



Annual Report & Accounts

For the year ended 31 March 2024

Northern Ireland Public Services Ombudsman

ANNUAL REPORT AND ACCOUNTS 2023-24 For the year ended 31 March 2024

Laid before the Northern Ireland Assembly under section 10(4) of the Government
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by the Department of Finance
on 05 July 2024



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Northern Ireland Public Services Ombudsman (NIPSO)

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Performance Report

The purpose of this section of the Annual Report and Accounts is to explain the structure, purpose and performance of the Northern Ireland Public Services Ombudsman (NIPSO) during 2023-24:

- 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 2024.

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 2023-24 NIPSO continued to deliver the objectives set out in our Strategic Plan 2022–2025. A review of the plan in February 2024 determined that the strategic objectives remain appropriate.

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 (mal) and service failures of bodies in jurisdiction when the complainant has exhausted internal complaint mechanisms. When assessing a complaint for investigation, staff will consider whether the complainant has an alternative legal remedy or a right of appeal, reference or review to another body.

NIPSO's **values** underpin and drive all our decisions, actions, policies, processes and systems. In developing our new Strategic Plan, we reviewed and refreshed the values which underpin our work and culture. Our updated values as set out in our Strategic Plan are as follows:

- **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 also reviewed and refreshed our strategic objectives to 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 the NIPSO's activities are carried out in pursuance of these strategic objectives and all resources agreed by the NI Assembly are applied accordingly.

Main Activities

As Ombudsman my role is to investigate complaints of maladministration¹ regarding public services in Northern Ireland, and to consider professional judgment 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 May 2023 NIPSO published the follow-up report on the implementation of recommendations from the first OI investigation report, ‘PIP and the Value of Further Evidence’. This concluded there was systemic maladministration in the use of ‘further evidence’ in determining claims for PIP. The original report made 33 recommendations for change to the Department for Communities (DfC). The follow-up report highlighted that despite 10 recommendations being fully met and 8 partly met there was still need for improvement.

In June 2023, NIPSO published ‘Forgotten’ a report following an Own Initiative investigation into the communication with patients on healthcare waiting lists. This investigation found that significant and repeated failures in relation to communication, constituted systemic maladministration. The report made a number of recommendations for both the Department of Health (DoH) and the Health & Social Care Trusts which are being followed up by the OI Team.

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 November 2023 NIPSO published ‘Strengthening Our Roots’, an overview report on Tree Preservation Orders. Whilst not subject to a full Own Initiative investigation, the information gathered and analysed during the scoping stage did raise concerns about a number of issues. In publishing the information with recommendations for the local Councils and the Department for

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.

Infrastructure it is hoped to encourage review and consideration of the suggested improvements. The OI Team continues to monitor the issue and consideration of an OI investigation remains an option in future.

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.

Following the commencement of NIPSO's Complaint Standards function in 2021-22, the Local Government sector in Northern Ireland were the first sector to implement the standardised and simplified complaints standards approach. In July 2023 NIPSO launched the Local Government (LG) Model Complaint Standards Procedure (MCHP) and have worked with local government organisations to implement the procedure during 2023-24. The Local Government model complaints handling procedure became operational on 1 January 2024. During the year, a detailed scoping exercise and report was completed on Health and Social Care Trusts with a view to start developing a model procedure for the sector in 2024-25.

NIPSO's complaint standards team also provide support, advice and guidance on complaints handling to bodies across the public sector. Best practice guides for complaints handling have been drafted by the team and work is ongoing to produce e-learning training resources, all of which are expected to be published in 2024-25.

As Ombudsman I similarly act as Northern Ireland Judicial Appointments Ombudsman, dealing with complaints of maladministration in respect of judicial appointments. During 2023-24 one complaint received progressed to investigation and a draft report has been issued.

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. In the financial year April 2023 to March 2024, 55 such reports have been published (2022-23: 52). Four Bulletins were also published in this year (2022-23: 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.

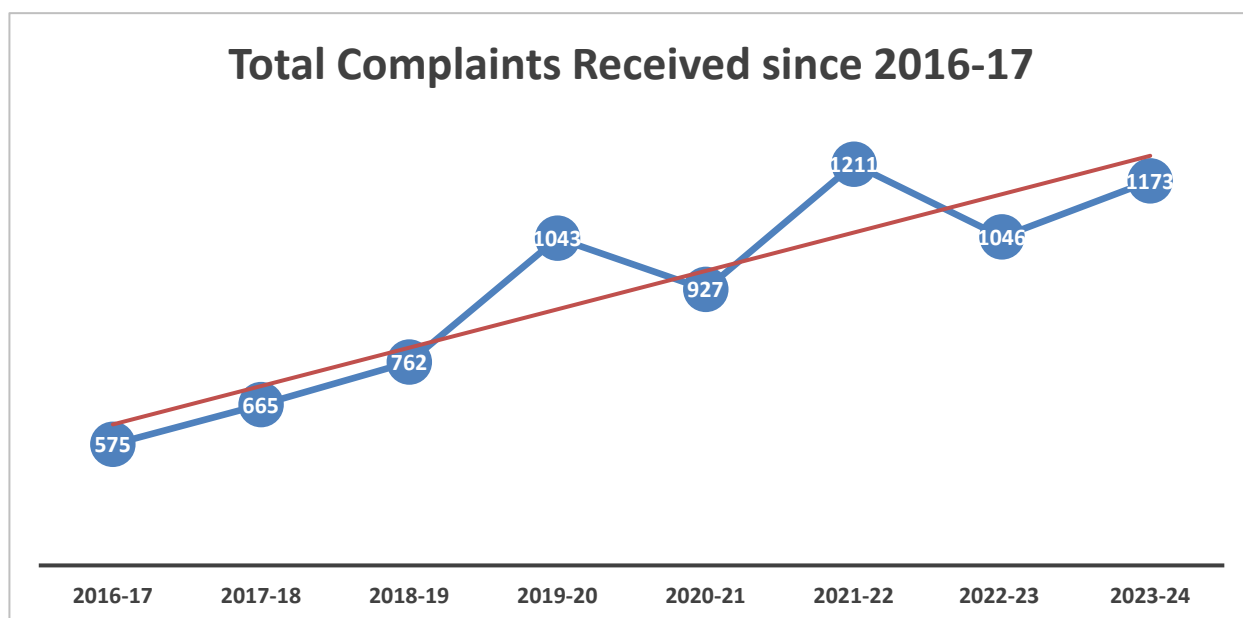
The NIPSO risk register details the status of the Ombudsman’s corporate risks. NIPSO regularly identifies emerging risks to the achievement of its strategic objectives and addresses them proactively and in a prioritised manner. Further information on the identification and management of NIPSO’s wider 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 judgment in health and social care, continues to be the largest single area of NIPSO’s work.

In the 2023-24 reporting year NIPSO received 1,173 complaints (2022-23: 1,046) which is in-line with the long term trend of an increase in the number of complaints since the office was established in 2016 (539 complaints). In this reporting year we have experienced an increase of 12% in the overall number of complaints received. The long term trend for the number of complaints received remains a steep upward trajectory, despite a temporary slow down in the number of complaints during the COVID-19 pandemic. There has been an increase of 118% since NIPSO’s establishment in 2016.



Maladministration Complaint Numbers

The following table details the key statistics on maladministration cases for 2023-24:

Case Statistics	2023-24
Complaints ongoing from previous year	211
New Complaints in year	1,173
Cases determined in year	1,062
Complaints ongoing at year end	322

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
2019-20	1,043	37%	94%
2020-21	932	-11%	73%
2021-22	1,211	30%	125%
2022-23	1,046	-14%	94%
2023-24	1,173	12%	118%

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 2023-24, are as follows:

Indicator	Target	Achieved
KPI 1 – measures how quickly we make a decision on whether the Ombudsman can accept a complaint for further assessment. We aim to inform the complainant within 2 weeks or less of their complaint being received in 90% of cases.	90%	94%
KPI 2 – measures how quickly we decide on what action we can take on a complaint which has been accepted for assessment. We aim to complete this assessment and inform the complainant of the decision within 10 weeks of their complaint being received.	70%	80%
KPI 3 – measures how quickly we reach a decision on the investigation of a complaint and share the draft report with the body and the complainant. We aim to complete this within 50 weeks of the decision at KPI 2 being made.	70%	88%

Performance Commentary

A 12% increase in the number of complaints received during the year led to an increase in the number of cases progressing to the assessment stage of our case handling process (+16.9%). The number of complaints received in 2023-24 (1,173) 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 without the need for further investigation. 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 94%.

KPI 2 performance showed a slight increase from 76% to 80% performing well against the target of 70%. The number of decisions made, on whether the Ombudsman can accept a complaint for assessment, in 2023-24 financial year was down (-3.9%) despite the increase in the number of cases progressing to assessment. This was due to a combination of factors including an increase in complex cases and delays in receiving a substantive response from the public bodies. There were 439 decisions made in 2023-24 financial year, compared to 453 the year previous.

Of the 439 decisions, 229 (52%) cases were closed (compared to 263 in 2022-23), 116 cases progressed for further investigation and 76 cases were settled and 18 cases were referred back to the public body for further local resolution.

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 to consider a complaint further can be an effective means to achieve an alternative and speedier resolution of complaints, particularly in cases concerning poor complaints handling by that body. This approach is useful where there is an ongoing relationship. It is noted that the number of cases referred back for local resolution has fluctuated over the years with 26 in 2020-21, 21 in 2021-22, 15 in 2022-23 to 18 in 2023-24.

The number of settlements increased by 2.7% in 2023-24 compared to 2022-23, with staff focussing on achieving an alternative resolution to the complaint where this is possible and provides an effective resolution. The team achieved 76 settlements in the financial year compared to 74 in 2022-23 financial year.

The number of cases that progressed to further investigation in 2023-24 was 116 which compared to 101 cases the previous year. This is an increase of 15%. When taken together the number of settlements and cases progressed for further investigation increased by 9.7% in 2023-24 to 192 up from 175 in 2022-23.

It is notable that there has been a steady overall increase of more than 12% in the last 5 years in the number of cases accepted for further investigation.

Performance at KPI 3 (investigation stage) reduced slightly from 93% in 2022-23 to 88% but remained well above the target of 70%. This was against a background of increased complexity of cases investigated in year, higher number of cases accepted for further

investigation 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.

During 2023-24 NIPSO introduced a new Equality and Diversity monitoring survey questionnaire and complainant feedback survey to continually collect data from those who use NIPSO services and help ensure NIPSO is accessible to those who need to engage with us.

The NIPSO budget for 2023-24 was approved by the Northern Ireland Office in setting the budget for Northern Ireland in the absence of a sitting executive. The budget approved was a reduction from that which had been previously agreed with the Northern Ireland Assembly Audit Committee for 2023-24. As a result of the reduction in budget and other pressures NIPSO were unable to recruit some vacant posts. In the absence of a sitting Assembly there was no clear mechanism to ensure the independence of the budget setting process for NIPSO was maintained. Concerns over the impact of this process on the independence of NIPSO were raised with the Department of Finance, the Secretary of State and the NI Affairs Committee.

Own Initiative

This year the OI Team completed three significant projects and undertook engagement and strategic enquiries to scope out potential future OI investigations. In June 2023 the team published a Follow-Up Report to the first ever OI investigation – PIP The Value of Further Evidence. This was the result of regular meetings and engagements with the Department for Communities to monitor and assess progress made on the report recommendations.

The PIP Own Initiative investigation (published in 2021) made 33 recommendations on how the system could be improved, and the follow-up report shows that out of these, 10 have been fully met, 18 partly met, and 5 not met.

The Office welcomes the improvements made but recognises the complexity of the landscape within which PIP operates and the challenges in changing systems, some of which are led from Westminster and will continue to engage with DfC officials to monitor and encourage further progress on issues that remain of concern

In June 2023, our second OI Investigation was published, 'Forgotten: an investigation into Waiting List Communications'. As waiting lists continue to lengthen, the importance of clear and consistent information to help patients 'wait well' is of increasing importance. Based on evidence gathered throughout the investigation, the Ombudsman concluded that the significant and repeated failures throughout the system, constituted systemic maladministration.

The investigation made a number of recommendations to improve waiting list communications and the OI Team has been working with the DoH and the Trusts to monitor their implementation. A follow-up report will be published in 2024-25.

In November 2023 NIPSO published an overview report on Tree Preservation Orders. A decision was made not to progress to a full Own Initiative investigation at this time, the information gathered and analysed during the scoping stage did raise concerns about a number of issues. The report made 26 recommendations including recommendations that information about which trees are protected should be made more accessible, and that the Department should work more closely with the councils to share good practice and expertise.

The OI Team continues to monitor the issue and consideration of a future OI investigation remains an option in future.

A number of other issues are under consideration as potential Own Initiative investigations and a series of issues brought to the office about access to healthcare are planned for publication in 2024-25.

Improvement, Engagement and Impact

The Improvement, Engagement & Impact Team, established in 2022-23, is implementing an ongoing programme of outreach and engagement. The team has now met with over 100 groups from the Voluntary & Community sector and contributed to multiple events across NI. The aim of this work is to help raise awareness of the role and function of the Office, help build public confidence in and understanding of complaints procedures and learn from the challenges people experience when engaging with public services.

In April 2023 the team began administering a new Equality & Diversity Monitoring Survey (to all new complainants) and a Complainant Feedback Survey (to all closed cases). We now have a full year of data which once analysed will help us understand who is able to bring a complaint to NIPSO and help us understand and address potential barriers which may be deterring people from coming to us.

In June 2023 NIPSO organised a workshop with public bodies and community representatives to discuss accessibility issues in service delivery and complaint handling. The event was part of a joint project on accessibility between NIPSO, the Scottish Public Services Ombudsman, the University of Glasgow and the University of Kent. Subsequent to this NIPSO has facilitated and contributed to the creation of an online learning resource and videos to support practical steps to promote accessibility and inclusion in service delivery. These are being finalised and will be freely available through the NIPSO website.

In February, NIPSO hosted a visit from Professor Robert Thomas, Professor of Public Law at the University of Manchester which included facilitating a round-table with representatives from Department for Communities, Ulster University and advocacy bodies working in the field of 'Access to Justice'.

On 20th March 2024 NIPSO held its "Patient Safety Conference" which was attended by over 100 delegates working within health and social care. In 2024-25 NIPSO will publish a report on the outcomes of the conference and will continue to work with key stakeholders to strive for improvements to patient safety.

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%	89%
KPI 5 – we will complete an investigation within 40 weeks of the date of validation of the complaint. The target is 60%	60%	82%

In 2023-24 the LGES team received 31 complaints alleging that councillors had breached the Local Government Code of Conduct ('the Code') – a 31% decrease from the previous reporting period. Complaint types included social media posts, disclosure of confidential information and the registration/declaration of interests.

Caseload	2023-24	2022-23
Complaints ongoing from the previous year ²	45	63
Written complaints received in year	31	45
Total complaints under investigation in year	76	108
Number closed at Validation Stage - ' can we investigate'	4	14
Number closed at Assessment Stage - ' should we investigate'	13	16 ³
Number of Complaints closed by Alternative Action ⁴	4	4
Number of complaints withdrawn	0	0
Number closed at Investigation Stage	16	29 ⁵
Number of complaints decided on at Adjudication	7	4
Complaints ongoing at year end	32	45

LGES Performance Commentary

A total of 44 complaints (2022-23: 63) were concluded in 2023-24. The following breakdown of closure by stage was achieved: 4 complaints were closed at initial assessment stage, 13 were closed at the assessment stage, and 20 were closed at investigation stage.⁶ The Commissioner held 3 adjudications during the year dealing with 7 complaints and a further 3 cases are ongoing at 31 March 2024.⁷

In relation to the LGES team's performance, the decision whether to investigate was reached within the 4-week target in 24 of the 27 cases that were considered in 2023-

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

³ This includes 1 complaint resolved by Alternative Action at this stage.

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.

⁵ This includes 3 complaints resolved by Alternative Action at this stage.

⁶ This includes numbers closed at Alternative Action at each stage.

⁷ 20 complaints consolidated into 3 adjudications

24. This equates to an 89% achievement rate 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, 9 out of 11 (82%) of the cases which reached the investigation stage achieved the timescale in 2023-24, against a 60% target. KPI 5 was therefore achieved (2022-23: 86%).

During this year, the LGES team continued to focus on progressing older cases and cleared all outstanding 'older cases'. During the year 12 of these older cases were closed.

Financial Performance

There are two established financial KPI's within NIPSO.

KPI 6 was not achieved in 2023-24. The overall Net Resource Outturn for the reporting period was 3.27%, which is outside of the 2% target. Decisions were taken during the year to enable NIPSO to manage uncertainties related to pay awards and live within the target, but yearend corrections of non cash figures including depreciation and lease liability further reduced the overall outturn.

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 2023-24, are as follows:

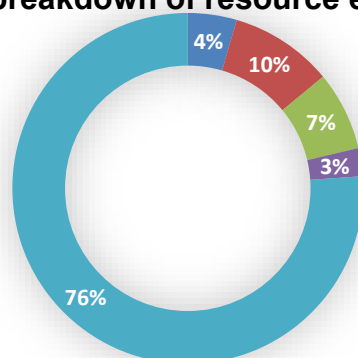
Indicator	Target	Achieved
KPI 6 – we will not exceed the total Net Total Resource expenditure for the year authorised by the Northern Ireland Assembly as detailed in the 2023-24 Estimate, limiting any underspend to 2%.	Not > 2% underspend	3.27%
KPI 7 – in supporting the work of the Office the total cash utilised within the year will not exceed the Net Cash Requirement limit authorised by the Northern Ireland Assembly as detailed in the 2023-24 Estimate.	<Estimate	Yes

During the year SMT agreed to cease reporting on KPI 8 (an organisationally devised prompt payment measurement) and focus on the public sector prompt payment pledge. NIPSO has standardised annual reporting of performance against this. During 2023-24 processes ensuring prompt payments improved to ensure 97.7% of invoices were paid within 10 working days of receipt of invoice (2022-23: 81%) and 99.9% of invoices were paid within 30 days. During the year it took an average of 5 days to pay correctly presented invoices (2022-23: 7 days).

Performance against the 2023-24 Estimate is summarised in the following table:

	Outturn £k	Estimate £k	Saving £k	Saving %
Net Resource Outturn	4,021	4,157	136	3.27
Net Cash Requirement	3,795	3,845	50	1.30

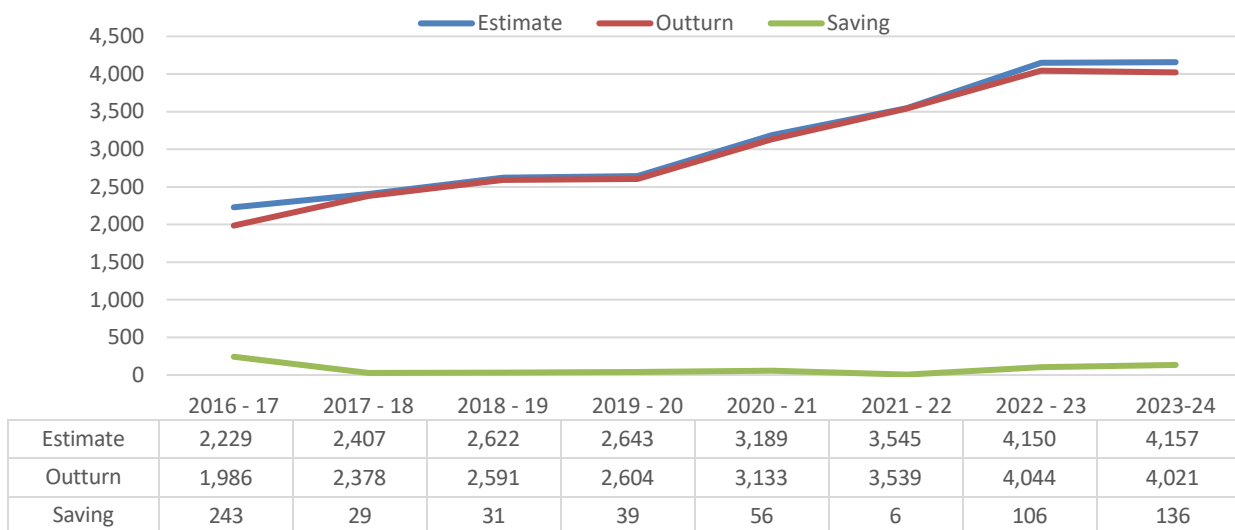
Illustrated below is the breakdown of resource expenditure for 2023-24



■ Depreciation ■ General Expenditure ■ Professional Fees ■ Rates and Premises Expenses ■ Staff Costs

The Office's long term expenditure in Estimate and Budget Expenditure for the years 2016-17 to 2023-24 is illustrated below.

Outturn in Estimate and Budget Terms 2016-17 to 2023-24



Resource requirements

The long term trend for NIPSO continues to be growth in overall demand for its services, combined with ongoing extensions of remit. As detailed earlier, the Office has experienced longer term increases in complaints. Since NIPSO was established in 2016 complaints received have increased by 118%, representing a challenge for the Office to manage whilst maintaining and improving performance.

All legislative powers from the 2016 Act have now been commenced. Those that have had greatest impact are as follows:

- (i) The power to undertake 'OI' investigations, not reliant on the Office having received a complaint.
- (ii) The power to publish investigation reports where it is in the public interest to do so has significantly raised visibility. Since the first such publication in February 2018 a total of 257 reports have been published up to the end of 2023-24.
- (iii) The establishment of NIPSO as the Complaints Standards Authority for the public sector in Northern Ireland.

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 deliver its wide range of responsibilities, meet increasing demand while ensuring the independence of the Office and the Ombudsman is maintained. The delivery of services that the public are entitled to expect in respect of complaints and investigations is the Office's core function and resource constraints could impact on the level of service. This is ever more important given the increasing pressures on the public and public services.

NIAAC's support for annual budgetary uplifts since 2021-22 has supported NIPSO to commence the remaining functions as set out in the 2016 Act while developing existing functions to ensure continued improvement in the service for complainants and public bodies leading to recommendations for improved public services . Following the restoration of the NI Assembly on 3rd February, the NIAAC considered NIPSO's budget requirements for 2024-25 and recommended a budget to the Minister of Finance on 9 April 2024. The Minister for Finance confirmed the agreed budget on 23 April 2024. 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 do 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 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

25th June 2024

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 2024 the Office staffing comprised the Ombudsman and 61 members of staff (49 Permanent and 12 Agency/contractor): a Deputy Ombudsman; A Director of Governance and Support Services two Directors of Investigations; a Head of Communications; a Head of Improvement Engagement and Impact; 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. In 2023-24 2 new roles were appointed Director of Investigations (ASSIST and Complaint Standards) and Director of Governance & Support Services

The SMT members as of 31 March 2024 were:

Ombudsman (Chair)	Margaret Kelly
Deputy Ombudsman	Sean Martin
Director of Investigations (ASSIST and Complaint Standards) <i>(from 1 June 2023)</i>	Sinead Sargent
Director of Governance & Support Services <i>(from 4 January 2024)</i>	Kirsty McCool
Director of Investigations (Maladministration & LGES)	Corinne Nelson
Head of Communications	Andrew Ruston
Head 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 2024 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 2023-24 all recommendations 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 2023-24 there were 7 service standards complaints received (2022-23: 17). Of the complaints resolved in year, 2 were upheld, 3 were not upheld and 2 were resolved on receipt with an apology. Two remained ongoing at the end of the year.

During 2022-23 an independent second stage was implemented in the service standards complaints process. In 2023-24, only 1 complaint was progressed to the independent reviewer stage, but was 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 investigation.

A request must be made in writing within 20 working days of the date the complainant receives the decision that their complaint has not been accepted for investigation. Over the preceding three years the office had experienced an increase in the number of requests for a review of an assessment decision, with 86 received in 2022-23; 88 in 2021-22 and 56 in 2020-21 respectively. However, during 2023-24 there was a 31% reduction with 59 requests received for a review of a decision not to accept a maladministration complaint for investigation on the previous year.

There were 79 review requests completed during 2023-24. Of these, 23 cases were re-opened at assessment, 14 progressed to investigation, 8 were closed and one remains at Assessment. In relation to allegations that a councillor may have breached the code of conduct 2 (2022-23: 4) requests for a review of a decision not to accept the case for investigation were received. 1 case was re-opened at assessment stage but did not progress to investigation.

Where complaints of maladministration have not been accepted on jurisdictional grounds, on request, a review of the decision will be completed to ensure that the legislative tests have been correctly applied.

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

Where a complainant remains dissatisfied with the outcome of a NIPSO decision, they may seek a judicial review. In 2023-24 there was one application for judicial review in respect of decisions of the Ombudsman (2022-23: one). Three other ongoing leave applications for judicial review which are connected to the judicial review leave application submitted during 2022-23 were considered by the judicial review court and leave for a judicial review was refused in all cases. The decision of the judicial review court is now under appeal to the Court of Appeal.

No application for leave for judicial review was lodged in relation to a decision of the Local Government Commissioner for Standards (2022-23: one). 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. A further appeal to the high court relating to a decision taken in a previous year challenged the sanction imposed by an Assistant Commissioner after finding that a breach of the code of conduct had occurred. The high court dismissed the appeal.

Raising Concerns

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

Data Protection and Freedom of Information Obligations

By comparison to the prior financial year, the number of requests for access to information under the Data Protection Act (DPA) 2018 and the Freedom of Information Act (FOIA) 2000 increased by 62%. In 2023-24 the Office received 114 information requests (2022-23: 70). These consisted of 31 Subject Access Requests (SAR), 82 Freedom of Information requests (FOI) and 1 request under the Environmental Information Regulations (EIR).

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

All Ombudsman investigations are conducted in private and there is a statutory bar on the disclosure of 'information obtained' for the purposes of an investigation under the 2016 Act. Given the existence of the statutory bar in the Ombudsman's legislation and the complex legal obligations that the Ombudsman is subject to under DPA, FOIA and EIR, a Memorandum of Understanding (MOU) was concluded between the Ombudsman and the Information Commissioner in 2011. 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 Housing Executive. 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 the use of resources during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NIPSO and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.
2. In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:
 - observe the Accounts Direction issued by the Department of Finance, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
 - make judgements and estimates on a reasonable basis;
 - state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts;
 - prepare the accounts on a going concern basis; and
 - confirm that the Annual Report and Accounts 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 2023 to 31 March 2024 and describes NIPSO's internal control structure and resource management processes.

As Ombudsman I am a Corporation Sole. I discharge my functions under the Public Services Ombudsman Act (Northern Ireland) 2016 ('the 2016 Act'). My role in relation to complaints about public services is to impartially and independently investigate complaints of maladministration relating to Government Departments and their agencies, local Councils, health and social care, education and other public service providers. I also investigate complaints about professional judgment in health and social care. I also have jurisdiction in relation to the investigation of complaints of maladministration about the judicial appointments process. My remit also extends to the investigation and adjudication of complaints of alleged breaches of the Northern Ireland Local Government Code of Conduct ('the Code') as Northern Ireland Local Government Commissioner for Standards. 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 achieve compliance with the spirit of the '*Corporate Governance in Central Government Departments: Code of Good Practice NI 2013*' ('the 2013 Code') issued by the Department of Finance. I accept the tenets of the 2013 Code as constituting best practice. However, as Corporation Sole I am unable to directly apply the 2013 Code arrangements to my Office. In order to ensure a proportionate and appropriate response to the guidance, as detailed later in this statement I am advised by a Senior Management Team. I believe that this reflects the principles and best practice contained in the guidance and practical application of the 2013 Code.

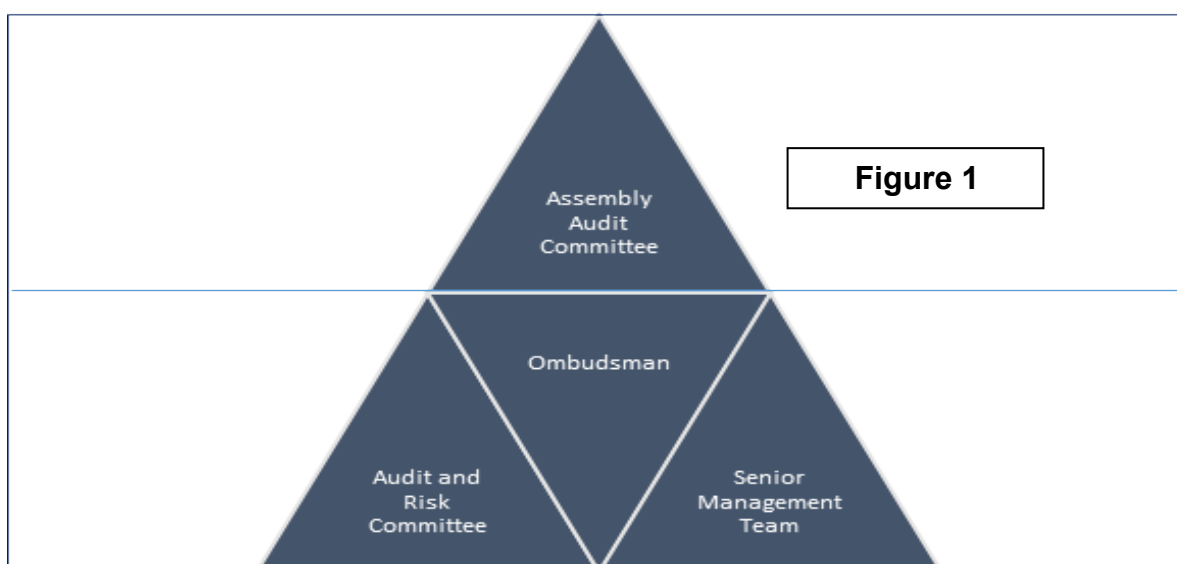
NIPSO has an established corporate governance framework that sets out, for staff and all stakeholders: the basis on which my Office has been established; the manner in which its governance is structured and managed; and my accountability for its statutory functions. This sets out in detail the corporate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

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

Governance Structure

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

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



The governance arrangements established to support my statutory functions are illustrated in **Figure 1**. They are also set out in a 'Memorandum of Understanding on the Governance and Accountability Arrangements of the Northern Ireland Public Services Ombudsman'⁸.

⁸ 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. As the Northern Ireland Assembly was not functioning for most of 2023-24 there was only one meeting of the Northern Ireland Assembly Audit Committee in March 2024. NIPSO attended the meeting presenting an overview of the work of the office and the 2024-25 budget requirements to the Committee. NIPSO, where possible, have continued to take forward the recommendations from the Committee's review of NIPSO's governance.

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 December 2024.

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 available on request. The Committee also conducts, on a regular basis, a review informed by the recommendations that emerge from the annual Self-Assessment process which is based on a checklist published by the Financial Management and Governance Practice Unit of the National Audit Office. This process also includes a review of the Terms of Reference of the Committee.

The Committee met 5 times during 2023-24. Attendance at meetings held during the year was as follows:

	26/4/23	22/6/23	30/8/23	26/10/23	19/1/24
Dónall Curtin (Independent Chair)	√	√	√	√	√
Terry McGonigal (Independent Non- Executive Member)	√	√	√	√	√
Patricia Snell (Independent Non- Executive Member)	√	X	X	√	√
Margaret Kelly (Ombudsman)	√	√	√	√	√
Sean Martin (Deputy Ombudsman)	√	√	√	√	√
Kirsty McCool* (Director of Governance and Support Services)	n/a	n/a	n/a	n/a	√

*Kirsty McCool joined NIPSO in January 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 2023-24, the Committee agreed the internal audit programme and considered the findings of the reviews undertaken by the out-sourced Internal Audit function.

ASM were appointed NIPSO's internal auditor for the period 2021-24. During 2023-24 ASM undertook 2 audits as per the internal audit plan agreed with the ARC. Both audits received satisfactory assurance ratings; Review of Internal Financial Controls; Review of Complaint Standards. Furthermore, an audit of recommendations confirmed that of 28 recommendations made, 22 recommendations had been fully implemented, 3 recommendations had been partially implemented, and the remaining 3 recommendations were no longer applicable. During 2023-24 11 recommendations were made by Internal Audit. 1 recommendation was partially accepted due to the need to balance the benefits of the recommendation with the resource requirements.

Audit	No of Recommendations Made			Recommendations Accepted
	Priority 1	Priority 2	Priority 3	
Review of Internal Financial Controls	NIL	1	5	All accepted
Review of Complaint Standards Functions	NIL	NIL	5	4 accepted 1 partially accepted.

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 2023-24 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 2023-24.

The SMT operating framework includes commitments to:

- (i) Support the Ombudsman in the development and delivery of Strategy and Business Plans for the Office within a performance management framework.
- (ii) Advise on the prioritisation of activities within NIPSO to ensure the most effective and efficient use of resources.
- (iii) Manage and monitor the effectiveness of policies and procedures in the Office.
- (iv) Ensure that staff are organised and deployed to achieve optimum output and effectiveness for the benefit of citizens and other stakeholders.
- (v) Encourage and promote innovation throughout the range of NIPSO functions.
- (vi) Review and manage identified risks.
- (vii) Monitor and review the performance of NIPSO's financial, human and technical resources to ensure effectiveness of financial and management controls.
- (viii) Ensure the continuing relevance of NIPSO's policies and procedures.

- (ix) Promote effective team working across the range of NIPSO functions and activities to ensure optimum efficiency and effectiveness.
- (x) Deliver the Communications and Engagement Strategy and further develop it in-light of emerging needs.
- (xi) Develop and implement a People Strategy that achieves effective and efficient people management standards that achieve best practice and meet all equality and employment legislation.
- (xii) Ensure staff conduct and NIPSO policies are consistent with and reflect the NIPSO values.
- (xiii) Report the work of SMT to the NIPSO Audit and Risk Committee.
- (xiv) Consider the implications of recommendations of External Audit, Internal Audit and the NIPSO Audit and Risk Committee.
- (xv) Advise and support the implementation of NIPSO’s MOU with the Assembly Audit Committee.

Attendance at the eleven SMT meetings held during 2023-24 was as follows:

	5/4/23	9/5/24	8/6/24	1/8/23	14/9/24	11/10/24	8/11/24	14/2/24	11/1/24	8/2/24	14/3/24	
Margaret Kelly	√	√	√	√	√	√	√	√	√	√	√	11/11
Sean Martin	√	√	√	√	√	√	√	√	√	√	√	11/11
Corinne Nelson	√	√	√	√	X	√	√	√	√	X	√	9/11
Andrew Ruston	√	√	√	√	√	√	√	√	√	√	√	11/11
Julie Healy	√	√	√	√	√	√	√	√	√	√	√	11/11
Sinead Sargent ¹	n/a	n/a	√	√	√	√	√	X	√	√	√	8/9
Kirsty McCool ²	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	3/3

¹ Sinead Sargent, Director of Investigations joined NIPSO on 1st June 2023

² Kirsty McCool, Director of Governance and Support Services joined NIPSO on 4th January 2024

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

Review of SMT

A comprehensive self-assessment of SMT was conducted in April 2023. This was carried out, insofar as relevant to my position as a Corporation Sole, in accordance with the “*Corporate governance in central government departments: Code of good practice NI 2013*”.

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 2024 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 2023-24 year end the key risks identified at corporate level were as follows:

Risk
1. Challenge to NIPSO Independence. Implementation of enhanced accountability and Governance without impacting on the independence or perceived independence of NIPSO
2. Resources. Significant increase in some costs causing pressure on budget alongside increase work demands and a failure to recruit and retain competent staff in competitive employment market where salary cap applies impacting our ability to deliver our service.
3. Information Security. Failure in controls designed to prevent release/loss of sensitive information causing reputational risk and potential action by ICO
4. Operational. Failure to deliver timely and quality Investigations outcomes for complainants and improvements in public services leading to undermining relevance of NIPSO
5. Legal. Successful legal challenge undermining confidence in the role and decisions of NIPSO
6. Awareness. Lack of awareness on role and functions of NIPSO by political representatives and leading figures in public sector leading to an inability to secure required support and financial resources to embed improved processes as a result of NIPSO's work.

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 2024, available separately.

Internal Control System

In addition to the established Policy and Framework for Risk Management, NIPSO has a robust system of internal control. These controls include maintaining appropriate methodologies, principles and policies for the Office and a Code of Conduct. All Office manuals and practice notes provide detail on a range of control issues, such as operational and financial procedures and delegated authorities. A Code of Conduct setting out the standards expected of staff was issued in 2017, shortly after the establishment of NIPSO. The policy was reviewed in October 2020 and remains in place. A Conflicts of Interest Policy was also developed. Also, an anti-fraud policy and response plan, and a "Raising Concerns" policy to enable staff to report concerns over any aspect of the Office's business were both reviewed, updated and re-issued in 2020-21. Staff must adhere to all relevant internal control policies and procedures.

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

- (i) The SMT, which meets monthly to consider, plan and review the performance and strategic direction of the Office.
- (ii) A report prepared by the Chair of the Audit and Risk Committee assessing the work and effectiveness of the Committee.
- (iii) Strategic and business planning processes to evaluate past performance against Business Plan targets and set forward plans and targets.
- (iv) Regular reviews by the independent internal auditors on compliance with standards defined in the Public Sector Internal Audit Standards, which provide an opinion on the adequacy and effectiveness of the Office's system of internal control, together with recommendations for any identified improvements.
- (v) Annual review by the Audit and Risk Committee of Internal Audit plans, including risk assessment and regular meetings to receive and review reports from the Internal and External Auditors of the internal controls.
- (vi) Performance and risk indicators established and reviewed annually.
- (vii) During Covid-19 SMT moved away from a rigid system of performance appraisal in favour of more regular contact and feedback to staff working from home. This has been further embedded with the development of a new coaching and mentoring framework and appraisal process. This was launched and implemented in 2023-24.
- (viii) Completion of individual Stewardship Statements by SMT members (most recently completed in April 2024).

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.

During 2023-24 an information governance project established to review and update the system used for the management of non-investigation related records continued. Information Governance improvement work will be continued into 2024-25.

Review of Effectiveness

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

My review is informed by the work of the internal auditors and the SMT. The SMT has responsibility within the Office for the development and maintenance of the internal control framework and is also responsible for responding to comments made by the external auditors in their 'Report to those charged with Governance' and other reports.

I have received assurance from SMT on the implications of the result of my review of the effectiveness of the system of internal control. The Audit and Risk Committee (ARC) offers advice and comments on the audits conducted by the NIAO and by independent Internal Auditors. I am committed to addressing any governance weaknesses, and to introducing any enhancements or improvements identified through these processes, in order to ensure continuous improvement in delivery of the strategic and business plan objectives of the Office. The internal audit annual assurance statement for 2023-24 provided as “Satisfactory” assurance rating.

Annually, SMT complete a self-assessment of the effectiveness of SMT, insofar as relevant to my position as a Corporation Sole, in accordance with the “*Corporate governance in central government departments: Code of good practice NI 2013*”. The improvements identified in the review undertaken in April 2023, including appointment of a Director of Governance and Support Services, have been implemented.

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 2023-24. All the 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.

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 2023-24 that affected the achievement of the Office’s strategic objectives, business plan targets and good governance.

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 2023-24.

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 the Secretary of State for Northern Ireland's 27th April 2023 Written Ministerial Statement (WMS) on the budget, the NI public sector pay policy guidance was published on 31st May 2023 in FD (DoF) 05/23. This was subsequently updated on 12th March 2024 in FD (DoF) 04/24 to reflect the return of Executive Ministers and revised departmental budgets.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2023/24 has been finalised and is due to be paid in June 2024. The 2023/24 pay award for NICS industrial staff has also been finalised and is due to be paid in May 2024.

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.

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)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Margaret Kelly	110-115	105-110	-	-	44,000	42,000	155-160	145-150

*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)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Sean Martin Deputy Ombudsman	75-80	70-75	-	-	30,000	27,000	105-110	95-100
Andrew Ruston Head of Communications	55-60	55-60	-	-	(7,000)	(12,000)	45-50	40-45
Julie Healy Head of Improvement, Engagement, and Improvement.	55-60	55-60	-	-	23,000	23,000	75-80	75-80
Corinne Nelson Director of Investigations	55-60	55-60	-	-	23,000	22,000	75-80	75-80
Sinead Sargent Director of Investigations**	40-45 (50-55 Full Year Equivalent)	-	-	-	18,000	-	60-65 (70-75 Full Year Equivalent)	-
Kirsty McCool Director of Governance and Support Services**	10-15 (50-55 Full Year Equivalent)	-	-	-	(3,000)	-	5-10 (50-55 Full Year Equivalent)	-
Michaela McAleer (Temporary joint Deputy Ombudsman until 30/9/2022)	-	30-35	-	-	-	13,000	-	45-50
John McGinnity Director of Corporate Services (Until 30/04/2022)	-	0-5	-	-	-	1,000	-	5-10

*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

'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 2023-24 was £110,000 - £115,000 (2022-23, £105,000 - £110,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

<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
<u>2022-23</u>	25th percentile	Median	75th percentile
Total remuneration FTE (£)	32,328	33,176	39,748
Pay ratio	3.4:1	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 £18,150 to £78,165 (2022-23: £18,291 to £74,912), excluding the Ombudsman’s Salary. The values for the salary only component of remuneration for the 25th percentile, median and 75th percentile was £31,374, £34,083 and £40,579 (2022-23: £32,328, £33,176, £39,748) respectively.

In 2023-24, no employees received remuneration in excess of the highest-paid director (2022-23: 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:	2023-24 v 2022-23	2022-23 v 2021-22
Average employee salary and allowances	-1.5%	-2.1%
Highest paid director’s salary and allowances	4.7%	5.0%

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.

	2023 – 24		2022 - 23	
	Basic Remuneration £000s	Benefit in Kind to Nearest £100	Basic Remuneration £000s	Benefit in Kind to Nearest £100
Dónall Curtin (Independent Chair)	5-10	-	0-5	-
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 31/3/24	Real increase in pension and related lump sum at pension age	CETV at 31/3/24	CETV at 31/3/23	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Margaret Kelly Ombudsman	5 - 10	2.5 - 5	153	92	32

Pension Benefits – Officials (audited information)

Officials	Accrued pension at pension age as at 31/3/24	Real increase in pension and related lump sum at pension age	CETV at 31/3/24	CETV at 31/3/23	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Sean Martin Deputy Ombudsman	10 – 15	0 – 2.5	189	130	20	-
Andrew Ruston Head of Communications	20 – 25 plus 60-65 lump sum	NIL plus NIL lump sum	526	458	(15)	-
Julie Healy Head of Improvement, Engagement and Impact	0 – 5	0 – 2.5	42	19	15	-
Corinne Nelson Director of Investigations	10 – 15	0 - 2.5	136	91	14	-
Sinead Sargent Director of Investigations*	0 – 5	0 – 2.5	13	-	11	-
Kirsty McCool Director of Governance and Support Services*	0 – 5	NIL	44	40	(2)	-

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

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 which will be issued by 31 March 2025. 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 may change for affected members and some figures previously reported may change. The 2023-24 pension disclosures above are calculated based on HM Treasury guidance using;

- a. Rolled back opening balance
- b. Rolled back closing balance
- c. CETV calculated by CSP on the rolled back basis
- d. No restatement of prior year figures where disclosed

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.

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 2023 was 6.7% and HM Treasury has announced that public service pensions will be this increased accordingly from April 2024.

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

Scheme Year 1 April 2024 to 31 March 2025

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	To	From 01 April 2024 to 31 March 2025
£0	£26,302.49	4.6%
£26,302.50	£59,849.99	5.45%
£59,850.00	£160,964.99	7.35%
£160,965.00 and above		8.05%

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential benefits resulting

from Lifetime Allowance Tax which may have been due when pension benefits are taken. The Lifetime Allowance will end in April 2024 and will be replaced by the Lump Sum Allowance and The Lump Sum And Death Benefit Allowance.

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 <https://www.gov.uk/government/publications/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes>

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 (2022-23: NIL).

Temporary Staff

In 2023-24 the office statement of income and expenditure includes £382k (2022-23 - £536k) for temporary staff including agency and fixed term contracts. The 29% decrease is a result of recruitment of permanent posts and a reduction in long-term absence as well as project support requirements.

Off-Payroll Appointments

NIPSO have no senior off-payroll appointments (2022-23: NIL).

Staff Report

Staff Numbers and related costs (audited information)

Staff Costs Comprised:

	2023-24			2022-23
	£'000			£'000
	Permanently employed staff	Others	Total	Total
Wages and salaries	1,835	357	2,192	2,208
Social security costs	179	7	186	198
Other pension costs	528	18	546	537
Sub Total	2,542	382	2,924	2,943
Less recoveries in respect of outward secondments	-	-	-	-
Total net costs	2,542	382	2,924	2,943

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 2023-24, employers' contributions of £546k were payable to the NICS pension arrangements (2022-23: £537k) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £Nil (2022-23: £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% (2022-23: 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, (2022-23: £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 (2022-23: Nil persons) retired early on ill-health grounds. There were £Nil total additional accrued pension liabilities in the year (2022-23: £Nil).

Average number of persons employed (audited information)

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

	2023-24			2022-23
	Permanently employed	Others	Total	Total
Total	46	9	55	47

Staff Numbers as at 31 March 2024

	2023-24			2022-23
	Male	Female	Total	Total
Ombudsman	-	1	1	1
Deputy Ombudsman	1	-	1	1
Other Senior Management Team	1	4	5	3
Permanently Employed Staff	15	28	43	42
Temporary Staff and Agency Workers	5	7	12	11
Total	22	40	62	58

Number of SMT Members as at 31 March 2024

	2023-24	2022-23
£50,000 - £54,999	2	-
£55,000 - £59,999	3	3
£60,000 - £64,999	-	-
£65,000 - £69,999	-	-
£70,000 - £74,999	-	1
£75,000 - £79,999	1	-
£80,000 - £84,999	-	-
£85,000 - £89,999	-	-
£90,000 - £94,999	-	-
£95,000 - £99,999	-	-
£100,000 - £104,999	-	-
£105,000 - £109,999	-	1
£110,000 - £114,999	1	-
TOTAL	7	5

Absence Data (audited information)

Sickness absence for 2023-24 reduced significantly from the previous year due to a reduction in long term absence. The working days lost reduced by 59%.

	2023-24	2022-23
Working Days Lost	203.5	494.5
Average Days lost per WTE	4.3	10.42
Absence Rate	1.92%	4.71%

Covid-19 related sickness accounted for 16 days absence (2022-23: 47.5) and if excluded from the above figures reduces average days lost to 3.9 per WTE (2022-23: 9.42), with an absence rate of 1.7% (2022-23: 4.26%).

Staff Turnover

During 2023-24 NIPSO had staff turnover of 10.5%, a reduction of 11.8% from 2022-23 (22.3%).

Expenditure on External Consultancy

NIPSO incurred £NIL expenditure (2022-23: £NIL) in external consultancy during 2023-24.

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 developed 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 2023-24 the following policies were reviewed and implemented:

- Antifraud and Fraud Response Plan
- Attendance Management Policy & Procedure
- Data Breach Management Policy & Procedures
- Flexible Working Arrangements Policy
- Gifts and Hospitality
- Health and Safety Policy Statement and Manual
- Hybrid Working Policy
- Induction Policy & Checklist
- Raising Concerns Policy
- Privacy Policy
- Probation Policy & Procedure for New Employees
- Procurement Policy
- Reasonable Adjustments Policy
- Record of Processing Activities (ROPA)
- Records Management Policy
- Retention/Disposal Schedule
- Risk Appetite Statement
- Social Media Policy

Staff engagement

NIPSO Completed a Staff Engagement Survey during 2022-23 with a score of 83 out of 100. Work to implement the actions was progressed in 2023-24 and a staff survey will be re-taken in 2024-25.

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 elected Trade Union and employee representatives in all matters relating to its staff, and work was undertaken during the year to agree a Trade Union Recognition Agreement with NIPSA.

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.

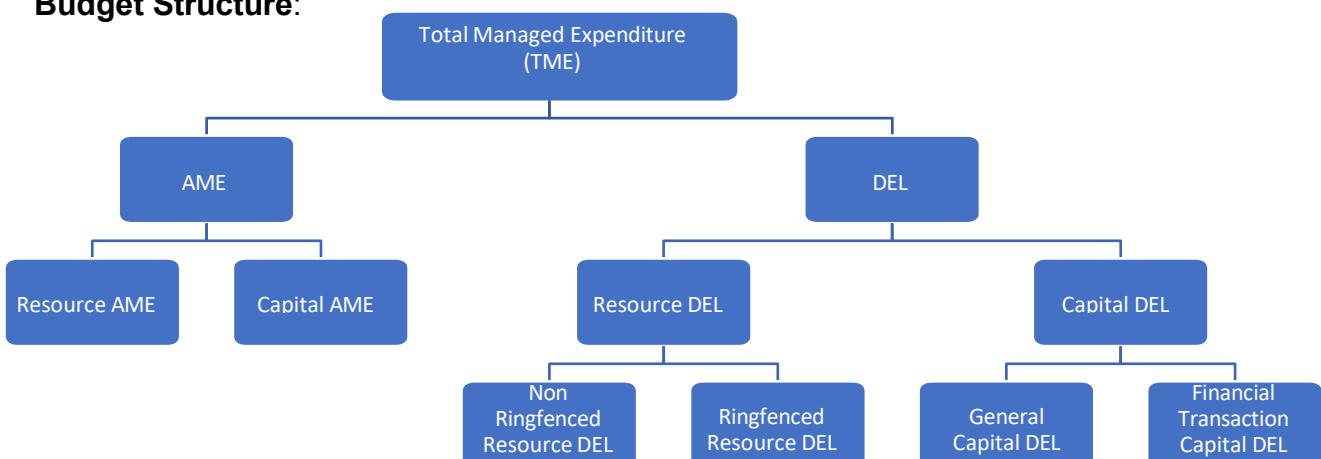
DEL budgets are classified into resource and capital.

- 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/uploads/system/uploads/attachment_data/file/114121/consolidated-budgeting-guidance-2023-to-2024.pdf)

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 2022-23, 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, 2023–24, all figures presented in £'000

Type of Spend	Note	Outturn			Estimate			Outturn vs Estimate, saving/(EXCESS)		Prior Year Outturn Total, 2022-23
		Voted	Non-voted	Total	Voted	Non-voted	Total	Voted	Total	
Departmental Expenditure Limit										
Resource	SOAS 1.1	3,856	165	4,021	3,997	160	4,157	141	136	4,089
Capital	SOAS 1.2	16	-	16	60	-	60	44	44	46
Total		3,872	165	4,037	4,057	160	4,217	185	180	4,135
Annual Managed Budget										
Resource	SOAS 1.1	-	-	-	-	-	-	-	-	(45)
Capital	SOAS 1.2	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	(45)
Total Budget										
Resource	SOAS 1.1	3,856	165	4,021	3,997	160	4,157	141	136	4,044
Capital	SOAS 1.2	16	-	16	60	-	60	44	44	46
Total Budget and Non Budget Expenditure		3,872	165	4,037	4,057	160	4,217	185	180	4,090

Net Cash Requirement 2023-24, all figures presented in £'000

Type of Spend	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn Total, 2022-23
Net Cash Requirement	SOAS 3	3,795	3,845	50	3,741
Total resources	SOAS 3	3,795	3,845	50	3,741

Administration Costs 2023-24, all figures presented in £'000

Type of Spend	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn Total, 2022-23
Programme costs	SOAS 1.1	4,021	4,157	136	4,044
Total resources	SOAS 2	4,021	4,157	136	4,044

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, 2023 – 24 (£'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 2022-23
	Gross	Income	Net	Total	Virement	Total Including Virements		
Spending in Departmental Expenditure Limits (DEL)								
Voted Expenditure								
1. Investigation and Adjudication	3,873	(17)	3,856	3,997	-	3,997	141	3,927
Non Voted DEL								
2. Ombudsman Salary	165	-	165	160	-	160	(5)	162
Total Spending in DEL	4,038	(17)	4,021	4,157	-	4,157	136	4,089
Annually Managed Expenditure (AME)								
Voted Expenditure								
3. Provisions	-	-	-	-	-	-	-	(45)
Total Spending in AME	-	-	-	-	-	-	-	(45)
<i>Total Resource</i>	4,038	(17)	4,021	4,157	-	4,157	136	4,044

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 2022-23	
Request for resources A: Departmental Expenditure in DEL									
Voted Expenditure									
1. Investigation and Adjudication		16	-	16	60	-	60	44	46
Total Spending in DEL		16	-	16	60	-	60	44	46

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.

No reconciliation is required as resource outturn in the SOAS is the same as net operating expenditure in the SOCNE.

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	4,021	4,157	136
Total Capital Outturn	SOAS 1.2	16	60	44
<i>Adjustments to remove non-cash items:</i>				
Depreciation and Amortisation	3	(183)	(212)	(29)
Revaluation Gain	6	-	-	-
Other non-cash items	3	-	-	-
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in receivables	10	7	-	(7)
(Increase)/decrease in payables < 1 year	11	(23)	-	23
(Increase)/decrease in payables > 1 year	11	122	-	(122)
Use of provisions	12	-	-	-
Total		3,960	4,005	45
<i>Removal of non-voted budget items</i>				
Consolidated Fund Standing Services	3	(165)	(160)	5
Total		(165)	(160)	5
Net Cash Requirement		3,795	3,845	50

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 2023-24		Prior Year 2022-23	
		Income	<i>Receipts</i>	Income	<i>Receipts</i>
	Note		£'000		£'000
Operating Income	5	17	-	17	-
Income outside the ambit of the Estimate					
- Lease credit*	5	(17)	-	(17)	-
Income Authorised to be used as Accruing Resources	5			-	

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		-	-	-	-

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

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 2023-24 (2022-23: NIL).

ii. Fees and Charges

NIPSO did not incur any fees or charges and received no income for fees or charges during 2023-24 (2022-23: 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

25 June 2024

Northern Ireland Public Services Ombudsman

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 2024 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise:

- the Statement of Financial Position as at 31 March 2024;
- 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 2024 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 2024 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.

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;
- 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*

2 July 2024

Northern Ireland Public Services Ombudsman

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

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.

		2023-24	2022-23
		£'000	£'000
	Note		
Other operating income	5	(17)	(17)
Total Operating Income		<u>(17)</u>	<u>(17)</u>
Staff expenditure	3	2,924	2,943
Purchase of goods and services	3	753	757
Depreciation and impairment charges	3	183	199
Consolidated fund standing services	3	165	162
Lease Interest Charges	3	13	12
Other Operating Expenditure	3	-	-
Provision Expense	3	-	-
Total Operating Expenditure		<u>4,038</u>	<u>4,073</u>
Net Operating Expenditure		<u>4,021</u>	<u>4,056</u>
Notional Costs			
Notional Audit Costs	3	19	17
Other Notional Costs	3	2	2
Total Notional Costs		<u>21</u>	<u>19</u>
Net Expenditure for the year including Notional costs		4,042	4,075
Net loss / (gain) on revaluation of Property, Plant and Equipment	6	(64)	(31)
Comprehensive Net Expenditure for the year ended 31 March 2024	SOAS 2	<u>3,978</u>	<u>4,044</u>

The notes on pages 64 to 77 form part of these accounts.

Northern Ireland Public Services Ombudsman

Statement of Financial Position as at 31 March 2024

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.

		2023-24	2022-23
		£'000	£'000
	Note		
Non-current assets			
Property, plant and equipment	6	1,883	2000
Intangible assets	7	58	46
Total non-current assets		1,941	2,046
Current assets			
Trade and other receivables	10	81	74
Cash and cash equivalents	9	23	45
Total current assets		104	119
Total assets		2045	2,165
Current liabilities			
Trade and other payables	11	(485)	(462)
Provisions	12	(16)	(16)
Total current liabilities		(501)	(478)
Total assets less current liabilities		1,544	1,687
Non-current liabilities			
Other payables	11	(1,253)	(1,375)
Total non-current liabilities		(1,253)	(1,375)
Total assets less total liabilities		291	312
Taxpayers' equity & other reserves:			
General fund		196	281
Revaluation reserve		95	31
Total equity		291	312



Margaret Kelly
Accounting Officer

25 June 2024

The notes on pages 64 to 77 form part of these accounts.

Consolidated Statement of Cash Flows for year ended 31 March 2024

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.

		2023-24 £'000	2022-23 Restated £'000
Cash flows from operating activities	Note		
Total operating Expenditure		(4,042)	(4,075)
Adjustments for non-cash transactions	3	204	218
(Increase)/Decrease in trade and other receivables	10	(7)	20
Increase/(Decrease in trade and other payables	11	(99)	1,430
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	11	128	(1,300)
<i>Less utilisation of provision in year</i>	12	-	(45)
Net cash outflow from operating activities		(3,816)	(3,752)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	-	-
Purchase of intangible assets	7	(16)	(45)
Net cash outflow from investing activities		(16)	(45)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		3,794	3,785
From the Consolidated Fund (Supply) – Prior year		(45)	(51)
From the Consolidated Fund (Non-Supply)	SCTE	165	162
Capital element of payments in respect of leases		(104)	(105)
Net Financing		3,810	3,791
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(22)	(6)
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		(22)	(6)
Cash and cash equivalents at the beginning of the period	9	45	51
Cash and cash equivalents at the end of the period	9	23	45

The notes on pages 64 to 77 form part of these accounts.

Northern Ireland Public Services Ombudsman

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

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 2022		435	0	435
Net Assembly Funding		3,785	-	3,785
Consolidated Fund Standing Services		162	-	162
Supply (payable)/receivable adjustment		(45)	-	(45)
Comprehensive Net Expenditure for the Year	SOCNE	(4,075)	31	(4,044)
Auditors' Remuneration	3	17	-	17
Welfare Support	3	2	-	2
Balance at 31 March 2023		281	31	312
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	(4,042)	64	(3,978)
Auditors' Remuneration	3	19	-	19
Welfare Support	3	2	-	2
Balance at 31 March 2024		196	95	291

The notes on pages 64 to 77 form part of these accounts.

Northern Ireland Public Services Ombudsman

Notes to the NIPSO Annual Report and Accounts 2023-24

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2023-24 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.

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

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

Asset lives are normally in the following ranges:

- Office Equipment 2 – 18 years
- Computer Equipment 2 – 10 years
- Fixtures and Fittings 3 – 15 years
- 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. NIPSO also has deferred income in respect of a landlord contribution to refurbishment of NIPSO offices.

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 2022-23.

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.

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.

	2023-24			2022-23		
	NIPSO £'000	LGES £'000	Total £'000	NIPSO £'000	LGES £'000	Total £'000
Gross Expenditure:						
Staff expenditure	2,529	395	2,924	2,482	461	2,943
Other Administration costs	774	196	970	834	153	987
Provision	-	-	-	-	-	-
Income	-	-	-	-	-	-
Net Expenditure (resource outturn)	3,303	591	3,894	3,316	614	3,390

Note 2.1 Reconciliation between Operating segments and SoCNE

	2023-24			2022-23		
	NIPSO £'000	LGES £'000	Total £'000	NIPSO £'000	LGES £'000	Total £'000
Net Expenditure (resource outturn)	3,303	591	3,894	3,316	614	3,930
Non-supply Income (CFERS)	-	-	-	-	-	-
Non-supply expenditure (Ombudsman's salary)	124	41	165	121	41	162
Lease expenditure credit	(17)	-	(17)	(17)	-	(17)
Net (gain) / loss on revaluation of Property, Plant and Equipment	(64)	-	(64)	(31)	-	(31)
	3,346	632	3,978	3,389	655	4,044

3. Other Operating Expenditure

	2023-24		2022-23	
	£'000	£'000	£'000	£'000
Staff Costs¹:				
Wages and salaries	2,192		2,208	
Social security costs	186		198	
Other pension costs	546		537	
		2,924		2,943
Consolidated Fund Standing Charges	165		162	
		165		162
Other Goods and Services	251		272	
Premises Expenses	53		91	
Rates	52		44	
Office Services	89		56	
Professional Services	296		290	
Travel and Subsistence	12		4	
		753		757
Interest Charges	13		12	
		13		12
<u>Non Cash Items:</u>				
Depreciation	181		179	
Amortisation	2		20	
Surplus write - down of Fixed assets on Revaluation	-		-	
		183		199
Provision provided for in year	-		-	
Auditors remuneration and Expenses	19		17	
Other notional Charges (welfare support)	2		2	
		21		19
Total		<u>4,059</u>		<u>4,092</u>

¹Further analysis of staff costs is located in the Staff Report on Page 41.

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

	2023-24 £'000 Total	2022-23 £'000 Total
Income from secondments	-	-
Amortisation of Deferred Income	17	17
Other income	-	-
	<u>17</u>	<u>17</u>

6. Property, plant and equipment

2023-24

	Buildings £'000	Office Equipment £'000	Computer Equipment £'000	Fixtures & Fittings £'000	Total £'000
Cost or valuation					
At 1 April 2023	1,407	6	29	889	2,331
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Indexation	-	1	(1)	88	88
At 31 March 2024	1,407	7	28	977	2,419
Depreciation					
At 1 April 2023	112	3	14	202	331
Charged in year	108	1	5	65	179
Disposals	-	-	-	-	-
Indexation	-	1	-	25	26
At 31 March 2024	220	5	19	292	536
Carrying amount at 31 March 2023	1,295	3	15	687	2,000
Carrying amount at 31 March 2024	1,187	2	9	685	1,883
Asset Financing:					
Owned	-	2	9	685	696
Finance leased	1,187	-	-	-	1,187
Carrying amount at 31 March 2024	1,187	2	9	685	1,883

6 Property, plant and equipment continued
2022-23

	Buildings	Office Equipment	Computer Equipment	Fixtures & Fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2022	-	6	42	853	901
Additions	1,407	-	-	-	1,407
Disposals	-	-	(14)	(1)	(15)
Revaluations	-	-	1	37	38
At 31 March 2023	1,407	6	29	889	2,331
Depreciation					
At 1 April 2022	-	2	23	135	160
Charged in year	112	1	5	61	179
Disposals	-	-	(14)	(1)	(15)
Revaluations	-	-	-	7	7
At 31 March 2023	112	3	14	202	331
Carrying amount at 31 March 2022	-	4	19	718	741
Carrying amount at 31 March 2023	1,295	3	15	687	2,000
Asset Financing:					
Owned	-	3	15	687	705
Finance leased	1,295	-	-	-	1,295
Carrying amount at 31 March 2023	1,295	3	15	687	2,000

Property, plant and equipment were revalued on the basis of indices, where material (see Note 1.3 on page 64 for details). Buildings Category was added for the first time in 2022-23 to reflect the capitalisation of leases under IFRS16 which came into effect April 2022.

7. Intangible Assets

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.

7. Intangible Assets Continued

2022-23	Software £'000	Assets Under Construction £'000	Total £'000
Cost or Valuation			
At 1 April 2022	170	-	170
Additions	-	45	45
Disposals	(86)	-	(86)
Revaluations	4	-	4
At 31 March 2023	88	45	133
Amortisation			
At 1 April 2022	150	-	150
Charged in year	20	-	20
Disposals	(86)	-	(86)
Revaluations	3	-	3
At 31 March 2023	87	-	87
Carrying amount at 31 March 2022	20	-	20
Carrying amount at 31 March 2023	1	45	46
Asset Financing:			
Owned	1	45	46
Carrying amount at 31 March 2023	1	45	46

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 2024 (31 March 2023: £32,000).

8.2 Commitments under leases

NIPSO does not hold any commitments under leases other than those capitalised under IFRS16 as right-to-use assets (2022-23: Nil). See note 15 for further details.

9. Cash and cash equivalents

	2023-24 £'000	2022-23 £'000
Balance at 1 April	45	51
Net change in cash and cash equivalent balances	(22)	(6)
Balance at 31 March	23	45
The following balances at 31 March were held at:		
Commercial banks and cash in hand	23	45
Balance at 31 March	23	45

9.1 Reconciliation of liabilities arising from financing activities

NIPSO has no liabilities arising from financing activities (2022-23: NIL).

10. Trade receivables, financial and other assets

	2023-24 £'000	2022-23 £'000
Amounts falling due within one year		
Trade receivables	-	-
Other receivables – VAT	36	30
Salaries	-	-
Other	-	-
Prepayments and accrued income	45	44
Total amounts falling due within one year	81	74

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

11. Trade payables, financial and other liabilities

	2023-24 £'000	2022-23 £'000
Amounts falling due within one year		
Trade payables	1	12
Accrual and deferred income	355	300
Current Part of Lease Liabilities	106	105
Amounts issued from the Consolidated Fund for supply but not spent at year end	23	45
Consolidated Fund extra receipts due to be paid to the Consolidated Fund		
Received	-	-
Receivable	-	-
Total amounts falling due within one year	485	462
Amounts falling due after more than one year:		
Other Payables, accruals, and deferred income	162	178
Leases	1,091	1,197
Total amounts falling due after one year	1,253	1,375
Total payables and other liabilities	1,738	1,837

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

12. Provisions for liabilities and charges

	2023-24			2022-23		
	Early departure costs	Backdated Holiday Pay related to Overtime*	Total	Early departure costs**	Backdated Holiday Pay related to Overtime	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April	-	16	16	45	16	61
Provision provided in the year	-	-	-	-	-	-
Provisions not required and written back	-	-	-	-	-	-
Provision Utilised in the year	-	-	-	(45)	-	(45)
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) judgment 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 judgment was delivered on 4 October 2023. The 2023-24 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. Outstanding legal advice now required following the Supreme Court judgment; and
2. Ongoing negotiations with Trade Union and their legal representatives.

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

13. Contingent liabilities

As at 31 March 2024 NIPSO has three unquantifiable liabilities as a result of ongoing legal challenges (2023-24: 5).

Maladministration

A complainant had sought leave for judicial review against decisions taken on maladministration complaints. This leave was refused and the complainant has now sought to appeal this decision to the Court of Appeal.

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.

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

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

Employment Tribunal

Following a recruitment competition an applicant lodged two claims with the employment tribunal. The claims were consolidated and the decision not to uphold the claims was issued by the Tribunal in December 2020. The Court of appeal issued its decision, and one claim was dismissed and one claim returned to the Tribunal for a new hearing. This matter is ongoing.

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 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 2024 (31 March 2023: 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

	2023-24	2022-23
	Buildings	Buildings
	£'000	£'000
Right-of-use assets		
As at 1 April	1,295	1,406
Depreciation Expense	<u>(108)</u>	<u>(112)</u>
As at 31 March	<u>1,187</u>	<u>1,295</u>

15.2 Quantitative disclosures around lease liabilities

	2023-24	2022-23
	Buildings	Restated
	£'000	Buildings
	£'000	£'000
Maturity Analysis		
Not Later than one year	117	116
Later than one year and not later than five years	468	468
Later than 5 years	612	717
Less interest Element	<u>(61)</u>	<u>(72)</u>
Present Value of Obligations	<u>1,136</u>	<u>1,230</u>
Current	106	105
Non Current	1,030	1,125

15.3 Quantitative disclosures around cash outflow for leases

	2023-24	2022-23
	£'000	£'000
Total Cash Outflow of Lease	117	116

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

Events after the balance sheet date are those material events, both favourable and adverse, that occur between the end of the reporting period and the date when the accounts are authorised for issue. There have been no such events.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 3 July 2024.