from 24 June 2019. The Chair has agreed an extension for a further two years until June 2024.

As provided for in their initial letters of appointment, the two independent Committee members in May 2020 had their original three year appointment period extended. One member had resigned prior to 2021-22 and the other member attended the initial two meetings of 2021-22. Two new independent members joined the committee for their first meeting in October 2021.

The Committee fulfils its role by offering objective advice and challenge on issues concerning the risk, control and governance of the Office and associated assurances. The Committee provides reports through the Independent Chair to me and any matters identified in those reports are actioned and dealt with by SMT. The Committee’s Terms of Reference are available on request. The Committee also conducts, on a regular basis, a review informed by the recommendations that emerge from the annual Self-Assessment process which is based on a checklist published by the Financial Management and Governance Practice Unit of the National Audit Office. This process also includes a review of the Terms of Reference of the Committee.

The Committee met four times during 2021-22. Attendance at meetings held during the year was as follows:

<b>Present</b>	<b>6/5/2021</b>	<b>24/6/2021</b>	<b>28/10/2021</b>	<b>27/1/2022</b>
<b>Dónall Curtin</b> (Independent Chair)	√	√	√	√
<b>Ursula O’Hare</b> (Independent Non-Executive Member)	√	√		
<b>Terry McGonigal</b> <sup>1</sup> (Independent Non-Executive Member)			√	√
<b>Patricia Snell</b> <sup>2</sup> (Independent Non-Executive Member)			√	

<sup>1</sup> Terry McGonigal was appointed as an Independent Non- Executive Member on 28 October 2021 following an external recruitment exercise.

<sup>2</sup> Patricia Snell was appointed as an Independent Non- Executive Member on 28 October 2021 following an external recruitment exercise

In addition, other members of staff attended, as required, to assist with the discussion of certain agenda items.

Throughout the year the Committee provided effective scrutiny and support to the Office. At each meeting the Committee considered a number of standing items including:

- (i) review of Performance;
- (ii) review of Audit, Accountability and Governance;
- (iii) review of the NIPSO Risk Register;
- (iv) review of NIAO and IA reports, and
- (v) Review of relevant emerging DAO guidance.

In addition to providing assurance on the preparation and audit of the Office's Annual Report and Accounts for 2021-22, the Committee considered the findings of the reviews undertaken and reports prepared by the out-sourced Director of Internal Audit.

ASM were appointed by NIPSO through an independent Construction Procurement Delivery (CPD) exercise for the period 2021-24. At its October 2021 meeting the Committee considered and agreed subject to a few modifications to the 3 year internal audit strategy for 2021-24. In January 2022 the committee considered a draft internal audit report on IT Systems and Cyber Security which was presented in final form in April 2022. A report of an audit on Human Resources Management was considered by the committee at its meeting on 24 June 2022, a report into GDPR compliance and the 2021-22 Annual Assurance report will be considered by the Committee at its October 2022 ARC meeting.

This internal audit programme of work is in fulfilment of the 2021-22 audit programme, which was agreed in advance by the Committee.

In terms of assurance, the Director of Internal Audit has issued an independent opinion that the existing risk management, control and governance systems in place in relation to NIPSO's IT Systems and Cyber Security, Human Resources Management and GDPR Regulations provide satisfactory assurance regarding the effective and efficient achievement of NIPSO's objectives.

### **Senior Management Team (SMT)**

The SMT meets monthly (and more frequently when required) to consider NIPSO's plans, targets and the strategic direction of the Office using key performance and risk indicators. The SMT Operating Framework and the minutes of its meetings are available on request from the Office. Quarterly minutes are published on [NIPSO's website](#). The SMT members in 2021-22 are listed on page 26.

A register of interests is maintained to ensure openness and transparency and that potential conflicts of interest can be identified and addressed. Where potential conflicts exist they are recorded in the SMT and Audit and Risk Committee minutes, together with any appropriate action taken to address them. There were no conflicts of interest noted by SMT members in relation to agenda items in 2021-22.

The SMT operating framework includes commitments to:

- (i) Support the Ombudsman in the development and delivery of Strategy and Business Plans for the Office within a performance management framework.
- (ii) Advise on the prioritisation of activities within NIPSO to ensure the most effective and efficient use of resources.
- (iii) Manage and monitor the effectiveness of policies and procedures in the Office.
- (iv) Ensure that staff are organised and deployed to achieve optimum output and effectiveness for the benefit of citizens and other stakeholders.
- (v) Encourage and promote innovation throughout the range of NIPSO functions.
- (vi) Review and manage identified risks.
- (vii) Monitor and review the performance of NIPSO's financial, human and technical resources to ensure effectiveness of financial and management controls.
- (viii) Ensure the continuing relevance of NIPSO's policies and procedures.
- (ix) Promote effective team working across the range of NIPSO functions and activities to ensure optimum efficiency and effectiveness.
- (x) Deliver the Communications and Engagement Strategy and further develop it in light of emerging needs.
- (xi) Develop and implement a People Strategy that achieves effective and efficient people management standards that achieve best practice and meet all equality and employment legislation.
- (xii) Ensure staff conduct and NIPSO policies are consistent with and reflect the NIPSO values.
- (xiii) Report the work of SMT to the NIPSO Audit and Risk Committee.
- (xiv) Consider the implications of recommendations of External Audit, Internal Audit and the NIPSO Audit and Risk Committee.
- (xv) Advise and support the implementation of NIPSO's MOU with the Assembly Audit Committee.

**Attendance at the eleven SMT meetings held during 2021 - 22 was as follows:**

Present	22/4/21	20/5/21	10/6/21	26/7/21	7/9/21	14/10/21	18/11/21	16/12/21	14/01/22	10/2/22	10/3/22	
Margaret Kelly	√	√	√	√	√	√	√	√	√	√	√	11/11
Sean Martin	√	√	√	√	√	√	√	√	√	√	√	11/11
Michaela McAleer	√	√	√	√	√	√	√	√	√	√		10/11
John McGinnity	√		√	√	√	√	√		√		√	8/11
Corinne Nelson	√	√	√	√	√	√	√	√	√			9/11
Andrea Hegarty <sup>1</sup>		√	√		√							3/10
Andrew Ruston <sup>2</sup>	√	√			√	√	√	√	√	√	√	9/11
Julie Healy <sup>3</sup>									√	√	√	3/3

<sup>1</sup> Andrea Hegarty Resigned 1st March 2022

<sup>2</sup> Joined SMT on the 1<sup>st</sup> April 2021.

<sup>3</sup> Joined NIPSO as Head of Improvement, Engagement and Impact with effect from 4<sup>th</sup> January 2022.

In addition, other officers were in attendance at SMT meetings, as required, to contribute to the discussion of agenda item(s).

### **Review of SMT**

A comprehensive self-assessment of SMT was conducted in April 2021. This was carried out, insofar as relevant to my position as a Corporation Sole, in accordance with the “*Corporate governance in central government departments: Code of good practice NI 2013*”. A further review will be carried out in April 2023. One recommendation from an internal audit in 2019-20 remains outstanding but has been largely addressed by a report prepared by HR consultants who conducted a review of SMT roles and future requirements.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide a reasonable assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Office policies, aims and objectives, to evaluate the likelihood of those risks being realised; impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control was in operation in this Office throughout the year ended 31 March 2022. This extends to the date of approval of the Annual Report and Accounts. It accords with Department of Finance guidance.

### **Capacity to Handle Risk**

As Accounting Officer, I operate the established corporate planning and management arrangements to address strategic and operational risks within the Office.

I have a personal statutory authority to undertake investigations in my respective roles of Northern Ireland Public Services Ombudsman, Northern Ireland Judicial Appointments Ombudsman and Northern Ireland Local Government Commissioner for Standards. In the latter role I may accept for adjudication investigations referred to me by my Deputy Commissioner to whom I have delegated the responsibility of investigation. Having thus decided either I or one of my Acting Commissioners will then undertake an adjudication in line with the relevant procedure. I am empowered under the 2016 Act to delegate to members of my staff my authority to investigate, as appropriate.

The SMT support me in my role by proactively assessing strategic and operational risks which have the potential to adversely affect the performance of the Office. The SMT assess performance against the strategic and business plan objectives, and address risks which must be proactively managed.

The Office has a Risk Policy Framework within which each risk is proactively managed. This includes:

- (i) Embedding risk management throughout the Office to ensure all forms and types of risk are identified.
- (ii) Assigning responsibility for strategic and operational risk to senior staff.
- (iii) Assigning particular responsibility for each risk to a Risk Owner.
- (iv) Testing and confirming risk management arrangements through scheduled

reviews of the Corporate Risk Register by both the SMT and the Audit and Risk Committee (ARC).

- (v) Involving Internal Audit and the ARC in the regular review of governance practice and risk management arrangements within the Office.

The SMT continues to identify and review training needs through the established performance appraisal processes and ensures that members of staff have the required skills and also an appropriate awareness of governance and risk management.

The SMT also regularly examines its compliance with relevant Department of Finance guidance, when issued, particularly in relation to ensuring that providers of Internal Audit services meet the necessary professional standards.

### **The Risk and Control Framework**

The Office maintains a Policy Framework for Risk Management, which encompasses both the Risk Policy Statement and Corporate Risk Register. I, with the assistance of SMT, manage risk in a structured manner through the identification, monitoring, management and review of risks. The Risk Register is a standing item on the agenda of the SMT and the Audit and Risk Committee. The Risk Register captures systematically all relevant risks which may impact on the achievement of each of the five NIPSO strategic objectives (SO). The Register also details the measures in place, or planned, in order to best manage these risks within available resources.

As at the 2021-22 year end the key risks identified at corporate level were as follows:

<b>Risk</b>
1. <b>Covid-19 - current impacts and longer term aftermath.</b> This spans a range of identified risks across SO1, SO2, SO4 & SO5. Encompasses service disruption, resourcing uncertainty, social distancing threats to LGES adjudications, staff wellbeing, IT/Information security and future uncertainty of the role and positioning of NIPSO in a post Covid-19 landscape.
2. Renewed <b>growth in complaint case numbers</b> , further threatening quality and timeliness of decision-making, and achievement of KPIs. Potential for a significant rise in complaints specifically related to changes to services as a result of Covid-19.
3. Risks of <b>legal challenge</b> including unforeseen, potentially unfunded, legal costs (Mal and LGES).
4. Failure to avail of all opportunities to support <b>learning from complaints</b> and improvement in public service delivery (SO5).
5. <b>GDPR compliance</b> , given the current working from home arrangements, the sensitive nature of client case files and data, and the need to apply NIPSO's Retention & Disposal policy within Workpro.

Further information on the above and on all corporate risks identified by NIPSO, the controls currently in place to manage these risks and the further controls under consideration (subject to available resources and prioritisation), is set out in detail in the NIPSO Corporate Risk Register as at 31 March 2022, available separately.

### **Internal Control System**

In addition to the established Policy and Framework for Risk Management, NIPSO has a robust system of internal control. These controls include maintaining appropriate



methodologies, principles and policies for the Office and a Code of Conduct. All Office manuals and practice notes provide detail on a range of control issues, such as operational and financial procedures and delegated authorities. A Code of Conduct setting out the standards expected of staff was issued in 2017, shortly after the establishment of NIPSO. The policy was reviewed in October 2020 and remains in place. A Conflicts of Interest Policy was also developed. Also, an anti-fraud policy and response plan, and a “Raising Concerns” (formerly referred to as “Whistle blowing”) policy to enable staff to report concerns over any aspect of the Office’s business were both reviewed, updated and re-issued in 2020-21. Staff must adhere to all relevant internal control policies and procedures.

Additional procedures developed to enhance this system of internal control(s) include:

- (i) The SMT, which meets monthly to consider, plan and review the performance and strategic direction of the Office.
- (ii) A report prepared by the Chair of the Audit and Risk Committee assessing the work and effectiveness of the Committee.
- (iii) Strategic and business planning processes to evaluate past performance against Business Plan targets and set forward plans and targets.
- (iv) Regular reviews by the independent internal auditors on compliance with standards defined in the Public Sector Internal Audit Standards, which provide an opinion on the adequacy and effectiveness of the Office’s system of internal control, together with recommendations for any identified improvements.
- (v) Annual review by the Audit and Risk Committee of Internal Audit plans, including risk assessment and regular meetings to receive and review reports from the Internal and External Auditors of the internal controls.
- (vi) Performance and risk indicators established and reviewed annually.
- (vii) During Covid SMT moved away from a rigid system of performance appraisal in favour of more regular contact and feedback to staff working from home. This has been further embedded with the development of a new coaching and mentoring framework and appraisal process. This is due to be implemented in 2022-23.
- (viii) Completion of individual Stewardship Statements by SMT members (most recently completed in April 2022).

## **Information Assurance**

The security and appropriate management of information is an area of high risk, in which I take a continuous interest. The Office has a full suite of information related policies. Information management strategies continue to be robustly assessed, monitored and reviewed to ensure that information used for investigations and for reporting purposes is protected and appropriately processed in accordance with legal requirements including the General Data Protection Regulation 2018 (GDPR), the Data Protection Act 2018 (DPA), the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIR). These Information Acts, together with the relevant statutory Codes of Practice, are the relevant legal framework applicable during the reporting period. Any member of staff who breaches established policy may be subject to disciplinary action where that is considered appropriate after investigation. In addition, a breach of confidentiality may result in termination of a service arrangement or data processor contract.

Controls established to ensure the appropriate management of risk due to staff working mostly from home as a result of the Covid-19 public health pandemic were maintained and enhanced where necessary, ensuring appropriate management of risk.

During 2021-22, the review of investigation related records was completed in respect of records held both off-site and those held on-site. This forms part of the Office's commitment to review its technical and organisational measures to ensure compliance with the GDPR and the DPA. Further work in this area is ongoing.

During 2021-22 having completed the implementation of the new case handling system for the management of investigation related records a project was established to review and update the system used for the management of non-investigation related records. This project will continue through 2022-23 and will involve the establishment of new information governance structures, training and a new file plan for non-investigation related records.

### **Budget Position**

During the year NIPSO liaised with DOF in the course of monitoring rounds and as required in establishing and where necessary adjusting the in-year budgetary needs in respect of 2021-22.

Regarding the budget for 2022-23, in November 2021 NIPSO commenced engagement on this with the Northern Ireland Assembly Audit Committee (AAC). Following a number of attendances at evidence sessions by the Ombudsman and her officials, the AAC in December 2021 recommended to DOF that NIPSO's 2022-25 budgetary proposals be accepted and incorporated in the 2022 Budget Bill. On 13 December 2021 the Finance Minister published for consultation a draft 2022-25 budget. The consultation was due to run until 7 March 2022. A draft budget bill was introduced into the assembly on 22 February 2022 however the Bill did not complete its passage and no budget for 2022-23 was approved due to the Executive not meeting following the resignation of the First Minister on 3 February 2022.

The Assembly passed the Budget Act (Northern Ireland) 2022 in March 2022 which authorised the cash and use of resources for all departments for the 2021-22 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2022 also included a Vote on Account which authorised departments' access to cash and use of resources for the early months of the 2022-23 financial year. The cash and resource balance to complete for the remainder of 2022-23 will be authorised by the 2022-23 Main Estimates and the associated Budget Bill based on an agreed 2022-23 Budget. In the event that this is delayed, then the powers available to the Permanent Secretary of the Department of Finance under Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 will be used to authorise the cash, and the use of resources during the intervening period.

### **Review of Effectiveness**

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

My review is informed by the work of the internal auditors and the SMT. The SMT has

responsibility within the Office for the development and maintenance of the internal control framework and is also responsible for responding to comments made by the external auditors in their 'Report to those charged with Governance' and other reports. I have received assurance from SMT on the implications of the result of my review of the effectiveness of the system of internal control. The Audit and Risk Committee (ARC) offers advice and comments on the audits conducted by the NIAO and by independent Internal Auditors. I am committed to addressing any governance weaknesses, and to introducing any enhancements or improvements identified through these processes, in order to ensure continuous improvement in delivery of the strategic and business plan objectives of the Office.

Having given detailed consideration to the recommendations made by Internal Audit and reviewing them against criteria outlined in *Managing Public Money Northern Ireland*, I have formed the view that no significant internal control weaknesses have been identified for the period 2021-22. All the recommendations made were to enhance established systems or procedures in order to support the achievement of best practice. Responsibility for the actions required to implement each recommendation that has been made has been assigned to an individual senior member of staff, along with the expected target date for their implementation. This action plan is reviewed by the SMT and reported to the Audit and Risk Committee.

As Accounting Officer, I am satisfied that:

- (i) Strategies and policies to achieve the operational objectives of the Office are developed, implemented and reviewed;
- (ii) Appropriate strategies and policies are implemented in all aspects of the Office's operations;
- (iii) Good quality services are delivered efficiently and effectively within available resources;
- (iv) Performance is regularly and rigorously monitored and effective measures are put in place to address any poor performance identified;
- (v) Legislation, regulations and relevant Codes of Practice are complied with;
- (vi) Information used by the Office is secure, relevant, accurate, up-to-date, timely and reliable;
- (vii) Financial statements and other corporate information published by my Office are accurate and reliable;
- (viii) Financial resources are managed efficiently and effectively and are safeguarded;
- (ix) Human and other resources are appropriately managed and safeguarded, and;
- (x) All Northern Ireland Audit Office and Internal Audit recommendations have been or are being addressed by NIPSO.

### **Significant Internal Control Weakness**

I am pleased to report that there were no significant weaknesses in the Office's system of internal controls in 2021-22 that affected the achievement of the Office's strategic objectives, business plan targets and good governance.

### **Personal Data Incidents**

One personal data breach met the required threshold to be notified to the Information Commissioner's Office during 2021-22. This matter was fully investigated, and improvements made where appropriate and Information Commissioners Office (ICO) have confirmed no further action is proposed at this time.

# Remuneration and Staff Report

## ***Remuneration Report***

This remuneration and staff report sets out NIPSO's remuneration policy for the Senior Management Team, reports on how that policy has been implemented and sets out the amounts paid to SMT members in the reporting year. The report provides details on remuneration and staff that the Assembly and other stakeholders see as key to accountability.

## ***Remuneration Policy***

The 2016 Act provides for appointment of the Northern Ireland Public Service Ombudsman which is a Crown appointment made on the nomination of the Northern Ireland Assembly. As the Northern Ireland Public Services Ombudsman, I am appointed for a single term of seven years. As an office holder I can be removed by a resolution of the Northern Ireland Assembly supported by at least two thirds of the total number of seats in the Assembly. The 2016 Act provides for the remuneration of the Ombudsman, together with associated pension and national insurance contributions to be charged directly to and issued out of the Consolidated Fund for Northern Ireland, rather than out of NIPSO's Estimate. The relevant remuneration, including associated pension and national insurance contributions, is disclosed in Note 3 to the Accounts on page 65-66.

## ***Service Contracts***

### **Senior Management Team**

The 2016 Act provides that the Ombudsman may appoint staff and that these staff be appointed at such remuneration and on such other terms and conditions as I shall determine. This requirement is subject to the Ombudsman having regard to the desirability of keeping the terms and conditions of employment, salary, and pensions broadly in line with those applying to persons employed in the Northern Ireland Civil Service.

All appointments to SMT were made by the Ombudsman on the basis of fair and open competition.

Unless otherwise stated the staff and officers covered by this report hold appointments which are open-ended. An early termination, other than for misconduct, would be as a result of a business case and negotiated to ensure value for money.

## Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Ombudsman and NIPSO's most senior management of the organisation.

### Remuneration of the Ombudsman (audited Information)

Officials	Salary (£'000)		Benefits in kind (to nearest £100)		Pension Benefits** (to nearest £1000)		Total (£'000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Ms Margaret Kelly	100-105	60-65 (100-105 FYE)^	-	-	41,000	25,000	145-150	85-90 (130-135 FYE)

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

^ FYE = Full Year Equivalent

The Ombudsman received no benefits in kind during the period under review.

### Senior Management Remuneration (audited information)

Officials	Salary (£'000)		Benefits in kind (to nearest £100)		Pension Benefits** (to nearest £1000)		Total (£'000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Mrs Michaela McAleer (Temporary joint Deputy Ombudsman)	65-70	60-65	-	-	27,000	24,000	95-100	85-90
Mr Sean Martin (Temporary joint Deputy Ombudsman)	65-70	60-65	-	-	27,000	24,000	95-100	85-90
Mr John McGinnity Director	55-60	55-60	-	-	17,000	22,000	70-75	65-70
Mr Andrew Ruston Director*** (from 01/04/21)	55-60	-	-	-	24,000	-	75-80	-
Mrs Julie Healy Director (from 04/01/22)****	10-15 (55-60 FTE)^	-	-	-	5,000	-	15-20 (75-80 FTE)	-
Mrs Corinne Nelson Acting Director	55-60	40-45	-	-	23,000	16,000	75-80	55-60
Mrs Andrea Hegarty (Until 01/03/22)^	45-50	20-25	-	-	15,000	8,000	60-65	30-35

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

\*\*\*Andrew Ruston became a member of NIPSO's Senior Management Team as Head of Communications on 1 April 2021.

\*\*\*\*Julie Healy was appointed as Head of Improvement, Engagement and Impact commencing on 4th January 2022.

^Andrea Hegarty resigned from NIPSO as Acting Director of Local Government and Ethical Standards on 1<sup>st</sup> March 2022.

^FTE – Full time Equivalent

A business case was approved for restructuring of a senior management role in 2021-22, for implementation in 2022-23

## Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by NIPSO and thus recorded in these accounts.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No Officials received benefits in kind.

## Bonuses

Bonus payments are not made to NIPSO staff.

## Fair Pay Disclosures

### Pay Ratios (audited information)

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

The banded remuneration of the highest-paid director in NIPSO in the financial year 2021-22 was £100,000 - £105,000 (2020-21, £100,000 - £105,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

<b><u>2021-22</u></b>	<b>25<sup>th</sup> percentile</b>	<b>Median</b>	<b>75<sup>th</sup> percentile</b>
Total remuneration (£)	30,808	33,459	39,748
Pay ratio	3.2:1	3.1:1	2.6:1

The 2021-22 financial year is the first year disclosures in respect of the 25th percentile pay ratio and the 75th percentile pay ratio are required and the 2020-21 Financial Reporting Manual does not require comparative figures to be disclosed for 2020-21.

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.

In 2021-22, no (2020-21, Nil) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £18,291 to £68,141 (2020-21, £16,842 to £65,994).

### **Percentage Change in Remuneration**

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

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

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

The percentage changes in respect of NIPSO are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

<b>Percentage change for:</b>	<b>2021-22 v 2020-21</b>
Average employee salary and allowances	-3.1%
Highest paid director's salary and allowances	4.8%

## Remuneration of NIPSO Audit and Risk Committee Independent Chair and Independent Members

The following non pensionable payments, based on daily rates, were paid to the Independent Non-Executive Chair and Independent Non-Executive Members.

	2021 - 22		2020 - 21	
	Basic Remuneration	Benefit in Kind	Basic Remuneration	Benefit in Kind
<b>Dónall Curtin (Independent Chair)</b>	<b>3,040</b>	-	<b>2,660</b>	-
<b>Ursula O'Hare (Independent Non-Executive Member)</b>	<b>960</b>	-	<b>1,600</b>	-
<b>John Paul Irvine (Independent Non-Executive Member)</b>	-	-	<b>1,280</b>	-
<b>Terry McGonigal (Independent Non-Executive Member)</b>	<b>480</b>	-	-	-
<b>Patricia Snell (Independent Non-Executive Member)</b>	<b>320</b>	-	-	-

## Pension Entitlements (audited information)

### Pension Benefits of the Ombudsman (audited information)

Officials	Accrued pension at pension age as at 31/3/22	Real increase in pension at pension age	CETV at 31/3/22	CETV at 31/3/21	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Ms Margaret Kelly Ombudsman	0-5	0-2.5	54	20	26



## **Pension Benefits – Officials (audited information)**

Officials	Accrued pension at pension age as at 31/3/22 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/22	CETV at 31/3/21	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mrs Michaela McAleer (Temporary joint Deputy Ombudsman)	5-10	0-2.5	82	63	12	-
Mr Sean Martin (Temporary joint Deputy Ombudsman)	5-10	0-2.5	103	81	15	-
Mr John McGinnity Director	15-20 plus a lump sum of 50-55	0-2.5 plus a lump sum of 0	439	404	10	-
Mr Andrew Ruston Director*** (from 01/04/2022)	20-25 plus a lump sum of 45-50	0-2.5 plus a lump sum of 0-2.5	427	391	14	-
Mrs Julie Healy Director (from 04/01/22) ****	0-5	0-2.5	4	0	3	-
Mrs Corinne Nelson Acting Director	5-10	0-2.5	73	56	11	-
Mrs Andrea Hegarty (Until 01/03/22) ^	0-5	0-2.5	41	32	5	-

\*\*\*Andrew Ruston became a member of NIPSO's Senior Management Team as Head of Communications on 1 April 2021.

\*\*\*\*Julie Healy was appointed as Head of Improvement, Engagement and Impact commencing on 4th January 2022.

^Andrea Hegarty resigned from NIPSO as Acting Director of Local Government and Ethical Standards on 1<sup>st</sup> March 2022.

## **Northern Ireland Civil Service (NICS) Pension Schemes**

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

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the classic, premium, classic plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. At that time, members who on 1 April 2012 were within 10 years

of their normal pension age did not move to alpha (full protection) and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

In 2018, the Court of Appeal found that the protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, the discrimination identified by the Courts in the way that the 2015 pension reforms were introduced must be removed by the Department of Finance. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the alternative schemes e.g. legacy PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' (legacy scheme) or alpha. Scheme regulations made in March 2022, closed the PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS(NI) members (including partially retired members in active service) moved to 'alpha' from 1 April 2022. This completes Phase One to remedy the discrimination identified by the Courts. Any pension benefits built up in the legacy scheme prior to this date are unaffected and PCSPS(NI) benefits remain payable in accordance with the relevant scheme rules. Phase Two will see the implementation of the Deferred Choice Underpin. That is, giving eligible members a choice between legacy scheme and alpha scheme benefits for service between 1 April 2015 and 31 March 2022. At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

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

Currently new entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

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

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

Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic

Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

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

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2021 was 3.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2022.

Employee contribution rates for all members for the period covering 1 April 2022 – 31 March 2023 are as follows:

#### **Scheme Year 1 April 2022 to 31 March 2023**

<b>Annualised Rate of Pensionable Earnings (Salary Bands)</b>		<b>Contribution rates – All members</b>
<b>From</b>	<b>To</b>	<b>From 01 April 2022 to 31 March 2023</b>
£0	£24,449.99	4.6%
£24,450.00	£56,399.99	5.45%
£56,400.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

## **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

## **Compensation for loss of office**

There was no compensation for loss of Office recorded for NIPSO in the period under review and therefore no compensation paid.

## **Temporary Staff**

In 2021-22 the office paid £185,200 (2020-21 - £185,200) for temporary staff. The increase is due to the need for increased short-term staffing cover for maternity and long-term sickness absences as well as short term project support requirements.

## Staff Report

### Staff Numbers and related costs (audited information)

#### Staff Costs Comprised:

			2021-22 £000	2020-21 £000
	Permanently employed staff	Others	Total	Total
Wages and salaries	1,677	184	1,861	1,724
Social security costs	183	15	198	173
Other pension costs	522	4	526	464
<b>Sub Total</b>	<b>2,382</b>	<b>203</b>	<b>2,585</b>	<b>2,361</b>
Less recoveries in respect of outward secondments	52	-	52	102
<b>Total net costs</b>	<b>2,330</b>	<b>203</b>	<b>2,533</b>	<b>2,259</b>

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes, but NIPSO is unable to identify its share of the underlying assets and liabilities.

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

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2023.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. Following completion of the consultation process the 2016 Valuation has been completed and the final cost cap determined. Further

information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

A case for approval of a Legislative Consent Motion (LCM) was laid in the Assembly to extend the Public Service Pensions and Judicial Offices Bill (PSP&JO) to Northern Ireland. Under the LCM agreed by the NI Assembly on 1 November 2021 provisions are included in the Act for devolved schemes in NI. A second LCM was laid in the Assembly to implement the CCM changes in the Westminster Bill for devolved schemes. The second LCM, as agreed by the Assembly on 31 January 2022, ensured the reformed only scheme design and the economic check will now be applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The PSP&JO Act received Royal Assent on 10 March 2022. The UK Act legislates how the government will remove the discrimination identified in the McCloud judgment. The Act also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

For 2021-22, employers' contributions of £526,272 were payable to the NICS pension arrangements (2020-21 £459,970) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £Nil (2020-21 £Nil) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2020-21, 8% to 14.75%) of pensionable pay.

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

Employer contributions of £Nil, 0.5% (2020-21 £Nil, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the **partnership** pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

No persons (2020-21: Nil persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2020-21: £Nil).

### Average number of persons employed (audited information)

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

2021-22				2020-21	2019-20
Number				Number	Number
	Permanently employed staff	Others	Total	Total	Total
Total	41	5	46	47	41

### Reporting of Civil Service and other compensation schemes – exit packages

NIPSO did not incur any exit package costs in the year under review (2020-21 also Nil)

### Staff Numbers as at 31 March 2022

	Male	Female	Total
Ombudsman	-	1	1
Acting Deputy Ombudsman/Commissioner	1	1	2
Other Senior Management Team	2	2	4
Other Staff	16	26	42
Total	19	30	49

These figures do not include 6 agency/ contractor workers

### Absence Data (audited information)

Sickness absence data for 2021-22 is as follows:

Working Days lost 2021-22	Average days lost per WTE member of staff	Absence Rate 2021-22 %
646	14.2	6.4%

Covid related sickness accounted for 90 days absence and if excluded from the above figures reduces average days lost to 12.3 per WTE, with an absence rate of 5.5%

The above figures are based on information available as at 31 March 2022.

The recorded absence rate represents a very significant increase from the 1.2% (2.5 days per WTE employee) reported in 2020-21. This is mainly accounted for by a number of instances of lengthy absences that occurred in 2021-22: this was not the case to any significant extent in 2020-21.

## **Expenditure on External Consultancy**

NIPSO incurred £34,646 (2020-21: £nil) in external consultancy during 2021-22 (HR, Information Security and Strategic Planning)

## **Staff Policies and Other Employee Matters**

By virtue of the Public Services Ombudsman Act 2016 (“the 2016 Act”), the Ombudsman can appoint staff, determine the terms and conditions of their employment, and make arrangements in respect of salary and pensions for them. Furthermore, as stated in the 2016 Act (Sch 1, para 15[2]) *‘the Ombudsman must have regard to the desirability of keeping the terms and conditions of employment, salary and pensions broadly in line with the civil service of Northern Ireland.’* Consequently, a comprehensive suite of HR policies has been developed to satisfy this requirement and fully in accordance with current employment legislation.

NIPSO applies the recruitment principles as set out in the NIPSO Recruitment and Selection Policy and Procedure, appointing candidates on the basis of merit. Relevant recruitment and selection training is mandatory for all individuals involved in recruitment and selection of staff.

NIPSO carries out its statutory obligations under fair employment legislation, including the annual monitoring return and triennial Article 55 submission.

NIPSO is committed to providing and promoting equality of opportunity. All staff, irrespective of their employment status and job applicants (actual or potential) are treated fairly and decisions about recruitment and selection, promotion, training or any other benefit are made fairly and reasonably, without unlawful discrimination.

NIPSO endeavours to ensure that its workplace and employment policies and practices do not unreasonably exclude or disadvantage those job applicants and employees who have disabilities. To this end, NIPSO complies with the duty that is imposed on it to make reasonable adjustments in relation to such persons.

NIPSO also recognises that learning and development is an investment and not purely a cost, and it is therefore committed to the fullest possible development of all its staff. NIPSO offers a wide range of development opportunities through on the job learning, self-managed learning, deployment opportunities, group learning and external trainer-led interventions.

NIPSO also works closely with elected Trade Union and employee representatives in all matters relating to its staff.

## **2021-22 Staff turnover and staff engagement indicators**

Reporting requirements in HM Treasury’s 2020-21 Financial Reporting Manual (FReM) were promulgated by DOF in guidance within FD (DoF) 01/21, issued in January 2021. These requirements relate to staff turnover and staff engagement scores.

For the year 2021-22 NIPSO had a staff turnover of 9.8%.

Regarding Staff Engagement Scores, NIPSO was not in a position to report a score on staff engagement but can detail the following staff engagement during the year:

- Staff survey undertaken by independent consultant



- Two all staff engagement days to shape and inform the NIPSO strategy
- Four all staff meetings
- Ombudsman individual meeting with every member of staff – February 2022

NIPSO had planned to be in a position to calculate a staff engagement for 2021-22. Due to other competing priorities and pressures with our human resources function it was not possible to calculate a staff engagement score. Plans are in place to undertake the necessary work to be able to report in 2022-23.

## **Assembly Accountability and Audit Report**

### ***Context and Explanation of the Public Sector Budgeting Framework***

The Department of Finance (DoF) is responsible for management of the NI Executive Budget process in line with a budgetary framework set by Treasury.

The total amount a department (including NIPSO) spends is referred to as the Total Managed Expenditure (TME); which is split into:

- Annually Managed Expenditure (AME)
- Departmental Expenditure Limit (DEL)

Treasury, and in turn DoF, do not set firm AME budgets. They are volatile or demand-led in a way that departments cannot control. Where applicable, NIPSO monitors AME forecasts closely and this facilitates reporting to DoF, who in turn report to Treasury.

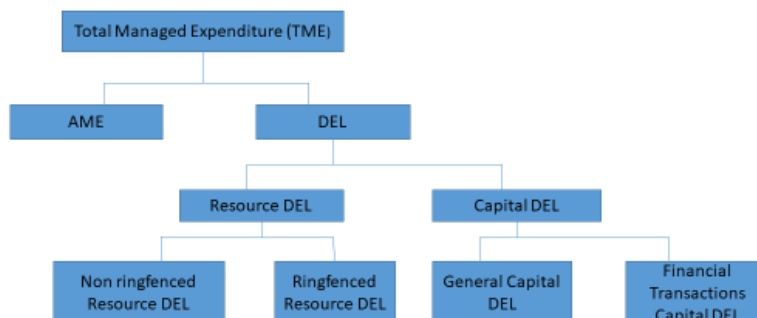
As DEL budgets are understood and controllable, Treasury sets firm limits for DEL budgets for Whitehall departments and Devolved Administrations at each Spending Review. The NI Executive, based on advice from the Finance Minister, will in turn agree a local Budget that will set DEL controls for Executive departments and for a range of other non-ministerial bodies, including NIPSO.

DEL budgets are classified into resource and capital.

- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs, and separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets.
- Capital DEL is split into 'financial transactions' for loans given or shares purchased and 'general capital' for spending on all other assets or investments.

The information contained within budgetary controls does not currently read across directly to financial information presented in Financial Statements due to a number of misalignments. It is intended that the Executive's Review of Financial Process will help address these differences and improve transparency.

The above may be illustrated in the following **Budget Structure**:



Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by Treasury at:

<https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022>.

### ***Statement of Assembly Supply***

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires the Northern Ireland Public Services Ombudsman to prepare a Statement of Assembly Supply (SOAS) and supporting notes.

The SoAS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

The SoAS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision for resource and cash (drawn primarily from the Consolidated Fund), that the Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SoAS.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SoAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on the DoF website.

The supporting notes detail the following: Outturn detailed by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SoAS to the financial statements (note 2); a reconciliation of net resource outturn to net cash requirement (note 3); an analysis of income payable to the Consolidated Fund (note 4), a reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund (note 5); and detail on non-operating income – excess Accruing Resources (note 6).

### ***Budgetary Performance***

The SOAS provides a detailed view of financial performance, in a form that is voted on and recognised by the Assembly. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate as an introduction to the SOAS disclosures.

## Budgetary Performance

### Summary tables – mirrors Part II and III of the Estimates

Summary table, 2021–22, all figures presented in £000

Type of spend		Outturn			Estimate			Outturn vs Estimate, saving / (excess)	Prior Year Outturn Total
		Note	Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total	Net Total
<b>Request for Resources</b>									
A	SOAS1	3,591	52	3,539	3,641	96	3,545	6	3,133
Total resources	SOAS2	<b>3,591</b>	<b>52</b>	<b>3,539</b>	<b>3,641</b>	<b>96</b>	<b>3,545</b>	<b>6</b>	<b>3,133</b>
Non-operating cost AR		-	-	-	-	-	-		-

### Net Cash Requirement 2021-22

	Note	Outturn	Estimate	2021-22 £000	2020-21 £000
				Outturn v Estimate: saving/(excess)	Prior Year Outturn Total, 2020-21
Net cash requirement	SOAS3	3,392	3,403	11	3,091

### Summary of income payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Northern Ireland Public Services Ombudsman and is payable to the Consolidated Fund (cash receipts being shown in italics)

	Note	Forecast 2021-22 £000		Outturn 2021-22 £000	
		Income	<i>Receipts</i>	Income	<i>Receipts</i>
Total income payable to the Consolidated Fund	SOAS4	-	-	-	-

Explanations of variances between Estimate and Outturn are given in Note SOAS1 and in the Performance Report.

## Notes to the Statement of Assembly Supply, 2021 – 22 (£000)

### SOAS Note 1 - Outturn detail, by Estimate line

	Resource Outturn						Estimate			Outturn vs Estimate (inc. virements) savings/ (excess)	Prior year outturn total, 2020-21
	Admin	Other current	Grants	Gross resource expenditure	Accruing resources	Net Total	Net Total	Vire-ments*	Net Total inc. virements		
<b>Request for resources A:</b>											
<b>Departmental Expenditure in DEL</b>											
1. Investigation and Adjudication	-	3,529	-	3,529	52	3,477	3,528	(65)	3,463	(14)	3,116
<b>Annually Managed Expenditure (AME)</b>											
2. Investigation and Adjudication	-	45	-	45	-	45	-	65	65	20	-
<b>Non Budget</b>											
3. Notional charges	-	17	-	17	-	17	17	-	17	-	17
<b>Resource Outturn</b>	-	3,591	-	3,591	52	3,539	3,545	-	3,545	6	3,133

\*Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the Assembly does not vote to that level of detail and delegates to DoF). Further information on virements are provided in the Supply Estimates in Northern Ireland Guidance Manual, available on the DoF website.

The Outturn vs Estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Assembly.

#### **Request for resources A**

The net resource outturn equalled £3.539 million, £6k less than the Estimate, a variance of 0.2%. A virement request from NIPSO was approved by the Department of Finance in respect of a £65k excess Annually Managed Expenditure requirement. This arose from a provision relating to a voluntary exit.

## Key to Request for Resources and Functions

### Request for resources A

Investigating complaints about government departments, public and local authority bodies; support the work of other UK Public Sector Ombudsman Offices; and the establishment of an investigation and adjudication resource for local government ethical standards.

## SOAS Note 2 - Reconciliation of outturn to net operating cost

		2021-22 £000			2020-21 £000
	Note	Outturn	Supply Estimate	Outturn compared with Estimate	Outturn
Net Resource Outturn	SOAS1	3,539	3,545	(6)	3,133
Non-supply income (CFERs)	SOAS4	-	-	-	(78)
Non-supply expenditure	SOCNE	154	155	(1)	138
Lease expenditure credit		(17)	-	(17)	(17)
Loss on revaluation of Property, Plant and Equipment		26	-	26	(14)
<b>Net operating cost in Statement of Comprehensive Net Expenditure</b>		<b>3,702</b>	<b>3,700</b>	<b>2</b>	<b>3,162</b>

As noted in the introduction to the SoAS above, outturn and the Estimates are compiled against the budgeting framework, which is analogous to, but slightly different to, IFRS. Therefore, this note reconciles the resource outturn to net operating expenditure, linking the SoAS to the financial statements.

## SOAS Note 3 - Reconciliation of net resource outturn to net cash requirement

		Outturn	Estimate	Net total outturn compared with estimate: saving/(excess)
	Note	£000	£000	£000
<b>Resource Outturn</b>	SOAS 1	<b>3,539</b>	<b>3,545</b>	<b>6</b>
<b>Capital</b>				
Acquisition of Fixed Assets	6	2	35	33
<b>Accruals to cash adjustments:</b>				
<i>Adjustments to remove non-cash items:</i>				
Depreciation and amortisation	3	(88)	(75)	13
Write down of Fixed Assets arising on revaluation	3	(20)	(20)	-
Other non-cash items	3	(17)	(17)	-
New Provisions: virement	3/12	(45)	(65)	(20)
<i>Adjustments to reflect movements in working balances:</i>				
Increase in receivables	10	(26)	-	26
Decrease in payables falling due within one year	11	47	-	(47)
<b>Net cash requirement</b>		<b>3,392</b>	<b>3,403</b>	<b>11</b>

## SOAS Note 4 - Income payable to the Consolidated Fund

### SOAS Note 4.1 - Analysis of income payable to the Consolidated Fund

In addition to Accruing Resources, the following income relates to the department and is payable to the Consolidated Fund (cash receipts being shown in italics)

	Note	Forecast 2021-22		Outturn 2021-22	
		£000	Receipts	£000	Receipts
Operating income and receipts – excess Accruing Resources		-	-	-	-
Other operating income and receipts not classified as Accruing Resources	5	-	-	-	-
<b>Total income payable to the Consolidated Fund</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## SOAS Note 5 - Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund

	Note	2021-22 £000	2020-21 £000
Operating income	5	69	197
Income Authorised to be used as Accruing Resources		(52)	(102)
Lease credit*	5	(17)	(17)
<b>Operating income payable to the Consolidated Fund</b>	<b>SOAS4</b>	<b>-</b>	<b>78</b>

\*This is in respect of the deferred income arising from a landlord contribution to the Office refurbishment works in 2019-20.

## SOAS Note 6 - Non-operating income – Excess Accruing Resources

NIPSO had no non-operating income – Excess Accruing Resources for the period ending 31 March 2022 (31 March 2021 - Nil).

## Northern Ireland Public Services Ombudsman

### *Other Assembly Accountability Disclosures*

#### **i. Losses and Special Payments**

NIPSO did not incur any losses within the period under review. NIPSO did not make any special payments during the period under review.

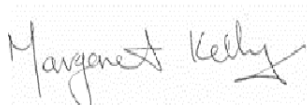
#### **ii. Fees and Charges**

NIPSO did not incur any fees or charges and received no income for fees or charges during the period under review.

#### **iii. Remote Contingent Assets and Liabilities**

All NIPSO contingent assets and liabilities have been disclosed at note 13 and 14.

In addition to contingent liabilities and contingent assets reported within the meaning of International Accounting Standard (IAS) 37 the Office is required to report liabilities and assets for which the likelihood of economic benefit in settlement is too remote to meet the definition of a contingent liability or contingent asset. NIPSO has no such liabilities or assets.



**Margaret Kelly**  
Accounting Officer

**20 October 2022**



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

### **Opinion on financial statements**

I certify that I have audited the financial statements of the Northern Ireland Public Services Ombudsman for the year ended 31 March 2022 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the Statement of Outturn against Assembly Supply, and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Public Services Ombudsman's affairs as at 31 March 2022 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

### **Opinion on regularity**

In my opinion, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2022 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of Northern Ireland Public Services Ombudsman in accordance with the ethical requirements that are relevant to my audit of the financial

statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### **Conclusions relating to going concern**

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

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

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

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

### **Other Information**

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

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

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

- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Northern Ireland Public Services Ombudsman and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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

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

### **Responsibilities of the Accounting Officer for the financial statements**

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the Northern Ireland Public Services Ombudsman's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Northern Ireland Public Services Ombudsman will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Public Services Ombudsman through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included governing legislation and any other relevant laws and regulations identified;
- making enquires of management and those charged with governance on Northern Ireland Public Services Ombudsman's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Northern Ireland Public Services Ombudsman's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;

- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Report

I have no observations to make on these financial statements.



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

28 October 2022

# Northern Ireland Public Services Ombudsman

## Financial Statements

### ***Statement of Comprehensive Net Expenditure for the year ended 31 March 2022***

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

	Note	2021-22 £'000	2020-21 £'000
Other operating income	5	(69)	(197)
<b>Total Operating Income</b>		<b>(69)</b>	<b>(197)</b>
Staff expenditure	3	2,585	2,361
Purchase of goods and services	3	836	771
Depreciation and impairment charges	3	108	86
Consolidated fund standing services	3	154	138
Other operating expenditure	3	17	17
Provision Expense	3	45	-
<b>Total Operating Expenditure</b>		<b>3,745</b>	<b>3,373</b>
<b>Net Operating Expenditure</b>		<b>3,676</b>	<b>3,176</b>
Net loss / (gain) on revaluation of Property, Plant and Equipment	6	26	(14)
<b>Comprehensive Net Expenditure for the year ended 31 March 2022</b>	<b>SOAS 2</b>	<b>3,702</b>	<b>3,162</b>

# Northern Ireland Public Services Ombudsman

## Statement of Financial Position as at 31 March 2022

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

		2022 £000	2021 £000
	Note		
<b>Non-current assets</b>			
Property, plant and equipment	6	741	851
Intangible assets	7	18	39
<b>Total non-current assets</b>		<b>759</b>	<b>890</b>
<b>Current assets</b>			
Trade and other receivables	10	94	118
Cash and cash equivalents	9	51	94
<b>Total current assets</b>		<b>145</b>	<b>212</b>
<b>Total assets</b>		<b>904</b>	<b>1,102</b>
<b>Current liabilities</b>			
Trade and other payables	11	(212)	(301)
Provisions	12	(61)	(16)
<b>Total current liabilities</b>		<b>(273)</b>	<b>(317)</b>
<b>Total assets less current liabilities</b>		<b>631</b>	<b>785</b>
<b>Non-current liabilities</b>			
Other payables	11	(196)	(212)
<b>Total non-current liabilities</b>		<b>(196)</b>	<b>(212)</b>
<b>Total assets less total liabilities</b>		<b>435</b>	<b>573</b>
<b>Taxpayers' equity &amp; other reserves:</b>			
General fund		435	548
Revaluation reserve		-	25
<b>Total equity</b>		<b>435</b>	<b>573</b>



**Margaret Kelly**  
Accounting Officer

20 October 2022

## Consolidated Statement of Cash Flows for year ended 31 March 2022

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

		2021-22 £000	2020-21 £000
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Total operating Expenditure		(3,676)	(3,176)
Adjustments for non-cash transactions	3	170	103
(Increase)/Decrease in trade and other receivables	10	24	(23)
Increase/ (Decrease) in trade and other payables	11	(106)	13
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	11	41	(45)
<i>Less Movement in payables relating to the purchase of property, plant &amp; equipment</i>	11	-	-
<b>Net cash outflow from operating activities</b>	<b>SOAS3</b>	<b>(3,547)</b>	<b>(3,128)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, and equipment	6	(2)	(25)
Purchase of intangible assets	7	-	-
<b>Net cash outflow from investing activities</b>	<b>SOAS3</b>	<b>(2)</b>	<b>(25)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) – current year		3,430	3,060
From the Consolidated Fund (Non-Supply)		154	138
<b>Net Financing</b>		<b>3,584</b>	<b>3,198</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>35</b>	<b>45</b>
Payments of amounts due to the Consolidated Fund		(78)	-
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>(43)</b>	<b>45</b>
Cash and cash equivalents at the beginning of the period	9	94	49
<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<b>51</b>	<b>94</b>



## Northern Ireland Public Services Ombudsman

### ***Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022***

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

	Note	General Fund £'000	Revaluation Reserve £'000	Taxpayer's Equity £'000
<b>Balance at 31 March 2020</b>		<b>555</b>	<b>11</b>	<b>566</b>
Net Assembly Funding		3,106	-	3,106
Consolidated Fund Standing Services		138	-	138
Supply (payable)/receivable adjustment		(14)	-	(14)
CFERS payable to the Consolidated Fund		(78)	-	(78)
Comprehensive Net Expenditure for the Year		(3,176)	14	(3,162)
Auditors' Remuneration	3	15	-	15
Welfare Support	3	2	-	2
<b>Balance at 31 March 2021</b>		<b>548</b>	<b>25</b>	<b>573</b>
Net Assembly Funding		3,444	-	3,444
Consolidated Fund Standing Services		154	-	154
Supply (payable)/receivable adjustment		(51)	-	(51)
CFERS payable to the Consolidated Fund		-	-	-
Comprehensive Net Expenditure for the Year		(3,676)	(26)	(3,702)
Auditors' Remuneration	3	15	-	15
Welfare Support	3	2	-	2
Transfer between reserves		(1)	1	-
<b>Balance at 31 March 2022</b>		<b>435</b>	<b>-</b>	<b>435</b>

# Northern Ireland Public Services Ombudsman

## *Notes to the NIPSO Annual Report and Accounts 2021-22*

### 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2021-22 Government Financial Reporting *Manual (FReM)* issued by the Northern Ireland Department of Finance. 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 NIPSO for the purpose of giving a true and fair view has been selected. The particular policies adopted by NIPSO for the reportable activity are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the *FReM* also requires NIPSO to prepare one additional primary statement. The Statement of Assembly Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

#### 1.1 *Accounting convention*

These accounts have been prepared under the historical cost convention modified where appropriate to account for the revaluation of property, plant and equipment and intangible assets.

#### 1.2 *Property, plant and equipment*

Property, plant and equipment held by NIPSO comprise Office Equipment, Computer Equipment and Furniture and Fixtures. These assets have been stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost including any costs such as installation directly attributable to bringing them into working condition. All property, plant and equipment are restated to fair value each year if material. The minimum level of capitalisation of a tangible asset is £1,000.

Fair value is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS).

Property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives.

Asset lives are normally in the following ranges:

- Office Equipment 2 – 18 years
- Computer Equipment 2 – 10 years
- Fixtures and Fittings 3 – 15 years

#### 1.3 *Intangible assets*

Purchased computer software and software licenses are capitalised as an intangible asset where expenditure of £1,000 or more is incurred. Except where reliable evidence of current value cannot be readily ascertained, these are restated to fair value each year if material. Software licences are amortised over the shorter of the term of the licence and their useful economic lives. Intangible asset lives are normally in the following ranges:

- Software 3 – 10 years
- Software Licences 2 – 10 years

#### 1.4 Operating income

Operating income is income which relates directly to the operating activities of NIPSO. Operating income is stated net of VAT.

#### 1.5 Leases

Operating lease rentals are charged to the operating cost statement on a straight-line basis over the term of the lease.

#### 1.6 Value Added Tax

NIPSO can recover input VAT on purchases. Amounts are stated net of VAT. No services are provided on which output VAT is chargeable.

#### 1.7 Administration and programme expenditure

NIPSO is a wholly independent body. As a result, for budget purposes, income and expenditure is categorised as Programme. Following guidance provided by the Department of Finance for Resource Accounting under FReM, to provide consistency with previous years' Resource Accounts and other Northern Ireland Departments, NIPSO has been requested to continue to classify its income and expenditure in the Statement of Comprehensive Net Expenditure as Administration.

#### 1.8 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) (NI). This is a defined benefit scheme, which is unfunded. NIPSO recognises the expected cost of the scheme on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Scheme (PCSPS) (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the Principal Civil Service Pension Scheme (PCSPS) (NI).

#### 1.9 Contingent liabilities

*In addition to contingent liabilities (and contingent assets) disclosed in accordance with IAS 37, NIPSO discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Northern Ireland Assembly, in accordance with the requirements of Managing Public Money Northern Ireland.*

*Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Northern Ireland Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the NI Assembly.*

#### 1.10 Staff costs

Under IAS 19, Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken annual leave and net flexi-leave as at the year end. The cost of untaken leave has been determined using data from leave records.

### 1.11 *Financial instruments*

NIPSO does not hold any complex financial instruments. The only financial instruments in the accounts are receivables and payables (Note 10 and 11). Trade receivables are recognised initially at fair value less a provision for impairment. A provision for impairment is made when there is evidence that NIPSO will be unable to collect an amount due in accordance with agreed terms.

### 1.12 *Impending application of newly issued accounting standards not yet effective*

IFRS 16 *Leases* replaces IAS 17 *Leases* and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022.

IFRS 16, when effective from 2022-23, shall represent a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. NIPSO will be required to recognise assets and liabilities for all leases, unless they qualify for low value or short-term exemptions.

IFRS 17 *Insurance Contracts* will replace IFRS 4 *Insurance Contracts* and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2023.

Initial application of both IFRS 16 and IFRS 17 is expected to have relatively little impact on NIPSO's financial statements.

The IASB issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014. As a standalone entity, these standards have no impact on NIPSO's reporting requirements as the concepts of "accounting boundary" and "consolidation boundary" are not relevant to NIPSO.

## **2. Statement of Operating Costs by Operating Segment**

NIPSO's operating segments reflect the activities undertaken to achieve the business objectives.

### **Segment 1: NIPSO – Maladministration**

Responsible for the delivery of investigations relating to complaints of maladministration by Northern Ireland government departments, their agencies, public and local government bodies and the health and social care bodies; provision of an independent and effective

investigative resource to support the work of other UK Public Sector Ombudsman Offices; administration; related services; and associated non-cash items.

## Segment 2: Local Government Ethical Standards (LGES)

Responsible for the delivery of investigations relating to complaints of breaches by Councillors of the Northern Ireland Local Government Code of Conduct: administration; related services; and associated non-cash items.

Both NIPSO's SMT and Audit and Risk Committee received financial information reported against each business area. Direct income and expenditure is attributed to each business area with overheads allocated on the number of staff per area.

	2021-22			2020-21		
	NIPSO £000	LGES £000	Total £000	NIPSO £000	LGES £000	Total £000
Gross Expenditure:						
Staff expenditure	2,199	386	2,585	1,987	374	2,361
Other Administration costs	813	*148	961	707	*167	874
Provision	45	-	45	-	-	-
<b>Income</b>	(52)	-	(52)	(102)	-	(102)
<b>Net Expenditure (resource outturn)</b>	<b>3,005</b>	<b>534</b>	<b>3,539</b>	<b>2,592</b>	<b>541</b>	<b>3,133</b>

\*The £148,000 (2020-21; £167,000) Other Administration costs include £50,000 (2020-21; £110,000) for non-service expenditure which was returned to the Local Government sponsor Department (Department for Communities) at the year-end for reallocation through the established funding mechanism.

### Note 2.1 Reconciliation between Operating segments and SoCNE

	2021-22			2020-21		
	NIPSO £000	LGES £000	Total £000	NIPSO £000	LGES £000	Total £000
Net Expenditure (resource outturn)	3,005	534	3,539	2,592	541	3,133
Non-supply Income (CFERS)	-	-	-	(78)	-	(78)
Non-supply expenditure (Ombudsman's salary)	115	38	153	103	35	138
Lease expenditure credit	(17)	-	(17)	(17)	-	(17)
Net (gain) / loss on revaluation of Property, Plant and Equipment	26		26	(14)		(14)
	<b>3,129</b>	<b>572</b>	<b>3,701</b>	<b>2,586</b>	<b>576</b>	<b>3,162</b>

### 3. Other Operating Expenditure

	2021-22		2020-21	
	£000	£000	£000	£000
Staff Expenditure:				
Wages and salaries	1,861		1,725	
Social security costs	198		173	
Other pension costs	<u>526</u>		<u>463</u>	
		2,585		2,361
Consolidated Fund Standing Charges	<u>154</u>		<u>138</u>	
		154		138
Rentals under operating leases	100		100	
Other Expenditure	159		220	
Premises expenses	51		52	
Rates	43		43	
Office Service	33		17	
Consultancy Services	40		4	
Professional Services	392		318	
Travel and Subsistence	<u>1</u>		<u>-</u>	
		819		754
Non-Cash Items				
Depreciation	67		65	
Amortisation	21		21	
Surplus write - down of Fixed assets on Revaluation	<u>20</u>			
		108		86
Provision provided for in year	45		-	
Auditors' remuneration and Expenses	15		15	
Other notional Charges (welfare support)	<u>2</u>		<u>2</u>	
		62		17
Total		<u>3,728</u>		<u>3,356</u>

The £159,000 (2020-21; £220,000) other expenditure includes £50,000 (2020-21; £110,000) for non-service expenditure which was returned to the Local Government sponsor Department (Department for Communities) for reallocation through the established funding mechanism. Residual 'Other expenditure' equates to £109,000 (2020-21; £110,000).

### 4. Programme Expenditure

NIPSO did not incur any programme expenditure during the period under review. See Note 1.7

## 5. Operating Income

	2021-22	2020-21
	£000	£000
	Total	Total
Income from secondments	52	102
Lease credit	17	17
Other income	-	78
	<hr/>	<hr/>
	69	197
	<hr/>	<hr/>

## 6. Property, plant and equipment

2021-22

	Office Equipment £000	Computer Equipment £000	Fixtures & Fittings £000	Total £000
Cost or valuation				
At 1 April 2021	4	42	905	951
Additions	2	-	-	2
Disposals	-	-	-	-
Revaluations	-	-	(52)	(52)
At 31 March 2022	6	42	853	901
Depreciation				
At 1 April 2021	1	17	82	100
Charged in year	1	6	60	67
Disposals	-	-	-	-
Revaluations	-	-	(7)	(7)
At 31 March 2022	2	23	135	160
Carrying amount at 31 March 2021	3	25	823	851
Carrying amount at 31 March 2022	4	19	718	741
Asset Financing:				
Owned	4	19	718	741
Carrying amount at 31 March 2022	4	19	718	741

### Notes

*Property, plant and equipment were revalued on the basis of indices, where material (see Note 1.2 on page 62 for details).*



2020-21

	Office Equipment	Computer Equipment	Fixtures & Fittings	Total
Cost or valuation	£000	£000	£000	£000
At 1 April 2020	4	17	891	912
Additions	-	25	-	25
Disposals	-	-	-	-
Revaluations	-	-	14	14
At 31 March 2021	4	42	905	951
Depreciation				
At 1 April 2020	-	16	18	34
Charged in year	1	1	63	65
Disposals	-	-	-	-
Revaluations	-	-	1	1
At 31 March 2021	1	17	82	100
Carrying amount at 31 March 2020	4	1	873	878
Carrying amount at 31 March 2021	3	25	823	851
Asset Financing:				
Owned	3	25	823	851
Carrying amount at 31 March 2021	3	25	823	851

## 7. Intangible Assets

2021-22	Software	Software Licences	Total
	£000	£000	£000
Cost or Valuation			
At 1 April 2021	170	5	175
Additions	-	-	-
Disposals	-	-	-
Revaluations	-	-	-
At 31 March 2022	<u>170</u>	<u>5</u>	<u>175</u>
Amortisation			
At 1 April 2021	131	5	136
Charged in year	21	-	21
Disposals	-	-	-
Revaluations	-	-	-
At 31 March 2022	<u>152</u>	<u>5</u>	<u>157</u>
Carrying amount at 31 March 2021	<u>39</u>	-	<u>39</u>
Carrying amount at 31 March 2022	<u>18</u>	-	<u>18</u>
Asset Financing:			
Owned	<u>18</u>	-	<u>18</u>
Carrying amount at 31 March 2022	<u>18</u>	-	<u>18</u>

### Notes

Intangible assets were revalued on the basis of indices, where material

2020-21	Software	Software Licences	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2020	170	5	175
Additions	-	-	-
Disposals	-	-	-
Revaluation	-	-	-
At 31 March 2021	170	5	175
Amortisation			
At 1 April 2020	110	5	115
Charged in year	21	-	21
Disposals	-	-	-
Revaluation	-	-	-
At 31 March 2021	131	5	136
Carrying amount at 31 March 2020	60	-	60
Carrying amount at 31 March 2021	39	-	39
Asset Financing:			
Owned	39	-	39
Carrying amount at 31 March 2021	39	-	39

## 8. Capital and other commitments

### 8.1 Capital commitments

NIPSO has no contracted capital commitments as at 31 March 2022 (31 March 2021 – Nil).

## 8.2 Commitments under leases

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

	2021-22	2020-21
	£000	£000
Obligations under operating leases for the following periods comprise:		
Buildings:		
Not later than one year	100	100
Later than one year and not later than five years	401	401
Later than five years	778	879
	<u>1,279</u>	<u>1,380</u>

## 9. Cash and cash equivalents

	2021-22	2020-21
	£000	£000
Balance at 1 April	94	49
Net change in cash and cash equivalent balances	(43)	45
Balance at 31 March	<u>51</u>	<u>94</u>
The following balances at 31 March were held at:		
Commercial banks and cash in hand	<u>51</u>	<u>94</u>
Balance at 31 March	<u>51</u>	<u>94</u>

### 9.1 Reconciliation of liabilities arising from financing activities

NIPSO has no liabilities arising from financing activities.

## 10. Trade receivables, financial and other assets

	2021-22 £000	2020-21 £000
Amounts falling due within one year		
Trade receivables	-	-
Other receivables – VAT	31	38
Salaries	-	32
Other	-	-
Prepayments and accrued income	63	47
Total amounts falling due within one year	<u>94</u>	<u>117</u>

There are no amounts falling due after more than one year.

Of the £92k, nil included within receivables (2020–21: nil) will be due to the Consolidated Fund once the debts are collected.

## 11. Trade payables, financial and other liabilities

	2021-22 £000	2020-21 £000
Amounts falling due within one year		
Trade payables	-	3
Accrual and deferred income	144	189
Other payables	17*	17*
Amounts issued from the Consolidated Fund for supply but not spent at year end	51	14
Consolidated Fund extra receipts due to be paid to the Consolidated Fund		
Received	-	78
Receivable	-	-
	<u>212</u>	<u>301</u>
Amounts falling due after more than one year:		
Other payables, accruals, and deferred income	<u>195*</u>	<u>212*</u>

\*Other payables for both years include an amount which is in respect of the balance of the contribution of £250k received from the landlord of Progressive House in March 2020, which has been deferred and is being released against rental expenditure over the remaining period of the lease, to 31 December 2034.

## 12. Provisions for liabilities and charges

	2021-22			2020-21		
	Early departure costs £ '000	Backdated Holiday Pay related to Overtime £ '000	Total £ '000	Early departure costs £ '000	Backdated Holiday Pay related to Overtime £ '000	Total £ '000
Balance at 1 April	-	16*	16	-	16*	16
Provision provided in the year	45**	-	45	-	-	-
Provisions not required and written back	-	-	-	-	-	-
Provision Utilised in the year	-	-	-	-	-	-
Balance at 31 March 2022	45	16	61	-	16	16

\*This sum is in relation to the potential implications for NIPSO of an ongoing legal case against PSNI, regarding added holiday pay entitlement for staff who have historically worked regular overtime – a case which is currently ongoing, and which is due to go to the UK Supreme Court for final judgement.

\*\* Provision in relation to an Early Departure package which business case was approved for in 2021-22

## 13. Contingent liabilities

NIPSO has the following unquantifiable contingent liabilities:

### Legal fees

As at 31 March 2022 three legal challenges were ongoing. Two cases are in relation to applications for leave for judicial review against decisions taken on maladministration complaints, the other case is a leave application to the high court against a decision of the Northern Ireland Local Government Acting Commissioner for Standards.

Paragraph 92 of IAS 37 states that: '*In extremely rare cases, disclosure of some or all of the information required by paragraphs 84–89 [of IAS 37] can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset. In such cases, an entity need not disclose the information, but shall disclose the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed.*'

As a result of the above no further disclosure is being made in respect of these ongoing legal cases since to do so would prejudice seriously the position of NIPSO in respect of the cases in question.

### Employment Tribunal

Following a recruitment competition an applicant lodged two claims with the employment tribunal. The claims were consolidated and the decision not to uphold the claims was issued by the Tribunal in December 2020. The decision of the Tribunal was appealed and was ongoing at 31 March 2022. The Court of appeal has since issued its decision and one claim has been dismissed and one claim returned to the Tribunal for a new hearing. The amount of any eventual financial settlement or associated costs, if any, is not quantifiable.

#### **14. Contingent Assets**

NIPSO has no Contingent Assets as at 31 March 2022.

#### **15. Related-party transactions**

Neither the Ombudsman, nor any other members of the NIPSO Senior Management Team, undertook any material transactions with NIPSO during the reporting period.

NIPSO has had a number of transactions with the Department of Finance (Public Spending Directorate, HRConnect, ITAssist, CPD and Properties Division), and the Department for Communities.

#### **Date of authorisation for issue**

The Accounting Officer authorised the issue of these financial statements on 28 October 2022.