



Annual Report & Accounts

For the year ended 31 March 2025

Northern Ireland Public Services Ombudsman

ANNUAL REPORT AND ACCOUNTS 2024-25 For the year ended 31 March 2025

Laid before the Northern Ireland Assembly under section 10(4) of the Government
Resources and Accounts Act (Northern Ireland) 2001
by the Department of Finance
on 26 June 2025



© Northern Ireland Public Services Ombudsman copyright 2025

This publication is licensed under the Open Government Licence v3.0.

To view this licence visit:

<https://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>

Where we have identified any third party copyright information, you will need to obtain permission from the copyright holders concerned.

This publication is available at **www.nipso.org.uk**.

Any enquiries regarding this publication should be sent to us at **communications@nipso.org.uk**

Northern Ireland Public Services Ombudsman (NIPSO)

Contents

| | |
|---|-----------|
| Performance Report | 2 |
| Ombudsman's Statement | 2 |
| NIPSO Purpose and Activities | 2 |
| Issues, Risks and Challenges | 6 |
| Performance Overview | 6 |
| Accountability Report | 16 |
| Corporate Governance Report | |
| Ombudsman's Report | 16 |
| Statement of Accounting Officer's Responsibilities | 20 |
| Governance Statement | 21 |
| Remuneration and Staff Report | |
| Remuneration Report | 32 |
| Staff Report | 42 |
| Assembly Accountability and Audit Report | |
| Context and Explanation of the Public Sector Budgeting Framework | 46 |
| Statement of Assembly Supply | 47 |
| Other Assembly Accountability Disclosures | 55 |
| The Certificate and Report of the Comptroller and Auditor General | 56 |
| Financial Statements | 61 |
| Statement of Comprehensive Net Expenditure | 61 |
| Statement of Financial Position | 62 |
| Consolidated Statement of Cash Flows | 63 |
| Consolidated Statement of Changes in Taxpayers' Equity | 64 |
| Notes to the NIPSO Annual Report and Accounts | 65 |

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 2024-25:

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

Ombudsman's Statement

I am pleased to present this Annual Report and Accounts for the year ended 31 March 2025.

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

In 2024-25 NIPSO continued to deliver the objectives set out in our Strategic Plan 2022–2025. In quarter three, work commenced on developing NIPSO's new Strategic Plan for 2025-29. A review of the performance against the 2022-2025 plan will be undertaken in early 2025-26.

NIPSO's Vision as stated in the Strategic Plan is to: *Make a positive difference to people and public services in Northern Ireland by providing individual resolution and improved services through learning from complaints.*

Our Purpose is to: *Investigate unresolved complaints about public bodies, uphold standards and ensure accountability for both public bodies and for local Councillors. As well as contribute to broader improvement by sharing the learning from both individual complaints and systemic reports.*

The Ombudsman's Office is part of the system of administrative justice in Northern Ireland, investigating complaints about maladministration and service failures of bodies in jurisdiction when the complainant has exhausted internal complaint mechanisms.

NIPSO's **values** underpin and drive all our decisions, actions, policies, processes and systems. NIPSO's values for the period 2024-25 were.

- **Fairness** - We are honest and impartial, ensure all views are listened to and use an evidence-based approach to our decision making.
- **Independence** - We are open, non-partisan, unbiased, and we act with integrity.
- **Excellence** - We deliver an excellent service, meeting our service standards with high levels of governance and accountability. We have a focus on continuous learning and improvement.
- **People Focused** - We treat people with respect and empathy and recognise and value individual experience. We are accessible and engage and explain our decision making.

Strategic Objectives

NIPSO's strategic objectives provide direction to our vision and purpose. Our strategic objectives as set out in our 2022–2025 Strategic Plan are as follows:

1. **Accessibility** - Everyone who needs to use our service can do so and we actively address the barriers which may prevent groups or individuals from accessing NIPSO.
2. **Engagement** - increased awareness of the role and purpose of the Ombudsman's Office with the public, public bodies and political representatives to ensure better access to justice.
3. **Making a Difference** - We use our work to provide redress, inform improvement and make a positive change for people, public services and public policy.
4. **Delivering and Demonstrating Value** - We deliver our core services to the highest standard and demonstrate high levels of governance and accountability.
5. **Innovation and Modernisation** - We seek opportunities to innovate and modernise our systems and approaches.

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

During 2024-25 NIPSO developed a new strategic plan for 2025-2029 which includes updated values and new objectives for the next period. The new Strategic Plan 2025-2029 can be found on our website.

Main Activities

As Ombudsman my role is to investigate complaints of maladministration¹ regarding public services in Northern Ireland, and to consider professional judgement in health and social care. Where I find maladministration, I make recommendations to address the 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. I also identify learning and seek to bring about improvement. In carrying out my functions I am supported by a Senior Management Team (SMT).

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.

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 February 2025, as a result of concerns regarding a lack of maintenance and repairs, time scales for completion and the standard of work, NIPSO announced a proposal to investigate the actions of the region’s largest social housing landlord, the Northern Ireland Housing Executive. The investigation into social housing conditions will be the third to take place under my ‘own initiative’ power.

The proposed investigation will also consider how the Housing Executive delivers adaptations to its homes to meet the needs of individuals with vulnerabilities, and what actions it takes to ensure the conditions of properties used for temporary accommodation are appropriate. It will also consider how complaints have been managed. In deciding to take this action, I have also noted the extent to which individuals reaching out to the Office have referred to housing issues having an adverse impact on their health.

Where it is determined that an issue has not met the published criteria for an OI Investigation, but that the issues which have been considered could provide learning, an Overview Report may be published. In March 2025 NIPSO published the first of what will be a series of three Overview Reports on ‘access to healthcare’. [‘Lost in Translation’](#) was launched at a conference focusing on access to justice for asylum seeking and refugee people and looked at the extent GPs are accessing the free interpretation service available for anyone not proficient in English.

¹ 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.

The report made a number of recommendations to improve access to interpretation services in GP surgeries including improving the availability of interpreting services information, reviewing the limitations of telephone interpretation, and that mechanisms are put in place to allow patients to indicate their need for an interpreter at the earliest possible stage. I am also pleased to note that during our assessment there has been a willingness within the health and social care system to make improvements and we consider that our recommendations will further contribute to improving awareness, accessibility and use of services.

I am required to consult with other Ombudsman offices and regulators on potential OI investigations. To that end NIPSO continues to participate in and provide the secretariat to 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.

NIPSO's Complaints Standards function commenced in 2021-22. NIPSO worked with Local Government as the first group of public sector bodies to prepare a new model complaint handling procedure and guidance for that sector which reflected efficient, compassionate and accessible complaints processes. This new procedure for local government was published in July 2023 and became operational in January 2024. Compliance monitoring has identified good practice within the sector, which we continue to support through best practice networks.

Since 2022 we have been engaging with the Health and Social Care (HSC) sector. In 2024 we established formal networks at both strategic and operational level to allow input from a range of stakeholders in the drafting of a HSC model complaints handling procedure which we will publish on 1st July 2025. As part of this engagement, we have worked with a range of stakeholders to increase awareness of the upcoming model procedure, including Ulster University 'My Home Life' programme for Care Home leaders.

The next sector we have chosen to work with is Government Departments and their ALBs; detailed scoping of this sector has commenced. NIPSO plan to have published complaint standards for all public bodies within jurisdiction by Spring 2027.

To further support public sector organisations with these changes NIPSO have developed [best practice guidance and e-learning resources](#). These valuable resources will assist public bodies in ensuring their staff are appropriately equipped and trained to manage complaints.

Published resources include 10 bite-sized videos on topics ranging from complaint handling, through to governance and learning from complaints. We will shortly be publishing best practice guides which include complaint handling resources on conducting an investigation; learning from complaints; and promoting positive engagement and managing unacceptable behaviour. Further resources through eight substantive 30-minute e-learning modules, currently in development, will be available for organisations to host on their learning management systems later in 2025.

As Ombudsman I similarly act as Northern Ireland Judicial Appointments Ombudsman, dealing with complaints of maladministration in respect of judicial appointments. During 2024-25 one complaint was received (2023:24: one complaint). It was determined to have not been submitted within the designated timescale.

Also, Part 9 of the Local Government Act (Northern Ireland) 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 of its investigations into complaints about alleged maladministration or failures in care and treatment where it is in the public interest to do so. During 2024-25 69 such reports have been published (2023-24: 55). Three Bulletins were also published (2023-24: 4), which provide further information about the Office's activities.

Issues, Risks and Challenges

NIPSO has an agreed Risk Appetite Statement which clearly identifies different business areas and their associated level of risk appetite. This was agreed by NIPSO SMT and further considered by the NIPSO Audit and Risk Committee (ARC). NIPSO's risk register identifies the key financial, operational and reputational risks to the 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 ARC.

The NIPSO risk register details the status of the Ombudsman's corporate risks. NIPSO regularly identifies emerging risks to the achievement of its strategic objectives and addresses them proactively and in a prioritised manner. Further information on the identification and management of NIPSO's wider risks is contained in the Governance Statement.

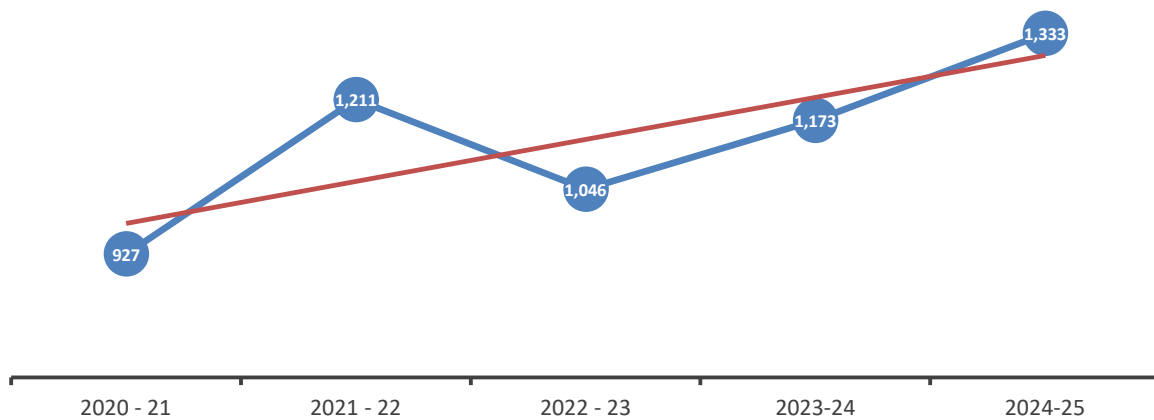
Performance Overview

Performance regarding maladministration complaints

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

In the 2024-25 reporting year NIPSO received 1,333 complaints (2023-24: 1,173) which is in-line with the average 15% year on year increase in the number of complaints since the office was established in 2016. In this reporting year we have experienced an increase of 14% in the overall number of complaints received (2023-24: 12%). There has been an increase of 44% over the past five years.

Total complaints received over the past five years



Maladministration Complaint Numbers

The following table details the key statistics on maladministration cases for 2024-25:

| Case Statistics | 2024-25 |
|---------------------------------------|---------|
| Complaints ongoing from previous year | 322 |
| New Complaints in year | 1,333 |
| Re-presented complaints in year | 334 |
| Cases determined in year | 1,664 |
| Complaints ongoing at year end | 325 |

The table below illustrates the trend in new maladministration complaints received over the years since NIPSO establishment:

| Year | New complaints about public services | Year-on-year % change | Cumulative increase % increase from 2016-17 |
|---------|--------------------------------------|-----------------------|---|
| 2020-21 | 927 | -11% | 72% |
| 2021-22 | 1,211 | 31% | 125% |
| 2022-23 | 1,046 | -14% | 94% |
| 2023-24 | 1,173 | 12% | 118% |
| 2024-25 | 1,333 | 14% | 147% |

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.

NIPSO's maladministration KPIs, together with the recorded performance in 2024-25, are as follows:

| Indicator | Target | Achieved |
|--|--------|----------|
| KPI 1 – Measures how quickly we make a decision on whether the Ombudsman can accept a complaint for investigation. We aim to inform the complainant within 10 working days of receiving their complaint whether we can accept it for investigation. | 90% | 96% |
| KPI 2 – Measures how quickly we decide on what action we can take on a complaint which has been accepted for investigation. We aim to inform the complainant within 50 working days of receiving their complaint whether it can be resolved, closed or progressed to further investigation. | 70% | 80% |
| KPI 3 – Measures how quickly we reach a decision on the investigation of a complaint and share the decision with the body and the complainant. We aim to complete this within 50 weeks of the decision at KPI 2 being made. | 70% | 91% |

Performance Commentary

A 14% increase in the number of complaints received during the year led to an increase in the number of cases progressing to stage two of our case handling process (+15%). The number of complaints received in 2024-25 (1,333) is reflective of the general upwards trend in complaints.

During the year the front-of-office Advice, Support Service and Initial Screening Team (ASSIST) continued to manage incoming complaints in line with NIPSO processes with a continued focus on seeking resolution of complaints at stage two of our process without the need to progress further investigation at stage three. 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. The ASSIST team continued to perform well, with KPI 1 performance well above target at 96% (prior year: 94%).

In addition to this, NIPSO also managed 334 complaints that returned to the office primarily being previously premature (199), having insufficient information from the complainant (66), without consent being provided (40) or for other reasons (29). These complaints have been recorded as “re-presented” from 2024-25 and were approximately 20% of our workload in the year.

KPI 2 performance remained at 80%, well above the target of 70%. This performance is against an increase in complex cases, a 28% increase in volume of complaints considered at this stage and ongoing work to address the delays in receiving a substantive response from the public bodies.

Further local resolution is considered an appropriate mechanism to achieve a beneficial outcome and is always balanced against the need to progress for further investigation. A referral back to the body complained about to consider the complaint further can be an effective means to achieve an alternative and speedier resolution for complainants. This is particularly useful in cases concerning poor complaints handling by that body or where there is an ongoing relationship.

The number of cases that progressed to further investigation in 2024-25 was 113, a 2.5% decrease compared to 116 cases the previous year.

It is notable that there has been a steady overall increase of more than 12% in the last five years in the number of cases accepted for further investigation.

Performance at KPI 3 (investigation stage) improved slightly from 88% in 2023-24 to 91% which remains well above the target of 70%. This was against a background of increased complexity of cases investigated in year and the team still experiencing delays in receiving information from some public services.

The ASSIST and Investigation teams continue to work closely on the progression of cases for further investigation and identification of cases where early resolution, including settlement, is appropriate.

The Office continued to develop its outreach and engagement activity. The effectiveness of the Improvement Engagement and Impact, and Complaints Standards teams has begun to be realised. Significant engagement has been undertaken with a wide range of community and voluntary organisations as well as public services. This year saw focused engagement activity with the Health & Social Care sector, with a particular focus on Family Practitioner Services and commissioned services.

Own Initiative

This year NIPSO published the first of a series of three overview reports and announced a proposal to undertake an Own Initiative investigation into the Northern Ireland Housing Executive (NIHE).

In February 2025 I wrote to the Housing Executive to propose an Own Initiative investigation after noting an increasing number of enquiries and complaints about housing to the Office. A significant proportion of these enquiries and complaints relate to concerns about maintenance and repairs, including reported delays in carrying out repair requests, the quality of the work undertaken and how the concerns of social housing tenants are responded to when issues are raised, including how complaints are handled.

The proposed investigation will also consider how the Housing Executive delivers adaptations to its homes to meet the needs of individuals with vulnerabilities, and what actions it takes to ensure the conditions of properties used for temporary accommodation are appropriate. In deciding to take this action, I also reflected on the extent to which individuals reaching out to the Office have referred to housing issues having an adverse impact on their health. For example, many enquiries and complaints about repairs referred to concerns about mould and damp.

Access to high quality and safe housing is important in reducing health inequalities and improving the overall wellbeing of our population. A good maintenance and repairs service is one of the most important responsibilities landlords have. It is important there is confidence in how the Housing Executive delivers this service and responds when concerns are raised about housing conditions. The proposed investigation would allow for a thorough examination of these important issues, with the aim of making further improvements in social housing provision. It is hoped a final decision on this proposal will be issued early in 2025-26

In March 2025 NIPSO published the first of three overview reports on the theme of 'access to healthcare'. The first of these '[Lost in Translation](#)' focused on GP use of interpretation services and accessibility and understanding of the service offered. Concern about access to interpretation services at GP surgeries was highlighted through engagement with the Voluntary and Community sector, with particular focus on the vulnerability of asylum seeking and refugee populations.

Among the 11 recommendations, the report suggests the availability of interpreting services information should be improved, the limitations of telephone interpretation are reviewed and improved, and that mechanisms are put in place to allow patients to indicate their need for an interpreter at the earliest possible stage. Improved mechanisms to allow both GP and Patient feedback are also recommended, as well as providing additional information on how to make a complaint.

I am pleased to report that during our assessment of this issue there has been a willingness within the health and social care system to make improvements and we look forward to seeing further steps being taken to continue improving awareness, accessibility and use of this vital service.

Two further overview reports highlighting potential barriers to healthcare will be published shortly. These will focus on GP Registration and Inappropriate charging for healthcare.

In 2023-24, our second OI [Investigation 'Forgotten: an investigation into Waiting List Communications'](#) found significant and repeated failures throughout the system constituted systemic maladministration. The investigation made a number of recommendations for improvement. A follow-up of these recommendations has been undertaken in the year and the report will be published in 2025-26. Information being shared with the office shows a number of the recommendations have been implemented which is very positive.

Improvement, Engagement and Impact

NIPSO's Improvement, Engagement & Impact (IEI) Team, established in 2022-23, continues to help raise awareness of the role and function of the Office, helping build public confidence in and understanding of complaints procedures and learn from the challenges people experience when engaging with public services. This year the team delivered over 65 awareness raising sessions with a wide range of voluntary & community organisations, and key stakeholders within Health and Social Care as part of the roll out for Complaint Standards. The team also participated in over 30 events to share information about NIPSO.

During 2024-25 we have continued administering our Equality & Diversity Monitoring Survey and a Complainant Feedback Survey. Once analysed we will have two years of data (from approximately 30% of complainants) to help us understand who is bringing a complaint to NIPSO and to inform actions to address potential barriers which may be deterring people from coming to us. NIPSO has also developed a three-year Accessibility Plan to focus on implementation of accessibility measures across the organisation.

A follow-up report from our [Patient Safety conference](#) (held in March 24) was published

in September and widely disseminated to elected officials and relevant public body representatives. NIPSO also responded to the Department of Health consultation on 'Being Open' and the Health Committee Inquiry into Palliative Care. These responses and the Patient Safety conference report can be found on our website.

Throughout the year we have been delivering a joint project with Prof Chris Gill, University of Glasgow. Partly funded by the British Council, the 'Ombudsman and the Protection of Asylum Seekers and Refugees in Northern Ireland' (OPRAS Project) sought to enhance our understanding of the barriers experienced by asylum seeking and refugee populations in terms of accessing services and routes to justice. NIPSO's role during the year-long project involved organising five workshops with people of lived experience, voluntary and community organisations, senior civil servants and council officials. In total almost 50 people participated in the workshops.

NIPSO also led on an OPRAS Round Table event in January 2025 which was attended by several Ombudsman, Ombudsman staff and academics from England, Wales, Scotland, Ireland, Belgium, Greece, Denmark and the Netherlands. A final conference held in March 2025 shared the project findings and featured several guest speakers including Nashieli Ramírez Hernández, President of the Human Rights Commission at Mexico City and President of the International Ombudsman Institute. Prof Chris Gill shared the findings from his research which included a survey of international Ombudsman and interviews with international Ombudsman and Northern Ireland based public bodies, community & voluntary representatives and people with lived experience of being an asylum seeker and / or a refugee. An OPRAS report was also launched at the conference and can be accessed [here](#). The learning from this project will help develop our links and understanding of the barriers people face in our complex service delivery and access to justice landscape and inform our ongoing commitment to ensure the office can be accessed by anyone who needs it.

NIPSO published two '[Case Digests](#)' this year on Best Practice in Managing Complaints in Care Homes and key learning from complaints about Women's Health. These highlight good practice in complaint handling and encourage members of the public to raise concerns at the earliest opportunity.

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

LGES KPI performance is set out in the table below:

| Indicator | Target | Achieved |
|---|------------|------------|
| KPI 4 – 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. | 85% | 97% |
| KPI 5 – we will complete an investigation within 40 weeks of the date of validation of the complaint. The target is 60% | 60% | 68% |

In 2024-25 the LGES team received 36 allegations (also referred to as complaints) that councillors had, or may have, breached the Local Government Code of Conduct ('the Code'), a 16% increase from the previous reporting period (2023-24: 31). Allegation types included social media posts, disclosure of confidential information and the registration/declaration of interests.

| Caseload | 2024-25 | 2023-24 |
|---|---------|---------|
| Allegations ongoing from the previous year ² | 32 | 45 |
| Allegations received in year | 36 | 31 |
| Total allegations under investigation during the year | 68 | 76 |
| Number closed at Validation Stage - ' can we investigate' | 1 | 4 |
| Number closed at Assessment Stage - ' should we investigate' | 13 | 13 |
| Number closed at Investigation Stage ³ | 14 | 20 |
| Number of allegations decided at Adjudication ⁴ | 3 | 7 |
| Allegations ongoing at year end | 37 | 32 |

LGES Performance Commentary

A total of 31 allegations (2023-24: 44) were concluded in 2024-25. The following breakdown of closure by stage was achieved: one complaint was closed at Validation stage, 13 were closed at the assessment stage, and 14 were closed at investigation stage including two closed by alternative action. At year end 37 allegations remain ongoing, these include allegations at adjudication.

In relation to the LGES team's performance, the decision whether to investigate was reached within the 4-week target in 97% of allegations that were considered in 2024-25, against a target of 85%. KPI 4 was therefore achieved.

Against the target to complete an investigation within 40 weeks of the date of validation of the complaint, 15 out of 22 (68%) of the cases which reached the investigation stage achieved the timescale in 2024-25, against a 60% target. KPI 5 was therefore achieved (2023-24: 82%)

² This includes complaints at validation, assessment, investigation and adjudication stages.

³ This includes allegations closed by Alternative Action. (2024-25: 2, 2023-24: 4) 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.

⁴ Adjudications may consider multiple allegations against the same Councillor.

Adjudication

When an investigation considers there may have been a breach of the code, allegations can be referred to the Commissioner for consideration for adjudication. Multiple allegations may be referred to the Commissioner as one case for adjudication. During the year four cases involving eight allegations were referred to adjudication, of which three cases were accepted for adjudication and one remained under consideration by the Commissioner at year end.

Two adjudication hearings were held in 2024-25 relating to three allegations (2023-24: three) resulting in one Councillor being suspended and one councillor being disqualified. Further details can be found on our website.

Financial Performance

There are two established financial KPI's within NIPSO.

KPI 6 was achieved in 2024-25 (2023-24: Not achieved). The overall Net Resource Outturn for the reporting period was 1.2% underspend which is within of the 2% target. Decisions were taken during the year regarding timing of recruitments to enable NIPSO to manage budget uncertainties related to pay awards and staff turnover and live within the target.

KPI 7 was successfully achieved. NIPSO remained within the net cash requirement that was authorised by the Assembly.

The financial KPIs, together with the recorded performance in 2024-25, are as follows:

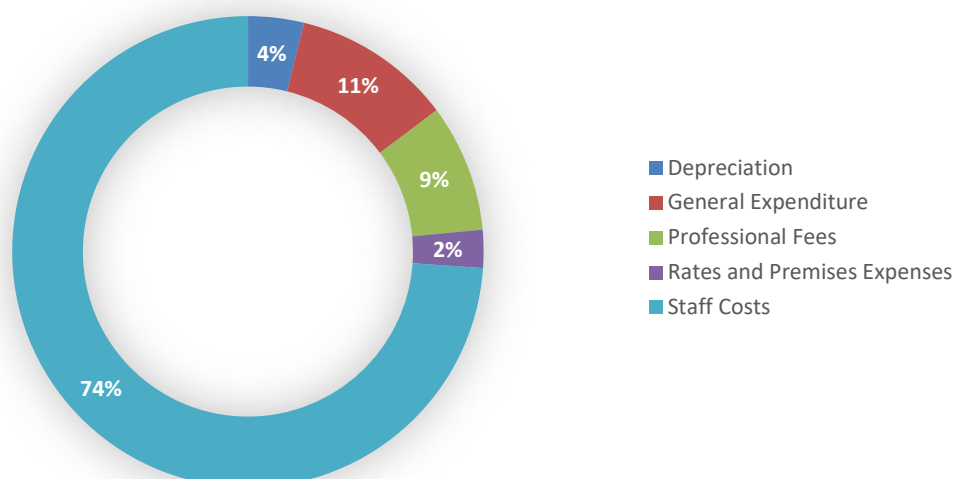
| Indicator | Target | Achieved |
|---|-------------------------------|------------------------|
| KPI 6 – we will not exceed the total Net Total Resource expenditure for the year authorised by the Northern Ireland Assembly as detailed in the 2024-25 Estimate, limiting any underspend to 2%. | Not > 2% underspend | 1.2% underspend |
| KPI 7 – 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 2024-25 Estimate. | <Estimate | <Estimate |

During 2024-25 88.5% of invoices were paid within 10 working days of receipt of invoice (2023-24: 97.7%) and 99.8% of invoices were paid within 30 days (2023-24: 99.9%). During the year it took an average of 6.5 days to pay correctly presented invoices (2023-24: 5 days). The delays in prompt payments were as a result of a focus on implementation of a new finance system.

Performance against the 2024-25 Estimate is summarised in the following table:

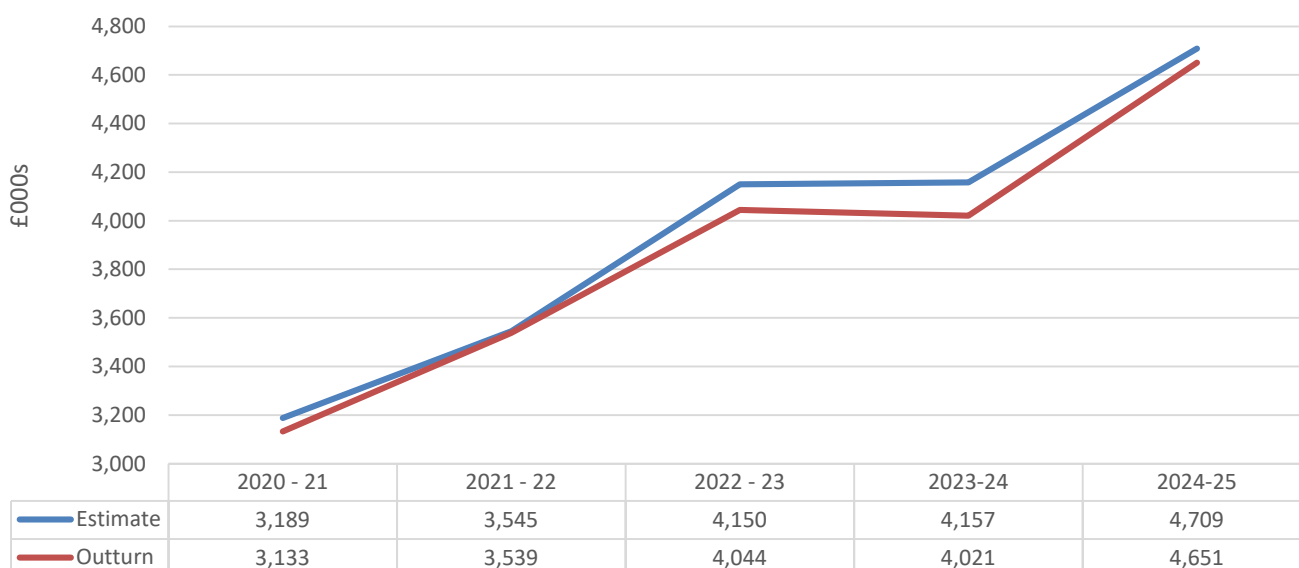
| | Outturn £k | Estimate £k | Saving £k | Saving % |
|-----------------------------|---------------|----------------|--------------|-------------|
| Net Resource Outturn | 4,651 | 4,709 | 58 | 1.2% |
| Net Cash Requirement | 4,424 | 4,533 | 109 | 2.4% |

Illustrated below is the breakdown of resource expenditure for 2024-25



The Office's long term expenditure in Estimate and Budget Expenditure for the past five years is illustrated below.

Outturn in Estimate and Budget Terms over the past five years



Resource requirements

The demand for NIPSO's services continues to increase with the long term trend continuing in 2024-25, as detailed earlier. Over the past five years the complaints numbers have increased by 44% and a higher number of those being more complex and continuing through our full investigation process.

NIPSO is committed to engaging with relevant stakeholders including the NI Assembly Audit Committee (NIAAC) and the Department of Finance to secure the optimal level of financial resources to meet increasing demand across its responsibilities while being mindful of the financial pressures on the public sector as a whole and ensuring the independence of the Office and the Ombudsman is maintained. NIPSO's role is a key part of the accountability arrangements for NI public services, and in a challenging public sector environment accountability and learning from complaints is essential for the improvement of services to Northern Ireland.

The NIAAC considered NIPSO's budget requirements for 2025-26 and recommended a budget to the Minister of Finance on 15 November 2024. The Minister for Finance confirmed the agreed budget on 3rd April 2025. These financial statements have therefore been prepared on a going concern basis.

Fraud and Error

Controls to prevent fraud and error are in built into NIPSO financial processes. NIPSO does not consider that there is any material fraud or error within the financial statements.

Social and Sustainability 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, because 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) NIPSO is committed to improving it's sustainability and intends to establish a baseline and identify further improvements in 2025-26. NIPSO offices use environmentally responsible energy-efficient heating and lighting systems.
- (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 paper, cardboard and plastic.
- (v) NIPSO continues to maintain and develop IT systems and related policies to facilitate a Hybrid Working policy which further reduces NIPSO's travel requirements and therefore the impact on the environment.



Margaret Kelly
Accounting Officer

20 June 2025

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 2025 the Office staffing comprised the Ombudsman and 61 members of staff (52 Permanent and 9 Agency/contractor): a Deputy Ombudsman; a Director of Governance and Support Services, two Directors of Investigations; a Director of Improvement Engagement and Impact; a Head of Communications; 44 investigative staff and 11 other administrative staff.

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 Officeholder 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, 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 of 31 March 2025 were:

| | |
|---|----------------|
| Ombudsman (Chair) | Margaret Kelly |
| Deputy Ombudsman | Sean Martin |
| Director of Investigations (ASSIST and Complaint Standards) | Sinead Sargent |
| Director of Governance & Support Services | Kirsty McCool |
| Director of Investigations (Maladministration & LGES) | Corinne Nelson |
| Head of Communications | Andrew Ruston |
| Director of Improvement, Engagement & Impact | Julie Healy |

Significant Interests

NIPSO has a conflict of interest policy in place, compliant with DAO 07/21, to enable the organisation to identify and manage conflicts of interest. Where a conflict of interest is identified officials, including the Ombudsman, recuse themselves from involvement in any business including decision making. A Register of Interests 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.

Pensions applicable

As of 31 March 2025 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 PCSPS of an amount calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. 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 2024-25 all recommendations, with the exception of one, made as a result of investigation reports were accepted by bodies in jurisdiction.

Complaints and Reviews

The Office has two separate processes in place for responding to dissatisfaction with our service; one regarding the quality of service delivered by NIPSO and one regarding decisions made regarding their complaint.

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 2024-25 there were 22 service standards complaints received (2023-24: seven). Of the complaints completed in year 11 were upheld, seven were not upheld and two were withdrawn by the complainant before any action was taken. Four remain ongoing at the end of the year.

Nine of these complaints progressed to stage 2 of our process. Four of those considered by the independent reviewer were upheld, one was not upheld and four remain ongoing. (2023-24: one not upheld).

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 further 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 further investigation.

There were 75 review requests received with 69 completed during 2024-25 (2023-24: 59 received with 79 completed). Of these, three cases were re-opened at stage two and subsequently closed; one case was settled, none progressed to further investigation. In relation to allegations that a councillor may have breached the code of conduct one request for a review of a decision not to accept the case for investigation was received (2023-24: two). Where complaints of maladministration have not been accepted on jurisdictional grounds, on request, a check of the decision will be completed to ensure that the legislative tests have been correctly applied.

In cases accepted for further 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 2024-25 there were no applications for judicial review in respect of decisions of the Ombudsman (2023-24: one).

No application for leave for judicial review was lodged in relation to a decision of the Local Government Commissioner for Standards (2023-24: none). The normal route to challenge a decision of the Local Government Commissioner for Standards is by way of an application to appeal to the high court. The judicial review lodged in 2022-23 was dismissed. The judicial review decision was appealed to the court of appeal and was dismissed. An appeal to the high court was lodged following the decision of the Court of Appeal and remains ongoing.

Raising Concerns

There were no issues raised under NIPSO's Raising Concerns policy within the reporting period.

Data Protection and Freedom of Information Obligations

In 2024-25 the Office received 77 requests for access to information under the Data Protection Act (DPA) 2018 and the Freedom of Information Act (FOIA) 2000, a decrease of 32% from 114 in prior year. These consisted of 39 Subject Access Requests (SAR) and 38 Freedom of Information requests (FOI).

We continue to implement 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. 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.

Auditor

The Comptroller and Auditor General (C&AG) was designated the auditor for NIPSO in the Public Services Ombudsman Act (Northern Ireland) 2016. The C&AG is the Head of the Northern Ireland Audit Office and she and her staff are wholly independent of the Northern Ireland Public Services Ombudsman. She reports her findings to the Northern Ireland Assembly.

Statement of Accounting Officer's Responsibilities

1. Under the Government Resources and Accounts Act (NI) 2001, the Department of Finance has directed the Office of the Northern Ireland Public Services Ombudsman (NIPSO) to prepare, for each financial year, resource accounts detailing the resources acquired, held, or disposed of during the year and NIPSO's 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 2024 to 31 March 2025 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 judgement 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. Furthermore, the Act provides for my office to set standards for the handling of complaints about public services in Northern Ireland.

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.

As Accounting Officer, I have 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*.

Governance Framework

In my role I aim to ensure appropriate governance of my Office and comply with best practice as outlined in the '*Corporate Governance in Central Government Departments: Code of Good Practice NI*' ('the Code') issued by the Department of Finance. However, as Corporation Sole I am unable to directly apply the 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. I believe that this reflects the principles and best practice contained in the guidance and practical application of the Code.

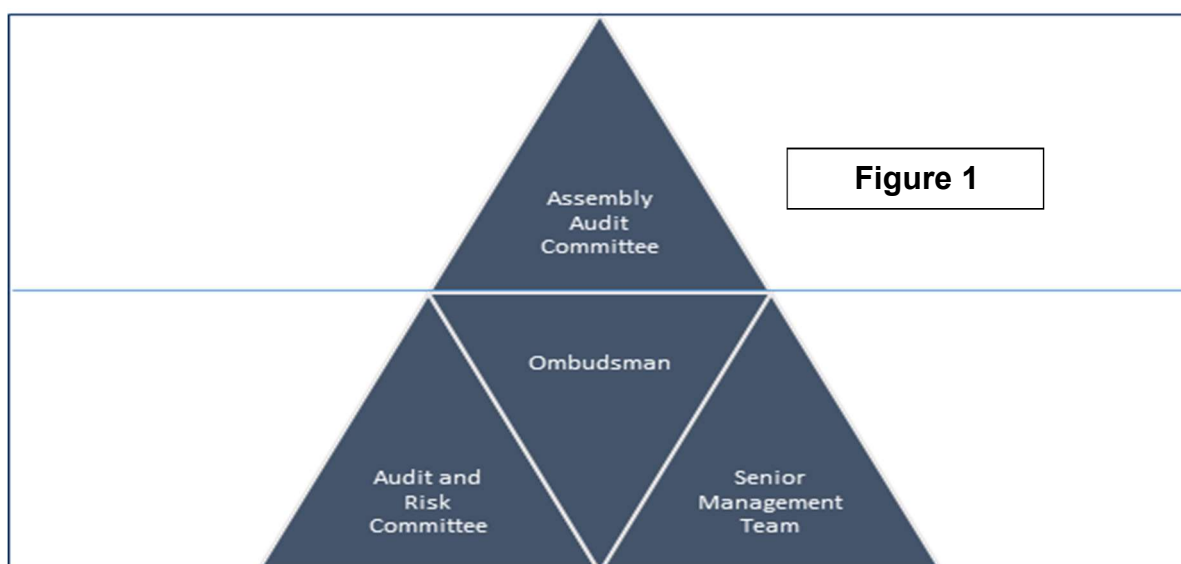
NIPSO has an established corporate governance framework that sets out, for staff and all stakeholders: the basis on which my Office has been established; the manner in which its governance is structured and managed; and my accountability for its statutory functions. This sets out in detail the corporate 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 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'⁵.

⁵ This MOU was finalised and agreed by the previous NIAAC 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;
- 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 NIAO, including an assurance that the expenditure and income in the annual financial statements have been applied for the purposes intended by the Assembly;
- An 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;
- 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 which involves an independent second stage;
- Active participation and contribution to the sharing of best practice between other ombudsman services within the UK, Ireland and internationally; and
- 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. NIPSO attended four meetings of the NIAAC.

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 system 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 with an extension granted until June 2025 to facilitate the appointment of a new chair.

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 the Ombudsman and any matters identified in those reports are actioned and dealt with by SMT. The Committee's [Terms of Reference](#) are reviewed annually. 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.

The Committee met five times during 2024-25. Attendance at meetings held during the year was as follows:

| | 25/4/24 | 25/6/24 | 21/8/24 | 25/10/24 | 30/1/25 |
|--|---------|---------|---------|----------|---------|
| Dónall Curtin (Independent Chair) | √ | √ | √ | √ | √ |
| Terry McGonigal* (Independent Non- Executive Member) | √ | √ | √ | √ | n/a |
| Patricia Snell (Independent Non- Executive Member) | √ | X | √ | √ | √ |
| Margaret Kelly (Ombudsman) | √ | √ | √ | √ | √ |
| Sean Martin (Deputy Ombudsman) | √ | √ | √ | √ | √ |
| Kirsty McCool* (Director of Governance and Support Services) | √ | √ | √ | √ | √ |

*Terry McGonigal resigned on 31st December 2024

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 2024-25, the Committee agreed the internal audit programme and considered the findings of the reviews undertaken by the out-sourced Internal Audit function.

WBG were appointed NIPSO's internal auditor for the period 2024-27. During 2024-25 WBG completed the internal audit plan agreed with the AR of three audits. All three audits received satisfactory assurance ratings; Business Continuity & Disaster Recovery, Governance Framework and Case Management. Furthermore, a review of previous audit recommendations confirmed that of 14 outstanding recommendations, 11 had been fully implemented, two had been partially implemented, and the remaining recommendation was not yet due to be implemented. During the year Internal Audit made six recommendations which were all accepted. The Case Management Audit received no recommendations and highlighted a number of areas of good practice.

| Audit | No of Recommendations Made | | | Recommendations Accepted |
|---|----------------------------|------------|------------|--------------------------|
| | Priority 1 | Priority 2 | Priority 3 | |
| Business Continuity and Disaster Recovery | NIL | 3 | 2 | All accepted |
| Governance Framework | NIL | NIL | 1 | All accepted |
| Case Management | NIL | NIL | NIL | N/A |

The Director of Internal Audit issued a 'Satisfactory' overall assurance rating that the existing risk management, control and governance systems in place 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 2024-25 are listed on page 17.

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 2024-25.

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 11 SMT meetings held during 2024-25 was as follows:

| | 11/4/24 | 9/5/24 | 6/6/24 | 25/7/24 | 17/9/24 | 14/10/24 | 5/11/24 | 12/12/24 | 16/1/25 | 13/2/25 | 12/3/25 | |
|-----------------------|---------|--------|--------|---------|---------|----------|---------|----------|---------|---------|---------|-------|
| MARGARET KELLY | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | 11/11 |
| SEAN MARTIN | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | 11/11 |
| CORINNE NELSON | √ | X | √ | √ | X | √ | X | √ | √ | √ | X | 7/11 |
| ANDREW RUSTON | √ | √ | √ | X | √ | √ | √ | √ | √ | √ | √ | 10/11 |
| JULIE HEALY | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | 11/11 |
| SINEAD SARGENT | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | 11/11 |
| KIRSTY MCCOOL | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | 11/11 |

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

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 2025 and until the date of approval of the Annual Report and Accounts.

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 investigations referred to me by my Deputy Commissioner, to whom I have delegated the responsibility of investigation, for adjudication. Having thus decided either I or one of my Assistant Commissioners will then undertake an adjudication in line with the relevant procedure.

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 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 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 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 themes. The Register also details the measures in place, or planned, in order to best manage these risks within available resources.

As at the 2024-25 year end the key risks identified at corporate level were as follows:

| Risk |
|---|
| Challenge to NIPSO's Independence: If public bodies, public representatives or the public seek to influence NIPSOs operation through interference in budget setting or decision making processes resulting in an inability to deliver NIPSO's key functions and undermined public confidence in NIPSO. |
| Resources: If NIPSO is unable to secure and effectively manage sufficient resources and unable to meet increased service level demand and inescapable costs resulting in ineffective use of public resources and reputational damage through failure to deliver against KPI's. |
| Ability to deliver: If NIPSO is unable to recruit and retain competent staff due to remuneration or working environment and then NIPSO will have a reduced ability to deliver our service. |
| Information Security: If controls and systems designed to ensure information security fail, a release/loss of sensitive information would impact individuals and cause potential reputational damage and legal action. |
| Failure to Deliver: If NIPSO has reduced ability to complete timely and quality investigations as a result of staff turnover and loss of knowledge, NIPSO's ability to deliver outcomes for complainants and improvements in public service will be impacted. |
| Legal: If NIPSOs decisions are overturned undermining confidence in NIPSO's decisions resulting in reputational damage and potential costs for NIPSO. |

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 2025, 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 setting out the standards expected of staff. All Office manuals and practice notes provide detail on a range of control issues, such as operational and financial procedures and delegated authorities. NIPSO policies also include a Conflicts of Interest Policy, an anti-fraud policy and response plan, and a Raising Concerns policy to enable staff to report concerns. 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) A coaching and mentoring framework and appraisal process which embeds regular contact and feedback with staff.
- (viii) Completion of individual Stewardship Statements by SMT members (most recently completed in April 2025).

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), DPA, FOIA and 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.

Work to improve the Office's information governance systems continued in 2024-25 and will be developed further in 2025-26.

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 Audit and Risk Committee (ARC), auditors and the Senior Management Team (SMT).

The SMT has responsibility 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. SMT have provided assurance on the operation of the internal control framework during 2024-25 through stewardship statements.

The “[Corporate governance in central government departments: Code of good practice NI](#)” outlines that boards should undertake a self assessment of effectiveness annually. As a Corporation Sole I am supported by the SMT and Audit and Risk Committee. To ensure continuous improvement and effective governance the SMT undertake a effectiveness review bi-annually. The last review was undertaken in April 2024 and improvements of templates and timing of reporting to SMT were developed in year.

The Audit and Risk Committee (ARC) also undertake an annual review. The April 2024 review highlighted the need for additional skills on the committee and a recruitment was undertaken in year. The 2025 review noted the committee is discharging its responsibilities effectively, while noting there is room for improvement in some areas.

The 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. The internal audit annual assurance statement for 2024-25 provided as “Satisfactory” assurance rating. All recommendations made were to enhance established systems or procedures in order to support the achievement of best practice. Responsibility for the actions to be implemented have 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.

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 2025-26.

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 2024-25 that affected the achievement of the Office's strategic objectives, business plan targets and good governance.

Budget Authority

The Budget Act (Northern Ireland) 2025, which received Royal Assent on 6 March 2025, together with the Northern Ireland Spring Supplementary Estimates 2024-25 which were agreed by the Assembly on 17 February 2025, provide the statutory authority for the Executive's final 2024-25 expenditure plans. The Budget Act (Northern Ireland) 2025 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2025-26 financial year.

Personal Data Incidents

The Office reports on all personal data related incidents. The Office has an established control system 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 were no personal data breaches that met the required threshold to be notified to the Information Commissioner's Office during 2024-25.

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 pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following approval of the 2024-25 Budget in the Assembly, on 28 May 2024, in which the Finance Minister outlined the overarching approach to public sector pay, the NI public sector pay policy guidance was published on 31 May 2024 in FD (DoF) 07/24.

Annual NICS pay awards are made in the context of the wider public sector pay policy. Subject to satisfactory testing, we aim to pay the award effective from 1 August 2024, for NICS non-industrial and industrial staff, including SCS, in the May 2025 payroll.

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

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 based on 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 £1,000) | | Total (£'000) | |
|----------------|----------------|---------|------------------------------------|---------|---------------------------------------|---------|---------------|---------|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| Margaret Kelly | 110-115 | 110-115 | - | - | 45,000 | 44,000 | 155-160 | 155-160 |

**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.*

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 £1,000) | | Total (£'000) | |
|---|-------------------|---|------------------------------------|---------|---------------------------------------|---------|---------------|---|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| Sean Martin Deputy Ombudsman | 85-90 | 75-80 | - | - | 34,000 | 30,000 | 120-125 | 105-110 |
| Andrew Ruston Head of Communications | 60-65 | 55-60 | - | - | 41,000 | (7,000) | 100-105 | 45-50 |
| Julie Healy Director of Improvement, Engagement and Improvement. | 60-65 | 55-60 | - | - | 25,000 | 23,000 | 85-90 | 75-80 |
| Corinne Nelson Director of Investigations | 60-65 | 55-60 | - | - | 26,000 | 23,000 | 85-90 | 75-80 |
| Sinead Sargent Director of Investigations** | 55-60 | 40-45 (50-55 Full Year Equivalent) | - | - | 24,000 | 18,000 | 80-85 | 60-65 (70-75 Full Year Equivalent) |
| Kirsty McCool Director of Governance and Support Services** | 55-60 | 10-15 (50-55 Full Year Equivalent) | - | - | 36,000 | (3,000) | 90-95 | 5-10 (50-55 Full Year Equivalent) |

**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.*

***Sinead Sargent and Kirsty McCool were appointed on 1 June 2023 and 4 January 2024 respectively.*

****Salary payments include arrears for backdate pay awards*

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 2024-25 was £110,000 to £115,000 (2023-24, £110,000 - £115,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

| <u>2024-25</u> | 25th percentile | Median | 75th percentile |
|----------------------------|-----------------------------------|---------------|-----------------------------------|
| Total remuneration FTE (£) | 33,288 | 35,319 | 40,622 |
| Pay ratio | 3.4:1 | 3.2:1 | 2.8:1 |
| <u>2023-24</u> | 25th percentile | Median | 75th percentile |
| Total remuneration FTE (£) | 31,374 | 34,083 | 40,579 |
| Pay ratio | 3.6:1 | 3.3:1 | 2.8:1 |

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. There was a small increase in the current financial year's median pay ratio compared to the previous year due to the implementation of a pay award for the Ombudsman by the Northern Ireland Assembly. The 25th percentile ratio is slightly lower due to an increase in staff employed on lower salary scales.

Remuneration ranged from £26,549 to £86,102 (2023-24: £18,150 to £78,165), excluding the Ombudsman's Salary. The values for the salary only component of remuneration for the 25th percentile, median and 75th percentile was £33,288, £35,319 and £40,622 respectively (2023-24: £31,374, £34,083 and £40,579).

In 2024-25, no employees received remuneration in excess of the highest-paid director (2023-24: Nil).

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.

| Percentage change for: | 2024-25 v 2023-24 | 2023-24 v 2022-23 |
|---|-------------------|-------------------|
| Average employee salary and allowances | 0% | -1.5% |
| Highest paid director's salary and allowances | 3.5% | 4.7% |

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.

| | 2024-25 | | 2023-24 | |
|--|--------------------------|---------------------------------|--------------------------|---------------------------------|
| | Basic Remuneration £000s | Benefit in Kind to Nearest £100 | Basic Remuneration £000s | Benefit in Kind to Nearest £100 |
| Dónall Curtin (Independent Chair) | 5-10 | - | 5-10 | - |
| Terry McGonigal (Independent Non-Executive Member) | 0-5 | - | 0-5 | - |
| Patricia Snell (Independent Non-Executive Member) | 0-5 | - | 0-5 | - |

Pension Entitlements (audited information)

Pension Benefits of the Ombudsman (audited information)

| Officials | Accrued pension at pension age as at 31/3/25 | Real increase in pension and related lump sum at pension age | CETV at 31/3/25 | CETV at 31/3/24 | Real increase in CETV |
|--------------------------|--|--|-----------------|-----------------|-----------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Margaret Kelly Ombudsman | 10 - 15 | 2.5 - 5 | 208 | 153 | 34 |

Pension Benefits – Officials (audited information)

| Officials | Accrued pension at pension age as at 31/3/25 | Real increase in pension and related lump sum at pension age | CETV at 31/3/25 | CETV at 31/3/24 | Real increase in CETV | Employer contribution to partnership pension account |
|--|--|--|-----------------|-----------------|-----------------------|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 | Nearest £100 |
| Sean Martin Deputy Ombudsman | 15 - 20 | 0 – 2.5 | 234 | 189 | 24 | - |
| Andrew Ruston Head of Communications | 25-30 plus 65 - 70 lump sum | 0 – 2.5 plus 0 – 2.5 lump sum | 582 | 526 | 34 | - |
| Julie Healy Director of Improvement, Engagement and Impact | 0 – 5 | 0 – 2.5 | 66 | 42 | 17 | - |
| Corinne Nelson Director of Investigations | 10 – 15 | 0 - 2.5 | 167 | 136 | 16 | - |
| Sinead Sargent Director of Investigations* | 0 – 5 | 0 – 2.5 | 32 | 13 | 14 | - |
| Kirsty McCool Director of Governance and Support Services* | 5 - 10 | 0 – 2.5 | 67 | 43 | 18 | - |

* Sinead Sargent and Kirsty McCool were appointed on 1 June 2023 and 4 January 2024 respectively. Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgement. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 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. Transitional protection measures introduced alongside these reforms meant any 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).

McCloud Judgement

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, steps have been taken by the Department of Finance (DoF) to remedy this discrimination.

DoF has now made regulations which remedy the discrimination by:

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

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

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

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period. i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or alternatively calculated under the reformed alpha rules. As part of this 'retrospective' remedy most active members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice. There are a significant number of Immediate Choice Remediable Service Statement (RSS) packs to issue. This process involves complex calculations to provide members with individually

tailored statements. Due to the complexity of the calculations and some prolonged work to finalise policy elements of the remedy, not all Immediate Choice packs will issue by 31 March 2025 as originally planned. The legislation for the 2015 Remedy provides discretion which allows the Scheme Manager to extend beyond this date so it has become necessary to engage this discretion.

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, once published, are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

As part of the remedy involves rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits for the 2024-25 pension disclosures for affected members continue to be based on the rolled back position.

Alpha

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

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

Information on the PCSPS(NI) – Closed Scheme

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

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

Benefits in Classic 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.

Partnership Pension Account

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

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.

Pension Increases

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2024 was 1.7% and HM Treasury has announced that public service pensions will be this increased accordingly from April 2025.

Employee Contribution Rates

Employee contribution rates for all members for the period covering 1 April 2024 – 31 March 2025 and 1 April 2025 – 30 June 2025⁶ are as follows:

Scheme Year 1 April 2024 to 31 March 2025

| Annualised Rate of Pensionable Earnings (Salary Bands) 01 April 24 to 31 March 25 | | Annualised Rate of Pensionable Earnings (Salary Bands) 01 April 25 to 30 June 2025 | | Contribution Rates All Members |
|--|-------------|---|-------------|-----------------------------------|
| From | To | From | To | |
| £0 | £26,302.49 | £0 | £0 | 4.6% |
| £26,302.50 | £59,849.99 | £27,092.00 | £61,645.99 | 5.45% |
| £59,850.00 | £160,964.99 | £61,646.00 | £165,793.99 | 7.35% |
| £160,965.00 and above | | £165,794.00 and above | | 8.05% |

⁶ Rates are expected to change mid-year as a result of the outcome of the [consultation on Scheme Yield and Member Contributions](#)

Cash Equivalent Transfer Values

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

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

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

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

Real increase in CETV

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

Compensation for loss of office (Audited Information)

There were no exit packages or other compensation paid in the year (2023-24: NIL).

Temporary Staff

In 2024-25 the office statement of income and expenditure includes £405k (2023-24-£382k) for temporary staff including agency and fixed term contracts. The 6% increase is a result of recruitment of higher staff turnover and use of agency to backfill vacant posts.

Off-Payroll Appointments

NIPSO have no senior off-payroll appointments (2023-24: NIL).

Staff Report

Staff Numbers and related costs (audited information)

Staff Costs Comprised:

| | 2024-25 £'000 | | | 2023-24 £'000 |
|---|-------------------------------|----------------|--------------|------------------|
| | Permanently employed staff | Other Staff | Total | Total |
| Wages and salaries | 1,993 | 399 | 2,392 | 2,145 |
| Social security costs | 218 | 3 | 221 | 200 |
| Other pension costs | 669 | 3 | 672 | 579 |
| Sub Total | 2,880 | 405 | 3,285 | 2,924 |
| Less recoveries in respect of outward secondments | - | - | - | - |
| Total net costs | 2,880 | 405 | 3,285 | 2,924 |

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 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

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

For 2024-25, employers' contributions of £672k were payable to the NICS pension arrangements (2023-24: £579k) at 34.25% (2023-24: 28.7% to 34.2%) of pensionable pay.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £Nil (2023-24: £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% (2023-24: 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, (2023-24: £Nil) 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 (2023-24: Nil persons) retired early on ill-health grounds. There were £Nil total additional accrued pension liabilities in the year (2023-24: £Nil).

Average number of persons employed (audited information)

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

| | 2024-25 | | | 2023-24 |
|--------------|-----------------------------|---------------|--------------|----------------|
| | Permanently employed | Others | Total | Total |
| Total | 50 | 8 | 58 | 55 |

Staff Numbers as at 31 March 2025

| | 2024-25 | | | 2023-24 |
|------------------------------------|----------------|---------------|--------------|----------------|
| | Male | Female | Total | Total |
| Ombudsman | - | 1 | 1 | 1 |
| Deputy Ombudsman | 1 | - | 1 | 1 |
| Other Senior Management Team | 1 | 4 | 5 | 5 |
| Permanently Employed Staff | 18 | 28 | 46 | 43 |
| Temporary Staff and Agency Workers | 3 | 5 | 8 | 12 |
| Total | 23 | 38 | 61 | 62 |

Number of SMT Members as at 31 March 2025

| | 2024-25 | 2023-24 |
|---------------------|---------|---------|
| £50,000 - £54,999 | - | 2 |
| £55,000 - £59,999 | 2 | 3 |
| £60,000 - £64,999 | 3 | - |
| £65,000 - £69,999 | - | - |
| £70,000 - £74,999 | - | - |
| £75,000 - £79,999 | - | 1 |
| £80,000 - £84,999 | - | - |
| £85,000 - £89,999 | 1 | - |
| £90,000 - £94,999 | - | - |
| £95,000 - £99,999 | - | - |
| £100,000 - £104,999 | - | - |
| £105,000 - £109,999 | - | - |
| £110,000 - £114,999 | 1 | 1 |
| TOTAL | 7 | 7 |

Absence Data (audited information)

Sickness absence for 2024-25 increased significantly from the previous year due to a increase in long term absence from 0.72% to 2.2% in 2024-25. Short-term absence decreased from 1.2% in 2023-24 to 1% in 2024-25.

| | 2024-25 | 2023-24 |
|---------------------------|---------|---------|
| Working Days Lost | 405 | 203.5 |
| Average Days lost per WTE | 8.1 | 4.3 |
| Absence Rate | 3.27% | 1.92% |

Staff Turnover

During 2024-25 NIPSO had staff turnover of 18.1%, an increase of 7.6% from 2023-24 (10.5%).

Expenditure on External Consultancy

NIPSO incurred £NIL expenditure (2023-24: £NIL) in external consultancy during 2024-25.

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.

Dignity at work, disability awareness and Data Protection training is mandatory for all staff. NIPSO has an Equality and Diversity Committee to discuss and review equality issues. To maintain and promote a disability inclusive workplace, NIPSO has policies in place to support reasonable adjustments to working practices or work environment as required by the disabled person.

During 2024-25 the following HR policies were reviewed and implemented:

- Safeguarding Policy
- Disciplinary Policy
- Induction Policy and Checklist
- Hybrid Working Policy
- Learning and Development Policy

Staff engagement

NIPSO Completed a Staff Engagement Survey during 2023-24 with a score of 83 out of 100. Work to implement the actions was progressed in 2024-25. A review of pay and grading was undertaken in 2024-25 to address the remaining outstanding action. A staff survey will be conducted in 2025-26.

NIPSO is committed to regular engagement with staff. In addition to the mentoring framework for all employees, the Ombudsman holds regular all staff briefings and attends departmental Team Meetings to maintain engagement with staff and keep staff up to date with events and developments in NIPSO.

NIPSO also works closely with the recognised union NIPSA, elected Trade Union representatives in all matters relating to its staff.

Assembly Accountability and Audit Report (audited information)

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 HM 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)

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

As DEL budgets are understood and controllable, HM 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. In the event that no Executive is in place, then the Secretary of State for Northern Ireland may act to set the budget for the Northern Ireland departments.

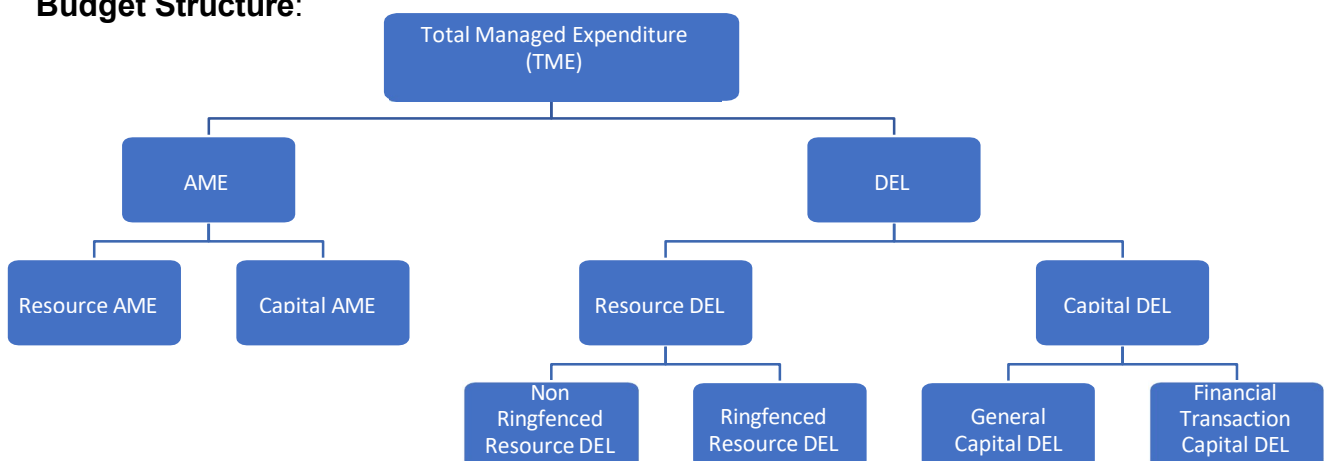
DEL budgets are classified into resource and capital.

- 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.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by HM Treasury. [Consolidated budgeting guidance 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2023-to-2024)

Previously the information contained within budgetary controls did not read directly to financial information presented in Financial Statements due to a number of misalignments. The Executive's Review of Financial Process (RoFP), which was implemented in 2023-24, has helped to address these differences and improve transparency. Further information on the Executive's Review of Financial Process can be found on the Northern Ireland Assembly website.

Budget Structure:



Statement of Assembly Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Northern Ireland Public Services Ombudsman to prepare a Statement of Outturn against 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 capital purposes) 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 and corresponding Act of the Assembly, called control limits, its 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 SOAS contain a summary table, detailing performance against the control limits that the Assembly has voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly reconcile to cash spent) and administration.

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).

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.

Summary tables – mirror Part I of the Estimates

Summary table, 2024-25, all figures presented in £'000

| | | Outturn | | | Estimate | | | Outturn vs Estimate, saving/(EXCESS) | | Prior Year Outturn Total, 2023-24 |
|---|----------|---------|-----------|-------|----------|-----------|-------|--------------------------------------|-------|-----------------------------------|
| Type of Spend | Note | Voted | Non-voted | Total | Voted | Non-voted | Total | Voted | Total | |
| Departmental Expenditure Limit | | | | | | | | | | |
| Resource | SOAS 1.1 | 4,482 | 169 | 4,651 | 4,519 | 174 | 4,693 | 37 | 42 | 4,021 |
| Capital | SOAS 1.2 | - | - | - | - | - | - | - | - | 16 |
| Total | | 4,482 | 169 | 4,651 | 4,519 | 174 | 4,693 | 37 | 42 | 4,037 |
| Annual Managed Budget | | | | | | | | | | |
| Resource | SOAS 1.1 | - | - | - | 16 | - | 16 | 16 | 16 | - |
| Capital | SOAS 1.2 | - | - | - | - | - | - | - | - | - |
| Total | | - | - | - | 16 | - | 16 | 16 | 16 | - |
| Total Budget | | | | | | | | | | |
| Resource | SOAS 1.1 | 4,482 | 169 | 4,651 | 4,535 | 174 | 4,709 | 53 | 58 | 4,021 |
| Capital | SOAS 1.2 | - | - | - | - | - | - | - | - | 16 |
| Total Budget and Non Budget Expenditure | | 4,482 | 169 | 4,651 | 4,535 | 174 | 4,709 | 53 | 58 | 4,037 |

Net Cash Requirement 2024-25, all figures presented in £'000

| Type of Spend | Note | Outturn | Estimate | Outturn vs Estimate, saving/(excess) | Prior Year Outturn Total, 2023-24 |
|------------------------|--------|---------|----------|---|--------------------------------------|
| Net Cash Requirement | SOAS 3 | 4,424 | 4,533 | 109 | 3,795 |
| Total resources | SOAS 3 | 4,424 | 4,533 | 109 | 3,795 |

Administration Costs 2024-25, all figures presented in £'000

| Type of Spend | Note | Outturn | Estimate | Outturn vs Estimate, saving/(excess) | Prior Year Outturn Total, 2023-24 |
|------------------------|----------|---------|----------|---|--------------------------------------|
| Programme costs | SOAS 1.1 | 4,651 | 4,709 | 58 | 4,021 |
| Total resources | SOAS 2 | 4,651 | 4,709 | 58 | 4,021 |

Summary of income payable to the Consolidated Fund

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

Notes to the Statement of Outturn against Assembly Supply, 2024-25 (£'000)

This note mirrors Part II of the Estimates: (Revised) Subhead Detail and Resource to Cash Reconciliation.

SOAS Note 1 - Outturn detail, by Estimate line

SOAS Note 1.1 – Analysis of resource outturn by Estimate line, all figures presented in £'000

| Type of Spend | Outturn | | | Estimate | | | Outturn vs Estimates | Prior Year Outturn Total 2023-24 |
|---|---------|--------|-------|----------|----------|---------------------------|----------------------|----------------------------------|
| | Gross | Income | Net | Total | Virement | Total Including Virements | | |
| Spending in Departmental Expenditure Limits (DEL) | | | | | | | | |
| Voted Expenditure | | | | | | | | |
| 1. Investigation and Adjudication | 4,482 | - | 4,482 | 4,519 | - | 4,519 | 37 | 3,856 |
| Non Voted DEL | | | | | | | | |
| 2. Ombudsman Salary | 169 | - | 169 | 174 | - | 174 | 5 | 165 |
| Total Spending in DEL | 4,651 | - | 4,651 | 4,693 | - | 4,693 | 42 | 4,021 |
| Annually Managed Expenditure (AME) | | | | | | | | |
| Voted Expenditure | | | | | | | | |
| 3. Provisions | - | - | - | 16 | - | 16 | 16 | |
| Total Spending in AME | - | - | - | 16 | - | 16 | 16 | |
| Total Resource | 4,651 | - | 4,651 | 4,709 | - | 4,709 | 58 | 4,021 |

Request for resources A

SOAS Note 1.2 – Analysis of Capital Outturn by Estimate line, all figures presented in £'000

| Type of Spend | Gross | Outturn Income | Net | Total | Estimate Virements | Total Inc. virements | Outturn vs Estimates | Prior Year Outturn Total 2023-24 |
|--|-------|-------------------|-----|-------|-----------------------|-------------------------|-------------------------|---|
| Request for resources A: | | | | | | | | |
| Departmental Expenditure in DEL | | | | | | | | |
| Voted Expenditure | | | | | | | | |
| 1. Investigation and Adjudication | | - | - | - | - | - | - | 16 |
| Total Spending in DEL | | - | - | - | - | - | - | 16 |

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 expenditure.

| | Note | 2024-25 | 2023-24 |
|---|------------|---------|---------|
| Net Resource Outturn | SOAS 1 | 4,651 | 4,021 |
| Non-supply income (CFERSs) | SOAS 4 | - | - |
| Non-supply expenditure | SOCNE | - | - |
| Prior Year adjustment | Notes 1.14 | - | (2) |
| Net Operating Cost in Statement of Comprehensive Net Expenditure | | 4,651 | 4,019 |
| | | | |

SOAS Note 3 - Reconciliation of Net Resource Outturn to Net Cash Requirement

As noted in the introduction to the SOAS above, outturn and estimates are compiled against the budgeting framework, not on a cash basis. This reconciliation bridges the resource out turn to the net cash requirement.

| | Note | Outturn | Estimate | Net total outturn compared with estimate: saving/ (excess) |
|--|----------|--------------|--------------|--|
| Total Resource Outturn | SOAS 1.1 | 4,651 | 4,709 | 58 |
| Total Capital Outturn | SOAS 1.2 | - | - | - |
| <i>Adjustments to remove non-cash items:</i> | | | | |
| Depreciation and Amortisation | 3 | (179) | (186) | (7) |
| Revaluation Gain | 6 | - | - | - |
| Other non-cash items | 3 | - | - | - |
| New provision and adjustments to previous provision | 3 | - | (16) | (16) |
| <i>Adjustments to reflect movements in working balances:</i> | | | | |
| Increase/(decrease) in receivables | 10 | 11 | - | (11) |
| (Increase)/decrease in payables < 1 year | 11 | (7) | - | 7 |
| (Increase)/decrease in payables > 1 year | 11 | 117 | 200 | 83 |
| Use of provisions | 12 | - | - | - |
| Total | | 4,593 | 4,707 | 114 |
| <i>Removal of non-voted budget items</i> | | | | |
| Consolidated Fund Standing Services | 3 | (169) | (174) | (5) |
| Total | | (169) | (174) | (5) |
| Net Cash Requirement | | 4,424 | 4,533 | 109 |

SOAS Note 4 – Amounts of Income to the Consolidated Fund

This note mirrors Part III of the Estimates: Extra Receipts Payable to the Consolidated Fund

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

In addition to income retained by the department, the following income is payable to the Consolidated Fund (cash receipts being shown in italics)

| | | Outturn total 2024-25 | | Prior Year 2023-24 | |
|--|------|-----------------------|-----------------|--------------------|-----------------|
| | | £'000 | | £'000 | |
| | Note | Income | <i>Receipts</i> | Income | <i>Receipts</i> |
| Operating Income | 5 | - | - | 17 | - |
| Income outside the ambit of the Estimate | | | | | |
| - Lease credit* | 5 | - | - | (17) | - |
| Income Authorised to be used as Accruing Resources | 5 | | | - | |
| <hr/> | | | | | |
| Non-budget amounts collectable on behalf of the Consolidated Fund (in the SoCNE) | | | | | - |
| [Excess] Cash surrenderable to the Consolidated Fund** | | | | | |
| Total income payable to the Consolidated Fund | | - | - | - | - |

Northern Ireland Public Services Ombudsman

Other Assembly Accountability Disclosures (audited information)

i. Losses and Special Payments

NIPSO did not incur any losses within the period under review. NIPSO did not make any special payments during 2024-25 (2023-24: NIL).

ii. Fees and Charges

NIPSO did not incur any fees or charges and received no income for fees or charges during 2024-25 (2023-24: NIL).

iii. Remote Contingent Assets and Liabilities

All NIPSO contingent assets and liabilities have been disclosed at note 13 and 14. There are no related figures in the supply statement as the figures cannot be quantified.

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 June 2025

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 the year ended 31 March 2025 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise:

- the Statement of Financial Position as at 31 March 2025;
- the Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in their preparation of the Northern Ireland Public Services Ombudsman's financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the 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 2025 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 2025 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 the 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.

Emphasis of matter

My audit of the 2024-25 financial statements identified that the value of a leased building, within property, plant and equipment recorded by NIPSO in the 2023-24 financial statements, was overstated by £211,000. I draw attention to Note 1.14 of the financial statements which describes a prior period adjustment relating to this matter. My opinion is not modified in relation to this matter.

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 Services 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 Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

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

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial

statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, 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 subject to audit 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;
- ensuring such internal controls as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; 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 the 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 the 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; and

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. The voted Assembly control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget and Net Cash Requirement. 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 and Auditor General
 Northern Ireland Audit Office
 106 University Street
 Belfast
 BT7 1EU

25 June 2025

Northern Ireland Public Services Ombudsman

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

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.

| | | 2024-25 | 2023-24 |
|---|-------------|----------------|-------------------|
| | | £'000 | (restated) |
| | Note | | £'000 |
| Other operating income | 5 | - | - |
| Total Operating Income | | - | - |
| Staff expenditure | 3 | 3,285 | 2,924 |
| Purchase of goods and services | 3 | 1,007 | 753 |
| Depreciation and impairment charges | 3 | 179 | 164 |
| Consolidated fund standing services | 3 | 169 | 165 |
| Lease Interest Charges | 3 | 11 | 13 |
| Other Operating Expenditure | 3 | - | - |
| Provision Expense | 3 | - | - |
| Total Operating Expenditure | | 4,651 | 4,019 |
| Net Operating Expenditure | | 4,651 | 4,019 |
| Notional Costs | | | |
| Notional Audit Costs | 3 | 20 | 19 |
| Other Notional Costs | 3 | 2 | 2 |
| Total Notional Costs | | 22 | 21 |
| Net Expenditure for the year including Notional costs | | 4,673 | 4,040 |
| Net loss / (gain) on revaluation of Property, Plant and Equipment & Intangible Assets | 6 / 7 | (13) | (64) |
| Comprehensive Net Expenditure for the year ended 31 March 2025 | | 4,660 | 3,976 |

The notes on pages 65 to 80 form part of these accounts.

Northern Ireland Public Services Ombudsman

Statement of Financial Position as at 31 March 2025

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.

| | | 2024-25 £'000 | 2023-24 (restated) £'000 | 2022-23 (restated) £'000 |
|--|------|------------------|--------------------------------|--------------------------------|
| | Note | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 6 | 1,518 | 1,672 | 1,770 |
| Intangible assets | 7 | 46 | 58 | 46 |
| Total non-current assets | | 1,564 | 1,730 | 1,816 |
| Current assets | | | | |
| Trade and other receivables | 10 | 92 | 81 | 74 |
| Cash and cash equivalents | 9 | 3 | 23 | 45 |
| Total current assets | | 95 | 104 | 119 |
| Total assets | | 1,659 | 1,834 | 1,935 |
| Current liabilities | | | | |
| Trade and other payables | 11 | (455) | (468) | (444) |
| Provisions | 12 | (16) | (16) | (16) |
| Total current liabilities | | (471) | (484) | (460) |
| Total assets less current liabilities | | 1,188 | 1,350 | 1,475 |
| Non-current liabilities | | | | |
| Other payables | 11 | (974) | (1,091) | (1,197) |
| Total non-current liabilities | | (974) | (1,091) | (1,197) |
| Total assets less total liabilities | | 214 | 259 | 278 |
| Taxpayers' equity & other reserves: | | | | |
| General fund | | 106 | 164 | 247 |
| Revaluation reserve | | 108 | 95 | 31 |
| Total equity | | 214 | 259 | 278 |



Margaret Kelly
Accounting Officer

20 June 2025

The notes on pages 65 to 80 form part of these accounts.

Consolidated Statement of Cash Flows for year ended 31 March 2025

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.

| | | 2024-25 £'000 | 2023-24 (restated) £'000 |
|--|------|------------------|--------------------------------|
| Cash flows from operating activities | Note | | |
| Total operating Expenditure | | (4,673) | (4,040) |
| Adjustments for non-cash transactions | 3 | 201 | 185 |
| (Increase)/Decrease in trade and other Receivables | 10 | (11) | (7) |
| Increase/(Decrease) in trade and other payables | 11 | (130) | (278) |
| <i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i> | 11 | 136 | 324 |
| <i>Less utilisation of provision in year</i> | 12 | - | - |
| Net cash outflow from operating activities | | (4,477) | (3,816) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 6 | - | - |
| Purchase of intangible assets | 7 | - | (16) |
| Net cash outflow from investing activities | | - | (16) |
| Cash flows from financing activities | | | |
| From the Consolidated Fund (Supply) – current year | | 4,427 | 3,794 |
| From the Consolidated Fund (Supply) – Prior year | | (23) | (45) |
| From the Consolidated Fund (Non-Supply) Capital element of payments in respect of leases | SCTE | 169 | 165 |
| | | (116) | (104) |
| Net Financing | | 4,457 | 3,810 |
| Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund | | (20) | (22) |
| Payments of amounts due to the Consolidated Fund | SCTE | - | - |
| Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund | | (20) | (22) |
| Cash and cash equivalents at the beginning of the period | 9 | 23 | 45 |
| Cash and cash equivalents at the end of the period | 9 | 3 | 23 |

The notes on pages 65 to 80 form part of these accounts.

Northern Ireland Public Services Ombudsman

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

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.

| | | General Fund £'000 | Revaluation Reserve £'000 | Taxpayer's Equity £'000 |
|--|-------|-----------------------------------|--|--|
| Balance at 31 March 2023 | | 281 | 31 | 312 |
| Prior period adjustment | | (34) | - | (34) |
| Balance at 31 March 2023 Restated | | 247 | 31 | 278 |
| Net Assembly Funding | | 3,794 | - | 3,794 |
| Consolidated Fund Standing Services | | 165 | - | 165 |
| Supply (payable)/receivable adjustment | | (23) | - | (23) |
| Comprehensive Net Expenditure for the Year | SOCNE | (4,040) | 64 | (3,976) |
| Auditors' Remuneration | 3 | 19 | - | 19 |
| Welfare Support | 3 | 2 | - | 2 |
| Balance at 31 March 2024 | | 164 | 95 | 259 |
| Net Assembly Funding | | 4,427 | - | 4,427 |
| Consolidated Fund Standing Services | | 169 | - | 169 |
| Supply (payable)/receivable adjustment | | (3) | - | (3) |
| Comprehensive Net Expenditure for the Year | SOCNE | (4,673) | 13 | (4,660) |
| Auditors' Remuneration | 3 | 20 | - | 20 |
| Welfare Support | 3 | 2 | - | 2 |
| Balance at 31 March 2025 | | 106 | 108 | 214 |

The notes on pages 65 to 80 form part of these accounts.

Northern Ireland Public Services Ombudsman

Notes to the NIPSO Annual Report and Accounts 2024-25

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2024-25 *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 Change in Accounting Policies

There were no changes to accounting policies during the year.

1.3 Property, plant and equipment

Property, plant and equipment held by NIPSO comprise Leased Buildings, 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.

NIPSO uses Producer Price Indices published by the Office for National Statistics (ONS) in order to apply indexation to the value of non-property assets at year-end. In line with previous years, the October indices have been applied in 2024-25. Ordinarily, an assessment is carried out after the year-end, following the publication of the March indices by ONS, to ascertain that the impact of the movement in the indices between October and March is immaterial. However, in March 2025, ONS issued a statement indicating that they had identified a problem with the chain-linking methods used to calculate these indices, affecting the years from 2008 onwards, and that they would consequently be pausing publication of Producer Price Index data while the issue is rectified. At the time these accounts are being prepared, it has not been possible to ascertain the potential impact of this issue. However, given the value of the non-property assets potentially affected, NIPSO does not expect an adjustment to indexation to have a material impact on the 2024-25 accounts. It is anticipated that ONS will recommence

publication of the Producer Price Indices at some point during the 2025-26 financial year and the indexation of non-property assets will be brought up to date in the 2025-26 accounts.

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
- Leased Buildings 15 – 20 years

1.4 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

1.5 Operating income

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

1.6 Leases

Leases are capitalised in line with IFRS 16. At the commencement of a lease (or transition date) NIPSO recognises a right-of-use asset and a lease liability. IFRS was implemented in 2023-24.

The lease liability is measured at the payments for the remaining lease term (as defined above), discounted at the incremental cost of borrowing (1.95% April 2022). The payments that are included in the liability are those that are fixed, excluding changes arising, for example, from future rent reviews or changes in an index.

The right-of-use asset is measured at the value of the liability, adjusted for; any payments made or amounts accrued before the commencement of the transition.

1.7 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.

1.8 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.

1.9 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).

1.10 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.

1.11 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.

1.12 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.

1.13 Impending application of newly issued accounting standards not yet effective

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 2025.

IFRS 18 (Presentation and Disclosure in Financial Statements) was issued in April 2024, replacing IAS 1 (Presentation of Financial Statements), and is effective for accounting periods beginning on or after 1 January 2027. IFRS 18 will be implemented, as interpreted and adapted for the public sector if required, from a future date (not before 2027-28) that will be determined by the UK Financial Reporting Advisory Board in conjunction with HM Treasury following analysis of this new standard.

Initial application of IFRS 17 and IFRS 18 is expected to have relatively little impact on NIPSO's financial statements.

1.14 Prior Period Adjustments

During the current financial year, a prior period adjustment has been recognised to correct an error in the application of IFRS 16 Lease Accounting in the 2023-24 financial statements.

It has been identified that £250k of monies initially recognised in the 2019-20 year end accounts, which was intended to compensate the entity for costs incurred in taking on a new lease (e.g., relocation costs, tenant improvements for air-conditioning), was incorrectly recognised as income. The income was being released over the term of the lease with a Deferred Income Liability recognised.

In accordance with IFRS 16, such monies represent a lease incentive and should have been treated as a reduction to the initial measurement of the Right-of-Use (RoU) asset.

This error has been corrected retrospectively by way of a prior period adjustment and restatement of the 2023-24 opening balances.

Summary of the Prior Period Adjustments/ Restatement of 2023-24 Opening Balances

- SoCNE- Income overstated by £17k
- SoCNE- Depreciation overstated by £19k
- SoFP- Right-of-Use asset cost overstated by £250k
- SoFP- Depreciation overstated by £39k
- SoFP- Trade payables <1Yr - Deferred income overstated by £17k
- SoFP- Trade payables >1Yr - Deferred income overstated by £162k
- SoFP- General reserves overstated by £32k

Note 1.14 continued

| | | 2023-24 | | | 2022-23 | | |
|---------------------|---|---|-----------------------|-------------------------------|---|-----------------------|-------------------------------|
| Financial Statement | Description | Published Accounts 2023-24 £'000k | Restatement £'000k | Restated Figures £'000k | Published Accounts 2022-23 £'000k | Restatement £'000k | Restated Figures £'000k |
| SoCNE | Other operating income | 17 | (17) | - | 17 | (17) | - |
| | Depreciation and impairment charges | 183 | (19) | 164 | 199 | (20) | 179 |
| | Net SoCNE Position | 166 | (2) | 164 | 182 | (3) | 179 |
| SoFP | PPE - Cost | 2,419 | (250) | 2,169 | 2,331 | (250) | 2,081 |
| | PPE - Depreciation | 536 | (39) | 497 | 331 | (20) | 311 |
| | Net SoFP PPE Balance | 1,883 | (211) | 1,672 | 2,000 | (230) | 1,770 |
| | Trade payables < 1Yr | 485 | (17) | 468 | 462 | (18) | 444 |
| | Other payables > 1Yr | 1,253 | (162) | 1,091 | 1,375 | (178) | 1,197 |
| SCTE | General reserves - Comprehensive Net Expenditure - Prior Period Adjustment | 196 | (32) | 164 | 281 | (34) | 247 |

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.

| | 2024-25 | | | 2023-24 (restated) | | |
|---|----------------|---------------|----------------|-----------------------|---------------|----------------|
| | NIPSO £'000 | LGES £'000 | Total £'000 | NIPSO £'000 | LGES £'000 | Total £'000 |
| Gross Expenditure: | | | | | | |
| Staff expenditure | 2,844 | 441 | 3,285 | 2,529 | 395 | 2,924 |
| Other Administration costs | 1,029 | 190 | 1,219 | 755 | 196 | 951 |
| Provision | - | - | - | - | - | - |
| Income | - | - | - | - | - | - |
| Net Expenditure (resource outturn) | 3,873 | 631 | 4,504 | 3,284 | 591 | 3,875 |

Note 2.1 Reconciliation between Operating segments and SoCNE

| | 2024-25 | | | 2023-24 (restated) | | |
|--|----------------|---------------|----------------|-----------------------|---------------|----------------|
| | NIPSO £'000 | LGES £'000 | Total £'000 | NIPSO £'000 | LGES £'000 | Total £'000 |
| Net Expenditure (resource outturn) | 3,873 | 631 | 4,504 | 3,284 | 591 | 3,875 |
| Non-supply Income (CFERS) | - | - | - | - | - | - |
| Non-supply expenditure (Ombudsman's salary) | 127 | 42 | 169 | 124 | 41 | 165 |
| Lease expenditure credit | - | - | - | - | - | - |
| Net (gain) / loss on revaluation of Property, Plant and Equipment | (13) | - | (13) | (64) | - | (64) |
| | 3,987 | 673 | 4,660 | 3,344 | 632 | 3,976 |

3. Other Operating Expenditure

| | 2024-25 | | 2023-24 (restated) | |
|---|---------|--------------|-----------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Staff Costs¹: | | | | |
| Wages and salaries | 2,392 | | 2,145 | |
| Social security costs | 221 | | 200 | |
| Other pension costs | 672 | | 579 | |
| | | 3,285 | | 2,924 |
| Consolidated Fund Standing Charges | 169 | | 165 | |
| | | 169 | | 165 |
| Other Goods and Services | 329 | | 251 | |
| Premises Expenses | 67 | | 53 | |
| Rates | 54 | | 52 | |
| Office Services | 138 | | 89 | |
| Professional Services | 409 | | 296 | |
| Travel and Subsistence | 10 | | 12 | |
| | | 1,007 | | 753 |
| Interest Charges | 11 | | 13 | |
| | | 11 | | 13 |
| Non Cash Items: | | | | |
| Depreciation | 166 | | 162 | |
| Amortisation | 13 | | 2 | |
| Surplus write - down of Fixed assets on Revaluation | - | | - | |
| | | 179 | | 164 |
| Provision provided for in year | - | | - | |
| Auditors remuneration and Expenses | 20 | | 19 | |
| Other notional Charges (welfare support) | 2 | | 2 | |
| | | 22 | | 21 |
| Total | | 4,673 | | 4,040 |

¹Further analysis of staff costs is located in the Staff Report on Page 42.

The non-cash auditors' remuneration for the year includes the costs incurred by NIPSO for the audit of their individual accounts as shown above.

4. Programme Expenditure

NIPSO did not incur any programme expenditure during the period under review. See Note 1.8.

5. Operating Income

| | 2024-25 | 2023-24 (restated) |
|---------------------------------|----------|-----------------------|
| | £'000 | £'000 |
| | Total | Total |
| Income from secondments | - | - |
| Amortisation of Deferred Income | - | - |
| Other income | - | - |
| | <u>-</u> | <u>-</u> |

6. Property, plant and equipment

2024-25

| | Buildings | Office Equipment | Computer Equipment | Fixtures & Fittings | Total |
|---|--------------|---------------------|-----------------------|------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation | | | | | |
| At 1 April 2024 | 1,157 | 7 | 28 | 977 | 2,169 |
| Additions | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| Revaluations | - | - | 1 | 17 | 18 |
| At 31 March 2025 | 1,157 | 7 | 29 | 994 | 2,187 |
| Depreciation | | | | | |
| At 1 April 2024 | 181 | 5 | 19 | 292 | 497 |
| Charged in year | 92 | 1 | 5 | 68 | 166 |
| Disposals | - | - | - | - | - |
| Revaluations | - | - | - | 6 | 6 |
| At 31 March 2025 | 273 | 6 | 24 | 366 | 669 |
| Carrying amount at 31 March 2024 | 976 | 2 | 9 | 685 | 1,672 |
| Carrying amount at 31 March 2025 | 884 | 1 | 5 | 628 | 1,518 |
| Asset Financing: | | | | | |
| Owned | - | 1 | 5 | 628 | 634 |
| Finance leased | 884 | - | - | - | 884 |
| Carrying amount at 31 March 2025 | 884 | 1 | 5 | 628 | 1,518 |

6 Property, plant and equipment continued
2023-24 (restated)

| | Buildings | Office Equipment | Computer Equipment | Fixtures & Fittings | Total |
|--|------------------|-----------------------------|-------------------------------|------------------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation | | | | | |
| At 31 March 2023 | 1,407 | 6 | 29 | 889 | 2,331 |
| Prior Period Adjustment | (250) | - | - | - | (250) |
| At 1 April 2023 | 1,157 | 6 | 29 | 889 | 2,081 |
| Additions | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| Revaluations | - | 1 | (1) | 88 | 88 |
| At 31 March 2024 | 1,157 | 7 | 28 | 977 | 2,169 |
| Depreciation | | | | | |
| At 31 March 2023 | 112 | 3 | 14 | 202 | 331 |
| Prior Period Adjustment | (20) | - | - | - | (20) |
| At 1 April 2023 | 92 | 3 | 14 | 202 | 311 |
| Charged in year | 89 | 1 | 5 | 65 | 160 |
| Disposals | - | - | - | - | - |
| Revaluations | - | 1 | - | 25 | 26 |
| At 31 March 2024 | 181 | 5 | 19 | 292 | 497 |
| Carrying amount at 31 March 2023 | 1,065 | 3 | 15 | 687 | 1,770 |
| Carrying amount at 31 March 2024 (restated) | 976 | 2 | 9 | 685 | 1,672 |
| Asset Financing: | | | | | |
| Owned | - | 2 | 9 | 685 | 696 |
| Finance leased | 976 | - | - | - | 976 |
| Carrying amount at 31 March 2024 (Restated) | 976 | 2 | 9 | 685 | 1,672 |

7. Intangible Assets

| 2024-25 | Software | Assets Under Construction | Total |
|---|------------|---------------------------------|------------|
| | £'000 | £'000 | £'000 |
| Cost or Valuation | | | |
| At 1 April 2024 | 138 | - | 138 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Transfers | - | - | - |
| Revaluations | 2 | - | 2 |
| At 31 March 2025 | 140 | - | 140 |
| Amortisation | | | |
| At 1 April 2024 | 80 | - | 80 |
| Charged in year | 13 | - | 13 |
| Disposals | - | - | - |
| Revaluations | 1 | - | 1 |
| At 31 March 2025 | 94 | - | 94 |
| Carrying amount at 31 March 2024 | 58 | - | 58 |
| Carrying amount at 31 March 2025 | 46 | - | 46 |
| Asset Financing: | | | |
| Owned | 46 | - | 46 |
| Carrying amount at 31 March 2025 | 46 | - | 46 |

Intangible assets are revalued annually on the basis of indices.

7. Intangible Assets Continued

| 2023-24 | Software | Assets Under Construction | Total |
|---|------------|---------------------------|------------|
| | £'000 | £'000 | £'000 |
| Cost or Valuation | | | |
| At 1 April 2023 | 88 | 45 | 133 |
| Additions | 1 | 15 | 16 |
| Disposals | (11) | - | (11) |
| Transfers | 60 | (60) | - |
| Revaluations | - | - | - |
| At 31 March 2024 | 138 | - | 138 |
| Amortisation | | | |
| At 1 April 2023 | 87 | - | 87 |
| Charged in year | 4 | - | 4 |
| Disposals | (11) | - | (11) |
| Revaluations | - | - | - |
| At 31 March 2024 | 80 | - | 80 |
| Carrying amount at 31 March 2023 | 1 | 45 | 46 |
| Carrying amount at 31 March 2024 | 58 | - | 58 |
| Asset Financing: | | | |
| Owned | 58 | - | 58 |
| Carrying amount at 31 March 2024 | 58 | - | 58 |

Intangible assets are revalued annually on the basis of indices.

8. Capital and other commitments

8.1 Capital commitments

NIPSO had capital commitments of £NIL as at 31 March 2025 (31 March 2024 £NIL).

8.2 Commitments under leases

NIPSO does not hold any commitments under leases other than those capitalised under IFRS16 as right-to-use assets (2023-24: NIL). See note 15 for further details.

9. Cash and cash equivalents

| | 2024-25 £'000 | 2023-24 £'000 |
|--|------------------|------------------|
| Balance at 1 April | 23 | 45 |
| Net change in cash and cash equivalent balances | (20) | (22) |
| Balance at 31 March | 3 | 23 |
| The following balances at 31 March were held at: | | |
| Commercial banks and cash in hand | 3 | 23 |
| Balance at 31 March | 3 | 23 |

9.1 Reconciliation of liabilities arising from financing activities

NIPSO has no liabilities arising from financing activities (2023-24: NIL).

10. Trade receivables, financial and other assets

| | 2024-25 £'000 | 2023-24 £'000 |
|--|------------------|------------------|
| Amounts falling due within one year | | |
| Trade receivables | - | - |
| Other receivables – VAT | 33 | 36 |
| Salaries | - | - |
| Other | - | - |
| Prepayments and accrued income | 59 | 45 |
| Total amounts falling due within one year | 92 | 81 |

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

11. Trade payables, financial and other liabilities

| | 2024-25 | 2023-24 (Restated) |
|--|--------------|-----------------------|
| | £'000 | £'000 |
| Amounts falling due within one year | | |
| Trade payables | - | 1 |
| Accrual and deferred income | 345 | 338 |
| Current Part of Lease Liabilities | 107 | 106 |
| Amounts issued from the Consolidated Fund for supply but not spent at year end | 3 | 23 |
| Consolidated Fund extra receipts due to be paid to the Consolidated Fund | | |
| Received | - | - |
| Receivable | - | - |
| Total amounts falling due within one year | 455 | 468 |
| Amounts falling due after more than one year: | | |
| Other Payables, accruals, and deferred income | - | - |
| Leases | 974 | 1,091 |
| Total amounts falling due after one year | 974 | 1,091 |
| Total payables and other liabilities | 1,429 | 1,559 |

12. Provisions for liabilities and charges

| | 2024-25 | | 2023-24 | |
|---|---|-------|---|-------|
| | Backdated Holiday Pay related to Overtime* | Total | Backdated Holiday Pay related to Overtime* | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 April | 16 | 16 | 16 | 16 |
| Provision provided in the year | - | - | - | - |
| Provisions not required and written back | - | - | - | - |
| Provision Utilised in the year | - | - | - | - |
| Balance at 31 March | 16 | 16 | 16 | 16 |

*This sum is in relation to the potential implications for NIPSO of The Court of Appeal (CoA) judgement from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can extend as far back as 1998. However, the PSNI appealed the CoA judgment to the Supreme Court. The hearing was held in December 2022 and the judgement was delivered on 4 October 2023. The 2024-25 Holiday Pay provision has been estimated by HR and covers the period from November 1998 to 31 March 2020. There are still some significant elements of uncertainty around this estimate for a number of reasons:

1. Lack of accessible data for years previous to 2011; and
2. Ongoing negotiations with Trade Union and their legal representatives.

13. Contingent liabilities

As at 31 March 2025 NIPSO has two unquantifiable liabilities as a result of ongoing legal challenges (2023-24: 3).

LGES

The application for leave to take a judicial review ongoing on 31 March 2023 into a decision of the Local Government Commissioner for Standards was dismissed. The judicial review decision was appealed to court of appeal, where it was also dismissed. The matter has now been brought as a High Court Appeal as laid out in the 2014 Act. The matter remains ongoing.

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.

Public Sector Pensions - Injury to Feelings Claims

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

14. Contingent Assets

NIPSO has no Contingent Assets as at 31 March 2025 (31 March 2024: NIL).

15. Leases

IFRS 16, a contract that convey the right to use an asset in exchange for consideration are accounted for as leases. The *FReM* expands the scope of IFRS 16 to include arrangements with nil consideration. NIPSO excludes any low value items defined as costing less than £1,000.

Initial Recognition:

At the commencement of a lease (or in NIPSOs case the IFRS 16 transition date of 1 April 2022) NIPSO recognised a right-of-use asset and a lease liability. The lease liability is measured at the payments for the remaining lease term (as defined above), discounted at the incremental cost of borrowing (1.95% April 2022). The payments that are included in the liability are those that are fixed, excluding changes arising, for example, from future rent reviews or changes in an index.

The right-of-use asset is measured at the value of the liability, adjusted for; any payments made or amounts accrued before the commencement of the transition.

Subsequent measurement:

The asset is subsequently using the fair value model. NIPSO considers that the cost model is a reasonable proxy for the fair value model for leases. The liability is adjusted for the accrual interest, repayments, reassessments and modifications.

Lease Expenditure:

Expenditure includes interest, straight line depreciation, any asset impairments and any change in lease payments not included in the measurement of the liability. Lease payments are debited against the liability.

15.1 Quantitative disclosures around right-of-use assets

| | 2024-25 | 2023-24 (restated) |
|--------------------------------------|------------|-----------------------|
| | Buildings | Buildings |
| | £'000 | £'000 |
| Right-of-use assets | | |
| As at 1 April | 976 | 1,295 |
| Prior Period Adjustment Cost | - | (250) |
| Prior Period Adjustment Depreciation | - | 20 |
| Depreciation Expense | (92) | (89) |
| As at 31 March | 884 | 976 |

15.2 Quantitative disclosures around lease liabilities

| | 2024-25 Buildings £'000 | 2023-24 Buildings (Restated) £'000 |
|---|-------------------------------|---|
| Maturity Analysis | | |
| Not Later than one year | 117 | 117 |
| Later than one year and not later than five years | 468 | 468 |
| Later than five years | 546 | 673 |
| Less interest Element | (50) | (61) |
| Present Value of Obligations | 1,081 | 1,197 |
| Current | 107 | 106 |
| Non Current | 974 | 1,091 |

15.3 Quantitative disclosures around cash outflow for leases

| | 2024-25 £'000 | 2023-24 £'000 |
|-----------------------------|------------------|------------------|
| Total Cash Outflow of Lease | 117 | 117 |

16. 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.

17. Events After the Reporting Period

There have been no material events after the reporting period.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 26th June 2025.