



For the year ended
31 March 2018
Together with the
Certificate and Report
of the Comptroller and
Auditor General for
Northern Ireland

ANNUAL REPORT & ACCOUNTS

Police Ombudsman for Northern Ireland

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2018**

*Together with the Certificate and Report of the
Comptroller and Auditor General for Northern Ireland*

The Annual Report is laid before the Northern Ireland Assembly by the Department of Justice in accordance with section 61(5) (a) of the Police (Northern Ireland) Act 1998. The Statement of Accounts together with the report of the Comptroller and Auditor General for Northern Ireland are laid before the Assembly in accordance with paragraph 12(2) of Schedule 3 to that Act (as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010).

on 29 June 2018

Glossary of Abbreviations

C&AG	Comptroller and Auditor General
CARE	Career Average Related Earnings
CETV	Cash Equivalent Transfer Value
CHS	Case Handling System
CPD	Continuous Professional Development
CPI	Consumer Prices Index
CSP	Civil Service Pensions
DoF	Department of Finance
DoJ	Department of Justice
FReM	Financial Reporting Manual
FTE	Full Time Equivalent
GSOC	Garda Síochána Ombudsman Commission
HIU	Historic Investigations Unit
IAS	International Accounting Standards
ICIT	Initial Complaints and Investigation Team
IFRS	International Financial Reporting Standard
IOPC	Independent Office for Police Conduct
MOU	Memorandum of Understanding
MSFM	Management Statement and Financial Memorandum
NCA	National Crime Agency
NDPB	Non Departmental Public Body
NIAO	Northern Ireland Audit Office
NICS	Northern Ireland Civil Service
NIPB	Northern Ireland Policing Board
NIPSA	Northern Ireland Public Service Alliance
NIRPOA	Northern Ireland Retired Police Officers Association
PIRC	Police Investigations and Review Commissioner
PPS	Public Prosecution Service
PSIAS	Public Sector Internal Audit Service
PSNI	Police Service of Northern Ireland
RPI	Retail Prices Index
SCS	Senior Civil Service
SCT	Significant Cases Team
SMT	Senior Management Team
SSRB	Senior Salaries Review Board
UVF	Ulster Volunteer Force
VAT	Value Added Tax

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Foreword by the Police Ombudsman

Welcome to my 6th Annual Report as Police Ombudsman for Northern Ireland. Once again the Office has had a busy and active year independently investigating complaints against the Police Service of Northern Ireland. The Office was born out of the policing reforms following the Good Friday Agreement. While the political context of Northern Ireland has changed dramatically over the past 20 years, the need for independent oversight of the police remains strong. The police have the powers to take someone's liberty and in certain circumstances their life. They have the power to search property and persons and it can be a daunting task to complain about police actions. Policing remains a contested space in some quarters. The Office acts as a conduit between the citizen and the police service to independently investigate any complaints that are made.

It is pleasing to note that overall complaints against the police are down on the previous year. Set alongside the strong awareness of the Office and its independence, reducing numbers of complaints against police demonstrate that there is an improving level of engagement by the police with the public. I believe that the Office has contributed to this reduction in complaints through engagement with police and policy recommendations made over the years since the Office has been established. The number of complaints received in the year ended 31 March 2018 was 2,561, a 9% decrease on the previous year. As an individual complaint may cover a number of different issues to do with an interaction with the police we also count the number of allegations made. During the year there were 4,241 allegations made against the police, a decrease of 12%. To set these figures in context compared with five years ago there has been a decrease in recorded crime of 3.9%; the prosecution service

has seen a reduction of 25% in the number of files received and prosecutions have reduced by 27% in this period.

The Office continues to deal with a wide range of policing activities including complaints arising from police searches, domestic incidents, traffic related incidents and arrests. Complaints in all these areas have declined. Allegations of failure in duty, oppressive behaviour by police officers and incivility by officers have also declined.

As well as a reduction in overall levels of criminal justice activity which may impact on police complaints, the downward trend in complaints may also be the result of a number of other factors. They include the roll out of body worn video cameras as well as improvements in police training and operational practices. The overall decline in police complaints and allegations is to be welcomed as I do believe they are indicative of improving policing in Northern Ireland.

Of the 887 cases subject to full investigation we substantiated all or some of the allegations in 24% of cases. A total of 197 recommendations were made for disciplinary action or performance improvement. The Office continued to close around 100 more cases than it opened.

We also made 40 policy recommendations designed to improve policing. These included recommendations to review the structure and resourcing of the investigation of fatal and serious road traffic collisions and a recommendation in respect of a police witness strategy. During the year a response was received from the PSNI in respect of a previous policy recommendation arising from the lack of separate juvenile detention facilities within Musgrave Street Custody Suite.

At an operational level policy recommendations were made and accepted include those relating to Detainee Reviews and Custody Handovers and the cessation of the practice of evidential material being recorded in unofficial police notebooks.

During the year we published a number of high profile case studies including investigations into two police pursuits during which one person died and three others suffered serious injuries. I warned the police of the potential dangers of them continuing vehicle pursuits when it was clear that drivers were prepared to put themselves and others at risk in their determination to evade capture. Both incidents involved cars travelling at high speeds through built up areas narrowly avoiding collision with other vehicles, running red lights, while police continued to give chase. Eight Officers were recommended for discipline and I made a number of policy recommendations relating to the PSNI Police Pursuit Policy & Tactical Pursuit Training.

We also published an investigation into the release from custody of a man who three days later killed his partner and her friend. The investigation found that decision making was flawed and had a more appropriate course of action been taken it may have reduced the likelihood of what was to happen. Eight Officers were recommended for discipline and I made a number of recommendations for revision of relevant policies for dealing with violent offenders.

I also recommended that police needed to rethink how they handle high risk missing person investigations after examining PSNI's response to reports that a 23 year old Chinese national had gone missing. The investigation was the latest in a series by this Office to identify failings in the police

management of missing person investigations. Finally, we also published an investigation which rejected claims that police could have prevented a break in at Castlereagh Police Station in 2002, but chose not to in order to protect an informant. The investigation found no evidence that police had any advance information which would have allowed them to prevent or disrupt the raid.

The progress made in the completion of historical cases remains unacceptably slow. While the number of cases coming to the Office has slowed down the publication of historical cases remains problematic. The Office continued to face legal challenges on a variety of subjects. The Loughinisland Public Statement was subject to judicial review and an initial judgement was given in December 2017. This found against the Office in relation to procedural unfairness with regard to a particular police officer. The judge subsequently removed himself from the case and a different judge will hear new arguments concerning the powers of the Office in the next financial year. Publication of reports has been postponed until there is clarity on what can be said in Public Statements.

In relation to funding we initially saw a 3% reduction in budget for 2017/2018 which was subsequently reduced with the provision of additional monies in year, meaning overall budget reduction was in the region of 1%. While the future budget of the Office looks more stable with inflation pressures we are still experiencing an overall budget reduction. Despite this we have improved the timeliness of cases coming to the Office. The benefits of the internal restructuring within the Office are now beginning to emerge with complaints handled by the Initial Complaints and Investigations Team exceeding their timeliness target for the year (94% of cases completed

within 90 working days). In addition, despite an increasing the number of complex cases, the Core Investigation Team managed to meet its performance targets of 75% of cases completed within 110 working days. We will continue to work on the length of time it takes to complete a case.

In last year's Annual Report I highlighted the comments made by a Judge in relation to the Bell Judicial Review on funding for the Office. An applicant had successfully challenged a lack of funding for such investigations by the Office. The Court of Appeal overturned this judgement and the Office remains underfunded to deal with the number and complexity of the investigations which are outstanding. In the absence of an alternative investigative body it is critical that the Office receives the support it requires from Government to ensure that it has the resources and powers to discharge its statutory duties.

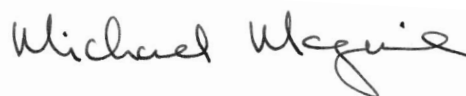
At the beginning of the year we became aware of a potential historical theft of sensitive information from the Office. The police were informed and a criminal investigation commenced. This is ongoing. It resulted in an agreement with the police to withhold sensitive information for a number of months. Information flows were resumed on completion of a positive independent review. This hiatus resulted in further delays to the completion of planned legacy cases.

On 11 May 2018 the Government published a consultation paper entitled "Addressing the Legacy of Northern Ireland's Past". I welcome this consultation, indeed I have stated on many occasions that the current arrangements are ad hoc, fragmented, imbalanced and underfunded. It is imperative for the sake all of us in Northern Ireland that new arrangements are put in place. I continue to urge Government to establish the mechanisms identified in the Stormont House Agreement.

The Chief Executive Officer of the Office, Mr Adrian McAllister, had a serious illness and decided to leave the organisation to focus on his recovery. In his 5 years with the Office Adrian made a significant contribution to the delivery of its services. He will be missed as a valued colleague and friend and we wish him well. Adrian's responsibilities have been split among the Senior Management Team pending a permanent replacement and I would like to thank them for all their help and support throughout this organisational challenge. We also saw some changes to the responsibilities of the senior management team with new Directors taking over responsibility for the Current and History Directorates.

The profile and reputation of the Office remains strong with a very high proportion of the population in Northern Ireland aware of the Office (86% of those interviewed) and a similarly high proportion aware we are independent of the police. 76% of respondents who were aware of the Office were confident complaints were handled impartially.

This year has seen a number of significant internal and external organisational challenges. Despite these issues the core work of the Office has continued to be delivered, providing an essential component of the police oversight architecture in Northern Ireland. I would like to place on record my thanks to all staff within the Office for their continued hard work and commitment to independent police oversight.



Dr Michael Maguire
Police Ombudsman for Northern Ireland

Performance Report

Overview

The purpose of this Overview section within the Annual Report and Accounts is to provide sufficient information to ensure that the remit and purpose of the Office is understood. It includes a statement from the Acting Accounting Officer on the overall performance of the Office during the financial year. It also includes an explanation of the statutory duties and background to the Office, the key issues and risks that could affect the Office in the delivery of its objectives and a performance summary.

Statement from the Acting Accounting Officer

The Chief Executive, Mr Adrian McAllister has been on a protracted period of sickness absence and as an interim measure his duties have been shared across a number of members of SMT. As Director of Corporate Services, I have been designated as Acting Accounting Officer pending the appointment of a new Chief Executive. As Acting Accounting Officer I am pleased to report on the business and performance of the Office over the last year.

A table detailing performance against the key aims of the Office is included at page 9. In addition, the statistical information referred to in this report is supplemented by a statistical bulletin which can also be found on our website www.policeombudsman.org.

A selection of case studies have been included that seek to demonstrate the variety of the work undertaken by the Office along with some examples of both positive and negative feedback from complainants and police officers.

Overall, the performance of the Office remains strong despite a further reduction to the core budget during the year. Staff in the Office have

continued to work with dedication and commitment to deliver an effective and efficient police complaints system. I would specifically acknowledge the hard work and enthusiasm of the staff within the Office through whom all of the performance which this report highlights would not have occurred.

Statutory Duties and Background

The Police Ombudsman for Northern Ireland was established under the Police (Northern Ireland) Act 1998. The Office was established on 6 November 2000 by virtue the Police (Northern Ireland) Act 1998 (Commencement) Order (Northern Ireland) 2000. The Office is an executive Non Departmental Public Body (NDPB) of the Department of Justice (DoJ).

The Office is not governed by a Board, but is headed by a Police Ombudsman as a Corporation Sole who is appointed by Royal Warrant and normally serves for a period of seven years. The Office of the Police Ombudsman is constituted and operates independently of the Department of Justice, the Northern Ireland Policing Board and the Police Service of Northern Ireland. The Office is accountable to the Northern Ireland Assembly and is required to take into account all relevant guidance given by DoF and the Department.

The Key Strategic Aims of the Office which are framed by the Police (Northern Ireland) Act 1998 are to secure an effective, efficient and independent police complaints system which is capable of securing the confidence of the public and police in that system. The key features of legislation are detailed in the table on page 8.

The Office complies with the corporate governance and accountability framework arrangements (including Managing Public Money Northern Ireland) issued by the Department of Finance (DoF) and DoJ.

Principal Activities

The Office of the Police Ombudsman for Northern Ireland provides an independent, impartial police complaints system for the people and the police of Northern Ireland. It investigates complaints against the Police Service of Northern Ireland, the Belfast Harbour Police, the Belfast International Airport Police, National Crime Agency (NCA) officers in Northern Ireland and Ministry of Defence Police in Northern Ireland. The Office also undertakes investigations into certain complaints about Immigration Officers and Designated Customs Officials when operating in Northern Ireland through a legal framework developed jointly with the Home Office and Department for Justice.

The Police Ombudsman investigates complaints about the conduct of police officers and, where appropriate, makes recommendations in respect of criminal and misconduct matters. The Police Ombudsman also investigates matters referred to him by certain bodies, where appropriate, and reports on these matters to the Department of Justice, the Policing Board and the Chief Constable. In addition, the Police Ombudsman publishes statements and makes policy recommendations aimed at improving policing within Northern Ireland. He also provides statistical reports for management purposes to the Police Service of Northern Ireland and to the Northern Ireland Policing Board and provides management information to the Department of Justice.

THE POLICE OMBUDSMAN FOR NORTHERN IRELAND IS:

- established by the Police (NI) Act 1998;
- accountable to the Northern Ireland Assembly;
- constituted and operated independently of the Northern Ireland Policing Board (NIPB) and the Chief Constable;
- required to have regard to any guidance given by the Department of Justice;
- an executive Non-Departmental Public Body financed by a Grant in Aid from the DoJ.

THE POLICE (NI) ACT 1998 (AS AMENDED) DIRECTS THE POLICE OMBUDSMAN TO:

- exercise his powers in the way he thinks best calculated to secure
 - the efficiency, effectiveness and independence of the police complaints system;
 - the confidence of the public and of members of the police force in that system;
- observe all requirements as to confidentiality;
- receive complaints and other referred matters and to decide how to deal with them;
- investigate complaints, referred matters and matters called in for investigation by the Police Ombudsman;
- receive and record policy complaints and refer them to the Chief Constable;
- make recommendations to the Director of Public Prosecutions for criminal prosecution;
- make recommendations and directions in respect of disciplinary action against police officers;
- notify the DoJ, NIPB and Chief Constable of the outcome of certain complaints, referred matters and any investigation which the Ombudsman initiates without a complaint;
- report to the DoJ annually;
- carry out inquiries as directed by the DoJ;
- supply statistical information to the NIPB.
- investigate a current practice or policy of the police if
 - the practice or policy comes to his attention under the Act; and
 - he has reason to believe that it would be in the public interest to investigate the practice or policy.

Table 1 - Service Commitments		Performance against targets	
Key Aim	Targets	2017/18	2016/17
Delivering Excellence in Investigations	Resource and action all complaints and related allegations registered.	2,561 complaints- 9% decrease	2,813 complaints- 8% decrease
		4,241 allegations 12% decrease	4,816 allegations 3% decrease
	Maintain or increase the number of complaints resolved through Informal Resolution.	165 complaints- 7% decrease	177 complaints- 7% increase
Maintain Impartiality and Independence in Dealing with Complaints	To maintain a level of 80% public awareness of the Office.	86% achievement.	88% achievement
	To maintain a level of 80% awareness of the independence of the Police Ombudsman.	85% achievement	85% achievement
	To maintain a level of 80% confidence that the Police Ombudsman for Northern Ireland deals with complaints in an impartial way.	76% achievement	79% achievement
	To maintain a level of 80% of respondents who think that that they would be treated fairly by the Office if they made a complaint against the police.	82% achievement	84% achievement
	To maintain a level of 70% of complainants to feel that they have been dealt with fairly by the Office.	76% achievement	75% achievement
	To maintain a level of at least 70% of police officers subject of investigation to feel that they have been dealt with fairly by the Office.	76% achievement	80% achievement
Develop and Implement Standards for the services we provide	Maintain or improve performance against the Service Charter		
	Police Officers -thought they were treated with respect -thought staff were easy to understand -thought staff were knowledgeable -satisfied with the manner in which they were treated -thought their complaint was dealt with independently	89% achievement 87% achievement 74% achievement 60% achievement 71% achievement	89% achievement 89% achievement 76% achievement 58% achievement 76% achievement
	Complainants -thought they were treated with respect -thought staff were easy to understand -thought staff were knowledgeable -satisfied with the manner their complaint was treated -thought their complaint was dealt with independently	86% achievement 82% achievement 74% achievement 49% achievement 54% achievement	88% achievement 83% achievement 73% achievement 51% achievement 55% achievement
	The number of complaints against the Office to be no more than in 2016/17.	97 complaints received	51 complaints received
Focus Efforts in Improving Policing	Continue to work with PSNI and NIPB in identifying how many recommendations have impacted on policing.	40 recommendations made	47 recommendations made

Note: The statistics on complaints and allegations included in this report are taken from a live system and may be subject to future revisions. This means that the total number of complaints and allegations may change slightly from those published in previous Annual Reports or Statistical Bulletins. Revisions can be made for a number of reasons but are mainly due to more information coming to light during the natural course of the Office's work and the system being updated accordingly. Further information may be found in the Annual Statistical Bulletin which is published on our website.

Key Issues and Risks facing the Office

Within the executive processes of the Office, there is an embedded corporate approach to risk management. The risk register is reviewed by Senior Management on a regular basis making the risk register a dynamic document and is included as a standing item on all SMT agendas. Directors consider signs or warning of risks, examine existing controls to reduce or manage risks and if necessary take additional action.

In addition the Audit and Risk Committee consider the Risk Register at each quarterly meeting. Further information in relation to risk management is contained in the Governance Statement at pages 36 to 42.

There are 3 key strategic risks facing the Office. These are:

- a risk that the budget allocated to the Office is insufficient for the Office to function effectively in the delivery of its statutory duties and that any further reduction would undermine the capability and capacity of the Office to undertake its statutory functions;
- a risk around the uncertainty surrounding the establishment of an Historic Investigations Unit (HIU) under the Stormont House Agreement which could lead to a number of issues including higher staff turnover in the History Directorate, uncertainty and reduced morale for those permanent staff currently working in the History Directorate and current lack of funding to progress Historic investigations in a timely manner, leading to legal challenge and reputational damage to the Office.; and
- a risk that the Office may not successfully defend the Judicial Review by the NIRPOA in relation to publication of the outcome of investigations undertaken by the Office.

Explanation of the adoption of the Going Concern basis

The Office draws cash resource from the DoJ on the basis of need to pay and not as costs are accrued. Consequently, at the end of the financial year the Office had net current liabilities of £204,424 (£119,930 for year ended 31 March 2017). It is considered appropriate to adopt a going concern basis for the preparation of the financial statements as the Office is financed through Grant in Aid from the Department of Justice which draws its fund from the Consolidated Fund. Therefore there is no liquidity risk in respect of the liabilities due in future years.

Summary of Performance and Forward Look

The Office established an Annual Business Plan for 2017/18 within the context of a three year Corporate Plan. The three year Corporate Plan and the related 2017/18 Annual Business plan were shared with the Department but were unable to be formally approved without a minister due to the absence of the Executive. The four key aims in the 3 year Corporate Plan and in the Annual Business Plan were:

- Delivering excellence in investigations with impartiality, independence and proportionality
- Continue to improve delivery against our published standards
- Enhance knowledge and understanding of the complaints system amongst key stakeholders
- Focus on improving policing

The Performance Analysis section provides more detail on how the Office has performed against each of these key aims during the financial year.

Table 1 provides an overview of the key service commitments derived from the annual business plan for the 2017/18 financial year. Further detailed narrative is included in the Performance Analysis section of this report on pages 12 to 32.

Looking forward, the Office has now established an Annual Business Plan for the year ended 31 March 2019 which is the second Annual Business Plan within the context of the three year Corporate Plan.

Again in the absence of a Minister, this plan has not received formal ministerial approval, but has been shared with the DoJ and will be used to monitor performance across the year ahead. The four key aims in the 3 year Corporate Plan as outlined above remain appropriate for the Annual Business Plan for 2018/19.

Case Study

CUSTODY INCIDENT IN WHICH MAN HAD THREE FINGERS BROKEN WAS ACCIDENTAL

An incident in which a man sustained three broken fingers in police custody was accidental, the Police Ombudsman has found.

The man, who had been detained in Strand Road Custody Suite in Derry/Londonderry for allegedly making threats to kill, was being returned to his cell when his hand was closed in the cell door. The Police Ombudsman concluded that custody staff had been using reasonable force in returning the man to his cell and had not deliberately closed his hand in the door. However, he criticised the attitude and language of one of the two Civilian Detention Officers involved, who admitted swearing during the exchange.

CCTV footage showed that the man had become verbally aggressive after being allowed out of his cell to use the toilet, had racially abused the detention officer and, after being told to get back into his cell, had approached the detention officer, pointing at him. Both detention officers pushed the man back into the cell, one slammed the door shut, trapping the man's hand and causing fractures to his index, middle and ring fingers.

A file was sent to the Public Prosecution Service, which directed that the custody officer should not be prosecuted. However, the Police Ombudsman found that the attitude and language used by the detention officer had not been appropriate. He made recommendations to the PSNI to take appropriate action which were subsequently implemented.

Performance Analysis

Operational Performance

Investigations within the Office are investigated within two separate Investigation Directorates. The core business of the Office is the receipt and investigation of complaints and referrals that relate to contemporary policing in Northern Ireland. The handling and investigation of these complaints and referrals is undertaken by the Police Ombudsman's Current Directorate. In addition the Office continues to investigate historical matters that are considered by the Ombudsman to meet the statutory test for investigation. The majority of those investigations relate to deaths prior to 1998 associated with what is referred to as the 'Troubles' in Northern Ireland. These investigations are undertaken within the Historic Investigations Directorate.

Current Investigation Directorate

During 2017/18 in response to ongoing budgetary pressures, the Office continued with a constant drive to streamline processes and where possible to reduce bureaucracy. As outlined in the 2016/17 Annual Report, the Current Directorate underwent a major restructuring exercise in October 2016 which was designed to allow for a more efficient and proportionate resourcing of the investigation of complaints and referrals and to improve our service to the public and the timeliness of our investigations.

An Initial Complaints and Investigations Team (ICIT) now processes all complaints received, manages the informal resolution and mediation functions of the Office and also investigates those complaints of a more minor nature while an expanded Core team investigates more serious cases.

A Significant Cases Team (SCT) comprises two investigative functions – the SCT Legacy Team investigates legacy matters which fall outside the remit of the History Directorate and primarily relate to the post 1998 conflict situation in Northern Ireland and the SCT Contemporary Team investigates matters of alleged serious criminality and critical incidents involving the police.

The resources required to progress an investigation therefore differs from case to case. However targets have been set aligned to the new Current Directorate structure as follows:

- Initial Complaints and Investigations Team – 75% of complaints to be completed within 90 working days
- Core Investigations Team – 75% of complaints to be completed within 110 working days.
- Significant Cases Team – to produce an investigation report in relation to all contemporary referrals or complaints received in 2017/18 within 330 working days of the commencement of the investigation

The timeliness of investigations conducted by the Police Ombudsman will remain a key area of focus for the Office and efforts will continue to reduce bureaucracy and streamline processes. Further details of the achievement during the year against these targets is outlined below under Key Aim 1. The quality of the work in the Office is also critically important. The achievement of 'excellence in investigations' and the complaint handling process is a key aim of the organisation. The Police Ombudsman's Quality and Standards Board oversees this agenda and is supported by a small Quality Assurance Team which provides focussed thematic inspection and policy development support to the Office.

Case Study

COMPLAINT REJECTED AFTER POLICE OFFICER DESCRIBES “FIGHTING FOR HIS LIFE”

A police officer who felt he was ‘fighting for his life’ during the arrest of a suspected burglar in Derry/Londonderry has had allegations against him rejected by the Police Ombudsman.

The officer who, along with a female colleague, had responded to a reported burglary, had been accused of punching and kicking the suspect and repeatedly spraying him with CS Spray. The suspect also claimed he should not have been arrested as he had done nothing wrong and had not been resisting.

Police had been called to the man’s home after new tenants in the flat below found their door had been kicked in and items removed from the property. The officers found the missing items in the complainant’s flat. However, as the officers tried to arrest the suspect, he swung out at both with the struggle spilling out into the hallway of the flats. The accused officer, who said he feared either he or his colleague would be knocked down the stairs, added that during the 40 minute struggle he felt like he was ‘fighting for his life’. His account of the incident was supported by his colleague and independent witnesses.

Following an investigation it was concluded that the police officer’s use of force was appropriate and necessary, and that his decision to arrest the man for burglary, criminal damage and assault on police had been entirely justified. The complainant has been convicted of a number of offences in relation to the incident.

During 2017/18 the Office received 2,561 complaints ranging from allegations of incivility to those relating to deaths following police contact, assaults by police officers, serious breaches of data protection legislation failures in the investigation of serious crime, including murder, assaults and issues relating to covert policing tactics.

The level of complaints in 2017/18 represented a further reduction in police complaints from 2016/17. Following a significant ‘spike’ in police complaints in 2013/14, each subsequent year has seen a decrease in complaints to the Office. The reduction in complaints is attributable to a range of factors, including initiatives by both the PSNI and Police Ombudsman’s Office. These include the use of

Body Worn Video by police, less instances of serious public disorder, engagement with police at various levels by representatives of the Office and provision of statistical information which assists police in proactively addressing issues which may give rise to complaints.

During 2016/17 the Police Ombudsman agreed with PSNI that incidents involving the discharge of a Taser would no longer automatically be referred to the Police Ombudsman. Instead a system was introduced whereby the Police Ombudsman be immediately *informed* of any such incident and assess whether any further investigative response was required. This new approach has allowed the Police Ombudsman to better manage resources

and to focus investigations on incidents where it is desirable to do so in the public interest. This has resulted in a significant decrease in Chief Constable's referrals from 51 in 2015/16 to 23 in 2016/17 and 12 in 2017/18. The number of notifications resulting in no further action have increased from 16 during 2016/17 to 40 during 2017/18.

In the absence of a complaint or a referral from the Chief Constable, the Police Ombudsman can also exercise a 'call in' power to investigate any matter if it appears to the Ombudsman to be in the public interest to do so. In 2017/18 the Ombudsman invoked this power on 10 occasions. The Office also received one referral from the Public Prosecution Service involving sensitive matters.

During 2017/18 the Office has recommended discipline sanctions or a performance action on 197 occasions.

In June 2016 the new Police (Conduct) Regulations (Northern Ireland) came into force which altered the manner in which the Police Ombudsman makes recommendations to the PSNI in relation to disciplinary action. It introduced a revised procedure for dealing with unsatisfactory performance or attendance within the PSNI. However, for cases received, and notified to the PSNI or the Policing Board, prior to 1 June 2016 the Police Ombudsman is required to make recommendations for disciplinary proceedings under the old Regulations.

In 2017/18 the Police Ombudsman recommended discipline sanctions under the old regulations on 23 occasions. Of those 4 were for Management Discussion, 9 for Advice and Guidance, 8 for Superintendent Written Warning and 2 for formal disciplinary hearing.

“

“This is an excellent service and I wish to offer my thanks, during this stressful time for me.”

Complainant

In 2017/18 the Police Ombudsman recommended disciplinary action under the new Regulations on 118 occasions. The new Regulations introduce the concept of a misconduct meeting at which a police officer may be dealt with by disciplinary action of management advice, written warning and final written warning. The Police Ombudsman recommended that a misconduct meeting be held on 115 occasions. On 91 of those occasions the recommendation was for management advice and on 23 occasions for a written warning and 1 final written warning. During this year there were also 3 recommendations for a management hearing to be conducted.

The Police Ombudsman has the power under regulation 12 of the RUC (Complaints etc.) Regulations 2000 to refer some matters to the Police Service of Northern Ireland as performance matters following investigation. In 2017/18 the Police Ombudsman made recommendations on 53 occasions for an officer to be dealt with under these Regulations.

During the year there were 3 recommendations for a modification of designation for designated civilian staff within the PSNI.

On 6 occasions the Office recommended that the PPS prosecute officers/staff.

Historic investigation Directorate

During 2017/18 the caseload of historic complaints and referrals increased to 430 cases of which 165, almost 40%, are subject of active enquiries or preparation of final reports. The Historic Investigations Directorate set targets for the 2017/18 year of delivering investigations in respect of at least 70 public complaints and referrals relating to historic matters.

The Directorate completed the second year of a major investigation relating to a series of attacks during the 1970s which resulted in the murders of more than 120 people, all of which have been attributed to the 'Mid-Ulster' UVF (Ulster Volunteer Force). It had been anticipated that this investigation, in which almost 50 complaints are consolidated, would be completed within the reporting period but due to protracted delays in accessing information from a variety of agencies and a significant new line of enquiry, an investigation report is now unlikely prior to late 2018/19. As this investigation was the principal plank on which the Directorate had relied for completion of investigations in respect of 70 complaints, the Target was not achieved.

Other investigations which the Directorate continued during the year included joint enquiries with Operation Kenova, relating to murders allegedly committed by the IRA's internal security unit, principally the person known as 'Stakeknife' and an investigation relating to the murders of ten workmen at Kingsmills in 1976 which has been pursued in parallel to the related Inquest.

The Office was not able to finalise and publish statements in respect of historic investigations during the year chiefly because of legal challenges to the manner in which the Police Ombudsman

“This is the first time I have ever needed to get in touch with you and would recommend your great service to anyone in the future.”

Complainant

seeks to articulate his findings. It is hoped that related judicial review proceedings will conclude during the first half of 2018/19 in order that outcomes of matters which have been investigated can be communicated to the concerned bereaved families.

The funding made available by the Department of Justice to investigate these cases supports 25 investigators at all levels within the Directorate. This is not sufficient to address these cases in a timely way. The release of additional funding by the Department to support these investigations or transfer of this work to a new body remains contingent on political agreement for implementation of the Stormont House Agreement and specifically the establishment of the Historical Investigations Unit (HIU).

During 2017/18 the Police Ombudsman continued to commit resources in support of his obligations to Legacy Inquests. In order to ensure this work is completed efficiently going forward, additional funding will be required for this area of work also.

“We found [our investigating officer] so very understanding, she listened to everything we had to say and we felt comfortable talking to her. She made a difficult time for us a lot easier to deal with.”

Complainant

Performance against Business Plan

As outlined above the Office had an Annual Business Plan for the year ended 31 March 2018 set within the context of a 3 year Corporate Plan for the period 2017/18 to 2019/20. The Annual Business Plan set out the following four key aims;

1. Delivering excellence in investigations with impartiality, independence and proportionality
2. Continue to improve delivery against our published standards
3. Enhance knowledge and understanding of the complaints system amongst key stakeholders
4. Focus on improving policing

These key aims were established by the Police Ombudsman in conjunction with the Senior Management Team along with indicators and targets to underpin the key aims. Progress was reviewed throughout the year and where necessary steps were taken both to maintain performance and to focus effort on those targets requiring attention. Reports were also provided to the Department of Justice Accounting Officer through the governance arrangements between the Office and the Sponsor Department, Policing Policy and Strategy Division.

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“The Ombudsman investigator was professional, courteous and impartial. I would say firm but fair”.

PSNI Officer

Case Study

OFFICER DISCIPLINED OVER “APPALLING” INVESTIGATION INTO ALLEGED GOLF CLUB ASSAULT

A police officer has been disciplined after conducting what the Police Ombudsman’s Office described as an “appalling” investigation into an alleged assault on a teenage girl.

Investigators found a series of failings in the officer’s handling of the case in which the teen had reported being hit in the face with a golf club by the father of a girl she had been fighting with in north Down. A failure to take witness statements, submit forensic evidence and respond to appeals from the girl’s family, were just some of the issues found in the case which the Public Prosecution Service (PPS) decided not to prosecute over a year and a half after the complaint was made. By this stage the officer had still not submitted medical records or statements from all witnesses.

The Police Ombudsman investigator, who examined police records and interviewed the officer, found he had taken 11 months to apply for the girl’s medical records and, over a further seven months, had to be reminded three times by supervisors to chase up the query. He had tried to submit the golf club for forensic examination within two weeks of the incident but, after being asked to provide further information and resubmit the exhibit, did not do this until more than a year later.

The investigator recommended that the officer should be disciplined by the PSNI over the failings and the “unnecessarily protracted” nature of the investigation. The PSNI has since disciplined the officer.

Key Aim 1

Excellence in investigations

The restructuring of the Current Investigations Directorate during 2016 was consolidated during 2017/18. Consistent with the objectives of this exercise, there was an increase in the timeliness with which complaints were handled by the organisation during the year. This is attributable to a greater proportion of complaints being closed at an early stage as ill founded, following assessment by the Initial Complaints Investigation Team, with a corresponding reduction in complaints that were subject to full investigation and consequently the caseloads of investigators.

During the 2017/18 year 94% of all cases dealt with by the Initial Complaints and Investigation Team were completed within 90 working days. This far exceeds the target set of 75% and is consistent with the post restructuring achievement in 2016/17. The average time taken to deal with a complaint in ICIT was 29 days. The caseload of this team ranged from around 240 to 290 cases during 2017/18.

Reflecting the greater complexity of the cases allocated to the CORE team, the target is for 75% of complaints to be completed within 110 working days. During 2017/18, 75% of cases investigated within the CORE team are now investigated within 110 working days with an average time of 86 days. The caseload of this team ranged from around 220 to 300 cases during 2017/18.

The Significant Cases Team deals with complex and high profile cases including deaths after police contact, deaths in custody and allegations of collusion. Due to the complexity of the issues under

investigation such cases sometimes resulting in criminal, disciplinary and/or coronial proceedings these cases can often take years to conclude. Nevertheless a target was set to produce an investigation report within 330 working days. This target was not measurable for 2017/18.

During 2017/18 the Office conducted investigations of a range of complex matters with high public profiles. The independence and effectiveness of the Police Ombudsman's investigation of these controversial matters were central to public confidence in their outcomes. In September 2017 the Police Ombudsman issued a public statement in respect of his investigation of a referral from the Chief Constable concerning the circumstances in which Sean Hegarty was released from police custody in December 2013 shortly before committing a double murder. Arising from the Ombudsman's investigation 6 police officers were disciplined.

The Police Ombudsman also reported on his investigation of allegations relating to issues surrounding the burglary of an office in which sensitive material was stored at Castlereagh Police Station in March 2002. It was alleged that the burglary could have been prevented by police but was allowed to take place in order to protect an informant and for wider political reasons. The Ombudsman's investigation found no evidence that police had received detailed information concerning the burglary nor that it was facilitated in order to protect an informant or for any other reason.

During late 2017/18 the Office commissioned a range of Quality assurance exercises which examined and affirmed our commitment to effective communication with complainants, police officers subject of investigation and other stakeholders.

Improvements were identified as to how we can better communicate and explain the outcomes of investigations to relevant parties.

The Office closed 2,656 complaints during 2017/18. This is 95 complaints more than it received. A significant number of investigation reports were also issued during the reporting year.

During 2017/18 165 complaints to the Office were informally resolved, a decrease of 7% from 2016/17 during which 177 cases were resolved through the same process.

Key Aim 2

Maintain impartiality and independence

A key requirement of the Police Ombudsman's Office is that people are aware of the police complaints system and have confidence in it. Each year we set targets which we consider indicate whether or not we are meeting this requirement. We employ the Northern Ireland Statistical Research Agency (NISRA) to measure public attitudes to the Office, with a particular focus on whether we have met the targets which have been set.

Case Study

OFFICER DISCIPLINED FOR FAILURE TO ADHERE TO DOMESTIC ABUSE POLICY

A police officer, whose failure to update police records about a non-molestation order left two sisters fearing for their safety, has been disciplined following a Police Ombudsman investigation.

The officer admitted failing to record that she had served the order on one of the women's father, which meant when they reported his presence in their street the next evening they were told no order was in effect. The sisters, who said they were in fear for their safety as they believed no order was in place to protect them, also complained about the attitude of police officers who attended the scene. They said that police showed little regard for their concerns with one officer advising them to 'keep your blinds and curtains closed' to deal with the problem.

When questioned by Police Ombudsman investigators, the officer said she had not updated the records as she had expected a colleague to do so when she was called out to another incident later that night.

She admitted that she had not fully read the PSNI policy on domestic abuse and non-molestation orders, and had failed in her duty to adhere to its instructions. She also accepted that it was her responsibility to update the police records before finishing her shift. The officer has since been disciplined.

A complaint about the attitude of another police officer who attended on the night of the incident was informally resolved.

We set targets for 2017/18 that 80% of those who responded to a public survey would be aware of the Office, would be aware that we are independent of the police and would have confidence that we deal with complaints in an impartial manner.

86% of the people who responded to the survey had heard of the Police Ombudsman's Office. Of those respondents who had heard of the Office 85% knew that we are independent of the police and 76% were either confident or fairly confident that we deal with complaints in an impartial manner. This was 4 percentage points less than we had hoped for and we will focus in the coming year on seeking to improve public confidence in our impartiality based on providing people with information about our work and seeking to deepen their understanding of what we do.

During 2017/18, we used a variety of methods in seeking to provide the public and the police with detailed information about our work. We used the traditional media – television, radio and newspapers – and issued them with more than 50 media statements about the finding of our investigations and other strategic work of the Office. We also have an active social media presence and sought to use these technologies to deepen understanding of what we do. During the year we launched a video on Facebook aimed particularly at young people, telling them of their rights and responsibilities if they are ever stopped and searched by police. The video attracted more than 90,000 views.

Key Aim 3

Develop and implement standards for the service we provide

The Police Ombudsman's Service Charter details the way in which staff should deliver services to the public, police officers and each other and reflects our organisational commitment to our Corporate Values. Each year the Office conducts surveys of complainants and police officers who had an interaction with the Office during the year against the performance measures set by the Charter.

For the 2017/18 year we set a target that 90% of people who made complaints and police officers who were subject to complaint would feel that they had been treated with respect. They surveys which were carried out indicated that 86% of the public and 89% of police officers believed we have treated them fairly.

We aimed that 90% of people who made complaints and police officers who had been subject of complaint would consider that our staff were easy to understand. The survey reported that 82% of complainants and 87% of police officers found this.

We sought that 80% of people who made complaints and police officers who had been subject of complaint would consider that our staff were knowledgeable. The survey reported that 74% of complainants and 74% of police officers considered this to be the case.

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“You always take the police side, even though I am genuine about my allegations.”

Complainant

We also sought that 80% of people who made complaints and police officers who had been subject of complaint would consider that we have treated their issue in an independent manner: 54% of complainants and 71% of police officers reported this.

During 2017/18 the number of complaints against the Office increased significantly to 97 from 51 in 2016/17. This is following a decision to include all requests for case closure reviews as customer complaints, whereas previously initial efforts made to explain investigative processes and outcomes had not been classified as a customer complaint. Further information on complaints received by the Office is detailed at page 24 below.

Case Study

POLICE OFFICER MADE RIGHT DECISION WHEN FACED WITH WANTED MAN

A police officer who discharged a TASER stun gun at a man sitting outside a bar in Belfast city centre, made the right decision, the Police Ombudsman has found.

The officer discharged the weapon twice against the man who had stabbed two people during his escape from prison in the Republic of Ireland the previous day. Investigators who recovered CCTV footage of the incident, examined the TASER used, police documentation and radio transmissions, also spoke to the police officers involved. They found that on being approached by officers from an Armed Response Unit - called after reports from the public had alerted the police to his presence - the man had pulled up his shirt to show a knife in his waistband.

After being warned the police officers were armed and ordered to drop the knife, the man then pushed the blade into his own stomach. One of the officers then pulled the knife from the man's stomach before another shouted 'TASER' and discharged the weapon. When the first discharge proved ineffective, the officer used the TASER in 'drive stun mode', pressing the device against the man's skin to incapacitate him and allow him to be restrained.

The Police Ombudsman said the actions of the police officers were justified. "The fact that this man was in a tussle with two officers, had a knife and was already believed to be dangerous, gave the police officer who fired the TASER no other option if he was to protect the lives of his colleagues and prevent the man himself from further self-harm. The officer made the right decision," he said.

Key Aim 4

Focus our efforts on improving policing

The Police Ombudsman's Office, which deals with all public complaints about the conduct of police officers, is in a unique position to see when things go wrong in the interaction between those officers and members of the public. The Office is committed to providing police with this useful information which can be used to help improve policing and reduce issues which may bring about complaint. The Office has two main methods for doing this: it makes recommendations for improvements to police policies and procedures and it discusses with senior police officers trends and patterns in complaints.

During 2017/18 the PSNI accepted a recommendation from the Police Ombudsman's Office that it conduct a review of the present arrangements for the detention of juveniles. This was just one of a series of recommendations which the Police Ombudsman made for improvements to police policy or procedures and which the PSNI acted upon during the year.

This particular recommendation led in part to the design of a new custody suite in the police station at Waterside in Londonderry/Derry. In this instance, staff investigating a complaint were concerned at the lack of separate juvenile detention facilities in the Custody Suite at Musgrave Police Station in Belfast. The Office asked police to conduct a review of its arrangements. This year, police informed us they had conducted a monthly review of custody-related data information and reviewed the arrangements in place across all custody suites for the separation of the different genders and the separation of children and vulnerable adults. They also conducted research into other detention arrangements in England and Wales, undertook a strategic review profiling juveniles coming into police custody and carried out an associated risk assessment.

This year the Police Ombudsman Office made a total of 40 recommendations to police for changes to their policy or procedures arising from issues which have been identified during the course of our investigations. Two of these recommendations were 'strategic' and the remainder were operational. One of the two strategic policy recommendations arose from the Office's investigation of how police handled a fatal road collision. The other suggested improvements to the police witness strategy. The PSNI has not yet provided us with its response to these two recommendations.

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"The clarity of the investigation is poor. Complaints drag on and on with little or no progress. All in all, PONI handle investigations in a way that they wouldn't tolerate from police officers".

PSNI Officer

The 'operational' policy recommendations made and accepted by the PSNI during the year include those relating to Detainee Reviews and Custody Handovers; the reinforcement of the Service Instruction regarding recording complaints made directly to police; and the cessation of the practice of evidential material being recorded in unofficial police notebooks. Other operational policy recommendations made during the year, for which the PSNI's response is not yet known, include those associated with policy reviews in respect of notifications to Social Services in cases of sudden death and regarding creating audit trails for attempts to serve summonses.

Each month the Office provides the police with the numbers of complaints made about their officers, where they have been made and the issues complained of. Senior investigators from the office meet regularly with senior officers in each of the PSNI Districts to provide them with statistical and other information which may help them identify issuers of possible concern in their area. Feedback from the PSNI tells us that these officers find this information very helpful.

Surveys

The Office has a statutory objective to secure the confidence of the public and the police through the efficiency, effectiveness and independence of the police complaints system that it provides. As part of our programme of continuous improvement, the Office commissions regularly surveys of those who have made a complaint to the Office, officers who have been subject of complaint and the public in general.

Public Attitudes towards the Office

Each year the Office commissions an annual survey of public awareness of the police complaints system. Results from the 2017/18 survey indicate that public awareness remains at a high level.

86% of respondents were aware of the Police Ombudsman. Of those respondents that had heard of the Police Ombudsman, 85% knew that the Office was independent of the police and 76% were either fairly confident or very confident that complaints are dealt with in an impartial way. In addition, 85% of respondents believed that the Police Ombudsman would help ensure that police in Northern Ireland do a good job.

Police Officer Satisfaction

The Police Officer Satisfaction Survey enables police officers who were subject to investigation by the Police Ombudsman's Office to express their views on the overall service provided by the Office.

The percentage of officers who felt that they had been treated fairly and with respect was high at 78% and 89% respectively.

Whilst it should be noted that there were other positive messages from the survey in that 87% of officers felt that staff were easy to understand and 74% felt that staff were knowledgeable there is further work to be done to explore the reasons for the levels of dissatisfaction with the service provided.

Complainant Satisfaction

At the end of each month, for all complaints which have reached their final conclusion a questionnaire is sent out to the person who made the complaint.

The results at the end of 2017/18, showed that more than four in every five complainants thought they had been treated with respect (86%) by the member of staff they had been dealing with and a similar proportion thought staff were easy to understand (82%).

However 54% thought their complaint was dealt with independently and 49% were satisfied with the manner in which their complaint was treated. Whilst we accept that the outcome of an investigation may impact the level of satisfaction with that investigation, there is further work to be done to explore the reasons for the levels of dissatisfaction.

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“I have nothing but gratitude for the Ombudsman's office. I was listened to and given good advice. I would recommend anyone with dissatisfaction in a PSNI investigation to make contact.”

Complainant

Our Values and Service Charter

The Office has developed a set of Values and a Service Charter.

Both are important in that they underpin the way the Office operates and set a standard for how all staff are expected to work.

Values

Our Values reflect how we intend to treat those who use our services and each other by being;

- Independent
- Impartial
- Accountable
- Respectful and professional

Service Charter

The Service Charter derives from our Values.

The Charter makes a number of very clear statements about the service the Office seeks to provide;

Being Independent

- *We will investigate complaints free from any influence other than the evidence we have before us*

Being Impartial

- *We will treat people with integrity and fairness*

Being Accountable

- *We will do what we say we will and we will explain our findings clearly and fully*

Being respectful and professional

- *We will treat people with respect and be professional at all times.*

Measuring success

We measure how well we do by asking people who use the service.

The following are examples of the questions, drawn from the Service Charter, which we now ask in measuring our performance.

- *We ask if staff treated respondents with respect and fairness*
- *We ask if they felt staff were knowledgeable and easily understood*
- *We ask respondents how clearly the complaints process was explained to them and how often they were updated*
- *We ask for their views on the quality of our correspondence and on the manner in which we treated their complaint.*
- *We ask them for their views on the time it took us to deal with the complaint*
- *We ask if they felt we dealt with the complaint independently*
- *We ask if they were satisfied with the way we handled the complaint*

Case Study

OFFICERS DISCIPLINED OVER ARSON ATTACK FAILINGS

Two police officers have been disciplined after a Police Ombudsman investigation found failings in the police investigation of an arson attack in Co. Antrim.

The investigation found that police failed to take statements from a number of potential witnesses and submitted an incomplete file to the Public Prosecution Service. The issue only came to light when the witnesses, relatives of the victim of the attack, contacted the Public Prosecution Service (PPS) for information. When they were told the case was shortly due to go to court, they contacted the Police Ombudsman's Office to complain that the file submitted by police to the PPS must be incomplete.

After examining police records and confirming that to be the case, a Police Ombudsman investigator alerted the PPS who directed the police to take the statements, which were provided to the court as late evidence. At the subsequent hearing, the man accused of the arson attack was convicted and given a suspended prison sentence.

Enquiries by the Police Ombudsman investigator found that one of the statements had not initially been supplied by police because the investigating police officer did not think that it would contain relevant evidence. The officer also failed to progress a number of other enquiries before going on sick leave a number of months after the arson attack.

The officer appointed to take over from him also failed to complete a number of enquiries, despite being directed to do so by his supervisors.

Customer Complaints against the Office

Customer complaints received by the Office are categorised as relating to the quality of service provided by staff or, in respect of the outcomes of investigations, sometimes more properly viewed as requests for a review or appeal of an investigation outcome.

Within the year to 31 March 2018 there were 97 complaints received, of which 75% related to requests for a review of the findings of investigations and 25% to quality of service issues. This represents a significant increase in the number of complaints from 51 in the year ended 31 March 2017. The increase is largely

attributed to a decision taken during 2017/18 to strictly define all requests for case closure reviews as customer complaints. Previously, initial efforts were often made to explain investigative processes and outcomes to service users who had expressed dissatisfaction with case closures with escalation following only if the service user remained dissatisfied. All expressions of dissatisfaction are now recorded as customer complaints in order to ensure a uniform approach to such matters. Nevertheless, the Office conducted a review of customer complaints during late 2017/18 the outcome of which has informed a customer complaints reduction strategy which is being implemented during 2018/19

Seventy eight (81%) of these complaints received have been addressed. Of these, 11 (14%) were upheld (including one where an aspect of a complaint which not directly complained about was upheld), 9 (12%) were partially upheld, and 1 complaint was informally resolved. The remaining 57 complaints (73%) were not upheld.

Of the 20 Customer Complaints which were upheld/partially upheld: 7 cases were re-investigated; 1 case resulted in a partial re-investigation; 11 apologies were issued, (1 case resulting in an apology was associated with 6 recommendations for procedural changes) and 1 complaint resulted in a staff member receiving words of advice.

Four Customer Complaints proceeded to the appeal stage of which 3 were not upheld and 1 resulted in a partial re-investigation.

Information on the Office's Customer Complaint policy is available on our website www.policeombudsman.org

Equality Monitoring of Complainants

The Office continues to monitor the profile of those who use its services. This is based on age, gender, religious belief, race or ethnic grouping, country of birth, marital status, disability, employment, having dependants, political opinion and sexual orientation.

As in previous years the Office received around twice as many complaints from males as females. Of the complaints received, 13% were made by persons aged 25 and under and just under a quarter were made by persons aged 25 to 34. The community background of complainants reflected the most recent Census. Around one-third of complainants self-reported having a disability.

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“The system is too open and easily abused by members of the public.”

PSNI Officer

A detailed breakdown of statistics relating to equality monitoring, as well as complainant/police officer satisfaction levels and public attitudes towards the Office can be found on the Police Ombudsman's website.

Legal Services

The Office has been involved in a number of high profile cases throughout the past year. Of particular significance was the challenge by some retired police officers to the Loughinisland public statement. This led to a change of Judges and the lodging of an appeal by the Office in relation to some of the original Judge's determinations. Furthermore, the Office agreed to clarify aspects of the public statement in relation to one of the officers.

The Office twice appeared before the Court of Appeal during the year. One case was in relation to the funding of the Office to deal with Historic complaints. Whilst the Court (overturning the original decision) found that the Department could not be compelled to further fund the Office's Historic investigations, the issue remains an ongoing concern for the Office. The second matter concerned the Office's powers relating to approaches to persons by police to become a source. It is understood that both these matters await applications to the Supreme Court.

The Office was also involved in a number of lengthy inquests (including the death of Steven Colwell in 2006 and the Kingsmill Massacre in January 1976).

Inquests can be resource-intensive but the Office remains committed to liaising with and supporting the Coroners in exercising their statutory functions. If the funds are made available for the outstanding 'Legacy Inquests' then the Office will undoubtedly require further funding to ensure it can properly engage with the Coroners in preparation for and during those inquests.

Working with other Police Oversight Bodies

The Police Ombudsman continues to engage and communicate with the policing oversight agencies in the rest of the UK, Northern Ireland and the Republic of Ireland and seeks opportunities for shared learning and joint training events in the practices of civilian investigation and oversight of police with the Garda Síochána Ombudsman Commission (GSOC), the Independent Office for Police Conduct in England and Wales (formerly the Independent Police Complaints Commission and the Police Investigations and Review Commissioner for Scotland (PIRC)).

Media and Statistical work

Independent research reflects that most people in Northern Ireland have heard of the work of the Office and that their main source of information has been material they have heard and read on television, radio and in newspapers. Recognising that the 'traditional' media remains a powerful means of providing people with information, the Office regularly provides outlets with information about our work. Last year the Office issued more than 50 public statements, mainly about casework but also about other issues which affect the police complaints system.

The Office is committed to being accountable and transparent in everything it does, including

responding to requests from journalists and others in the public arena for information and clarity about our work. Whilst we cannot always provide people with the information they want given the legal framework in which we operate, we ensure that no request for information goes unanswered. Last year the Office responded to several hundred requests from the media and staff from the Office including the Police Ombudsman were interviewed by journalists from both local and national media outlets.

Most of the statistics in this Annual Report were produced by a small Statistical Unit. During the year the Unit continued to streamline its work, seeking to make statistical information as clear and accessible as possible.

While reports, such as the Annual Statistical Bulletin are designed for public consumption, some are geared more towards the particular needs of groups and organisations. The Office produces monthly and quarterly reports to the PSNI which provides them with regular information about trends and patterns in police complaints and helps identify any issues they may need to address. We also provide reports to the Northern Ireland Policing Board which give a profile of complaints received. The Chief Executive meets with the Board twice a year to discuss such topics.

Engaging with the people we serve

While the coverage the Office gets in the media helps to keep the levels of public awareness high, it is also important that we also seek to increase people's understanding of our work. Often the best way to do this is through face to face meetings when we are able to explain the services we provide and listen to any issues or concerns raised. During 2017/18 we held more than 48 such meetings. More

Case Study

POLICE CLEARED OF FAILING TO INVESTIGATE BOGUS FACEBOOK PROFILE WHICH “PUT FAMILY AT RISK”

The Police Ombudsman has cleared police of failing to adequately investigate bogus Facebook posts which a man said had placed his family at risk.

The man contacted police after a false Facebook profile was set up in his name, containing his home address, photos and information about his family, as well as allegations which he said could compromise their safety. However, when the case did not result in the prosecution of those responsible, the man lodged a complaint with the Police Ombudsman’s Office, claiming that police had not conducted a proper investigation.

A Police Ombudsman investigator examined all relevant police documentation, including the file submitted by police to the Public Prosecution Service (PPS). She found that officers had progressed all reasonable lines of enquiry, and noted that the PPS had not identified any gaps in the investigation which would necessitate further police enquiries. Officers had traced the internet address used to upload the post, but had also established that a number of people had access to the address. They were unable to identify which of these people had uploaded the information.

The investigator concluded that there was no evidence of misconduct by any of the officers involved in the case.

than 30 of these were in the community, including meetings with community representatives and speaking engagements at locations such as Queens University, Belfast. We also held Police Ombudsman stands at both the Belfast Pride and the Mela events. Much of our outreach work is focused on raising awareness of the police complaints system among children and young people. Last year we published a video about people’s rights and responsibilities when stopped and search, which we then promoted to young people on Facebook, attracting more than 90,000 views.

Official Requests for Information.

While the Office regularly deals with request for information from complainants, police officers and from the media as part of its normal business, it often gets requests under the Freedom of Information Act or the Data Protection Act. The requests are dealt with separately. Last year we received 38 such requests. More than 20 of these were from people who had either made a complaint to us or had been the subject of such a complaint and had asked for more details from the relevant

Case Study

THREE POLICE OFFICERS DISCIPLINED OVER FAILINGS IN INVESTIGATION OF CHILD SEX ABUSE IMAGES

Three police officers have been disciplined over failings in an investigation into images of child sexual abuse found on a man's computer.

The owner of the equipment, which had been left into a computer repair shop, was jailed for making and possessing indecent images of children. However, the Chief Constable asked the Police Ombudsman to investigate following criticism of police during the trial and in particular a concern raised by the trial judge that not all images had been examined.

The Police Ombudsman investigation found that officers did properly examine the contents of all devices seized and that police had used a computer system to scan all of the images to identify those which were not previously known to police. However officers had failed to properly investigate whether the owner of the equipment should also have faced charges for distributing images. Investigators found that only three devices out of five seized by police had been examined for evidence of sharing images. Police who then examined these devices for evidence of distribution, identified two additional suspects, neither of whom lived in Northern Ireland.

Their details were passed on to the relevant authorities in the appropriate jurisdictions however, police decided not to take any further action against the owner of the seized items as it was considered that to do so would amount to an abuse of process, given the errors identified.

Three police officers, including a supervisor, have been disciplined over the failure to examine all relevant evidence while the PSNI has since implemented new procedures intended to prevent a recurrence of the failings in this case.

The Office budget for 2017/18 was initially cut by 3%, however subsequently in year the Department made available an additional £175k which brought the overall budget cut down to approximately 1%. The Office budget for 2018/19 has now been set at the same level as in 2016/17. This is a welcome reprieve from the successive budget cuts which have been incurred over the last number of years.

However it should be noted that a flat cash budget still represents a budget cut in real terms as inflationary pressures have to be met.

As reported in the Remuneration and Staff Report above, over the last number of years, the Office has sought to minimise the impact of budget cuts on headcount, however, there has inevitably been a reduction in staff in post over the years.

Whereas the Office accepts a need for a degree of realism about the state of public finances, the Office has significant concerns about the impact of lack of resources on the work of the Office in relation to the level of resources available to conduct Historic Investigations. As noted above the DoJ successfully appealed the outcome of a Judicial Review brought against the DoJ by family representatives regarding the provision of resources for Historic matters. No decisions have been taken in relation to resourcing such cases pending transfer of this work to a new Historical Investigations Unit (HIU) which is not progressing in the absence of a wider political resolution. However with no political solution appearing to be imminent, providing an adequate level of funding to investigate Historic matters now is becoming increasingly pressing.

Financial Review

The financial position at the end of the financial year is set out in the Statement of Comprehensive Net Expenditure and Statement of Financial Position on pages 62 and 63 respectively. The Office incurred net expenditure for the year of £9,114,173 (£8,685,123 for year ended 31 March 2017). These amounts include non cash expenditure not included in resource budget figures in the paragraph above.

The table below shows the total net expenditure of the Office over the last three financial years.

Office has over a number of years sought to reduce other (non staff) expenditure so as to ensure that the maximum resource possible has been available for staff in front line services.

Other expenditure (excluding non cash) has increased from £1.81m in 2016/17 to £2.00m in 2017/18. Included in the £2.00m is a one off spend of £106k related to a discovery exercise to develop the operational requirement for a replacement Case Handling System. If excluded, then other expenditure is £1.89m. Whilst higher than £1.81m in 2016/17, this remains at significantly lower levels than in previous years when non staff cost reductions had included cessation of a lease, renegotiated computer maintenance costs and general restrictions on spending on any non essential items.

The majority of the expenditure by the Office is on staff costs and when faced with further budget cuts, as the scope to reduce further non staff spend has largely been exhausted, there is inevitably a reduction in staff numbers. The Office is required to absorb pay pressure from pay increments and therefore although there was a higher level of expenditure on pay in 2017/18 this correlated with only a marginal increase in overall headcount. An average of 140.5 full time equivalent (FTE) staff were employed through the year ended 31 March 2018 compared with 140 for the year ended 31 March 2017.

Expenditure	2017/18	RESTATED 2016/17	RESTATED 2015/16
Staff Costs	6,695,398	6,576,282	6,532,185
Other expenditure	1,995,157	1,813,430	1,762,826
Other expenditure – non cash	445,192	335,107	418,375
Total Net Expenditure for the year	9,135,747	8,724,819	8,713,386

The Office is continually seeking to identify ways in which to streamline processes to avoid further headcount reductions as these are likely to impact on the timeliness of investigations and increased pressure on staff.

Financial Position

The total net assets of the Office as at 31 March 2018 were £749,148 (£1,004,321 as at 31 March 2017).

Property Plant and Equipment

Assets are valued at cost, adjusted as appropriate to reflect current replacement costs. The leasehold interest in respect of leasehold improvements carried out to New Cathedral Buildings has been capitalised under land and buildings and valued on the basis of existing use value at £268,000 at 31 March 2018 (£265,000 at 31 March 2017). The open market value of the leasehold interest in New Cathedral Buildings has been valued at £nil at 31 March 2018 (£nil at 31 March 2017). Details of the movement of property plant and equipment are set out in Note 6 to the Accounts.

Prompt Payments

The Office's policy is to pay bills from all suppliers within 10 working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier.

The overall performance to pay within 10 working days for the year ended 31 March 2018 was 98.3% (98.3% for the year ended 31 March 2017). The overall performance to pay within 30 days for the year ended 31 March 2018 was 100% (100% for the year ended 31 March 2017).

“

“I was more than content with the manner in which the complaint was treated by the investigating officer. I was treated fairly, professionally and respectfully”.

PSNI Officer

Environmental Matters

The Office, despite its small scale, is concerned to ensure that it minimises its environmental impact. The Office recycles paper, plastic, cardboard and cans, reducing by 50% the amount of waste that is disposed of to landfill. Additionally, managers encourage sharing of cars and monitor the use of vehicles for business journeys monthly. This contributes to reductions in emissions as well as efficient use of resources.

Auditors

The Financial Statements are audited by the Comptroller and Auditor General (C&AG) who heads the Northern Ireland Audit Office and is appointed by statute and reports to the Northern Ireland Assembly. His certificate and report are produced on pages 60 and 61.

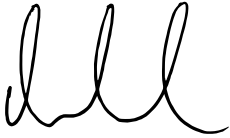
The audit fee for the work performed by the staff of the C&AG during the reporting period was £11,500 which relates solely to the audit of these financial statements. The audit fee for the year ended 31 March 2017 was £11,500.

The C&AG may also undertake other work that is not related to the audit of the Office of the Police Ombudsman's Financial Statements, such as Value for Money reports. No such activity took place during the year.

In Conclusion

The work of the Office continues to be challenging whilst playing a key role in the infrastructure of policing in Northern Ireland and contributing more generally to confidence in policing arrangements. The coming year will be no less challenging but I have every confidence that the Office will meet those challenges with professionalism and commitment.

Finally, I place on record my thanks to the staff across the Office who individually and collectively continue to meet the responsibility and the privilege of delivering a vitally important service to the people of Northern Ireland.



Olwen Laird
Acting Accounting Officer
6 June 2018

Accountability Report

Corporate Governance Report

Chief Executive's Report

Police Ombudsman

The Police Ombudsman for Northern Ireland is Dr Michael Maguire. The Office is not governed by a Board, but is headed by a Corporation Sole who is appointed by Royal Warrant and normally serves for a period of seven years. Dr Maguire's tenure as Police Ombudsman commenced on 16 July 2012.

Executive Management

The Police Ombudsman for Northern Ireland is supported by a Chief Executive and a Senior Management Team. The executive management structure is as follows:

Dr M Maguire	Police Ombudsman
Mr A McAllister	Chief Executive
Mrs O Laird	Director of Corporate Services
Mr P Holmes	Director of Investigation
Dr B Doherty	Director of Investigation (up to 13/09/2017)
Mr T Doherty	Director of Investigation (from 20/03/2018)
Mr T Gracey	Director of Information
Mr S McIlroy	Director of Legal Services

During the course of 2017/18, the Chief Executive, Mr A McAllister has been on a period of extended absence due to illness. From 1 August 2017 onwards, responsibilities of the Chief Executive have been shared across other members of the Senior Management Team. The Director of Corporate Services has been designated as acting Accounting Officer. Mr McAllister has recently confirmed that he will not be in a position to return to the Office and a process has been initiated to appoint a successor.

Dr B Doherty, Director of Investigation (Current) left the Office on 13 September 2017 at which time Mr P Holmes assumed oversight of both the Current and Historic Investigation Directorates. Mr T Doherty was appointed on 20 March 2018 as Director of Investigation (Historic).

Register of Interests

A register of interests is maintained within the Office of the Police Ombudsman for all members of the Senior Management team and Non Executive members of the Audit and Risk Committee. No interests were identified which may cause a conflict of interests with management responsibilities. A copy of the register is available on request.

Customer Complaints

There were 97 complaints received during the year within the Customer Complaints policy, 51 in the year to 31 March 2017. Further details are included in the performance report on page 22.

Data Handling

I am required to report personal data related incidents which occurred during the year ended 31 March 2018. Personal data includes any information that links one or more identifiable living person with information about them, the release of which would put them at significant risk of harm or distress, or any source of information about 1,000 or more identifiable individuals, other than information sourced from the public domain. An issue arose in April 2017 which was referred to by the Chief Executive in last year's Annual Report, relating to the potential theft of data from the Office approximately 10 years ago – this had been reported in local media and had been referred to PSNI for criminal investigation.

This criminal investigation remains ongoing. In October 2017 a second matter was identified, also relating to possible theft of data from the Office, also approximately 10 years ago.

This matter has also been referred to PSNI for criminal investigation which remains ongoing. In addition both of these issues have been notified to the Information Commissioner. As a result of these issues, the Office has assessed the way in which information is handled within the Office and is satisfied that the arrangements in place to manage data are appropriate. Information risk is managed within the Office within the context of the risk management framework to which I refer in my Governance Statement.

Statement of the Police Ombudsman for Northern Ireland and the Accounting Officer's Responsibilities

The Police Ombudsman for Northern Ireland is required, under paragraph 12 of Schedule 3 to the Police (Northern Ireland) Act 1998 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, to prepare a statement of accounts for each financial year in the form and on the basis directed by the DoJ.

The accounts are prepared on an accruals basis and must include a Statement of Comprehensive Net Expenditure, a Statement of Financial Position, a Statement of Cash Flows, and a Statement of Changes in Taxpayers' Equity. The accounts are required to give a true and fair view of the net expenditure for the financial year and the financial position of the Office of the Police Ombudsman at the year end.

In preparing the accounts the Office of the Police Ombudsman for Northern Ireland is required to:

- observe the accounts direction issued by the Department of Justice, 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 (FRM) have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.

The Accounting Officer of the Department of Justice has designated the Director of Corporate Services as acting Accounting Officer of the Office of the Police Ombudsman for Northern Ireland. The Director of Corporate Service's relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in Chapter 3 of *Managing Public Money Northern Ireland* issued by the Department of Finance and Personnel.

As acting Accounting Officer I am required to ensure that all relevant audit information is provided to the auditors. I have taken all reasonable steps to make myself aware of any relevant audit information and have ensured that all such information is available to the auditors. I also confirm that there is no relevant audit information about which I am aware that the auditors have not been informed about.

I confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and that I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

1. Scope of Responsibility

The Office of the Police Ombudsman for Northern Ireland provides an independent impartial police complaints system for the people and police of Northern Ireland. It investigates complaints against the Police Service of Northern Ireland (PSNI), the Belfast Harbour Police, the Larne Harbour Police, the Belfast International Airport Police, the Ministry of Defence Police in Northern Ireland and certain complaints involving Immigration Officers and Designated Customs Officials when operating in Northern Ireland.

The Police Ombudsman for Northern Ireland was established under the Police (Northern Ireland) Act 1998. The Office of the Police Ombudsman is not governed by a Board but is headed by the Police Ombudsman as a Corporation Sole who is appointed by Royal Warrant and normally serves for a period of seven years. The Office is a Non Departmental Public Body (NDPB) of the Department of Justice (DoJ) and the Police Ombudsman is accountable to the Northern Ireland Assembly through the Minister of Justice. The Office of the Police Ombudsman is constituted and operated independently of the DoJ, the PSNI and the Northern Ireland Policing Board (NIPB).

The Police Ombudsman aims to provide an effective, efficient and accountable police complaints system, which is independent, impartial and designed to secure the confidence of the public and police.

As acting Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Police

Ombudsman's policies, aims and objectives as set out in the Annual Business Plan and agreed with the Department of Justice, whilst safeguarding the public funds and the Office's assets for which I am personally responsible.

2. Purpose of the Governance Framework

The term 'Corporate Governance' describes the way in which organisations are directed, controlled and led. The purpose of a Corporate Governance Framework is to facilitate accountability and responsibility for the effective and efficient delivery of an organisation's statutory responsibilities or aims and objectives. The Office is established to deliver on its statutory obligations under the Police (Northern Ireland) Act 1998 and is funded by public monies to do so. The Corporate Governance arrangements provide the framework to ensure that the Office delivers on its statutory obligations and that it does so in accordance with the requirements placed on all publicly funded bodies regarding the stewardship of resources.

The Office has an established system of internal control which is based on an ongoing process designed to identify and prioritise risks to the effective and efficient achievement of the Office's key business objectives and priorities. The system of control also provides an assessment of the likelihood of risks being realised and the consequent impact for effective and efficient management of risks. This system of internal controls has been designed to manage risk to an acceptable level rather than to eliminate risks entirely and as such does not provide absolute assurance of effectiveness.

3. Governance Framework

As detailed above, the Office of the Police Ombudsman for Northern Ireland does not have a Board but is governed by the Police Ombudsman as a Corporation Sole. The Ombudsman is appointed by Royal Warrant.

The Office has a Corporate Governance Arrangements framework document which provides information on the structures, roles and responsibilities which have been established to ensure proper and effective management of the Office's affairs.

There are four key organisational roles and structures defined within the corporate governance arrangements – these are the Police Ombudsman, the Chief Executive as Accounting Officer, the Senior Management Team (SMT) and the Audit and Risk Committee.

The Police Ombudsman

The Police Ombudsman has responsibility for establishing the overall strategic direction of the Office within the policy and resources framework determined by the Minister for Justice and the Department of Justice. He is also responsible for promoting the efficient, economic and effective use of staff and other resources by the Office and for holding me, as Accounting Officer, to account for the delivery against the Corporate and Business Plans.

The Chief Executive, as Accounting Officer

The Chief Executive role is designated as Accounting Officer for the Office by the Departmental Accounting Officer of the DoJ. However, in the absence of the Chief Executive as

a result of illness, the Departmental Accounting Officer of the DoJ has appointed the Director of Corporate Services as acting Accounting Officer. As such I am personally responsible for safeguarding the public funds for which I have charge and for ensuring the propriety and regularity in the handling of these public funds and for the day to day operations and management of the Office. I am also responsible for ensuring the effective and efficient achievement of the objectives and targets of the Office which are set out in the Annual Business Plan in support of the Police Ombudsman's strategic direction.

The Senior Management Team (SMT)

The SMT supports the Police Ombudsman and me, as Acting Accounting Officer, by providing collective leadership and taking ownership of organisational performance. The SMT oversees how the Office plans, sets, communicates and monitors corporate objectives. It operates in an advisory and consultative capacity to the Police Ombudsman in respect of those matters for which the Ombudsman has specific statutory responsibility, offering guidance when sought.

The Audit and Risk Committee

The Police Ombudsman is supported in his role by the Audit and Risk Committee. The Audit and Risk Committee includes two independent external members who chair all Audit and Risk Committee meetings on an alternate basis. Audit and Risk Committee meetings are convened on a quarterly basis and the Police Ombudsman, the Chief Executive and the Director of Corporate Services normally attend each meeting along with a representative from the sponsor Department, the Head of Internal Audit and a representative from the Northern Ireland Audit Office (NIAO) as external auditor.

The Audit and Risk Committee has an established Terms of Reference which was last reviewed and updated in October 2017 and is available on the Office website. The responsibilities of the Audit and Risk Committee include advising the Police Ombudsman and Chief Executive on the strategic processes for risk, control and governance within the Office. The Audit and Risk Committee has oversight of key governance matters including Whistleblowing, Fraud and Theft, Gifts and Hospitality, Health and Safety and Direct Award Contracts. The Audit and Risk Committee produces an annual report on the effectiveness of the Committee in the discharge of their responsibilities in support of the Police Ombudsman and me as acting Accounting Officer.

Internal Audit

The Internal Audit service for the Office for the year to 31 March 2018 was provided by ASM who operate to Public Sector Internal Audit Standards (PSIAS). The Internal Audit work programme for the year was set within a strategic internal audit plan. The plan gives assurance to the Accounting Officer on the effectiveness and efficiency of the operation of key systems and controls in the Office in order to deliver the statutory duties of the Office. On an annual basis the Audit and Risk Committee approves an annual audit plan and considers the adequacy of the management responses to findings and recommendations contained in audit reports. The Head of Internal Audit also produces an Annual Assurance report which provides assurances to me as Accounting Officer as to the effectiveness of the Office's overall systems of control.

External Audit

The External Auditor of the Office is the Comptroller and Auditor General (C&AG) of the Northern Ireland Audit Office (NIAO). The NIAO undertakes

an audit of the financial statements of the Office on an annual basis and provides a certificate for inclusion in the Annual Report and Accounts. The NIAO also provide, on an annual basis, a Report to those Charged with Governance which makes recommendations where matters have come to the attention of the NIAO during the course of their audit. RSM UK Audit LLP has been appointed to undertake audit fieldwork on behalf of the NIAO on an outsourced basis.

Governance Arrangements

The Office had an established set of arrangements for Corporate Governance which was put in place in October 2012. The Corporate Governance Arrangements document was reviewed and endorsed by the Police Ombudsman, the Senior Management Team and the Office's Audit and Risk Committee in May 2016.

The Corporate Governance Arrangements document (which is available on the Office's website) details the key principles of corporate governance which include openness, integrity and accountability and provides information on the structures, roles and responsibilities which have been established to ensure proper and effective management of the Office's affairs. In the absence of a Board, the role of the non-executive members of the Audit and Risk Committee includes the requirement to provide 'constructive challenge', a fresh, objective perspective and new ideas and a safe sounding board for new approaches. In addition non-executive Audit and Risk Committee members are responsible for ensuring that all aspects of strategy and delivery of policy are scrutinised for effectiveness and efficiency.

The Office operates under a Management Statement and Financial Memorandum (MSFM) with the Department of Justice. The MSFM sets out the broad framework within which the Office operates, subject to the legislation under which the Office was established and is required to comply. The MSFM is supplemented by a Memorandum of Understanding (MOU) which provides an operating protocol which recognises the operational independence of the Office and also satisfies the rules of accountability and oversight for the effective and efficient use of public resources. The current MSFM and related MOU were agreed in October 2012 and are currently being reviewed and updated. These are available on the Office website and in the library of the Northern Ireland Assembly.

As part of the Internal Audit plan of work, the Internal Auditor assesses the Risk Management and Corporate Governance arrangements on a periodic basis. The Internal Auditor carried out an audit in relation to Risk Management and Corporate Governance arrangements within the Office during 2016/17 which provided substantial assurance as to the operation of risk management and corporate governance within the Office.

As part of the sponsorship arrangements, the DoJ considers the performance of the Office on a quarterly basis in line with the Management Statement and Financial Memorandum. This includes meeting formally on a bi-annual basis with the Head of the sponsor Division within the Department to discuss Office performance against the objectives and targets set out in the Annual Business Plan. In addition I keep the Department informed of relevant matters on an ongoing basis.

As an NDPB and in the context of the Corporate Sole arrangements, the Office complies with the Corporate Governance in Central Government Departments: Code of Good Practice NI to the extent that it is meaningful and relevant to do so.

Conflicts of Interest

A standing item of Conflicts of Interest is included at the start of all Audit and Risk Committee and Senior Management Team meeting agendas. Any conflicts of interest declared are managed by the Chair of the relevant meeting and will normally require the withdrawal from the meeting in full or for the relevant part of the meeting by the individual who has declared the conflict. All such conflicts of interests are recorded in the minutes of the meeting and are forwarded for inclusion in the organisational Conflict of Interest register. In the year to 31 March 2018 one conflict of interest was noted during an Audit and Risk Committee meeting by the representative of internal audit in relation to a discussion on provision of internal audit services going forward. The internal audit representative left the meeting for the duration of the discussion. There were no conflicts of interest declared in SMT meetings. In the year to 31 March 2017, there were no conflicts of interest declared.

4. Risk Management and Internal Control

The Office has established procedures for risk management which includes a Risk Management Policy and Strategy. There is an established risk register for the Office which details the key organisational risks that are faced.

I consider that the effective and proactive management of risk is a key role for the SMT and the management of risk is a central component of the SMT agenda.

Each risk has been assigned to a member of SMT who is designated with responsibility for ensuring the oversight of that risk. These key risks are prioritised by likelihood and impact and categorised as high, medium or low. Each individual risk on the risk register is also supported by an underlying Risk and Issues Control Form which outlines in more detail the nature of the risks, the existing controls in place to manage the risk, any further work that is necessary and updates on progress to date. Risks are updated on an iterative basis as changes occur and the register is considered as a standing item as part of the SMT meeting.

At each SMT, in addition to an overview of the risk register, there is a process to consider whether there is any new issue which should be added to the risk register and also whether there are any risks which have been satisfactorily managed and can be closed. In this way the Office ensures that there is an ongoing consideration of risk both in terms of day to day operations and also in terms of strategic implications.

The risk register and actions are also regularly reviewed by the Audit and Risk Committee.

5. Review of Effectiveness of the Governance Framework

Senior Management Team (SMT)

The Senior Management Team, which is has been chaired by the Police Ombudsman since the absence due to illness of the Chief Executive, meets on a regular basis throughout the year. During the financial year there were six such SMT meetings held. These meetings are designed to ensure the effective management of the day to day operation of the Office and to ensure effective progress against the objectives and targets of the Annual

Business Plan. The Police Ombudsman normally attends SMT meetings. Bi-annually, the SMT meeting is expanded to include all functional members in the Office. In addition all Directors meet regularly in an informal SMT. The attendance by members of SMT at the formal SMT across the year was

Michael Maguire , Police Ombudsman	6
Adrian McAllister , Chief Executive	2
Olwen Laird , Director of Corporate Services	6
Brian Doherty , Director of Investigation (up to 13/09/17)	2
Paul Holmes , Director of Investigation	6
Tim Gracey , Director of Information	6
Seamus McIlroy , Director of Legal Services	6
Tony Doherty , Director of Investigation (from 20/03/18)	-

Audit and Risk Committee

The Audit and Risk Committee met on five occasions in total across the year, in four quarterly meetings and in an additional meeting held to approve the Annual Report and Accounts for the year ended 31 March 2017.

Each meeting was chaired by a non-executive member. There was regular attendance at these meetings as outlined below:

Frank Bryan , Non-Executive member,	5
Bernard Mitchell , Non-Executive member,	5
Michael Maguire , Police Ombudsman	5
Adrian McAllister , Chief Executive	2
Olwen Laird , Director of Corporate Services	5
DoJ , Sponsor Department	5
ASM , Internal Auditor	5
NIAO , External Auditor	3
RSM , External Audit Contractor	2

In addition, during the year Paul Holmes, Director of Investigation attended the Audit and Risk Committee on three occasions and Tim Gracey, Director of Information on two occasions.

Each financial year the Audit and Risk Committee produces a report on the effectiveness of the Audit and Risk Committee in support of both the Police Ombudsman and Accounting Officer. The report for the year ended 31 March 2018 has confirmed that the Audit and Risk Committee was operated effectively across the financial year.

Department of Justice sponsor arrangements

There were two governance meetings held during the year between the sponsor Division of the Department of Justice and the Office in May and December in line with the provisions of the MSFM to discuss and monitor performance against the Annual Business Plan throughout the year. In addition to these formal meetings the Department also conducted desk reviews at quarterly intervals based on corporate performance information provided by the Office with Additionally the Office responded to a significant number of requests for information and responded to the requirements to submit returns to the Department on a regular basis on a range of matters to satisfy the governance requirements of the Department.

There were no ministerial directions given during the financial year.

Risk management

The process of ongoing overview of key organizational risks has been effective across the financial year. Individual members of SMT have been pro-active in the management of the risks that have been individually assigned and the

consideration of risk by SMT as a standing item on the agenda has enabled focused discussion on these risks and related actions required to address them.

There are 3 key risks facing the Office which I consider should be included in the Governance Statement. These include:

- a risk that the budget allocated to the Office is insufficient for the Office to function effectively in the delivery of its statutory duties and that any further reduction would undermine the capability and capacity of the Office to undertake its statutory functions;
- a risk around the uncertainty surrounding the establishment of an Historic Investigations Unit (HIU) under the Stormont House Agreement which could lead to a number of issues including higher staff turnover in the History Directorate, uncertainty and reduced morale for those permanent staff currently working in the History Directorate and current lack of funding to progress Historic investigations in a timely manner, leading to legal challenge and reputational damage to the Office.; and
- a risk that the Office may not successfully defend the Judicial Review by the NIRPOA in relation to publication of the outcome of investigations undertaken by the Office.

In order to address these risks the Office has continued to represent to the DoJ the impact of budget cuts to the Office as part of financial monitoring discussions, during formal governance meetings and in meetings between the Police Ombudsman and Permanent Secretary to the Department. During 2017/18, the DoJ made available resources to conduct a specific high profile investigation further to the submission of a

business case from the Office. Further the budget of the Office for 2018/19 has not been cut, this is welcome albeit inflationary pressures are not funded and will have to be met by the Office. The Office has also submitted requests for additional resource for Historic Investigations which have not been met pending a wider political solution to matters of the past. In this regard, I welcome the consultation published on 11 May on "Addressing the Legacy of Northern Ireland's Past".

During the financial year, the SMT and Audit and Risk Committee received a wide range of information within an agreed schedule including; the corporate risk register, statistical information on complaints and investigation caseloads, balanced scorecard information in relation to performance against business plan targets, management accounting information and other relevant material. Although there has been no formal assessment of the information provided, the Police Ombudsman, the SMT and the Audit and Risk Committee are satisfied with the quality, accuracy and timeliness of the information received.

Budget Position and Authority

The Northern Ireland Assembly was dissolved from 26 January 2017 with an election taking place on 2 March 2017, on which date Ministers ceased to hold office. An Executive was not formed following the 2 March 2017 election. As a consequence, the Northern Ireland Budget Act 2017 was progressed through Westminster, receiving Royal Assent on 16 November 2017, followed by the Northern Ireland (Anticipation and Adjustments) Act 2018 which received Royal Assent on 28 March 2018. The authorisations, appropriations and limits in these Acts provide the authority for the 2017/18 financial year and a vote on account for the early months of the 2018/19 financial year as if they were Acts of the Northern Ireland Assembly.

6. Significant Internal Control Issues

During the course of the year the Office became aware of an issue in relation to the operation of the contract for offsite storage of records. This is an NICS wide contract let by CPD to which the Office is a party. A box of records for which the Office had received a certificate of destruction from the contractor providing archive storage was discovered by a separate justice body in a box they had retrieved from storage. The box had the barcode reference of the other justice body but contained records relating to the Police Ombudsman. An investigation has confirmed that an error occurred when damaged boxes were renewed and relabelled in error. The records relating to the other justice body are understood to have been destroyed. There was no loss of information as a result of this incident and as such there was no requirement to report the matter to the Information Commissioner's Office. An internal audit being carried out around this time in relation to destruction of records consequently provided limited assurance. The Office has been engaging with the supplier, the DoJ Head of Information and CPD to resolve this and wider issues of concern around the operation of this contract. There were no other significant internal control issues identified during the year.

7. Accounting Officer Statement On Assurance

In providing my statement on assurance I am informed by assurances provided to me from a range of sources. These include:

- an Annual Assurance Report from the Internal auditor which provides an overall assurance rating to me on the basis of work undertaken across a range of internal audit areas. The Office has adopted DAO DOF 07/16 Internal Audit Opinions and prioritisation of recommendations which has removed the concept of substantial assurance leaving satisfactory, limited or unacceptable as possible audit opinions. The overall assurance that has been provided to me as Accounting Officer by the Internal Auditor is satisfactory. This satisfactory assurance is drawn from a range of internal audits carried out during the financial year. The areas subject to audit and the related assurance levels are as follows:
 - Current Directorate – Property Handling Policy (satisfactory)
 - Information security and information sharing within the Confidential Unit (satisfactory)
 - Implementation of recommendations arising from an independent security review (satisfactory)
 - Payroll and HR (satisfactory)
 - Records Management – appropriateness of file destruction (limited)
- the Audit and Risk Committee Annual Report which provides an overall assessment as to the effective functioning of the Audit and Risk Committee.
- the system of risk management within the Office.

I consider that the overall system of controls, governance framework and risk management provide satisfactory assurance to me that the Office can effectively and efficiently meet its objectives.

Remuneration and Staff Report

Remuneration Policy

The Police Ombudsman is remunerated in line with judicial salary scales. The Chief Executive is remunerated as a senior civil servant. Judicial and Senior Civil Service (SCS) scales are based on the work and recommendations of the Senior Salaries Review Board (SSRB). The Minister of Finance approves the pay remit for Senior Civil Service (SCS) staff in Northern Ireland. The SCS remuneration arrangements are based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima allowing progression towards the maxima on performance.

The remuneration of other members of the Senior Management Team and staff within the Office is set within the Northern Ireland Civil Service (NICS) pay structures. The Minister of Finance normally approves the pay remit for staff in the Office. However in the absence of an Executive, the DoF Permanent Secretary has set the 2017-18 NI public sector pay policy in line with the overarching HMT parameters and in a manner consistent with the approach taken by the previous Finance Minister in 2016-17. NICS and SCS pay are normally reviewed with effect from 1 August each year. The pay awards for NICS and SCS staff for 2017-18 have not yet been finalised and an amount has been included in accruals based on the estimate liability for these pay awards. The Office is not involved in NICS pay negotiations. Performance is appraised by line managers of achievement against agreed objectives and targets.

Appointments

Appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made. Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

The Police Ombudsman is appointed for a maximum of seven years as provided within paragraph 1(4) of Schedule 3 to the Police (Northern Ireland) Act 1998. Dr M Maguire was appointed as Police Ombudsman on 16 July 2012.

Mr B Doherty was appointed on 3 March 2014 as Director of Investigation initially on a three year fixed term contract. The contract for Mr Doherty has been extended for 18 months until 3 September 2018. Mr Doherty left the Office on 13 September 2017.

Mr T Doherty has been appointed on 20 March 2018 for an 18 month fixed term contract as Director of Investigations for Historic matters. The short term contract reflects the uncertainty about the future of Historic investigation matters within the Office, including the potential that these matters will transfer at a future date to a body yet to be established.

The Non Executive Members of the Audit and Risk Committee during the financial year were Mr F Bryan and Mr B Mitchell. They were appointed on 1 April 2015 for an initial three year term to 31 March 2018 with an option for a further 2 years to 31 March 2020 at an hourly rate of £60/hr. In March 2018 the option to extend these appointments to 31 March 2020 was exercised.

The following sections provide details of the remuneration and pension interests of the Police Ombudsman, the Accounting Officer/Chief Executive, members of the Senior Management Team and Non Executive Members of the Audit and Risk Committee.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior officials in the Office.

Remuneration (including salary)

	AUDITED INFORMATION 2017-18			
	Salary (£'000)	Benefits in kind (to nearest £100)	Pension Benefit (to nearest £1000) ¹	Total (to nearest £1000)
Dr Michael Maguire <i>Police Ombudsman</i>	130 – 135	-	52	185 – 190
Adrian McAllister² <i>Chief Executive</i>	100 – 105	-	43	145 – 150
Paul Holmes³ <i>Director of Investigation</i>	65 – 70	-	18	85 – 90
Brian Doherty⁴ <i>Director of Investigation</i>	35 – 40	-	13	50 – 55
Olwen Laird⁵ <i>Director of Corporate Services</i>	65 – 70	-	33	95 – 100
Tim Gracey <i>Director of Information</i>	50 – 55	-	8	60 – 65
Seamus McIlroy⁶ <i>Director of Legal Services</i>	50 – 55	-	21	75 – 80
Tony Doherty⁷ <i>Director of Investigation</i>	0 – 5	-	1	0 – 5
Non-Executive Audit and Risk Committee Members				
Frank Bryan	0 – 5	-	-	0 – 5
Bernard Mitchell	0 – 5	-	-	0 – 5
Police Ombudsman's Total Full Time Equivalent Remuneration				£132,210
Median Total Remuneration				£32,675
Ratio				4.05

- 1 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.
- 2 The salary quoted is the salary paid for the year to 31 March 2018, however this period included pay at reduced rates due to absence due to illness. The full time equivalent salary for the year ended 31 March 2018 is £110k to £115k.
- 3 The salary quoted includes substantive salary of £65k – £70k for 1 April to 31 July and uplifted salary of £65k to £70k for 1 August to 31 March 2018 due to additional acting responsibilities.
- 4 The salary quoted is for the period 1 April 2017 to 13 September 2017. The full year was £75k to £80k
- 5 The salary quoted includes substantive salary of £55k – £60k for 1 April to 31 July and uplifted salary of £65k to £70k for 1 August to 31 March 2018 due to additional acting responsibilities.
- 6 The salary quoted includes substantive salary of £50k – £55k for 1 April to 31 July and uplifted salary of £55k to £60k for 1 August to 31 March 2018 due to additional acting responsibilities.
- 7 The salary quoted is for the period 20 March to 31/03/2018. The full year equivalent is £80k to £85k

Remuneration (including salary)

	AUDITED INFORMATION 2016-17			
	Salary (£'000)	Benefits in kind (to nearest £100)	Pension Benefit (to nearest £1000) ¹	Total (to nearest £1000)
Dr Michael Maguire <i>Police Ombudsman</i>	130 – 135	-	52	185 – 190
Adrian McAllister <i>Chief Executive</i>	110 – 115	-	43	150 – 155
Paul Holmes <i>Director of Investigation</i>	65 – 70	-	18	75 – 80
Brian Doherty <i>Director of Investigation</i>	75 – 80	-	13	105 – 110
Olwen Laird <i>Director of Corporate Services</i>	55 – 60	-	33	75 – 80
Tim Gracey <i>Director of Information</i>	50 – 55	-	8	65 – 70
Seamus McIlroy <i>Director of Legal Services</i>	45 – 50	-	21	65 – 70
Non-Executive Audit and Risk Committee Members				
Frank Bryan	0 – 5	-	-	0 – 5
Bernard Mitchell	0 – 5	-	-	0 – 5
Police Ombudsman's Total Full Time Equivalent Remuneration				£132,210
Median Total Remuneration				£33,004
Ratio				4.01

¹ 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.

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 ex gratia payments.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Office and treated by the HM Revenue and Customs as a taxable emolument. There were no benefits in kind for the year ended 31 March 2018 (nil for the year ended 31 March 2017).

Bonuses

The Office of the Police Ombudsman for Northern Ireland does not make bonus payments in respect of staff performance. No bonuses were payable to staff or to senior managers in respect of the year ended 31 March 2018 (nil for the year ended 31 March 2017).

Pension Entitlements

	AUDITED INFORMATION					
	Accrued pension at pension age as at 31/3/18 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV at 31/3/18 £'000	CETV at 31/3/17 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account (Nearest £100)
Dr Michael Maguire <i>Police Ombudsman</i>	30 – 35	2.5 – 5.0	474	413	35	N/A
Adrian McAllister <i>Chief Executive</i>	10 – 15	2.5 – 5.0	179	141	24	N/A
Paul Holmes <i>Director of Investigation</i>	10 – 15 plus lump sum of 40 – 45	0 – 2.5 plus lump sum of 2.5 – 5.0	308	272	16	N/A
Brian Doherty <i>Director of Investigation</i>	5 – 10	0 – 2.5	55	46	5	N/A
Olwen Laird <i>Director of Corporate Services</i>	20 – 25	0 – 2.5	338	300	17	N/A
Tim Gracey <i>Director of Information</i>	5 – 10 plus lump sum of 15 – 20	0 – 2.5 plus lump sum of 0 – 2.5	123	109	8	N/A
Seamus McIlroy <i>Director of Legal Services</i>	5 – 10	0 – 2.5	75	62	7	N/A
Tony Doherty <i>Director of Investigation</i>	0 – 5	0 – 2.5	11	11	1	N/A
Non Executive Audit and Risk Committee Members						
Frank Bryan	N/A	N/A	N/A	N/A	N/A	N/A
Bernard Mitchell	N/A	N/A	N/A	N/A	N/A	N/A

Northern Ireland Civil Service Pensions

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

The alpha pension scheme was 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 existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha 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. 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 rate is 2.32%.

New entrants joining can choose between membership of alpha or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is also a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium or classic plus). From April 2011, pensions payable under classic, premium and classic plus are reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

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 2017 was 3% and HM Treasury has announced that public service pensions will be increased accordingly from April 2018.

Employee contributions for all members for the period covering 1 April 2018 to 31 March 2019 are as follows:

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – classic members or classic members who have moved to alpha	Contribution rates – all other members
From	To	1 April 2017 to 31 March 2018	1 April 2017 to 31 March 2018
£0	£15,000.99	4.6%	4.6%
£15,001.00	£21,636.99	4.6%	4.6%
£21,637.00	£51,515.99	5.45%	5.45%
£51,516.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

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

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

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. Scheme Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos. The normal pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni.

Cash Equivalent Transfer Value

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. CETV's 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.

Departure Costs and Compensation Payments

(This section is subject to audit)

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs are accounted for in the full year of departure. Where early retirements are agreed the additional costs are met by the Office and not by the Civil Service pension scheme. There were no redundancy or other departure costs for the year ended 31 March 2018 (£nil for the year ended 31 March 2017).

Ill-health retirement costs are met by the pension scheme and are not reported by the Office. No employee retired early on ill health during the year to 31 March 2018 (nil during the year to 31 March 2017).

Voluntary Exit Scheme

(This section is subject to audit)

The Office of the Police Ombudsman for Northern Ireland does not have a Voluntary Exit Scheme or arrangement in place. Although staff in the Office are remunerated within the NICS pay arrangements, they are not civil servants and as such the Voluntary Exit Scheme launched by the NICS in March 2015 did not apply.

Payments to Past Directors

(This section is subject to audit)

There were no payments made to any former member of the Senior Management Team or former Police Ombudsman for the year ended 31 March 2018 (£nil for the year ended 31 March 2017).

Off Payroll Payments

(This section is subject to audit)

The Office had no off-payroll engagements during the year to 31 March 2018. None in the financial year ended March 2017.

Fair Pay Disclosures

(This section is subject to audit)

Public bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisations workforce.

The Police Ombudsman for Northern Ireland is the highest paid official within the Office. No employee of the Office of the Police Ombudsman received remuneration in excess of the Police Ombudsman during either the year ended 31 March 2018 or the year ended 31 March 2017. Total remuneration includes salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer contributions or the cash equivalent transfer value of pensions.

Staff in the Office hold a range of posts. The level of remuneration varies according to the post that is held. The range of remuneration on a full time equivalent basis within the Office is £19,811 to £132,210. The median rate of remuneration of staff in the Office is £32,675.

The total remuneration of the Police Ombudsman for the year ended 31 March 2018 was £132,210 which was 4.05 times the median remuneration of the workforce of £32,675. The total remuneration for the Police Ombudsman for the year ended 31 March 2017 was £132,210 which was 4.01 times the median remuneration of the workforce of £33,004.

The pay multiple has remained largely consistent with last year increasing marginally from 4.01 in the year ended 31 March 2017 to 4.05 for the year ended 31 March 2018. The reason for this is that there has as yet been no pay progression approved for NICS pay nor was there an approval within the financial year for the uplift in the pay for the Police Ombudsman which is based on judicial scales. The profile of staff has also remained largely consistent with the previous year.

Staff Costs

(This section is subject to audit)	2017-18	2016-17
Amounts payable in respect of directly employed staff		
Wages and Salaries	3,922,459	3,877,820
Social Security Costs	409,628	414,242
Employer's pension costs	858,353	863,551
Total direct employee staff costs	5,190,440	5,155,613
Less recoveries of outward secondments	(106,550)	(113,261)
Total net costs	5,083,890	5,042,352
Amounts payable in respect of staff on secondment, agency workers, temporary and contract staff		
	1,611,508	1,533,930
Total Staff costs	6,695,398	6,576,282

The Office of the Police Ombudsman for Northern Ireland meets all of the staff costs for staff who are seconded to it as they are incurred. Although costs are fully recharged to the Office, the seconding organisation remains the permanent employer with responsibility for the pay, allowances and pension of such staff.

The Office also recharges out in full the staff costs who are seconded to other organisations as they are incurred. Although these costs are fully recharged to the organisation to which staff are seconded, the Office remains the permanent employer with responsibility for the pay, allowances and pensions of such staff.

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes. The Office of the Police Ombudsman for Northern Ireland is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowance Resource Accounts as at 31 March 2018.

For the year ended 31 March 2018, employers' contributions of £982,253 were payable to the NICS pension arrangements (£1,004,815 for the year ended 31 March 2017) at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during the year to 31 March 2015. This valuation was used to determine employer contribution rates for the introduction of the new career average earning scheme, alpha, from April 2015. For 2018/19 the rates will also range from 20.8% to 26.3% however the salary bands differ. The contribution rates are set to meet the cost of the benefits accruing during 2018/19 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account which is a stakeholder pension with an employer contribution. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay (3% to 14.7% for the year ended 31 March 2017). Employers also match employee contributions up to 3% of pensionable pay. Additionally 0.5% of pensionable pay is payable by employers to cover the cost of the future provision of lump sum benefits of death in service and ill health retirements of these employees (0.5% for the year ended 31 March 2017). Employer's contributions of £1,144 were paid to the appointed stakeholder pension providers during the year (£nil for the year ended 31 March 2017). There were no contributions due to the partnership pension providers as at 31 March 2017

Average number of persons employed

(This section is subject to audit)

The average number of whole time equivalent persons employed during the year was:

	2017-18	2016-17
Directly employed permanent Police Ombudsman Staff		
Management and executive	6	6
Administrative and support	24.5	23.5
Complaints and Investigation	72.5	75
Seconded, agency worker, temporary and contract staff		
Management and executive	0.5	1
Administrative and support	5	4.5
Complaints and Investigation	32	30
Total Average number of full time equivalent persons	140.5	140

Grade of Staff

(This section is subject to audit)

The remuneration of members staff in the Office is set within the Northern Ireland Civil Service (NICS) pay structures. The Chief Executive post is the only post on the NICS Senior Civil Service scale, however during 2017/18 the Director of Corporate Services and Director of Investigation took on additional responsibility and were remunerated at SCS Payscale 1 from 1 August 17. The Police Ombudsman is remunerated on the Judicial Scales at judicial scale 6.1.

	2017-18	2016-17
SCS Payscale 2	1	1
SCS Payscale 1	2	

Police Ombudsman Remuneration

The Police Ombudsman is remunerated on the Judicial scale 6.1. From 1 April 2017 the judicial scale 6.1 increased to £134,841, however approval was not received during the year to increase the Police Ombudsman's pay to the revised rate and as such the Police Ombudsman's pay remained at £133,506 for the year ended 31 March 2018 with arrears of £1,335. As in previous years, the Police Ombudsman requested that his pay be reduced by an amount of £1,296 per annum due to prior overpayments of pay made to the Ombudsman (which are explained in detail in the 2015/16 Remuneration and Staff report within the Annual Report).

During the year the Police Ombudsman's total remuneration, including benefits in kind, but excluding pension contributions, was £132,210. (£132,210 for the year ended 31 March 2017).

The Police Ombudsman received no benefits in kind during the year nor for year ended 31 March 2017.

The Police Ombudsman is a member of the Northern Ireland Civil Service (NICS) Pension arrangements. For the year ended 31 March 2018, £34,771 was payable by the Office in respect of the Police Ombudsman's pension contributions (£34,771 for the year ended 31 March 2017).

Sickness Absence

For the year ended 31 March 2018 the Office set a target not to exceed a sickness absence rate of 4%. However, the target of 4% was not achieved and the rate of sickness absence for the year was 4.95%.

This increase in sickness absence rate has come about following the year ended 31 March 2017 when the Office reported it's lowest level of sickness absence. There have been a small number of significant long terms sickness absences which have impacted the overall sickness absence rates, including that of the Chief Executive. Managers in the Office are continuing to work closely with staff to ensure that sickness absence continues to be managed. A target of 4% absence has been renewed for the year to 31 March 2019.

Despite this increase, the Office continues to reflect positively against the most current information available in relation to the rate of sickness absence across the NICS. The most up to date level of sickness absence reported for the NICS was 5.6% for the year ended 31 March 2017.

Expenditure on Consultancy

The Office incurred £6,000 on consultancy during the year ended 31 March 2018, (£nil for the year ended 31 March 2017).

Developing our people

This year saw the Office achieve Silver Investors in People Accreditation, in recognition of our commitment to developing our people. The introduction of our Continuous Professional Development (CPD) Framework has focussed attention on alternative opportunities for development and will be further enhanced to include specific CPD requirements for those in Specialist RIPA roles. We are preparing for the launch of our next 3 year Learning and Development Strategy with a continued focus on developing leadership capability, further improvements to our Performance Management Process and developing future talent through our Trainee Investigation Officer Programme.

Training and Development

The skills, competence and performance of all staff underpin the work of the Office, bringing quality and excellence in the services we provide. Broadening the skills and competencies of staff, at every level in the Office, is fundamental to ensure we have highly competent staff who consistently deliver quality services across all facets of our business.

This year a significant portion of our Training budget was spent to support those in key RIPA roles. Alongside this however, we have continued to develop our investigative capability through Specialist Accredited Witness and Suspect Interviewing. We continue to see a diversity in the range of developmental activities; from Health and Safety and Diversity Training, to activities such as Sexual Offences Awareness, Telephone Complaint Handling, Information Security, General Data Protection Regulations, PSNI Search Warrant procedures, Deaths In Custody, Open Source Intelligence and ISO 27001. Our Coffee and Learn sessions are much appreciated, with a variety of stakeholder organisations participating. These sessions will continue to be a valuable and flexible component of our Training and Development activities.

Equal Opportunities/Disabled Persons

It is the policy of the Office to promote equality of opportunity. The Office provides equal opportunity for all job applicants and employees. All recruitment, promotion and training is based on a person's ability and job performance and excludes any consideration of an applicant's/employee's religious beliefs, political opinion, gender, marital status or disability.

The Office has an established recruitment policy and as part of the Office's commitment to Equality of Opportunity, it makes provision for accessibility for people with disabilities, by offering a guaranteed interview to disabled candidates who have declared their disability and meet the essential criteria listed in the job specification. We are committed to ensuring that reasonable adjustments are made for staff who may become disabled to ensure that they can continue to be effectively employed in the Office. It is also committed to making reasonable adjustments for applicants who indicate that they have a disability.

The Office submitted an annual report on its Equality Scheme to the Equality Commission within the required timescale. In addition, the Office submitted its annual monitoring return under the Fair Employment and Treatment (Northern Ireland) Order 1998.

Staff composition

The profile of staff at 1 January 2018 shows that excluding employees from a non determined background 55.8% are Protestant and 44.2% are Roman Catholic. The profile of staff at 1 January 2017 showed that 55.5% were Protestant and 44.5% were Roman Catholic.

In relation to gender composition the overall profile of staff at 1 January 2018 also shows that 42.9% were male and 57.1% were female (45.9% were male and 54.1% were female at 1 January 2017). As at 1 January 2018 there were 6 members of SMT, 5 of whom were male (83%), 1 was female (17%).

As at the end of the financial year there were three members of staff remunerated at SCS scale, the Chief Executive, the Director of Corporate Service and a Director of Investigation. Additionally the Police Ombudsman is remunerated on the Judicial scale. The Police Ombudsman is male. Two of those currently remunerated at SCS grade are male (67%), one is female (33%).

The most recent Equality Commission Northern Ireland monitored workforce statistics for 2016 for gender are 47.7% male, 52.3% female and for community background are 51.6% protestant and 48.4% Roman Catholic.

Employee Consultation and Involvement

The Office recognises the importance of good industrial relations and is committed to effective employee communications. Trade Union representation is open to all employees and the Office has an established Joint Negotiating Consultative Committee with formal recognition of two staff unions, NIPSA and Unison.

Health and Safety

The Office is committed to providing for staff and visitors an environment that is as far as possible safe and free from risk to health. A standing sub-committee on health and safety operates under the Joint Negotiating Consultative Committee. A quarterly health and safety report is also considered on the SMT agenda.

Assembly Accountability Report

Regularity of Expenditure

(This section is subject to audit)

There were no losses or special payments in the year ended 31 March 2018, none for the year ended 31 March 2017.

Fees and Charges

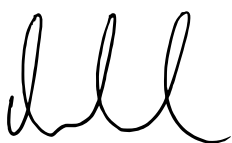
(This section is subject to audit)

No fees are chargeable by the Office of the Police Ombudsman for Northern Ireland for making a complaint. All complaints received are investigated free of charge to the person making a complaint. Under the respective agreements in place, any costs incurred in the investigation of matters in relation to the National Crime Agency or the UK Borders Authority are recharged to the relevant authority on the basis of full cost recovery in order that all such investigations are cost neutral to the Office. There have been no cost recharges under these agreements to date.

Remote Contingent Liabilities

(This section is subject to audit)

In addition to contingent liabilities which are reported in note 15 to the accounts on page 83 within the meaning of IAS 37, the Office is also required to report liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. There were no such remote contingent liabilities for the year ended 31 March 2018, none for the year ended 31 March 2017.



Olwen Laird
Acting Accounting Officer

6 June 2018

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 Police Ombudsman for Northern Ireland for the year ended 31 March 2018 under the Police (Northern Ireland) Act 1998 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited 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 Police Ombudsman for Northern Ireland's affairs as at 31 March 2018 and of the net expenditure for the year then ended; and
- have been properly prepared in accordance with the Police (Northern Ireland) Act 1998 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 and Department of Justice directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects 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 of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note

10 'Audit of Financial Statements of Public Sector Entities 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 Police Ombudsman for Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, 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.

Other Information

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

In connection with my audit of the financial statements, 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, 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:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Justice directions made under the Police (Northern Ireland) Act 1998 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010; and
- the information given in the Performance and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Police (Northern Ireland) Act 1998 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

I am required to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 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.

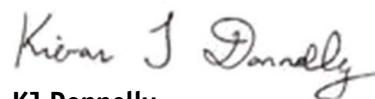
Matters on which I report by exception

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
- 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.

Report

I have no observations to make on these financial statements.



KJ Donnelly

Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
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19 June 2018

Statement of Comprehensive Net Expenditure for the year ended 31 March 2018

	Note	2017-18	RESTATED 2016-17 £
Expenditure			
Staff costs	4	6,695,398	6,576,282
Depreciation/amortisation	5	312,797	274,279
Provision expense	5	132,395	60,828
Other operating expenditure	5	1,995,157	1,813,430
Net operating expenditure		9,135,747	8,724,819
Other Comprehensive Net Expenditure			
Items that will not be reclassified to net operating costs:			
Net (gain)/ loss on revaluation of Property Plant and Equipment	6	(1,739)	(2,250)
Net (gain)/loss on revaluation of Intangibles Assets	7	(19,835)	(37,446)
Total Comprehensive Net Expenditure for the year		9,114,173	8,685,123

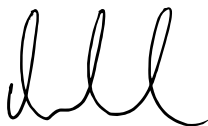
The notes on the pages 66 to 86 form part of these accounts

Statement of Financial Position as at 31 March 2018

	Note	As at 31 March 2018 £	RESTATED As at 31 March 2017 £	RESTATED As at 1 April 2016 £
Non-current assets:				
Property, plant & equipment	6	601,817	641,607	614,528
Intangible assets	7	481,710	527,612	446,053
Trade and other receivables	8	2,545	13,002	4,243
Total non-current assets		1,086,072	1,182,221	1,064,824
Current assets:				
Trade and other receivables	8	159,742	233,323	219,993
Cash and cash equivalents	9	111,604	55,438	153,428
Total current assets		271,346	288,761	373,421
Total assets		1,357,418	1,470,982	1,438,245
Current liabilities:				
Trade and other payables	10	(475,770)	(408,691)	(478,301)
Total current liabilities		(475,770)	(408,691)	(478,301)
Total assets less current liabilities		881,648	1,062,291	959,944
Non current liabilities:				
Provisions	11	(132,500)	(57,970)	(36,500)
Total non-current liabilities		(132,500)	(57,970)	(36,500)
Total assets less liabilities		749,148	1,004,321	923,444
Taxpayers' equity and other reserves:				
General reserve	16	509,680	786,427	745,246
Revaluation reserve	16	239,468	217,894	178,198
Total equity		749,148	1,004,321	923,444

The notes on pages 66 to 86 form part of these accounts

The financial statements on pages 62 to 86 were approved by:



Olwen Laird

Interim Accounting Officer

6 June 2018

Statement of Cash Flows for the year ended 31 March 2018

	Note	2017-18	RESTATED
		2017-18	2016-17
		£	£
Cash flows from operating activities			
Net Operating Expenditure for the year		(9,135,747)	(8,724,819)
Adjustments for non-cash transactions	5	368,097	256,079
(Increase)/decrease in trade and other receivables	8	84,038	(22,089)
(Decrease) in trade and other payables	10	67,079	(69,610)
Movements in payables relating to items not passing through the Net Expenditure Account	6,7	(6,113)	-
Use of provisions	11	(57,865)	(39,358)
Net cash outflow from operating activities		(8,680,511)	(8,599,797)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(61,121)	(108,474)
Purchase of intangible assets	7	(61,202)	(155,719)
Net cash outflow from investing activities		(122,323)	(264,193)
Cash flows from financing activities			
Grant-in-Aid to fund resource expenditure		8,718,000	8,502,000
Grant-in-Aid to fund capital expenditure		141,000	264,000
Net financing		8,859,000	8,766,000
Net (decrease) in cash and cash equivalents in the period	9	56,166	(97,990)
Cash and cash equivalents at the beginning of the period	9	55,438	153,428
Cash and cash equivalents at the end of the period	9	111,604	55,438

The notes on pages 66 to 86 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2018

	Note	RESTATED General Reserve £	RESTATED Revaluation Reserve £	Taxpayers' Equity £
Balance at 1 April 2016	16	745,246	178,198	923,444
Changes in Taxpayers' Equity for 2016-17				
Grant-in-Aid to fund resource expenditure		8,502,000		8,502,000
Grant-in-Aid to fund capital expenditure		264,000		264,000
Comprehensive net expenditure for the year		(8,713,319)	39,696	(8,673,623)
Auditors remuneration		(11,500)		(11,500)
Balance at 31 March 2017	16	786,427	217,894	1,004,321
Changes in Taxpayers' Equity for 2017-18				
Grant-in-Aid to fund resource expenditure		8,718,000		8,718,000
Grant-in-Aid to fund capital expenditure		141,000		141,000
Comprehensive net expenditure for the year		(9,124,247)	21,574	(9,102,673)
Auditors remuneration		(11,500)		(11,500)
Transfer between reserves		53,073	(53,073)	
Balance at 31 March 2018		509,680	239,468	749,148

The notes on pages 66 to 86 form part of these accounts.

The General Reserve serves as the chief operating fund and is used to account for all financial resources except those required to be accounted for in another reserve.

The Revaluation Reserve accounts for the unrealised gain or loss on revaluation of assets.

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the Accounts Direction issued by the Department of Justice and in line with the 2017-18 Government Financial Reporting Manual (FReM) issued by HM Treasury. 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 the Office of the Police Ombudsman for Northern Ireland for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Office (for the reportable activity) are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention modified to take account of the revaluation of property, plant and equipment and intangible assets.

The financial statements are stated in sterling, which is the functional and presentational currency.

1.2 Grant-in-Aid and capital grants

The Office of the Police Ombudsman for Northern Ireland was funded during the year to 31 March 2018 by Grant-in-Aid from the Department of Justice, request for resources A. All Grant-in-Aid received, which is used to finance activities and expenditure that support the statutory and other objectives of the Office, is treated as financing credited to the General Reserve, because it is regarded as contributions from a controlling party. Grant-in-Aid received towards the purchase of items of property, plant and equipment or intangible assets is also credited directly to the General Reserve.

1.3 Value Added Tax

The Office of the Police Ombudsman for Northern Ireland became registered for Value Added Tax (VAT) during 2017/18. The Office pays output VAT to HMRC for invoices raised in relation to staff on secondment. The Office cannot reclaim any input VAT. Therefore all transactions are stated inclusive of input VAT.

1.4 Property, plant and equipment

Property, plant and equipment comprises leasehold improvements to New Cathedral Buildings, fixtures and fittings and information technology equipment.

Items of property, plant and equipment are capitalised if they are intended for use on a continuous basis and their individual original purchase cost is £1,000 or more. Items with an individual cost of less than £1,000 but, when taken together, represent a significant investment will be grouped. The materiality threshold for a group of items is £3,500. Items costing less than £1,000 that are not part of a group are written off in the year of purchase.

Leasehold improvement expenditure has been capitalised and is revalued to a depreciated value of the leasehold improvements in their existing use using professional valuations. Valuations are carried out each year by professional external valuers, employed by the Land and Property Services (Valuations), in accordance with the Appraisal and Valuation Manual prepared and published by the Royal Institution of Chartered Surveyors, as at 31 March 2018. The current lease term for the lease of the building is until 30 June 2020.

The Office of the Police Ombudsman for Northern Ireland's property, plant and equipment is revalued annually using indices compiled by the Office for National Statistics. Any surplus/loss on revaluation is treated as follows:

- Unrealised surplus arising from revaluation of property, plant and equipment is credited to the Revaluation Reserve unless it reverses a revaluation decrease of the same asset previously recognised to the Statement of Comprehensive Net Expenditure, to that extent.
- Losses arising from the revaluation of property, plant and equipment are debited to the Revaluation Reserve to the extent that gains were recorded previously, and otherwise to the Statement of Comprehensive Net Expenditure.

Property, plant and equipment is reviewed annually for impairment.

1.5 Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in order to write off the valuation, less any residual value, over their expected useful economic lives.

The estimated useful lives of property, plant and equipment, which are reviewed regularly are summarised under each category below:

Category:	Estimated useful lives:
Buildings – leasehold improvement expenditure	The remaining term of the lease
Furniture and fittings	3 - 10 years
Information Technology:	
- PCs, peripherals and other related equipment	4 – 7 years
- Servers	7 years

1.6 Intangible assets

Expenditure on intangible assets is recognised when the Office of the Police Ombudsman for Northern Ireland controls the asset; is probable that future economic benefits attributable to the asset will flow to the Office and the cost of the assets can be reliably measured.

The Office's intangible assets consist of a bespoke information technology system for recording complaints (Case Handling System – CHS), and purchased software licences where expenditure is £1,000 or more. Intangible assets are revalued annually using appropriate indices compiled by the Office for National Statistics. Any surplus/loss on revaluation is treated as follows:

- Unrealised surplus arising from revaluation of intangible assets is credited to the Revaluation Reserve unless it reverses a decrease of the same asset previously recognised in the Statement of Comprehensive Net Expenditure, to that extent.
- Losses arising from the revaluation of intangible assets are debited to the Revaluation Reserve to the extent that gains were recorded previously, and otherwise to the Statement of Comprehensive Net Expenditure.

Amortisation is calculated on a straight line basis over the shorter of the term of the licence and the useful economic life (four to ten years). Intangible assets are reviewed annually for impairment.

1.7 Pension costs

Past and present employees are covered by the Northern Ireland Civil Service (NICS) Pension arrangements which are described in the Remuneration and Staff Report on pages 43 to 54. The defined benefit elements of the schemes are unfunded. The organisation recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Northern Ireland Civil Service Pension of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the Northern Ireland Civil Service Pension. In respect of the defined contribution elements of the schemes, the organisation recognises the contributions payable for the year.

1.8 Leases

Leases are classified as operating leases where substantially all of the risks and rewards are held by the lessor. The total cost of operating leases is charged to other operating costs on a straight-line basis over the period of the lease.

1.9 Insurance

Insurance costs in respect of motor vehicles and buildings are charged to the Statement of Comprehensive Net Expenditure. No insurance is effected against the following: fire, explosion, common law, third party and similar risks.

1.10 Provisions

The Office of the Police Ombudsman for Northern Ireland provides for legal or constructive obligations which are of uncertain timing or amount at the reporting period date on the basis of the best estimate of the expenditure required to settle the obligation.

1.11 Financial instruments

Financial assets and liabilities are recognised when the Office of the Police Ombudsman for Northern Ireland becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the Office no longer has rights to cash flows, the risks and rewards of ownership or control of the asset.

Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. The Office of the Police Ombudsman for Northern Ireland does not hold any complex financial instruments.

1.11.1 Financial assets

Trade and other receivables

Financial assets within trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

Impairment of financial assets

The Office assesses at each reporting period date whether a financial asset or group of financial assets are impaired. Where there is objective evidence that an impairment loss has arisen on assets carried at amortised cost, the carrying amount is reduced with the loss being recognised in the Statement of Comprehensive Net Expenditure.

1.11.2 Financial liabilities

Trade and other payables

Financial liabilities within trade and other payables are initially recognised at fair value, which is usually the original invoiced amount, less provision for impairment.

1.12 Employee benefits

Under IAS 19, an employing entity should recognise the undiscounted amount of short term employee benefits expected to be paid in exchange for service. The Office of the Police Ombudsman for Northern Ireland has therefore recognised both annual and flexi leave entitlements that have been earned by the reporting period end, but not yet taken. These costs are reflected in staff costs and current liabilities.

1.13 Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Office's accounting policies. The Office of the Police Ombudsman for Northern Ireland continually evaluates its estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing material adjustment to the carrying amount of assets and liabilities are discussed below.

1. Depreciation of plant, property and equipment

Depreciation is provided so as to write-down the respective assets to their residual values over their expected lives, and as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are shown in note 1.5.

2. Amortisation of intangible assets

Amortisation is provided so as to write-down the respective assets to their residual values over their expected lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are shown in note 1.6.

3. Provisions

Provisions for legal claims are made on the basis of all known claims, estimated based on legal advice. The amount which is provided is based on an expected probability basis, where the total probable cost is provided in full if the expected risk of failure is likely to exceed 50% and on full anticipated costs of defending legal actions, where no recovery of such costs is likely. Details of the legal provisions are shown in note 11.

1.14 Accounting standards, interpretations and amendments to published standards and FReM

Update on 2016-17 Position

Standard	Comments
IFRS 10 - Consolidated Financial Statements	The International Accounting Standards Board (IASB) issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014.
IFRS 11 - Joint Arrangements	Accounting boundaries for IFRS purposes are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on Office of National Statistics control criteria, as designated by HM Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2020-21, the accounting boundary for departments will change to include NDPBs and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.
IFRS 12 - Disclosure of Interests in Other Entities	

Issued and effective in 2017-18 for the first time:

There were no accounting initiatives issued and effective in 2017-18 for the first time.

1.15 Accounting standards, interpretations and amendments to published standards not yet effective

The Office has considered those new standards, interpretations and amendments to existing standards which have been published and are mandatory for the Office's accounting periods beginning on or after 1 April 2018 or later periods, but which the Office has not adopted early. Other than as outlined below, the Office considers that these standards are not relevant or material to its operations.

Standard	IFRS 9 - Financial Instruments
Effective Date	1 January 2018 (EU endorsed 22 November 2016) - with a view to include in the 2018-19 FReM
Description of revision	<p>IFRS 9 includes several improvements, and introduces substantially greater disclosure requirements, to the previous IAS 39 which includes:</p> <ul style="list-style-type: none"> • a single approach to classification and measurement; • a new forward-looking 'expected loss' impairment model; and • a revised approach to hedge accounting. <p>The application of this standard is retrospective (without restatement). This has been mandated in the FReM with approval from the FRAB.</p>
Comments	IFRS 9 will affect all public sector bodies that have any financial Instruments (including trade receivables, lease receivables, loan commitments and contract assets).

Standard	IFRS 16 - Leases (replaces IAS 17 Leases and related interpretations)
Effective Date	1 January 2019 (EU endorsed 31 October 2017) - with a view to include in the 2019-20 FReM
Description of revision	<p>The IASB issued IFRS 16 in January 2016 with an effective date for annual periods beginning on or after 1 January 2019. Early application is permitted for those entities applying IFRS 15.</p> <p>IFRS 16 represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. A lessee is required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value on the Statement of Financial Position. There are corresponding changes to the disclosure requirements to show the effect that leases have on the financial position, financial performance and cash flows of the lessee.</p> <p>The lessor accounting model is significantly unchanged from IAS 17 but entities should be aware of the introduction and impacts of IFRS 9 Financial Instruments and the enhanced disclosure requirements.</p>
Comments	The introduction of IFRS 16 is subject to analysis and review by HM Treasury and the other Relevant Authorities. HM Treasury will issue an Exposure Draft on IFRS 16 during 2018 in advance of the effective date.

1.16 Financial reporting - future developments

The Office has considered the accounting initiatives identified by HM Treasury for which the Standards are under development and considers that these changes are not relevant or material to its operations.

2 Financial Targets

The Office of the Police Ombudsman for Northern Ireland has no formally agreed financial targets, however in accordance with the Management Statement and Financial Memorandum, the Office must not incur expenditure which exceeds its annual budget without prior approval from the Department of Justice.

3 Analysis of Net Operating Expenditure by Segment

	Core Investigations £	Historic Investigations £	Complex Investigations £	Total £
Operating expenditure 2017-18	6,811,325	1,928,488	458,033	9,197,846
Operating expenditure 2016-17	6,838,317	1,937,384	-	8,775,701

The segments identified by the Office correspond with the normal segmental provision of information to the Chief Executive and is consistent with the separate funding provided by and reporting requirement to the sponsoring department.

4 Staff Costs

	2017-18 £	2016-17 £
Amounts payable in respect of directly employed staff		
Wages and salaries	3,922,459	3,877,820
Social security costs	409,628	414,242
Employer's pension contributions	858,353	863,551
Total direct employee staff costs	5,190,440	5,155,613
Less recoveries in respect of outward secondments	(106,550)	(113,261)
Total staff costs	5,083,890	5,042,352
Amounts payable in respect of staff on secondment, agency/temporary staff and contract staff	1,611,508	1,533,930
Total staff costs	6,695,398	6,576,282

Further details on staff costs can be found in the Staff Report on page 51 of the Accountability Report.

5. Other Expenditure

	Note	2017-18		RESTATED 2016-17	
		£	£	£	£
Travel and subsistence		100,020		99,582	
Training, recruitment and other personnel costs		424,390		380,530	
Rates, maintenance, electricity and other accommodation costs		432,462		436,942	
Consultancy		6,000		-	
Legal costs & internal audit		21,374		12,755	
Information and media		60,418		63,230	
Printing, stationery, postage and office equipment		86,684		78,966	
Direct case investigation costs		92,791		76,013	
Computer support including maintenance and telecommunications		473,400		378,691	
Other costs		61,659		53,528	
Operating leases - buildings		282,000		282,000	
Operating leases - other		19,554		18,721	
Auditors remuneration and expenses		11,500		11,500	
			2,072,252		1,892,458
Non cash items:					
Provisions - provided in year	11	186,650		62,594	
Provisions - released in year not required	11	(54,255)		(1,766)	
Depreciation and amortisation of assets:					
Property, plant and equipment	6	172,392		149,715	
Intangible assets	7	140,405		124,564	
Revaluation of assets - (gains)/losses:					
Property, plant and equipment	6	(7,643)		(15,188)	
Intangible assets	7	(7,353)		(15,723)	
Impairment of leasehold interest	6	(62,099)		(50,882)	
Disposals of assets - write-off:					
Intangible assets - software licences	7	-		2,765	
			368,097		256,079
Total expenditure			2,440,349		2,148,537

6. Property, Plant and Equipment

2017-18	Buildings, leasehold improvements	Furniture & fittings	Information technology	Total
	£	£	£	£
Cost or valuation				
At 1 April 2017	265,000	515,511	876,216	1,656,727
Additions	22,439	22,032	16,650	61,121
Revaluations	(19,439)	1,921	26,919	9,401
Disposals	-	(22,122)	-	(22,122)
At 31 March 2018	268,000	517,342	919,785	1,705,127
Depreciation				
At 1 April 2017	-	388,646	626,474	1,015,120
Charged in year	81,538	22,501	68,353	172,392
Revaluations/Back log	(81,538)	182	19,276	(62,080)
Disposals	-	(22,122)	-	(22,122)
At 31 March 2018	-	389,207	714,103	1,103,310
Net book value at 31 March 2018	268,000	128,135	205,682	601,817
Net book value at 31 March 2017	265,000	126,865	249,742	641,607

6. Property, Plant and Equipment *(continued)*

2016-17	Buildings, leasehold improvements	Furniture & fittings	Information technology	Total
	£	£	£	£
Cost or valuation				
At 1 April 2016	280,000	505,211	787,716	1,572,927
Additions	-	30,165	78,309	108,474
Revaluations	(15,000)	6,128	55,108	46,236
Disposals	-	(25,993)	(44,917)	(70,910)
At 31 March 2017	265,000	515,511	876,216	1,656,727
Depreciation				
At 1 April 2016	-	387,775	570,624	958,399
Charged in year	65,882	22,986	60,847	149,715
Revaluations/Back log	(65,882)	3,878	39,920	(22,084)
Disposals	-	(25,993)	(44,917)	(70,910)
At 31 March 2017	-	388,646	626,474	1,015,120
Net book value at 31 March 2017	265,000	126,865	249,742	641,607
Net book value at 31 March 2016	280,000	117,436	217,092	614,528

The Office of the Police Ombudsman for Northern Ireland owns all its assets and has no finance leases.

IAS 16 and IFRS 13 both require measurement at fair value. Management considers open market value to be the best available estimate of fair value. Leasehold improvements have been valued by the Land and Property Services (Valuations) on the existing use basis at £268,000 as at 31 March 2018 (£265,000 as at 31 March 2017). The open market valuation at that date was £nil (£nil at 31 March 2017).

6. Property, Plant and Equipment *(continued)*

All other assets were re-valued on the basis of the latest available indices, as at 31 March 2018. This has resulted in an overall increase in valuation of £71,481 as at 31 March 2018, which has been analysed below.

Analysis of property, plant and equipment revaluations	2017-18		RESTATED 2016-17	
	Revaluation Reserve	Comprehensive Expenditure Account	Revaluation Reserve	Comprehensive Expenditure Account
	£	£	£	£
Fixtures & fittings	1,739	-	2,250	-
Information technology	-	7,643	-	15,188
	1,739	7,643	2,250	15,188

Analysis of property, plant and equipment write down of impairments	2017-18		RESTATED 2016-17	
	Revaluation Reserve	Comprehensive Expenditure Account	Revaluation Reserve	Comprehensive Expenditure Account
	£	£	£	£
Buildings - leasehold improvements	-	62,099	-	50,882

Analysis of property, plant and equipment payments	Note	2017-18	2016-17
		£	£
Property, plant and equipment additions		61,121	108,474
Decrease/(Increase) in accruals related to property, plant & equipment	10	-	-
Total cash payments for property, plant and equipment		61,121	108,474

7. Intangible Assets

The Office of the Police Ombudsman for Northern Ireland intangible assets comprise purchased software licences and a bespoke information technology system (Case Handling System – CHS).

2017-18	Information technology, case handling system £	Software licences £	Total £
Cost or valuation			
At 1 April 2017	1,721,599	619,882	2,341,481
Additions	-	67,315	67,315
Revaluations	52,972	19,040	72,012
Disposals	-	-	-
At 31 March 2018	1,774,571	706,237	2,480,808
Amortisation			
At 1 April 2017	1,434,045	379,824	1,813,869
Charged in year	78,352	62,053	140,405
Revaluation/Back log	33,137	11,687	44,824
Disposals	-	-	-
At 31 March 2018	1,545,534	453,564	1,999,098
Net book value at 31 March 2018	229,037	252,673	481,710
Net book value at 31 March 2017	287,554	240,058	527,612

2016-17	Information technology, case handling system	Software licences	Total
	£	£	£
Cost or valuation			
At 1 April 2016	1,541,808	522,282	2,064,090
Additions	71,928	83,791	155,719
Revaluations	107,863	38,190	146,053
Disposals	-	(24,381)	(24,381)
At 31 March 2017	1,721,599	619,882	2,341,481
Amortisation			
At 1 April 2016	1,296,894	321,143	1,618,037
Charged in year	66,734	57,830	124,564
Revaluation/Back log	70,417	22,467	92,884
Disposals	-	(21,616)	(21,616)
At 31 March 2017	1,434,045	379,824	1,813,869
Net book value at 31 March 2017	287,554	240,058	527,612
Net book value at 31 March 2016	244,914	201,139	446,053

Intangible assets are adjusted to their current value each year by reference to appropriate indices compiled by the Office for National Statistics as at 31 March 2018. This has resulted in a increase in valuation of £27,188 at 31 March 2018, which has been analysed below.

Analysis of intangible revaluations	2017-18		2016-17	
	Revaluation Reserve Account	Comprehensive Expenditure Account	Revaluation Reserve	Comprehensive Expenditure
	£	£	£	£
Information technology (case handling system)	19,835	-	37,446	-
Software licences	-	7,353	-	15,723
	<u>19,835</u>	<u>7,353</u>	<u>37,446</u>	<u>15,723</u>

Analysis of intangibles payments	Note	2017-18	2016-17
		£	£
Intangibles additions		67,315	155,719
Decrease/(Increase) in accruals related to intangibles	10	(6,113)	-
Total cash payments for intangibles		61,202	155,719

8. Trade Receivables and Other Current Assets

	2017-18	2016-17	1 April 2016
	£	£	£
Amounts falling due within one year:			
Deposits and advances	2,622	2,622	1,379
Prepayments and accrued income	157,120	230,701	218,614
	159,742	233,323	219,993
Amounts falling due after more than one year:			
Prepayments and accrued income	2,545	13,002	4,243
Total	162,287	246,325	224,236

9. Cash and cash Equivalents

	2017-18	2016-17
	£	£
Balance as at 1 April 2017	55,438	153,428
Net changes in cash and cash equivalents	56,166	(97,990)
Balance at 31 March 2018	111,604	55,438
The following balances were held at:		
Commercial banks and cash in hand	111,604	55,438
Balance at 31 March 2018	111,604	55,438

10. Trade Payables and Other Current Liabilities

	2017-18	2016-17	1 April 2016
	£	£	£
Amounts falling due within one year:			
Trade payables	(77)	-	-
Other taxation and social security	3,704	4,158	-
Employee benefit accrual	166,967	164,619	148,376
Accruals and deferred income	305,176	239,914	329,925
Total	475,770	408,691	478,301

Total of Trade Payables & Other Current Liabilities includes £6,113 for capital creditors/accruals (nil in 2016-17)

There are no trade payables falling due for payment after more than one year.

11. Provisions for Liabilities and Charges

	2017-18	2016-17
		£
Balance at 1 April 2017	57,970	36,500
Provided in the year	186,650	62,594
Provisions not required written back	(54,255)	(1,766)
Provisions utilised in the year	(57,865)	(39,358)
Balance at 31 March 2018	132,500	57,970

Provisions for legal claims are made on the basis of all known claims, estimated based on legal advice. The amount which is provided is based on an expected probability basis - ie the provision is based on current estimates of costs incurred and likely settlement (if any) where the expected risk of failure is likely to exceed 50% and on the accrued costs to date of defending legal actions, where no recovery of such costs is likely.

At 31 March 2018 the Office had 11 ongoing cases with an overall provision of £132,500. The provision which has been calculated in respect of these matters is £97,500 for 3 Judicial Reviews, £20,000 for 7 civil actions and £15,000 in relation to an inquest. For all of these cases the provision relates to the legal costs incurred in defending these matters. At 31 March 2017 the provision of £57,970 was in respect of six Judicial Reviews, three Civil Actions and one inquest.

Expenditure is likely to be incurred within one year and no re-imburement is likely to occur.

12. Capital Commitments

As at 31 March 2018 the Office of the Police Ombudsman for Northern Ireland contracted capital commitments amounting to £6,000 (nil as at 31 March 2017).

13. Commitments Under Leases

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

	2017-18	2016-17
	£	£
Obligations under operating leases comprise:		
Buildings		
Not later than one year	282,000	282,000
Later than one year and not later than five years	352,500	634,500
Later than five years	-	-
Other:		
Not later than one year	197	12,630
Later than one year and not later than five years	-	197
Later than five years	-	-
Total	634,697	929,327

The Office leases its current office accommodation under a lease up to 30 June 2020.

14 Other Financial Commitments

The Office of the Police Ombudsman for Northern Ireland has not entered into any non-cancellable contracts.

15. Contingent liabilities disclosed under IAS 37

At 31 March 2018, the Office of the Police Ombudsman for Northern Ireland had eleven cases which it has provided for. In the unlikely event that the Office should lose the cases currently provided for, and an additional twelve cases for which no provision has been made, the estimate of maximum damages and further legal costs that could arise is £341,000 (31 March 2017: £288,000 estimate of maximum damages/legal fees in respect of three cases).

There are a number of strategic litigation cases that have been lodged in relation to holiday pay for NICS employees. Given the nature of these cases and stage of the proceedings it is not possible to determine the outcome or to quantify any potential financial impact on the Office.

16. Prior Year Adjustment between Revaluation Reserve and General Reserve

Leasehold Interest

A prior year error was discovered in respect of the treatment of depreciation relating to the Office's leasehold improvements. Depreciation relating to leasehold interest has been correctly charged to the Income and Expenditure account each year. However, each year the Office obtains an external revaluation of the leasehold interest. As a consequence of this annual revaluation, the related accumulated depreciation was written back and was included in the calculation of the unrealised gain or loss on revaluation through the Revaluation Reserve. This has meant that whereas depreciation is charged to the Income and Expenditure Account, the related release of the depreciation has been credited through the Revaluation Reserve instead of the General Reserve Account.

The quantum of the error relating to the relevant accounting periods is noted below:

- Up to 2015-16 - £437,152 of revaluation resource should have been credited to the General Reserve
- In 2016-17 - a further £50,882 of revaluation gain should have been credited to the General Reserve

The adjustment for the error arising has been corrected by amending the opening balances of the Revaluation Reserve and the General Reserve as 1 April 2016, as shown in the Statement of Taxpayers Equity.

CHS System

In the year ended 31 March 2012 a prior year adjustment was made to remove a Government Grant reserve for the Case Handling System (CHS) asset in the accounts. At that stage a Revaluation Reserve for the CHS was established. However it has subsequently been identified that the opening balance of the Revaluation Reserve established at that time was incorrect. The error arose because previous revaluation losses prior to that date amounting to £139,521 were not taken into account in establishing the opening balance on the Revaluation Reserve which was therefore overstated by £139,521

The quantum of the error relating to the relevant accounting periods is noted below:

- Up to 2015-16 - £139,521 of revaluation reserve should have been credited to the General Reserve

Restatements to the 2016-17 financial statements are noted below:

Statement of Comprehensive Net Expenditure	Original	Adjustment	Restated
Other Operating Expenditure	1,864,312	(50,882)	1,813,430
Net (gain)/loss of revaluation of property plant and equipment	(53,132)	50,882	(2,250)

Statement of Cashflows	Original	Adjustment	Restated
Net Operating Expenditure for the year	(8,775,701)	(50,882)	(8,724,819)
Adjustment for non-cash transactions	306,961	50,882	256,079

Statement of Changes in Taxpayers Equity	Original Reserve	Adjustment for Leasehold Buildings	Adjustment for CHS	Restated Reserve
Restated balance as at 1 April 2016				
General Reserve	168,573	437,152	139,521	745,246
Revaluation Reserve	754,871	(437,152)	(139,521)	178,198
Restated balance as at 31 March 2017				
General Reserve	158,872	488,034	139,521	786,427
Revaluation Reserve	845,449	(488,034)	(139,521)	217,894

Note 5	Original	Adjustment	Restated
Impairment of value of leasehold interest	-	(50,882)	(50,882)

17. Related-Party Transactions

The Office of the Police Ombudsman for Northern Ireland is an executive Non-Departmental Public Body sponsored by the Department of Justice during the year ended 31 March 2018.

The Department of Justice is regarded as a related party. During the year the Office of the Police Ombudsman for Northern Ireland has had various material transactions with the Department and with two other entities for which the Department of Justice is regarded as the parent Department, namely Forensic Science Northern Ireland and the Prisoner Ombudsman for Northern Ireland.

In addition the Office of the Police Ombudsman for Northern Ireland has had various transactions with other Government Departments and some GB police forces.

During the year, none of the key management staff or other related parties has undertaken any material transaction with the Office.

18. Financial Instruments

Due to the non-trading nature of the activities of the Office of the Police Ombudsman for Northern Ireland and the way in which it is funded as an executive Non-Departmental Public Body, financial instruments play a much more limited role in creating and managing risk than would apply to a non-public sector body. The Office has no powers to invest surplus funds, has limited end year flexibility and must obtain the approval of the sponsoring Department prior to entering into borrowing arrangements. The Office has no current borrowing. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Office in undertaking its activities. The majority of financial instruments relate to contracts to buy non-financial items in line with expected purchase and usage requirements and the Office is therefore exposed to little credit, liquidity or market risk.

19. Events after the Reporting Period

There have been no significant events since the end of the financial year which affect the financial statements.

The financial statements were authorised for issue by the Accounting Officer on 19 June 2018.



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Published by Corporate Document Services
and available from:

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