



Annual Report & Accounts

For the year ended 31 March 2023

Northern Ireland Public Services Ombudsman

ANNUAL REPORT AND ACCOUNTS 2022-23 For the year ended 31 March 2023

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Northern Ireland Public Services Ombudsman (NIPSO)

Contents

Performance Report	1
Ombudsman's Statement	1
NIPSO Purpose and Activities	1
Issues, Risks and Challenges	4
Performance Overview	5
Accountability Report	16
Corporate Governance Report	
Ombudsman's Report	16
Statement of Accounting Officer's Responsibilities	20
Governance Statement	21
Remuneration and Staff Report	
Remuneration Report	32
Staff Report	41
Assembly Accountability and Audit Report	
Context and Explanation of the Public Sector Budgeting Framework	46
Statement of Assembly Supply	48
Other Assembly Accountability Disclosures	56
The Certificate and Report of the Comptroller and Auditor General	57
Financial Statements	62
Statement of Comprehensive Net Expenditure	62
Statement of Financial Position	63
Consolidated Statement of Cash Flows	64
Consolidated Statement of Changes in Taxpayers' Equity	65
Notes to the NIPSO Annual Report and Accounts	66

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 2022-23:

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

While we all continue to move forward from the experience of the Covid-19 pandemic nonetheless its impact continues to be felt in many aspects of our lives and work. It has only been during the 2022-23 year that we have begun to return to more in-person services and meetings, and we have also incorporated virtual ways of working as standard. While the immediate impact of Covid-19 has abated some of its changes and ongoing ramifications remain. We continue to take forward the learning from the pandemic as well as returning to in-person access to our services.

Ombudsman's Statement

I am pleased to present this Annual Report and Accounts for the year ended 31 March 2023.

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 2022-23 NIPSO launched our new Strategic Plan 2022– 2025. We had spent the previous year consulting with internal and external stakeholders, undertaking a public awareness survey and a complainant satisfaction survey, as well as involving all staff in the development of the plan.

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 all available internal complaint mechanisms. When assessing a complaint for investigation, staff will consider whether the complainant has an alternative legal remedy or a right of appeal, reference or review to another body.

NIPSO's **values** underpin and drive all our decisions, actions, policies, processes and systems. 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 key 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.

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

In June 2021 NIPSO’s first OI investigation report into Personal Independence Payments (PIP) was published. This concluded there was systemic maladministration in the use of ‘further evidence’ in the awarding of PIP claims and made 33 recommendations for change to the Department for Communities (DfC). During 2022-23 NIPSO’s OI team has continued to engage with DfC to monitor the implementation of recommendations and to prepare a follow up report.

During 2022-23 consultations were undertaken on a proposed OI investigation into Waiting List Communications for those awaiting health and social care. Having undertaken initial enquiries and consulted with a range of bodies I determined that there was a ‘reasonable suspicion of systemic maladministration’ and began a new OI investigation. This investigation is due to report in summer 2023.

Where it is determined that an issue has not met the published criteria for an OI Investigation, but that an overview of the issues which have been considered could provide learning, an Overview Report may be published. In 2022-23 we published a Schools Case Digest to assist school Principals and Boards of Governors, by providing case examples of school complaints and by drawing the wider lessons for improvement in school approaches to complaints.

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

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.

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.

Having worked with the NI Assembly during the previous year to ensure the commencement of NIPSO's Complaint Standards function as led out in Part 3 of the Public Services Ombudsman (Northern Ireland) Act 2016; this year we have focused on the establishment of a Complaints Standards Team and the implementation of this work.

The Local Government sector in Northern Ireland were keen to become the first sector to implement the standardised and simplified complaints standards approach. In order to facilitate this work we established both a Strategic Network and Operational Network consisting of representatives of Councils, local government network bodies and key advocacy bodies to develop a Model Complaints Handling Procedure and agree a uniform approach across councils. This will be launched in summer 2023.

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

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

NIPSO has discretion to publish reports in the public interest. In the financial year April 2022 to March 2023, 52 such reports have been published. Four Bulletins were also published, in this year, which provide further information about the Office's activities.

Issues, Risks and Challenges

During the current financial year NIPSO agreed a 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 was further considered and updated to reflect the new NIPSO Strategic Framework. The 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.

Further during the 2022-23 year NIPSO's internal auditors, ASM, undertook an individual audit of NIPSO risk management which achieved a 'satisfactory rating.'

The NIPSO risk register details the status of the Ombudsman's corporate risks on an ongoing basis. The Internal Audit '*Annual Assurance Report 2022 – 23* has also provided a satisfactory level of assurance in relation to risk management, internal control and governance based upon the work undertaken on the 2022-23 internal audit programme.

NIPSO regularly identifies emerging risks to the achievement of its strategic objectives and addresses them proactively and in a prioritised manner. Key risks recognised by NIPSO as at 31 March 2022 were subject to careful re-assessment in 2022-23. This took account of emerging issues such as cyber-security and also the longer-term GDPR related risks arising from a change to a hybrid model of working for most staff and the digitisation of the majority of NIPSO processes. NIPSO remodelled its risk register to align with the risks associated with the achievement of objectives set to meet the 5 new strategic themes set in the NIPSO strategic Plan 2022-25;

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

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

Performance Overview

Performance regarding maladministration complaints

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

In 2022-23 reporting year NIPSO received 1,046 complaints 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 the year 2021-22 NIPSO received an exceptionally high number of complaints which may be explained by a backlog of complaints created by the Covid-19 pandemic. In this reporting year we have experienced a slight decrease of 14% in the overall number of complaints received. This is broadly similar to the number of complaints received in 2019-20 which is reflected of the long term trend. This remains steeply upwards: an increase of 94% over the period since NIPSO's establishment in 2016.

During the year the front-of-office Advice, Support Service and Initial Screening Team (ASSIST) continued to manage incoming complaints in 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.

Maladministration Complaint Numbers

The following table details the key statistics on maladministration cases for 2022-23:

Case Statistics	2022-23
Complaints ongoing from previous year	236
New Complaints in year	1,046
Cases determined in year	1,071
Complaints ongoing at year end	211

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 2016-17 to 2022-23
2016-17	539		
2017-18	665	23%	23%
2018-19	762	15%	41%
2019-20	1,043	37%	94%
2020-21	932	-11%	73%
2021-22	1,211	30%	125%
2022-23	1,046	-14%	94%

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 2022-23, 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%	96%
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%	76%
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%	93%

Performance Commentary

During the 2022-23 financial year, Covid-19 restrictions eased across society and staff returned to more office-based working, under NIPSO's newly implemented hybrid working policy. Public Services also began to adapt to the removal of restrictions while embedding some of the changes in working practice introduced in response to the pandemic.

Complaints numbers received into the office reduced by 14%. This in turn led to a similar decrease in the number of cases progressing to the assessment stage (12.5%). When looking at previous years complaints figures, the number of complaints received this year (1046) are in line with the numbers received in 2019-20 (1043), prior to the Covid-19 pandemic.

The ASSIST team continued to perform well, with KPI 1 performance the same as in 2021-22 and well above target at 96%.

KPI 2 performance showed a slight reduction from 79% to 76% though still ahead of the target of 70%. The number of decisions made in 2022-23 financial year was only slightly down (3%) despite the reduction in the number of cases progressing to assessment. This was due to a larger than usual carryover of cases into this stage from 2021-22 as a result of the very significant increase in the number of complaints during 2021-22. There were 453 decisions made in 2022-23 financial year, compared to 464 the year previous.

Of the 453 decisions, 263 cases were closed, 101 cases progressed for further investigation and 74 cases were settled and 15 cases were referred back for further local resolution.

Further local resolution is considered an appropriate mechanism to achieve a beneficial outcome. A referral back to the body to consider further local resolution can be an effective means to achieve an alternative and speedier resolution of complaints, particularly in cases concerning poor complaints handling by that body. This approach is useful where there is an ongoing relationship. It is noted that the number of cases referred back for local resolution has decreased from 26 in 2020-21, 21 in 2021-22 to 15 in 2022-23. Despite this reduction this remains an effective way to manage some complaints.

The number of settlements increased by 14% in 2022-23 compared to 2021-22, with staff focussing on achieving an alternative resolution to the complaint. The team achieved 74 settlements in the financial year compared to 65 in 2021-22 financial year.

The number of cases that progressed to further investigation in 2022-23 was 101 which compared to 107 cases the previous year. This is a reduction of 6%. When taken together the number of settlements and cases progressed for further investigation in 2022-23 was 175 compared to 172 in 2021-22.

It is notable that there has been a steady overall increase of more than 50% in the last 5 years in the number of cases accepted for further investigation.

Performance at KPI 3 (the further investigation stage) improved again this year from 90% in 2021-22 to 93%, well above the target of 70%. This was against a background of the team still experiencing delays in receiving information from some public services. The significant improvement in performance at KPI 3 over the last two years was very pleasing and reflects the effort of the team to complete investigations within target and meet our commitment to those who progress their complaints to NIPSO.

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 improvements in our process introduced following a review in 2019-20 continue to deliver benefit to both NIPSO and complainants.

The office increased significantly the amount of outreach and engagement activity. With the removal of Covid-19 restrictions the benefit of NIPSO's newly established 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. We engaged substantially with the local government sector in preparation for the introduction of the first model complaints handling procedure in Northern Ireland. There was also increased engagement with the health and social care sector in preparation for work to develop a new model complaint handling procedure for that sector.

During 2022-23 NIPSO worked on the development of an equality questionnaire to collect data which will assist with ensuring that NIPSO remain accessible to those who use public services. The questionnaire will be introduced from the start of 2023-24. Following the customer satisfaction survey undertaken by NIPSO a continuous process to monitor ongoing customer satisfaction with our service has been developed. This will be introduced early in 2023-24.

The NI Assembly Audit Committee did not meet during 2022-23 but had agreed a three-year budget for NIPSO to cover the period 2022-23 to 2024-25. It was anticipated that

this would provide a level of certainty for NIPSO as we continue to deliver our strategy. Unfortunately, the position agreed with the NI Assembly Audit Committee has not been reflected in the indicative budget for 2023-24 provided to NIPSO. This a matter of concern for NIPSO.

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

- (i) The long-term increase in complaints, (94% since NIPSO was created in 2016) which has the potential to place significant demands on limited resources.
- (ii) Continued challenges in a competitive recruitment market to recruit and retain sufficient high calibre staff.
- (iii) Uncertainty created by the non-adherence to the 3-year budget agreed for NIPSO reducing the ability to make longer term plans. This raises concerns regarding the independence of the Office when there is no Northern Ireland Assembly sitting.

Own Initiative

This year the OI Team completed two significant projects and undertook engagement and strategic enquiries to scope out potential future OI investigations. Scheduled for publication in May 2023, the team completed the 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.

In May 2022, our second OI Investigation was launched 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. The initial Strategic Enquiry highlighted a lack of consistency across and within Trusts in terms of content and overall approach to communication and our individual complaint investigations were highlighting waiting list communication as a significant issue for patients. The investigation which is now completed and due for publication in June 2023 set out to investigate the adequacy of Trust communications and the impact on patients. The methodology included analysis of a range of policies including the Integrated Elective Access Protocol issued by the Department of Health, close examination of the role of the GP, patient experience, accessibility of waiting list information and planned improvements. The team also launched two online surveys, one for the general public (which received 646 responses) and a second for General Practitioners (which received 321 responses). The final report makes a number of recommendations to improve waiting list communications and the office will work with the DoH and the Trusts to monitor their implementation.

The Office is currently developing a 3-year OI Work Plan and scoping work to inform future issues of investigation is ongoing. This has included two internal staff planning sessions to capture learning from our OI teams, regular review of NIPSO complaints data and sharing feedback from wider engagements with public bodies and the community and voluntary sector.

Improvement, Engagement and Impact

To help the Office deliver on the Strategic Plan objectives of becoming a more accessible and inclusive organisation, the new Improvement, Engagement & Impact Team has implemented a programme of outreach and engagement during 2022-23. With an initial focus on the Voluntary & Community sector the team has met with over fifty organisations and taken part in 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.

The team has also been working on how we can measure our impact and has developed a new Equality Monitoring System and Complainant Feedback Survey which began implementation in April 2023. Equality Monitoring 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 March, this year the team published a Case Digest – a guide to best practice when responding to school complaints. The Digest was shared with every school and education body in NI and highlights some practical strategies to help schools handle and respond to complaints effectively as well as sharing summaries of school complaints investigated by NIPSO. A second Case Digest focusing on complaints received about Care Homes is planned for publication in the Autumn.

Local Government Ethical Standards (LGES)

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

In 2022-23 the LGES team received 45 complaints alleging that councillors had breached the Local Government Code of Conduct ('the Code') – a 7.1% increase from the previous reporting period. Complaint types included social media posts, disclosure of confidential information and the registration/declaration of interests.

Caseload	2022-23	2021-22
Complaints ongoing from the previous year ¹	63	78
Written complaints received in year	45	42
Total complaints under investigation in year	108	120
Number closed at Initial Assessment Stage - ' <i>can</i> we investigate'	14	12
Number closed at Assessment Stage - ' <i>should</i> we investigate'	16 ²	11
Number of Complaints closed by Alternative Action ³	4	5
Number of complaints withdrawn	0	2
Number closed at Investigation Stage	29 ⁴	16
Number of complaints decided on at Adjudication	4	7 ⁵
Complaints ongoing at year end	45	63 ⁶

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%	93%
KPI 5 – we will complete an investigation within 40 weeks of the date of validation of the complaint. The target is 60%	60%	86%

¹ This includes complaints at initial assessment, assessment, investigation and adjudication stages.

² This includes 1 complaint resolved by Alternative Action at this stage.

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

⁴ This includes 3 complaints resolved by Alternative Action at this stage.

⁵ 7 complaints consolidated into 5 adjudications.

⁶ This figure was previously reported as being 67 complaints. This was due to a computation error from a previous report.

LGES Performance Commentary

A total of 63 complaints were concluded in 2022-23. The following breakdown of closure by stage was achieved: 14 complaints were closed at initial assessment stage, 16 were closed at the assessment stage, and 29 were closed at investigation stage.⁷

A further 4 complaints were closed following adjudication.

In relation to the LGES team's performance, the decision whether to investigate was reached within the 4-week target in 27 of the 29 cases that were considered in 2022-23. This equates to a 93% achievement rate against a target of 85%. The KPI was therefore achieved.

Against the target to complete an investigation within 40 weeks of the date of validation of the complaint, 12 out of 14 (86%) of the cases which reached the investigation stage achieved the timescale in 2022-23, against a 60% target. The KPI was therefore achieved.

During this year, the LGES team focused on progressing older cases and has reduced the number of older cases significantly. An older case is defined as one which has breached its target timeframe for completion of 40 weeks. 15 of these older cases were closed in 2022-23.

The Commissioner adjudicated on 4 complaints during the financial year 2022-23. As of 31 March 2023, 3 live cases remain at adjudication.⁸

Financial Performance

There are three established financial KPI's within NIPSO. In 2022-23 one of these was met.

KPI 6, the overall Net Resource Outturn for the reporting period was 2.55% this is £23k over the 2% target. This was mainly due to the staff pay rise accrual which on advice, was set at 2.5%. Which in reality was much lower and communicated after year end.

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

KPI 8, was not met due to reduced staffing at the start of the financial year, and, a number of outstanding back payments for the increase in Independent Professional Advisor (IPA) rates which had a large impact on the KPI.

The financial KPIs, together with the recorded performance in 2022-23, 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 2022-23 Estimate, limiting any underspend to 2%.	Not > 2%	2.55%

⁷ This includes numbers closed at Alternative Action at each stage.

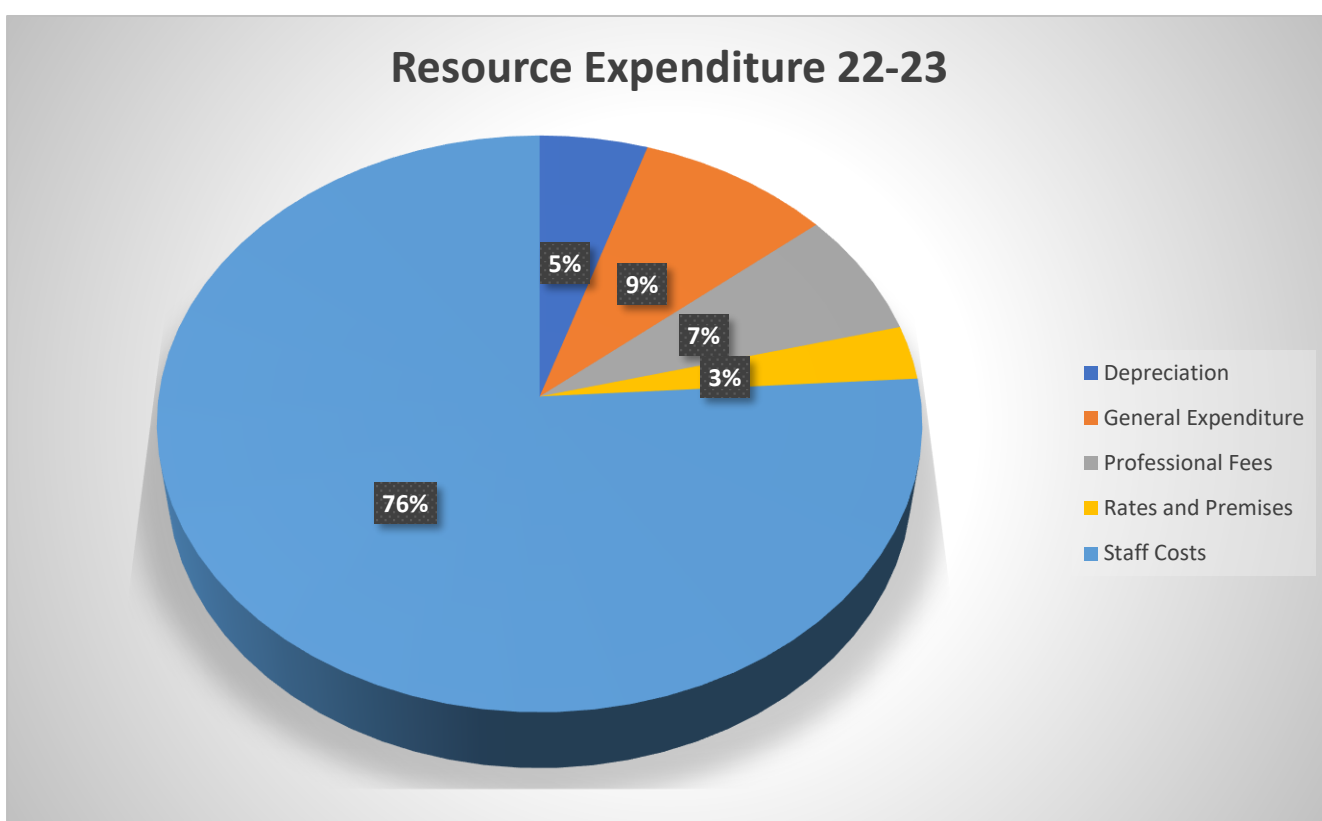
⁸ 20 complaints consolidated into 3 adjudications

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 2022-23 Estimate.	<Estimate	Yes
KPI 8 – we will pay 98% of correctly presented supplier invoices within 10 working days of receipt.	98%	81%

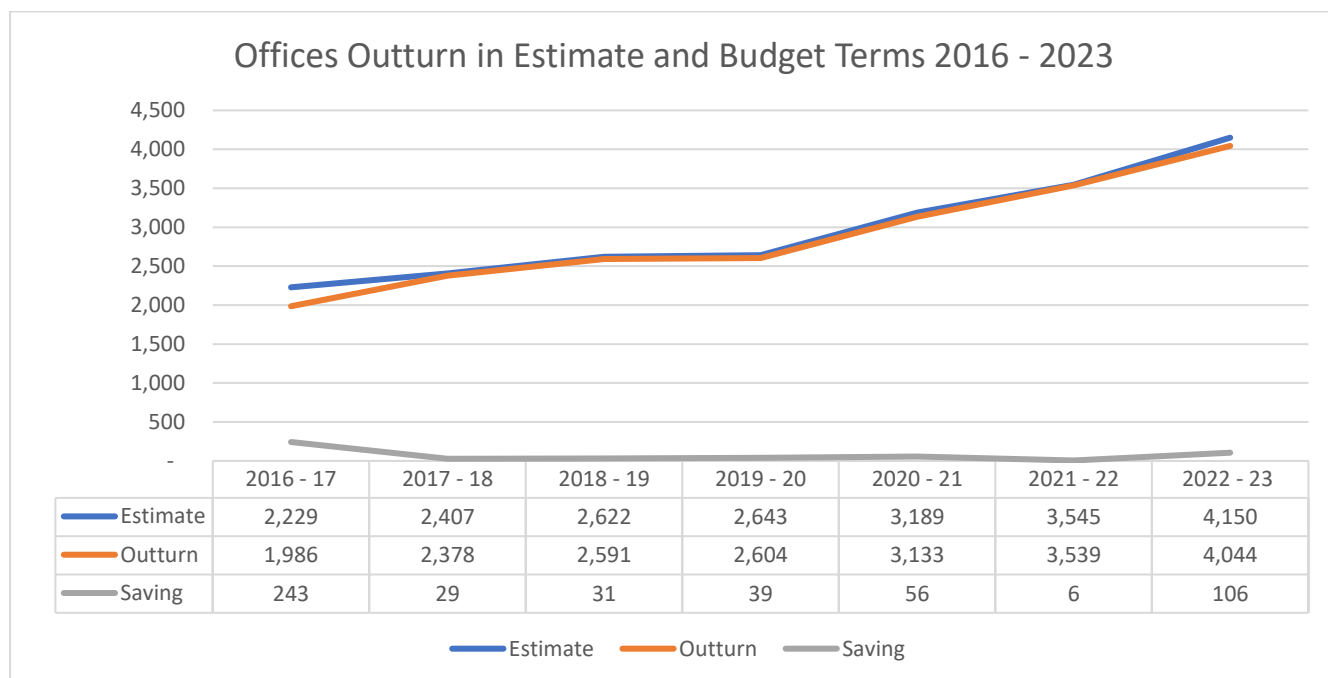
Performance against the 2022-23 Estimate is summarised in the following table:

	Outturn £k	Estimate £k	Saving £k	Percentage saving
Net Resource Outturn	4,044	4,150	106	2.55%
Net Cash Requirement	3,741	3,972	231	5.8%

Illustrated below is the breakdown of resource expenditure for 2022-23



The Office's long term expenditure in Estimate and Budget terms for the years 2016-17 to 2022-23 is illustrated below.



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 94%, representing a challenge for the Office to manage whilst maintaining and improving performance.

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

- (i) The power to undertake (since April 2018) '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 202 reports have been published up to the end of 2022-23.
- (iii) The establishment of NIPSO as the Complaints Standards Authority for the public sector in Northern Ireland.

NIPSO will continue to engage with the relevant stakeholders including the NI Assembly Audit Committee and the Department of Finance to secure the optimal level of financial resources. In the absence of a functioning Assembly NIPSO will through engagement with Northern Ireland Office (NIO) seek to ensure that the will of the Northern Ireland Assembly Audit Committee (NIAAC) is reflected in future years budget allocations and in the independence of the process for setting our budget being maintained. Regardless of the mechanism adequate funding is essential to enable the Office to deliver on an ever-increasing range of responsibilities. The delivery of services that the public are entitled to expect in respect of complaints and investigations is the Office's core function

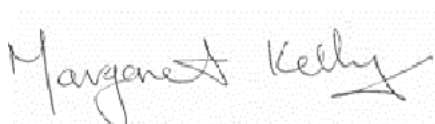
and resource constraints could impact on the level of service. This is ever more important given the pressure on the public and public services.

NIPSO was appreciative of the NIAAC's support for budgetary uplifts in 2021-22 and 2022-23. Amongst other things this is supporting us in the establishment of our new Complaints Standards function and on developing our outreach, learning and engagement capability. It is with concern that NIPSO note the budget for 2023-24 approved by the NIAAC has not been adopted by the NIO.

Social and Environmental Matters

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

- (i) NIPSO has developed, jointly with the NI Human Rights Commission and with the financial support of the International Ombudsman's Institute, a Human Rights Manual, 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) The significant office refurbishment during 2019-20 has ensured that state-of-the-art energy efficient measures are embedded, for instance in respect of the materials used and the design of up-to-date environmentally responsible energy-efficient heating and lighting.
- (iv) NIPSO also pursues a number of simple but effective initiatives aimed at reducing waste and respecting the environment. For example, through the increased use of scanning and secure emails as an alternative to paper copying and printing, and through availing of all opportunities to recycle office consumables and paper, cardboard and plastic.
- (v) NIPSO has updated our IT systems and related policies to facilitate working from home reducing the impact on the environment of travel to work and introduced a trial Hybrid Working policy during 2022-23.



Margaret Kelly
Accounting Officer

29 June 2023

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 2023 the Office staffing comprised the Ombudsman and 57 members of staff (43 Permanent and 14 Agency/contractor): a Deputy Ombudsman; a Director of Investigations; a Head of Communications; a Head of Improvement Engagement and Impact; 35 investigative staff (4 of whom were agency/contract staff) and 18 other administrative staff (7 of whom were agency staff members).

Corporation Sole

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

As a Corporation Sole, she has a personal jurisdiction in respect of the functions of her Office and is solely responsible for the performance of those functions. The 2016 Act requires the 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, reviewed in March 2023 the role of SMT is to assist the Ombudsman with setting the strategic direction of the Office and to provide advice and support in the discharge of the Office-holder's statutory duties.

The SMT members as of 31 March 2023 were:

Ombudsman (Chair):	Ms Margaret Kelly
Deputy Ombudsman: (Permanent from 16 December 2023)	Mr Sean Martin

Director/Acting Directors:	Ms Corinne Nelson, Mr Andrew Ruston, Ms Julie Healy
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Significant Interests

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

Personal Data Incidents

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

There were no personal data breaches that met the required threshold to be notified to the Information Commissioner's Office during 2022-23.

Pensions applicable

As of 31 March 2023 all members of SMT are members of the Principal Civil Service Pension Scheme (PCSPS) (NI). This is a defined benefit scheme which is unfunded. The Office recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from the staff services by payment to the Principal Civil Service Scheme (PCSPS) (NI) of an amount calculated on an accruing basis. Liability for payment of future benefits is a charge on the Principal Civil Service Pension Scheme (PCSPS) (NI). Further information is contained within the Remuneration and Staff Report, which forms a separate part of this document.

Acceptance of our Recommendations

The Ombudsman seeks to ensure compliance with recommendations through sharing draft reports and in dialogue with the bodies in remit. In 2022-23 all recommendations made as a result of investigation reports were accepted by bodies in jurisdiction.

Disclosure of relevant audit information

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

Complaints and Reviews

The Office has two separate processes in place for responding to dissatisfaction with our service. The 'service standards' complaints procedure deals with complaints from any member of the public about the conduct of NIPSO staff, instances of delay or failure to meet the service standards of the Office. In 2022-23 there were seventeen service standards complaints received. Of these seventeen complaints, seven were upheld, seven were not upheld, one was resolved on receipt with an apology. Two remained ongoing at the end of the year.

During 2021-22 as part of the NIAAC's review of NIPSO's governance, NIPSO proposed to introduce an independent second stage into the service standards complaints process. This proposal was endorsed by the committee and was implemented during 2022-23.

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

A request must be made in writing within 20 working days of the date the complainant receives the decision that their complaint has not been accepted for investigation. The office has seen an increase in the number of requests for review of an assessment decision over the past 2 years. During 2022-23 the office received 86 requests for a review of a decision not to accept a maladministration complaint for investigation and carried forward 20 requests from the previous year. Of the 81 review requests completed during 2022-23, 5 cases were re-opened at assessment and one case was settled following the review. Of the cases reopened, 2 progressed to investigation and 3 were subsequently closed. In relation to allegations that a councillor may have breached the code of conduct 4 requests for a review of a decision not to accept the case for investigation were received. No cases were re-opened.

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

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

Where a complainant remains dissatisfied with the outcome of a NIPSO decision, they may seek a judicial review. In 2022-23 there was one application for judicial review. A further application for leave for judicial review was lodged in relation to a decision of the Local Government Commissioner for Standards. As the matter was time sensitive it was dealt with at one hearing and while granted leave, was dismissed on the merits of the case (April 2023). At 31 March 2023 there were two other ongoing leave applications for judicial review which are connected to the leave application submitted during 2022-23. Adjudication decisions in relation to alleged breaches of the code of conduct for councillors may be challenged by way of an application for leave to appeal to the High Court. An 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 (Whistleblowing)

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

Data Protection and Freedom of Information Obligations

By comparison to the prior financial year, the number of requests for access to information under the Data Protection Act (DPA) 2018 and the Freedom of Information Act (FOIA) 2000 was slightly lower. In 2022-23 the Office formally processed 70 information requests, slightly reduced from 78 in the previous year. These consisted of 26 Subject Access Requests, 43 FOI Requests 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.

Statement of Accounting Officer's Responsibilities

1. Under the Government Resources and Accounts Act (NI) 2001, the Department of Finance has directed the Accounting Officer to prepare, for each financial year, resource accounts detailing the resources acquired, held, or disposed of during the year and the use of resources during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NIPSO and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.
2. In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:
 - observe the Accounts Direction issued by the Department of Finance, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
 - make judgements and estimates on a reasonable basis;
 - state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts;
 - prepare the accounts on a going concern basis; and
 - confirm that the Annual Report and Accounts 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 2022 to 31 March 2023 and describes NIPSO's internal control structure and resource management processes.

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

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

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

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

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

Governance Framework

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

NIPSO has an established corporate governance framework that sets out, for staff and all stakeholders: the basis on which my Office has been established; the manner in which its governance is structured and managed; and my accountability for its statutory functions. My officials reviewed the framework document that my Office maintains in January 2022 and work is ongoing to update the document. This sets out in detail the

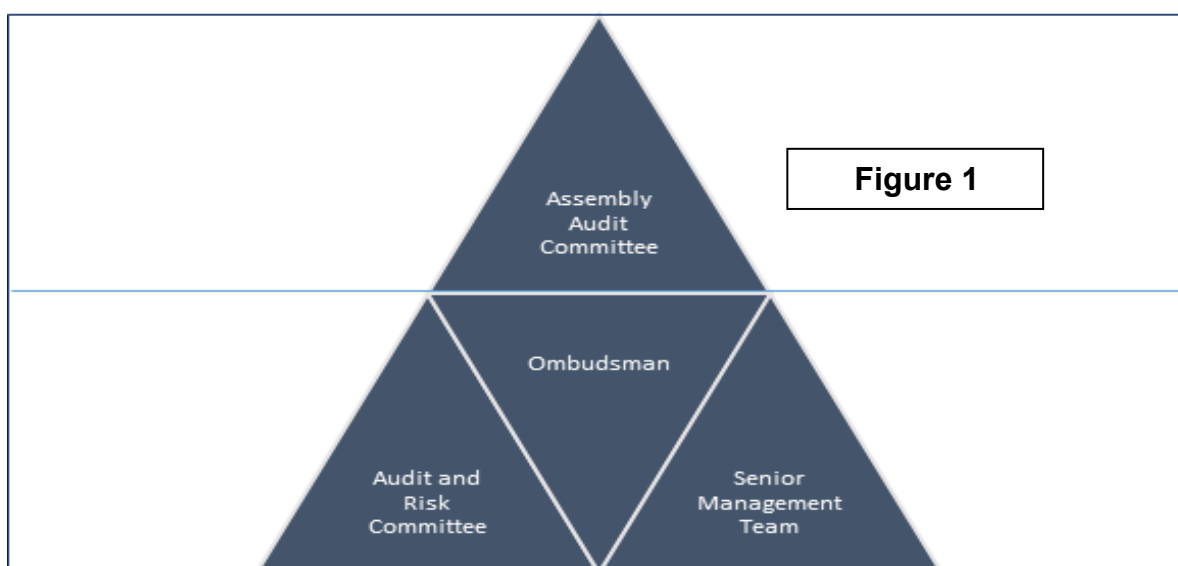
corporate governance mechanisms and arrangements to which NIPSO adheres.

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

Governance Structure

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

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



The governance arrangements established to support my statutory functions are illustrated in **Figure 1**. They are also set out in a 'Memorandum of Understanding on the Governance and Accountability Arrangements of the Northern Ireland Public Services Ombudsman'⁹.

⁹ 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 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;
- A SMT comprising multi-disciplinary directors who support the Ombudsman in the development and delivery of the Office's strategic and business plans;
- Publication of quarterly SMT minutes on the [NIPSO website](#);
- The maintenance and regular review of a Corporate Risk Register in respect of each of NIPSO's strategic objectives;
- The operation of a regular Quality Assurance audit framework with a view to ensuring that those coming into contact with the office receive the best quality service possible and that all opportunities for internal organisational learning are identified;
- 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;
- 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 during 2022-23 NIPSO did not attend any meetings of the Northern Ireland Assembly Audit Committee. NIPSO, where possible, have been taking 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 systems in the Office. The current Committee Chair, Mr Dónall Curtin, was appointed for an initial period of three years, with effect from 24 June 2019. The Chair has agreed an extension for two years until June 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 2022-23. Attendance at meetings held during the year was as follows:

Present	28/4/22	24/6/22	20/10/22	27/10/22	26/1/23
Dónall Curtin (Independent Chair)	√	√	√	√	√
Terry McGonigal (Independent Non-Executive Member)	√	√	√	√	√
Patricia Snell (Independent Non-Executive Member)	√	√	√	√	√

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 2022-23, the Committee considered the findings of the reviews undertaken and reports prepared by the out-sourced Director of Internal Audit.

ASM were appointed by NIPSO through an independent Construction and Procurement Delivery (CPD) exercise for the period 2021-24. At its October 2021 meeting the Committee considered and agreed subject to a few modifications to the 3-year internal audit strategy for 2021-24. In January 2023 the committee considered an internal audit report on Communications and Stakeholder Engagement and an

internal audit report on a Review of Strategic Planning and KPI's. A report of an internal audit Review of Risk Management was considered as well as a Follow Up Review and the Annual Internal Audit Assurance report at the Committee's meeting in April 2023.

This internal audit programme of work is in fulfilment of the 2022-23 audit programme, which was agreed in advance by the Committee.

In terms of assurance, the Director of Internal Audit issued an independent opinion that the existing risk management, control and governance systems in place in relation to Communications and Stakeholder Engagement, Strategic Planning and KPI's and Risk Management 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 2022-23 are listed on page 26.

A register of interests is maintained to ensure openness and transparency and that potential conflicts of interest can be identified and addressed. Where potential conflicts exist, they are recorded in the SMT and Audit and Risk Committee minutes, together with any appropriate action taken to address them. There were no conflicts of interest noted by SMT members in relation to agenda items in 2022-23.

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 2022 - 23 was as follows:

Present	14/4/22	10/5/22	7/6/22	11/8/22	8/9/22	13/10/22	10/11/22	8/12/22	12/1/23	9/2/23	9/3/23	
Margaret Kelly	√	√	√	√	√	√	√	√	√	√	√	11/11
Sean Martin	√	√	√	√	√	√	√	√	√	√	√	11/11
Michaela McAleer ²	√	√	√									3/5
John McGinnity ¹	√											1/1
Corinne Nelson		√	√	√		√	√	√	√	√		8/11
Andrew Ruston	√	√	√	√	√	√	√	√	√	√	√	11/11
Julie Healy	√	√	√	√	√	√	√	√	√	√	√	11/11
Jeff Smyth ³				√	√	√	√	√	√			6/6

¹ John McGinnity left NIPSO on 30 April 2022

² Michaela McAleer left NIPSO on 30 September 2022

³ Jeff Smyth, Acting Director of Investigations joined NIPSO on 27 June 2022 and left 26 January 2023

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 remaining internal audit recommendation from 2019-20 regarding SMT has been addressed.

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 2023. This extends to the date of approval of the Annual Report and Accounts. In accordance with Department of Finance guidance.

Capacity to Handle Risk

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

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

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

The SMT continues to identify and review training needs through the established performance appraisal processes and ensures that members of staff have the required skills and 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 2022-23 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. 2022-23 significant increase in some costs causing pressure on budget. Failure to recruit and retain competent staff in competitive employment market where salary cap applies
3. Information Security. Failure in controls designed to prevent release/loss of sensitive information
4. Operational. Failure to deliver timely and quality Investigations. Failure to deliver 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. Assembly. Continued absence of a Speaker and Northern Ireland Executive means there is no formal arena for the Ombudsman to present her reports.

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 2023, available separately.

Internal Control System

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

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

- (i) The SMT, which meets monthly to consider, plan and review the performance and strategic direction of the Office.
- (ii) A report prepared by the Chair of the Audit and Risk Committee assessing the work and effectiveness of the Committee.
- (iii) Strategic and business planning processes to evaluate past performance against Business Plan targets and set forward plans and targets.
- (iv) Regular reviews by the independent internal auditors on compliance with standards defined in the Public Sector Internal Audit Standards, which provide

- an opinion on the adequacy and effectiveness of the Office's system of internal control, together with recommendations for any identified improvements.
- (v) Annual review by the Audit and Risk Committee of Internal Audit plans, including risk assessment and regular meetings to receive and review reports from the Internal and External Auditors of the internal controls.
 - (vi) Performance and risk indicators established and reviewed annually.
 - (vii) During Covid-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 2022-23.
 - (viii) Completion of individual Stewardship Statements by SMT members (most recently completed in April 2023).

Information Assurance

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

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

During 2022-23, NIPSO continued to work to improve the management of records held both off-site and those held on-site. This forms part of the Office's commitment to review its technical and organisational measures to ensure compliance with the GDPR and the DPA. Further work to improve this important area is planned for 2023-24.

During 2022-23 the project established to review and update the system used for the management of non-investigation related records continued. The majority of non-investigation related records have now been moved to this new file structure. The remaining records will be moved during 2023-24. An information governance group was established to provide support and leadership on this important issue.

Budget Position

The Northern Ireland Budget Act 2023 was passed by Parliament and received Royal Assent on 8 February 2023 which authorised the cash and use of resources for all departments and other bodies for the full 2022-23 year, and included a Vote on Account for the early months of the 2023-24 financial year. This will be followed by a further Budget Bill which the Secretary of State will bring to Parliament in due course,

following the 2023-24 Northern Ireland Budget which he set in his Written Ministerial Statement on 27 April 2023.

Review of Effectiveness

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

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

Having given detailed consideration to the recommendations made by Internal Audit and reviewing them against criteria outlined in *Managing Public Money Northern Ireland*, I have formed the view that no significant internal control weaknesses have been identified for the period 2022-23. All the recommendations made were to enhance established systems or procedures in order to support the achievement of best practice. Responsibility for the actions required to implement each recommendation that has been made has been assigned to an individual senior member of staff, along with the expected target date for their implementation. This action plan is reviewed by the SMT and reported to the Audit and Risk Committee.

As Accounting Officer, I am satisfied that:

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

Significant Internal Control Weakness

I am pleased to report that there were no significant weaknesses in the Office's system

of internal controls in 2022-23 that affected the achievement of the Office's strategic objectives, business plan targets and good governance.

Personal Data Incidents

No personal data breaches met the required threshold to be notified to the Information Commissioner's Office during 2022-23.

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 24th November 2022 Written Ministerial Statement (WMS) on the Budget and the NI (Executive Formation) Act receiving Royal Assent on the 6th December 2022, the NI public sector pay policy guidance was published on 8th December 2022.

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 2022-23 has been finalised and is due to be paid in June 2023. The pay award for NICS industrial staff has not been agreed yet and negotiations continue with unions.

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.

Service Contracts

Senior Management Team

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

All appointments to SMT were made by the Ombudsman 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)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Ombudsman								
Ms Margaret Kelly	105-110	100-105	-	-	42,000	41,000	145-150	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)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Mrs Michaela McAleer (Temporary joint Deputy Ombudsman until 30/9/2022)	30-35	65-70	-	-	13,000	27,000	45-50	95-100
Mr Sean Martin (Deputy Ombudsman)	70-75	65-70	-	-	27,000	27,000	95-100	95-100
Mr John McGinnity Director (Until 30/04/2022)	0-5	55-60	-	-	1,000	17,000	5-10	70-75
Mr Andrew Ruston Director	55-60	55-60	-	-	(12,000)	24,000	40-45	75-80
Mrs Julie Healy** Director	55-60	10-15 (55-60 FTE)	-	-	23,000	5,000	75-80	15-20 (75-80 FTE)
Mrs Corinne Nelson Acting Director	55-60	55-60	-	-	22,000	23,000	75-80	75-80
Mrs Andrea Hegarty (Until 01/03/22)***	-	45-50	-	-	-	15,000	-	60-65

*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.

**Julie Healy was appointed as Head of Improvement, Engagement and Impact commencing on 4th January 2022. Full time equivalent (FTE)

***Andrea Hegarty resigned from NIPSO as Acting Director of Local Government and Ethical Standards on 1st March 2022.

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

Salary

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

Benefits in kind

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

Bonuses

Bonus payments are not made to NIPSO staff.

Fair Pay Disclosures

Pay Ratios (audited information)

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

The banded remuneration of the highest-paid director in NIPSO in the financial year 2022-23 was £105,000 - £110,000 (2021-22, £100,000 - £105,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

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

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 pay ratio compared to the previous year due to the implementation of a pay award for the Ombudsman by the Northern Ireland Assembly.

The values for the salary component of remuneration for the 25th percentile, median and 75th percentile was £32,328 (2021-22, £30,808), £33,176 (2021-22, £33,459) and £39,748 (2021-22, £39,748) respectively. For 2022-23 and 2021-22, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2022-23, no (2021-22, Nil) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £18,291 to £74,912 (2021-22, £18,291 to £68,141). Not including the Ombudsman Salary.

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:	2022-23 v 2021-22	2021-22 v 2020-21
Average employee salary and allowances	-2.1%	-3.1%
Highest paid director's salary and allowances	5.0%	4.8%

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

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

	2022 – 23		2021 - 22	
	Basic Remuneration	Benefit in Kind	Basic Remuneration	Benefit in Kind
Dónall Curtin (Independent Chair)	3,040	-	3,040	-
Ursula O'Hare (Independent Non-Executive Member) (Leaver 24 th June 2021)	-	-	960	-

Terry McGonigal (Independent Non-Executive Member)	1,600	-	480	-
Patricia Snell (Independent Non-Executive Member)	1,600	-	320	-

Pension Entitlements (audited information)

Pension Benefits of the Ombudsman (audited information)

Officials	Accrued pension at pension age as at 31/3/23	Real increase in pension and related lump sum at pension age	CETV at 31/3/23	CETV at 31/3/22	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Ms Margaret Kelly Ombudsman	5-10	2.5-5	92	54	27

Pension Benefits – Officials (audited information)

Officials	Accrued pension at pension age as at 31/3/23	Real increase in pension and related lump sum at pension age	CETV at 31/3/23	CETV at 31/3/22	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mrs Michaela McAleer (Temporary joint Deputy Ombudsman until 30/09/2022)	5-10	0-2.5	95	82	6	-
Mr Sean Martin Deputy Ombudsman *	10-15	0-2.5	130	103	16	-
Mr John McGinnity Director **	15-20 plus a lump sum of 50-55	0-2.5 plus a lump sum of 0	441	439	0	-
Mr Andrew Ruston Director	25-30 plus a lump sum of 45-50	0 plus a lump sum of 0	458	427	(18)	-
Mrs Julie Healy Director (from 04/01/22) ***	0-5	0-2.5	19	4	12	-
Mrs Corinne Nelson Acting Director	5-10	0-2.5	91	73	11	-

* Sean Martin was appointed Deputy Ombudsman on 16 December 2022.

*** John McGinnity left NIPSO on 30 April 2022.*

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

Northern Ireland Civil Service (NICS) Pension Schemes

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

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the classic, premium, classic plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. At that time, members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha (full protection) and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

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 are being taken by the Department of Finance to remedy those 2015 reforms, making the pension scheme provisions fair for all members. Some active members will have seen changes from April 2022.

The remedy is made up of two parts. The first part was completed last year with all active members now being members of alpha from 1 April 2022, this provides equal treatment for all active pension scheme members.

The second part is to put right, 'remedy', the discrimination that has happened between 2015 and 2022. We are currently working on new scheme regulations and processes in readiness for this.

It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the alternative schemes e.g., legacy PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' (legacy scheme) or alpha. Scheme regulations made in March 2022, closed the PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS (NI) members (including partially retired members in active service) moved to 'alpha' from 1 April 2022. This completed Phase One to remedy the discrimination identified by the Courts. Any pension benefits built up in the legacy scheme prior to this date are unaffected and PCSPS (NI) benefits remain payable in accordance with the relevant scheme rules. Phase Two will see the implementation of the Deferred Choice Underpin. That is, giving eligible members a choice between legacy scheme and alpha scheme benefits for service between 1 April 2015 and 31 March 2022. At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published are available at

<https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

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

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

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

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

Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

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 2022 was 10.1% and HM Treasury has announced that public service pensions will be thincreased accordingly from April ²⁰²³.

Employee contribution rates for all members for the period covering 1 April 2023 – 31 March 2024 are as follows:

Scheme Year 1 April 2023 to 31 March 2024

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	To	From 01 April 2023 to 31 March 2024
£0	£25,049.99	4.6%
£25,050.00	£56,999.99	5.45%
£57,000.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

Cash Equivalent Transfer Values

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

Real increase in CETV

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

Compensation for loss of office

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

Temporary Staff

In 2022-23 the office paid £536,000 (2021-22 - £185,200) for temporary staff. The increase is due to the need for staffing cover for maternity and long-term absence as well as project support requirements.

Off-Payroll Appointments

NIPSO can confirm that they have no senior off-payroll appointments.

Staff Report

Staff Numbers and related costs (audited information)

Staff Costs Comprised:

			2022-23 £'000	2021-22 £'000
	Permanently employed staff	Others	Total	Total
Wages and salaries	1,698	510	2,208	1,861
Social security costs	191	7	198	198
Other pension costs	518	19	537	526
Sub Total	2,407	536	2,943	2,585
Less recoveries in respect of outward secondments	-	-	-	(52)
Total net costs	2,407	536	2,943	2,533

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

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

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

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

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

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

For 2022-23, employers' contributions of £537,231 were payable to the NICS pension arrangements (2021-22: £526,272) 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 (2021-22: £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% (2021-22: 8% to 14.75%) of pensionable pay.

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

Employer contributions of £Nil, 0.5% (2021-22: £Nil, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the **partnership** pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

No persons (2021-22: Nil persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2021-22: £Nil).

Average number of persons employed (audited information)

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

2022-23				2021-22
Number				Number
	Permanently employed staff	Others	Total	Total
Total	44	3	47	46

Reporting of Civil Service and other compensation schemes – exit packages

As part of a restructuring exercise which began in 2021-22 there were exit packages for two members of NIPSO staff for a total of £95,250. The restructuring helped implement the new strategic approach as set out in the NIPSO strategic Plan 2022-25.

Staff Numbers as at 31 March 2023

	Male	Female	Total
Ombudsman	-	1	1
Deputy Ombudsman	1	-	1
Other Senior Management Team	1	2	3
Other Staff	12	30	42
Total	14	33	47

These figures do not include 11 agency/ contractor workers.

Absence Data (audited information)

Sickness absence data for 2022-23 is as follows:

Working Days lost 2022-23	Average days lost per WTE member of staff	Absence Rate 2022-23 %
494.5	10.42	4.71%

Covid-19 related sickness accounted for 47.5 days absence and if excluded from the above figures reduces average days lost to 9.42 per WTE, with an absence rate of 4.26%

The above figures are based on information available as at 31 March 2023.

The recorded absence rate represents a reduction in the number of long-term absences.

Expenditure on External Consultancy

NIPSO incurred £NIL expenditure (2021-22: £34,646) in external consultancy during 2022-23.

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 2022-23 Several staff were trained as Mental Health First Aiders and NIPSO also introduced a revised suite of HR Policies for all staff.

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

2022-23 Staff turnover and staff engagement indicators

Reporting requirements in HM Treasury's 2022-23 Financial Reporting Manual (FReM) were promulgated by DOF in guidance within FD (DoF) 01/23 issued in February 2023. These requirements relate to staff turnover and staff engagement scores.

For the year 2022-23 NIPSO had a staff turnover of 22.3%.

NIPSO Completed a Staff Engagement Survey during this reporting year. A total of 43 staff completed the survey, a response rate of 81.5%. The overall engagement score was 83 out of 100.

Other engagement events

Three staff briefings took place during this year to enable the Ombudsman to update staff on events and developments in NIPSO. One of these staff briefings was an Away Day off site to discuss NIPSO strategy and the implementation of a new performance development and mentoring framework (CARE Framework) for all employees.

The Ombudsman also committed to attend all departmental Team Meetings, with two meetings being attended during this period with a programme to attend all remaining meetings in the new financial year.

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 Treasury.

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

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

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

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

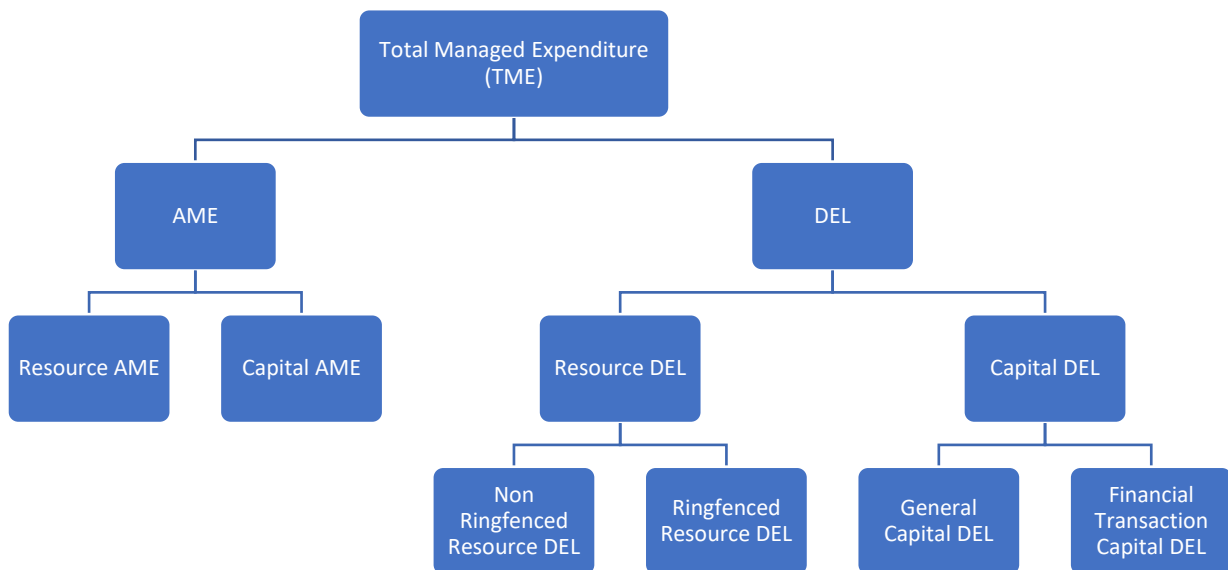
- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs, and separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets.
- Capital DEL is split into 'financial transactions' for loans 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 Treasury.

[Consolidated budgeting guidance 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/103122/Consolidated_Budgeting_Guidance_2022_to_2023.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:



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

[Consolidated budgeting guidance 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2022-to-2023)

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.

Budgetary Performance

Summary tables – mirrors Part I of the Estimates

Summary table, 2022–23, all figures presented in £'000

Type of Spend	Note	Outturn			Estimate			Outturn vs Estimate, saving/(EXCESS)		Prior Year Outturn Total, 2021-22
		Voted	Non-voted	Total	Voted	Non-voted	Total	Voted	Total	
Departmental Expenditure Limit										
Resource	SOAS 1.1	3,927	162	4,089	4,035	160	4,195	108	106	3,539
Capital	SOAS 1.2	46	-	46	57	-	57	11	11	2
Total		3,973	162	4,135	4,092	160	4,252	119	117	3,541
Annual Managed Budget										
Resource	SOAS 1.1	(45)	-	(45)	(45)	-	(45)	-	-	-
Capital	SOAS 1.2	-	-	-	-	-	-	-	-	-
Total		(45)	-	(45)	(45)	-	(45)	-	-	-
Total Budget										
Resource	SOAS 1.1	3,882	162	4,044	3,990	160	4,150	108	106	3,539
Capital	SOAS 1.2	46	-	46	57	-	57	11	11	2
Total Budget and Non Budget Expenditure		3,928	162	4,090	4,047	160	4,207	119	117	3,541

Net Cash Requirement 2022-23, all figures presented in £'000

Type of Spend	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn Total, 2021-22
Net Cash Requirement	SOAS 3	3,741	3,972	231	3,392
Total resources	SOAS 3	3,741	3,972	231	3,392

Programme costs 2022-23, all figures presented in £'000

Type of Spend	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn Total, 2021-22
Programme costs	SOAS 1.1	4,044	4,150	106	3,539
Total resources	SOAS 2	4,044	4,150	106	3,539

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, 2022 – 23 (£'000)

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	Resource Outturn				Estimate			Outturn vs Estimates	Prior Year Outturn Total 2021-22
	Gross	Programme Income	Net	Total	Total	Virement	Total Including Virements		
Spending in Departmental Expenditure Limits (DEL)									
Voted Expenditure									
1. Investigation and Adjudication	3,927	-	3,927	3,927	4,035	-	4,035	108	3,494
Non Voted DEL									
2. Ombudsman Salary	162	-	162	162	160	-	160	(2)	154
Total Spending in DEL	4,089	-	4,089	4,089	4,195	-	4,195	106	3,648
Annually Managed Expenditure (AME)									
Voted Expenditure									
3. Provisions	(45)	-	(45)	(45)	(45)	-	(45)	-	45
Total Spending in AME	(45)	-	(45)	(45)	(45)	-	(45)	-	
<i>Total Resource</i>	4,044	-	4,044	4,044	4,150	-	4,150	106	3,693

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 2021-22
Request for resources A: Departmental Expenditure in DEL								
Voted Expenditure								
1. Investigation and Adjudication	46	-	46	57	-	57	11	2
Total Spending in DEL	46	-	46	57	-	57	11	2

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.

		2022-23	2021-22
		£'000	£'000
	Note	Outturn	Outturn
Total Resource Outturn	SOAS1	3,930	3,539
Non-supply income (CFERs)	SOAS4	-	-
Non-supply expenditure	SOCNE	162	154
Lease expenditure credit		(17)	(17)
(Gain)/Loss on revaluation of Property, Plant and Equipment		(31)	26
Net Expenditure in Consolidated Statement of Comprehensive Net Expenditure		4,044	3,702

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

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

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 outturn to the net cash requirement.

	Note	Outturn	Estimate	Net total outturn compared with estimate: saving/ (excess)
Total Resource Outturn	SoAS 1.1	4,044	4,150	106
Total Capital Outturn	SoAS 1.2	46	57	11
<i>Adjustments to remove non-cash items:</i>				
Depreciation and Amortisation	3	(199)	(120)	79
Revaluation Gain	3	31	-	-
Other non-cash items	3	(31)	-	-
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in receivables	10	(20)	-	20
(Increase)/decrease in payables	11	(250)	-	250
Use of provisions	12	45	45	-
Total		3,666	4,132	466
<i>Removal of non-voted budget items</i>				
Consolidated Fund Standing Services	3	(162)	(160)	2
Other Adjustments*	3, 11	237	-	-
Total		75	(160)	235
Net Cash Requirement		3,741	3,972	231

*Other adjustments relate to the implementation of IFRS 16

SOAS Note 4 – Amounts of Income to the Consolidated Fund

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

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

	Note	Outturn total 2022-23		Prior Year 2021-22	
		Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating Income	5		17	-	69
Income outside the ambit of the Estimate					
- Lease credit*	5		(17)	-	(17)
Income Authorised to be used as Accruing Resources	5		-	-	(52)
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 the period under review.

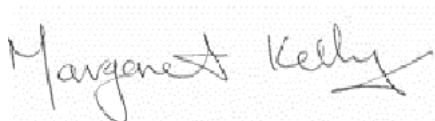
ii. Fees and Charges

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

iii. Remote Contingent Assets and Liabilities

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

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



Margaret Kelly
Accounting Officer

29 June 2023

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

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Public Services Ombudsman for the year ended 31 March 2023 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation of the 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 2023 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 2023 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 report.

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

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

Matters on which I report by exception

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

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

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

Responsibilities of the Accounting Officer for the financial statements

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- 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 expenditure recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and

- investigating significant or unusual transactions made outside of the normal course of business.

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

30 June 2023

Northern Ireland Public Services Ombudsman

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2023

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.

		2022-23	2021-22
		£'000	£'000
	Note		
Other operating income	5	(17)	(69)
Total Operating Income		(17)	(69)
Staff expenditure	3	2,943	2,585
Purchase of goods and services	3	757	819*
Depreciation and impairment charges	3	199	108
Consolidated fund standing services	3	162	154
Lease Interest Charges	3	12	-
Other Operating Expenditure	3	-	17
Provision Expense	3	-	45
Total Operating Expenditure		4,073	3,745
Net Operating Expenditure		4,056	3,676
Notional Costs			
Notional Audit Costs	3	17	15
Other Notional Costs	3	2	2
Total Notional Costs		19	17
Net Expenditure for the year including Notionals		4,075	3,676
Net loss / (gain) on revaluation of Property, Plant and Equipment	6	(31)	26
Comprehensive Net Expenditure for the year ended 31 March 2023	SOAS 2	4,044	3,702

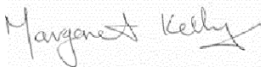
*Notional costs previously included in Purchase of goods and services which has now been split in 2022-23.

Northern Ireland Public Services Ombudsman

Statement of Financial Position as at 31 March 2023

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 £'000	2022 £'000
	Note		
Non-current assets			
Property, plant and equipment	6	2,000	741
Intangible assets	7	46	18
Total non-current assets		2,046	759
Current assets			
Trade and other receivables	10	74	94
Cash and cash equivalents	9	45	51
Total current assets		119	145
Total assets		2,165	904
Current liabilities			
Trade and other payables	11	(462)	(212)
Provisions	12	(16)	(61)
Total current liabilities		(478)	(273)
 Total assets less current liabilities		 1,687	 631
Non-current liabilities			
Other payables	11	(1,375)	(196)
Total non-current liabilities		(1,375)	(196)
 Total assets less total liabilities		 312	 435
Taxpayers' equity & other reserves:			
General fund		281	435
Revaluation reserve		31	-
Total equity		312	435



Margaret Kelly
Accounting Officer

29 June 2023

Consolidated Statement of Cash Flows for year ended 31 March 2023

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.

		2022-23	2021-22
		£'000	£'000
	Note		
Cash flows from operating activities			
Total operating Expenditure		(4,075)	(3,676)
Adjustments for non-cash transactions	3	230	170
(Increase)/Decrease in trade and other receivables	10	20	24
Increase/(Decrease in trade and other payables	11	1,430	(106)
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	11	(1,302)	41
<i>Less utilisation of provision in year</i>	12	(45)	-
Net cash outflow from operating activities		(3,742)	(3,547)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	-	(2)
Purchase of intangible assets	7	(45)	-
Net cash outflow from investing activities		(45)	(2)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		3,736	3,430
From the Consolidated Fund (Non-Supply)		162	154
Capital element of payments in respect of leases		(117)	-
Net Financing		3,781	3,584
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(6)	35
Payments of amounts due to the Consolidated Fund		-	(78)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(6)	(43)
Cash and cash equivalents at the beginning of the period	9	51	94
Cash and cash equivalents at the end of the period	9	45	51

Northern Ireland Public Services Ombudsman

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

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 2021		548	25	573
Net Assembly Funding		3,444	-	3,444
Consolidated Fund Standing Services		154	-	154
Supply (payable)/receivable adjustment		(51)	-	(51)
Comprehensive Expenditure for the Year	Net SOCNE	(3,676)	(26)	(3,702)
Auditors' Remuneration	3	15	-	15
Welfare Support	3	2	-	2
Transfer between reserves		(1)	1	-
Balance at 31 March 2022		435	-	435
Net Assembly Funding		3,785	-	3,785
Consolidated Fund Standing Services		162	-	162
Supply (payable)/receivable adjustment		(45)	-	(45)
Comprehensive Expenditure for the Year	Net SOCNE	(4,075)	31	(4,044)
Auditors' Remuneration	3	17	-	17
Welfare Support	3	2	-	2
Balance at 31 March 2023		281	31	312

Northern Ireland Public Services Ombudsman

Notes to the NIPSO Annual Report and Accounts 2022-23

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2022-23 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

IFRS 16, a contract that conveys 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 with a useful life of under 12 months.

Initial Recognition:

At the commencement of a lease (or in NIPSO's case the IFRS 16 transition date of 1 April 2022) NIPSO recognises 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 subsequently 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. Further information on right to use assets is provided in note 15.

1.3 *Property, plant and equipment*

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

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

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

Asset lives are normally in the following ranges:

- Office Equipment 2 – 18 years
- Computer Equipment 2 – 10 years
- Fixtures and Fittings 3 – 15 years
- Leased Buildings 15 – 20 years

1.4 *Intangible assets*

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

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

1.5 *Operating income*

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

1.6 *Leases*

Leases have been capitalised in line with IFRS 16, as per note 1.2 above. At the commencement of a lease (or in NIPSOs case the IFRS 16 transition date of 1 April 2022) NIPSO recognises 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.

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.

Initial application of IFRS 17 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.

	2022-23			2021-22		
	NIPSO £'000	LGES £'000	Total £'000	NIPSO £'000	LGES £'000	Total £'000
Gross Expenditure:						
Staff expenditure	2,482	461	2,943	2,199	386	2,585
Other Administration costs	834	153	987	813	*148	961
Provision	-	-	-	45	-	45
Income	-	-	-	(52)	-	(52)
Net Expenditure (resource outturn)	3,316	614	3,930	3,005	534	3,539

*The £148,000 2021-22 Other Administration costs include £50,000 for non-service expenditure which was returned to the Local Government sponsor Department (Department for Communities) at the year-end for reallocation through the established funding mechanism. There was no funding returned in 2022-23.

Note 2.1 Reconciliation between Operating segments and SoCNE

	2022-23			2021-22		
	NIPSO £'000	LGES £'000	Total £'000	NIPSO £'000	LGES £'000	Total £'000
Net Expenditure (resource outturn)	3,316	614	3,930	3,005	534	3,539
Non-supply Income (CFERS)	-	-	-	-	-	-
Non-supply expenditure (Ombudsman's salary)	121	41	162	115	38	153
Lease expenditure credit	(17)	-	(17)	(17)	-	(17)
Net (gain) / loss on revaluation of Property, Plant and Equipment	(31)	-	(31)	26	-	26
	3,389	655	4,044	3,129	572	3,701

3. Other Operating Expenditure

	2022-23		2021-22	
	£'000	£'000	£'000	£'000
Staff Costs¹:				
Wages and salaries	2,208		1,861	
Social security costs	198		198	
Other pension costs	537		526	
		2,943		2,585
Consolidated Fund Standing Charges	162		154	
		162		154
Rentals under Operating Leases	-		100	
Other Goods and Services	272		159	
Premises Expenses	91		51	
Rates	44		43	
Office Services	56		33	
Professional Services	290		432	
Travel and Subsistence	4		1	
		757		819

Non Cash Items:

Interest Charges	12		-	
		12		-
Depreciation	179		67	
Amortisation	20		21	
Surplus write - down of Fixed assets on Revaluation	-		20	
		199		108
Provision provided for in year	-		45	
Auditors remuneration and Expenses	17		15	
Other notional Charges (welfare support)	2		2	
		19		62
Total		4,092		3,728

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

	2022-23	2021-22
	£'000	£'000
	Total	Total
Income from secondments	-	52
Amortisation of Deferred Income	17	17
Other income	-	-
	17	69

6. Property, plant and equipment

	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

Notes

Property, plant and equipment were revalued on the basis of indices, where material (see Note 1.3 on page 67 for details). Buildings Category has been added for the first time in 2022-23 to reflect the capitalisation of leases which came into effect April 2022.

2021-22

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

7. Intangible Assets

2022-23	Software	Assets Under Construction	Total
	£'000	£'000	£'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

Notes

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

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

8. Capital and other commitments

8.1 Capital commitments

NIPSO capital commitments of £32,000 as at 31 March 2023 (31 March 2022 – Nil).

8.2 Commitments under leases

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

	2022-23	2021-22
	£'000	£'000
Obligations under operating leases for the following periods comprise:		
Buildings:		
Not later than one year	-	100
Later than one year and not later than five years	-	401
Later than five years	-	778
	<u>-</u>	<u>1,279</u>

Under IFRS 16 leases have now been capitalised as right-to-use assets see note 15.

9. Cash and cash equivalents

	2022-23	2021-22
	£'000	£'000
Balance at 1 April	51	94
Net change in cash and cash equivalent balances	(6)	(43)
Balance at 31 March	<u>45</u>	<u>51</u>
The following balances at 31 March were held at:		
Commercial banks and cash in hand	<u>45</u>	<u>51</u>
Balance at 31 March	<u>45</u>	<u>51</u>

9.1 Reconciliation of liabilities arising from financing activities

NIPSO has no liabilities arising from financing activities.

10. Trade receivables, financial and other assets

	2022-23 £'000	2021-22 £'000
Amounts falling due within one year		
Trade receivables	-	-
Other receivables – VAT	30	31
Salaries	-	-
Other	-	-
Prepayments and accrued income	44	63
Total amounts falling due within one year	74	94

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

11. Trade payables, financial and other liabilities

	2022-23 £'000	2021-22 £'000
Amounts falling due within one year		
Trade payables	12	-
Accrual and deferred income	300	144
Other payables	-	17*
Current Part of Lease Liabilities	105	-
Amounts issued from the Consolidated Fund for supply but not spent at year end	45	51
Consolidated Fund extra receipts due to be paid to the Consolidated Fund		
Received	-	-
Receivable	-	-
Total amounts falling due within one year	462	212
Amounts falling due after more than one year:		
Other Payables, accruals, and deferred income	178	195
Leases	1,197	-
Total	1,375	195

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

12. Provisions for liabilities and charges

	Early departure costs	2022-23 Backdated Holiday Pay related to Overtime*	Total	Early departure costs**	2021-22 Backdated Holiday Pay related to Overtime	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April	45	16	61	-	16*	16
Provision provided in the year	-	-	-	45	-	45
Provisions not required and written back	-	-	-	-	-	-
Provision Utilised in the year	(45)	-	(45)	-	-	-
Balance at 31 March 2022	-	16	16	45	16	61

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

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

13. Contingent liabilities

NIPSO has the following unquantifiable contingent liabilities:

Legal fees

As at 31 March 2023 four legal challenges were ongoing. The three cases are in relation to applications for leave for judicial review against decisions taken on maladministration complaints. A further application for leave to take a judicial review was ongoing on 31 March 2023 into a decision of the Local Government Commissioner for Standards.

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

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

Employment Tribunal

Following a recruitment competition an applicant lodged two claims with the employment tribunal. The claims were consolidated and the decision not to uphold the claims was issued

by the Tribunal in December 2020. The Court of appeal issued its decision, and one claim was dismissed and one claim returned to the Tribunal for a new hearing.

A claim from a former employee was received during the year and is ongoing. The amount of any eventual financial settlement or associated costs, if any, is not quantifiable.

14. Contingent Assets

NIPSO has no Contingent Assets as at 31 March 2023.

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 recognises 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.

Transitional Arrangements

NIPSO has made the following determinations:

- To adopt IFRS 16 at 1 April 2022 with no restatement of comparative balances. Consequently, the Statement of Comprehensive Net Expenditure and Statement of Financial Position for 2021-22 reflect the requirements of IAS 17 and are not restated.
- For leases previously treated as operating leases:

- To measure the liability of the present value of the remaining payments, discounted by the incremental cost of borrowing as at the transition date. Also to measure the asset at an amount equal to the liability, adjusted for any prepayment previously recognised for that lease and are not restated.

15.1 Quantitative disclosures around right-of-use assets

	2022-23
	Buildings
	£'000
Right-of-use assets	
As at 1 April 2022	1,406
Depreciation Expense	(112)
As at 31 March 2023	1,294

15.2 Quantitative disclosures around lease liabilities

Maturity Analysis	2022-23
	£'000
Buildings	
Not Later than one year	116
	£'000
Later than one year and not later than five years	468
Later than 5 years	790
Less interest Element	(72)
Present Value of Obligations	1,302
Current	105
Non Current	1,197

15.3 Quantitative disclosures around cash outflow for leases

	2022-23	2021-22
	£'000	£'000
Total Cash outflow of lease	116	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.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 30 June 2023.

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