



ANNUAL REPORT & ACCOUNTS



For the year ended 31 March 2020
Together with the Certificate and
Report of the Comptroller and Auditor
General for Northern Ireland

Police Ombudsman for Northern Ireland

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

*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 23 October 2020

Glossary of Abbreviations

C&AG	Comptroller and Auditor General
CARE	Career Average Related Earnings
CETV	Cash Equivalent Transfer Value
CHS	Case Handling System
CPI	Consumer Prices Index
CSP	Civil Service Pensions
DoF	Department of Finance
DoJ	Department of Justice
FD	Finance Director
FReM	Financial Reporting Manual
GAD	Government Actuary Department
GSOC	Garda Síochána Ombudsman Commission
HIU	Historic Investigations Unit
HMT	Her Majesty's Treasury
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
PIRC	Police Investigations and Review Commissioner
PSIAS	Public Sector Internal Audit Service
PSNI	Police Service of Northern Ireland
RIPA	Regulatory & Investigatory Powers Act
SCS	Senior Civil Service
SMT	Senior Management Team
SSRB	Senior Salaries Review Board
UDA	Ulster Defence Association
UK	United Kingdom
UVF	Ulster Volunteer Force

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Forward by the Police Ombudsman

I am pleased to present my first Annual Report and Accounts as Police Ombudsman for Northern Ireland. This report covers the year from 1 April 2019 to 31 March 2020 and as such includes the final months of tenure of the outgoing Police Ombudsman, Dr Michael Maguire.

Under the Police (Northern Ireland) Act 1998 as amended, I am required to provide an Annual Report on the discharge of the functions of the Office of the Police Ombudsman for Northern Ireland (the Office) by 30 June each year. However, as the business year drew to a close, the full extent of the worldwide public health pandemic became clear and my Office like all public and private life went into 'lockdown' lasting several months. While we maintained a limited police complaints service during this period, a lot of our supporting work had to be scaled back, including work on the year end Annual Report and Accounts.

In July 2020, I provided an abridged version of an Annual Report outlining in summary form, information which both reflected the key aspects of our work during the period and allowed an assessment of that work against our key objectives and targets. That abridged version was made available on the Office's website. However, this report provides a full Annual Report and Accounts in line with Department of Finance (DoF) guidance in FD (DoF) 05/20.

Since becoming Police Ombudsman, I have been speaking to external stakeholders and to staff about the challenges of investigating complaints about police conduct. The Police (Northern Ireland) Act 1998 directs that I keep under review the efficiency and effectiveness of the police complaints system to ensure it continues to win the trust and confidence of the public and the police.

I am committed to the principles and policies underpinning the original design of the police complaints system as designed by Dr Maurice Hayes and envisaged by the Patten Commission, including the model of a single portal for all complaints about police. This complaints system remains an important police accountability mechanism and has stood the test of time. Independence remains the cornerstone of this system to ensure public and police confidence in the Office.

In listening to stakeholders I believe that as we enter our twentieth anniversary year the focus for the work of the Office for the next three years must be towards increased transparency in decisions, fair procedures and processes and collaborative working with justice partners. These themes have formed the basis of my Strategic Plan for 2020/21 to 2023/24 and my Annual Business Plan 2020/21.

My Chief Executive in her Performance Report will provide in summary form information about the volume of work the Office has dealt with during the year in dealing with complaints and referrals about the conduct of police officers.

During the year I had to address a number of strategic issues connected to that work.

As the year came to an end my Office was continuing to work closely with the PSNI to develop a new agreement which will regulate the processes by which police provide information to this Office. Since my appointment I have wanted to develop the process to ensure my investigators have access to all police material. During the year I became directly involved in the issue of police disclosure of information which had been identified by my predecessor and got a detailed understanding of how PSNI searches its vast estate for material.

I consider that on occasions my investigators need to be directly involved at every stage of that search. I know that providing us with all requested information and documents has at times presented challenges for police, not least because of the vastness of the records management task. I am mindful also of the legal duty on both police and this Office to protect the most sensitive information. It is hoped the new agreement when completed will provide more effective searching for and sharing of this information. At the time of writing I believe that goal is within reach.

During the year the Office committed significant time and resources to ensure that we have the necessary structures in place to support the programme of inquests for 'Troubles' related deaths announced by the Lord Chief Justice. As my Office is involved with an inquest in each quarter of the first year of the programme, my Legal Director and her team have been involved in complex and time-consuming work. To support that work, I have decided to establish a 'legacy disclosure unit' and have made a bid to the Department of Justice for the necessary resources.

Time was also spent during the year putting in place some of the building blocks which will support my aim to ensure that as an Ombudsman office all our practices meet modern Ombudsman standards. I have worked with our Current Investigations Directorate to put in place procedures aimed at bringing greater transparency around decisions in misconduct cases, including the provision by PSNI of cogent and full reasons when it does not accept my recommendations. With the Director, I have revised the processes for writing reports on those cases referred to us, largely by the PSNI, and deemed to be in the public interest.

I hope these new processes will better explain in each of those cases our investigation process and decision making.

I believe that securing effective change in policing practices is an important aspect of holding police to account. This change can only be achieved when working with justice partners and during the year I have engaged with the Northern Ireland Policing Board to discuss ways of ensuring that police are held to account when recommendations are not accepted or fully implemented.

The Office was subject to an inspection by the Investigatory Powers Commissioners Office in relation to our compliance with the Regulation of Investigatory Powers Act 2000 (RIPA) was undertaken on 10 March 2020 and the inspection report was issued on 17 March. I am pleased to record that there were no adverse findings or recommendations. The report provided a number of helpful observations on how to improve our approach to RIPA and these are being addressed.

Finally, may I pay tribute to my Chief Executive, her SMT and staff for their support in my taking up this challenging new role and for their continued patience with me. Dr Maguire has been a support to me in my new role and I thank him for that and his service to the Office over the last seven years.



Marie Anderson

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 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 Chief Executive

As the Chief Executive 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 8. 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.

Under the Police (Northern Ireland) Act 1998, the appointment as Police Ombudsman is for a period of 7 years. During the year, the former Police Ombudsman, Dr Michael Maguire ended his tenure and was succeeded on 16 July 2019 by Marie Anderson. This reporting year therefore encompasses the work of the Office under the direction of both Dr Michael Maguire and Marie Anderson. Overall, the performance of the Office remains strong and 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 without 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 of 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 DoJ, 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 DoJ.

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 7.

The Office complies with the corporate governance and accountability framework arrangements (including *Managing Public Money Northern Ireland*) issued by the Department of Finance 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 her 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. She 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	2019/20	2018/19
Delivering Excellence in Investigations	Resource and action all complaints and related allegations registered.	2,522 complaints 5% decrease	2,627 complaints - 2% increase
		3,900 allegations 4% decrease	4,072 allegations - 5% decrease
	Maintain or increase the number of complaints resolved through Informal Resolution.	177 complaints - 17% decrease	212 complaints - 21% increase
Maintain Impartiality and Independence in Dealing with Complaints	To maintain a level of 80% public awareness of the Office.	86% achievement	86% achievement
	To maintain a level of 80% awareness of the independence of the Police Ombudsman.	88% achievement	88% achievement
	To maintain a level of 80% confidence that the Police Ombudsman for Northern Ireland deals with complaints in an impartial way.	85% achievement	80% 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.	86% achievement	81% achievement
	To maintain a level of 70% of complainants to feel that they have been treated fairly by staff in the Office.	66% achievement	74% achievement
	To maintain a level of at least 70% of police officers subject of investigation to feel that they have been treated fairly by staff in the Office.	Survey deferred due to Covid 19 outbreak	78% 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	Survey deferred due to Covid 19 outbreak	87% achievement 90% achievement 73% achievement 63% achievement 75% 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	80% achievement 80% achievement 66% achievement 40% achievement 43% achievement	85% achievement 84% achievement 74% achievement 50% achievement 54% achievement
	The number of complaints against the Office to be no more than in 2018/19.	75 complaints received	35 complaints received
Focus Efforts in Improving Policing	Continue to work with PSNI and NIPB in identifying how many recommendations have impacted on policing.	24 recommendations made	11 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 33 to 41.

There are four 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;
- a risk that information for sensitive cases may not be accessible leading to circumstances whereby the Office may fail to conduct an effective/complete investigation; and
- a risk that the Covid 19 outbreak may significantly affect operational activities and outcomes for a considerable period of time due to limitations on the ability of staff to work from home.

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 £344,394 (£709,607 for year ended 31 March 2019). 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 anticipated 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 2019/20 as the final year of a three year Corporate Plan. The four key aims in the three 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; and
- 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 2019/20 financial year. Further detailed narrative is included in the Performance Analysis section of this report on pages 11 to 28.

Looking forward, the Office has now established an Annual Business Plan for the year ended 31 March 2021 which is the first year of a four year Corporate Plan from 2020/21 to 2023/24. The four key aims in the four year Corporate Plan as outlined above are

- to increase transparency in decision making in relation to police complaints, referrals and investigations;
- to provide a high quality complaints and investigation service which is fair to all parties reflecting human rights standards;
- to work with criminal justice stakeholders to ensure our recommendations and research reports impact on policing policy, standards and practices; and
- to be ethical and accountable in our service delivery and use of resources.

Case Study

POLICE WARNED ABOUT 'POTENTIALLY FATAL' RESTRAINT TECHNIQUES

In January 2020 the Police Ombudsman warned police officers that certain restraint techniques could interfere with people's ability to breathe, with potentially fatal consequences. Mrs Marie Anderson urged police officers to ensure that people being restrained, especially face down, were not having difficulty breathing

She made the appeal after an investigation found that a man had appeared to "pass out" while being taken into police custody after being arrested in September 2018. He was lying across the back seat of a police car when the incident happened, having been cuffed behind his back and had leg restraints fitted. He was heard on police body-worn video telling officers that he could not breathe, before making gurgling noises and becoming quiet and motionless. Officers then stopped the car and revived him.

Mrs Anderson said the incident illustrated the potentially fatal risks associated with "positional asphyxia" which causes people to have difficulty breathing. A face down position is recognised as a risk factor, as are alcohol or drugs. She urged officers to refresh their knowledge of police training and guidance on the issue provided on the PSNI website.

After concluding that the officer who had been with the man in the rear of the police car should have been more alert to the risks and danger signs of positional asphyxia, the Police Ombudsman recommended that he be disciplined.

The PSNI accepted that there had been failings and the officer in question was given advice and feedback by his line management.

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

The Office received 2,522 complaints during 2019/20, representing a decrease of 5% if compared to 2018/19 when 2,641 complaints were received. This continued the general downward trend over the past five years in the number of complaints being received about police officers. While the decrease in complaints during 2019/20 was, in some part, attributable to the impact of the health emergency arising from the COVID-19 pandemic, it is recognised that as the regulations restricting movement were introduced at the end of the year under review the greater impact is likely to be seen in the number of complaints received during 2020/21.

The Chief Constable made one referral to the Office during 2019/20 compared to 13 such referrals during 2018/19. One referral was also received from the Director of Public Prosecutions during 2019/20. The Police Ombudsman exercised the

power to commence an 'own motion' investigation on 10 occasions during the year, a similar number when compared to 2018/19. There was no identifiable theme to the matters subject of the 'own motion' investigations.

Investigations undertaken by the Current Investigations Directorate are categorised as A, B or C, dependent on the nature and complexity of the matters involved. This enables a proportionate response and the application of tiered quality assurance mechanisms, as further discussed under Key Aim 1.

Category A generally involve loss of life or serious injury, serious sexual assault, discharge of firearms and other allegations of serious police malpractice. Such matters are normally allocated to the Significant Cases Teams.

Category B includes allegations of significant physical injury, theft or fraud, discriminatory behaviour, serious neglect of duty associated with the outcome of criminal investigations and/or court proceedings and improper disclosure of information. These cases are generally allocated to the CORE Investigation Team.

Category C cases involve allegations of incivility, use of excessive force not accompanied by significant injury and less serious breaches of police procedure and/or associated legislation. On most occasions this level of casework is retained by the Initial Complaints and Investigation Team who provide the gateway through which complaints are received.

In June 2016 the new Police (Conduct) Regulations (Northern Ireland) were introduced, altering the manner in which the Police Ombudsman makes

recommendations to the PSNI in relation to misconduct and/or performance matters. These Regulations introduced the concept of a misconduct meeting at which a police officer may be dealt with by management advice, written warning or final written warning. The facility to recommend a misconduct hearing in respect of the most serious misconduct is also available to the Police Ombudsman.

During 2019/20, the Police Ombudsman recommended that a misconduct meeting be held on 88 occasions. The Police Ombudsman also made 56 recommendations to the PSNI in relation to performance matters, a similar number to the previous year. On 20 occasions the Office made recommendations for the prosecution of police officers.

In 2019/20 the Police Ombudsman made 24 policy recommendations to police for operational changes arising from issues which have been identified during the course of our investigations. These recommendations for change were composed of one at a strategic level, 21 at an operational level and two areas for minor improvement. Further information in relation to policy recommendations is included under Key Aim 4 below.

Historic Investigation Directorate

At the conclusion of 2019/20 the History Directorate caseload was 440 cases, of which 179 are the subject of active enquiries or preparation of final reports.

The Directorate completed the fourth 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 have been completed within the reporting period but

due to a continuing significant line of enquiry, which has resulted in submission of a file for direction to the Public Prosecution Service in respect of allegations which include murder, this has not been possible.

The Police Ombudsman had intended to publish a number of public statements in respect of historic casework during 2019/20. Among these were statements relating to investigations of complaints set in the context of a series of murders attributed to the North West Ulster Defence Association (UDA), including a 1993 attack at Greysteel in which eight people died, and certain murders claimed by the South Belfast UDA, such as the 1992 attack at Sean Graham's Bookmakers, Ormeau Road, Belfast in which five people died. Unfortunately the publication of these statements was delayed due to continuing legal proceedings brought by the Northern Ireland Retired Police Officers Association regarding the extent of the Police Ombudsman's powers in such public statements and a significant issue relating to the non-disclosure of sensitive information to the Police Ombudsman by the PSNI, first identified in October 2018, which gave rise to a comprehensive review of associated processes. The Court of Appeal gave judgement on 18 June 2020. The content of the judgement is likely to have an impact on operational matters pertaining to the Office in the future, and we are currently considering the judgement carefully.

The Lord Chief Justice's five year plan for legacy inquests was announced early in 2019. Throughout 2019/20 the Historic Investigations Directorate were involved in a significant disclosure exercise in preparation for a number of these Inquests.

The funding made available by the Department of Justice to investigate historic cases supports a team of 30 staff. This is not considered to be sufficient to address the caseload in a timely way.

A previous business case for additional resources was not supported due to the expected establishment of a Historical Investigations Unit as part of implementation of the Stormont House Agreement. The continuing uncertainty around the implementation of the HIU, associated timelines and limited funding has continued to present challenges to the Police Ombudsman's planning in respect of historic investigations and consequently the Office submitted a further business case to the Department of Justice in January 2020 requesting additional funding to facilitate a more effective strategy for completion of these investigations. We are working with the Department to seek approval for this business case.

Performance against Business Plan

As outlined above the Office had an Annual Business Plan for the year ended 31 March 2020 set within the context of a three 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; and
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.

Case Study

OFFICER DID NOT RACIALLY DISCRIMINATE AGAINST TAXI DRIVER

A press release was published in February 2020 which reported that a police officer had been cleared of racial discrimination against a taxi driver following an incident in south Belfast.

The complaint related to the taxi driver's allegation that a customer had attacked him and damaged his glasses after refusing to pay. However, the customer claimed the taxi driver had assaulted him after refusing to pull over when he complained that the car was being driven too fast.

The taxi driver complained that the investigating police officer had refused to investigate his allegation but had pursued the customer's report about him. He said the police officer had offered the customer a Community Resolution Notice (CRN) - a measure designed for low-level offending - which was inappropriate as he had suffered injury and his property had been damaged.

Enquiries showed that the driver and customer had both initially agreed on the use of a CRN. The agreement was cancelled, however, when both parties subsequently made formal allegations of assault.

The officer then investigated the allegations made by both parties. We concluded that the investigation had been "effective and timely", and that the police officer had treated both parties fairly.

Key Aim 1

Excellence in investigations

During 2019/20 the Police Ombudsman set an objective to *'demonstrate the effectiveness of Category A investigations through publication of at least six comprehensive public statements and/or Regulation 20 reports relating to such matters'*. This target was achieved with reports published in respect of investigations such as those concerning the following subject matters: alleged unlawful access to information on police computer systems; inappropriate conduct with vulnerable females; alleged failure to respond to an allegation of indecent assault on a child; matters arising from the police response to a serious incident on a motorway which resulted in the death of a member of the public; the circumstances in which police discharged pava spray, taser and attenuated energy projectiles (AEPs) in dealing with a distressed person in the vicinity of a railway line; the use of AEPs by police during a disturbance at Derry/Londonderry.

In all the Current Directorate concluded a total of 30 Category A investigations during 2019/20.

An important element of the quality of the Police Ombudsman's service is the timeliness of investigations, related to which is maintaining caseloads at an operationally effective level. Consequently, the following targets were set for the Current Investigations Directorate during 2018/19:

- 70% of Category B complaints to be investigated within 110 working days (with the caseload of the Core Investigation Team not to exceed 250 cases)
- 85% of Category C complaints to be investigated within 90 working days (with the caseload of the Initial Complaints and Investigations Team not to exceed 300 cases)

A total of 63% of Category B investigations were completed within 110 working days as a result of which the corresponding target was not achieved. During 2019/20 the CORE Investigation Team's average caseload was 180 cases which was within the target range.

During 2019/20, 93% of Category C casework was completed within 90 working days with the monthly caseload of the Initial Complaints and Investigation Team averaging 251 cases. Both targets for this area of the Current Investigations Directorate's business were therefore achieved.

The Office closed 2,524 complaints during 2019/20 which is 2 more than it received. A total of 177 complaints to the Office were informally resolved, a decrease of 17% from 2018/19 during which 212 cases were brought to a conclusion though the same process.

Key Aim 2

Continue to improve delivery against our published standards

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. Due to the Coronavirus outbreak, it was not possible to conduct the police officer survey this year. This survey is normally conducted at the end of the financial year at which time this year lockdown measures had been introduced. It was therefore considered inappropriate to add to work load pressures to PSNI at a time when their capacity was stretched. Also the Coronavirus outbreak impacted on the surveys of complainants which are carried out across the year. These surveys were completed for complaints closed up to the end of January 2020 only and therefore only represent 10 months of data as opposed to a full year.

For the 2019/20 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. The complainant surveys which were carried out indicated that 80% of the public found this. Last year the figures indicated that 85% of complainants and 87% of police found this to be the case.

We sought to ensure 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 complainant surveys which were carried out indicated that 88% of complainants found this. Last year the figures indicated that 84% of the public and 90% of police found this to be the case.

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 complainant surveys which were carried out indicated that 66% of complainants found this. Last year the survey reported that 74% of complainants and 73% of police officers considered this to be the case.

We set a target that 60% 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: The complainant surveys which were carried out indicated that 43% of the public found this. Last year the figures indicated that 54% of complainants and 75% of police officers reported this to be the case.

During 2019/20 the number of complaints against the Office significantly increased to 75 complaints from 35 complaints received during 2018/19. Further information on complaints received by the Office is detailed on page 22.

Key Aim 3

Enhance knowledge and understanding of Office Complaints System amongst key stakeholders

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. For the last two years the Police Ombudsman's Office has commissioned a module of questions in the Northern Ireland Life and Times Survey to assess targets set in our Annual Business Plan.

We set a target for 2019/20 that 80% of those who responded to a public survey would be aware of the Office and, of those who had heard of the Office, 80% 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 between September 2019 and February 2020 had heard of the Police Ombudsman's Office. Of those respondents who had heard of the organisation, 88% knew that we are independent of the police and 85% were confident that we deal with complaints in an impartial manner. These are impressive figures and we will continue to publish information about our cases in the hope that we will improve on the public's already high level of confidence in our impartiality.

During 2019/20, we used a variety of methods in seeking to provide the public and the police with detailed information about our work. We issued 8 statements about our investigations and other work of the Office to television, radio, newspapers and social media outlets. However in May 2019 the Northern Ireland Retired Police Officers Association took an appeal to the Court of Appeal hearing in respect of a public statement by the Office. Further public statements were deferred pending the outcome of that appeal which was given in June 2020. That had the effect of significantly reducing the extent of public reporting by the Office during the year. We also try where possible to deepen understanding of the nature of our work and during the year we had more than 45 face to face meetings with key stakeholders and others in the community to talk about and listen to their views of the service we provide.

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 2019/20 the Police Ombudsman's office made 24 policy recommendations to police for operational changes arising from issues which have been identified during the course of our investigations. These were made up of one at a strategic level, 21 at an operational level and two areas for minor improvement.

Seven of these recommendations, which related to handling sensitive material, forced entry for arrest for breach of bail, recording of risk based decisions within the custody record, and police response to breach of civil injunctions were accepted by police. One recommendation, which related to training in respect of Adult Safeguarding criminal investigations was not implemented as adequate training was deemed by police to be in place already.

A response is awaited in respect of 16 of the recommendations, which relate to such matters as the storing and administering of medications to detained persons, review of the Collision Investigation Service Procedure and Service Level Agreement between Collision Investigation Unit and District Command, review of guidance documentation in relation to Domestic Violence and Abuse Disclosure Scheme, recording the reason for a specialist team taking on or not taking on an investigation and training in respect of how to conduct Adult Safeguarding criminal investigations.

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 about. 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 issues 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 regular 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 2019/20 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, 88% knew that the Office was independent of the police and 85% were either fairly confident or very confident that complaints are dealt with in an impartial way. In addition, 87% of respondents believed that the Police Ombudsman would help ensure that police in Northern Ireland do a good job.

Police Officer Satisfaction

Normally we seek to survey the level of police officer satisfaction which enables those 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. Prior to the imposition of lockdown due to the Coronavirus outbreak it was agreed that this survey would not be carried out at this time to avoid adding pressure to PSNI at a time when it was anticipated that their capacity could have been stretched. We plan to resume this survey work in due course. The previous year's survey reported that the percentage of officers who felt that they had been treated fairly and with respect was high at 78% and 87% respectively and that 90% of officers felt that staff were easy to understand and 73% 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. Due to the impact of Coronavirus this survey work was completed for complaints closed up to the end of January 2020 only and does not represent a full year of data. Further, the response rate across the year was also low and as such the figures are not considered sufficiently robust to constitute official statistics. Nonetheless, I have made the decision to include the outcome of this survey within the Annual Report and Accounts in the interest of transparency. We will seek to identify mechanisms through which to obtain higher levels of participation by complainants in future years.

The results at the end of 2019/20, showed that four in every five complainants thought they had been treated with respect (80%) by the member of staff they had been dealing with and a similar proportion thought staff were easy to understand (80%).

However 43% thought their complaint was dealt with independently and 40% 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 .

Case Study**OFFICERS DISCIPLINED AFTER COLLAPSE OF CRASH COURT CASE**

Two police officers were disciplined over failings in the investigation of a head-on collision which had a “negative impact” on a subsequent court case.

A driver who suffered a broken wrist and ankle in the crash made a complaint after the other driver was acquitted of causing grievous bodily injury by careless driving. The complainant said it had become clear during the court hearing that the investigating police officer had failed to carry out a number of “fundamental investigative actions”.

She also alleged that the officer’s manager had not properly supervised the case, and had limited relevant experience at the time.

Our enquiries showed that the investigating officer had failed to take any measurements or to note the position of the cars or the condition of the road surface at the collision scene. She also failed to take usable photographs or to check either car for mechanical malfunction.

In addition, the police officer did not check whether either driver had been using their phones immediately prior to the crash. Further, she did not interview the suspect driver under caution and failed to take a statement from a witness until 10 months after the collision, by which stage his recollection was unclear.

We concluded that the police investigation had not been conducted “in a prompt, thorough, impartial and careful manner” and this had impacted negatively on the court proceedings.

Further, the officer’s line manager was found not to have provided her with appropriate support and professional guidance.

The PSNI subsequently implemented a Police Ombudsman recommendation that both officers should be disciplined.

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*

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 2020 there were 75 complaints received, of which 57 (76%) related to requests for a review of the outcomes of investigations and 18 (24%) to quality of service issues. This represents an increase in the number of complaints from 35 in the year ended 31 March 2019.

This increase can be attributed in part to improving the effectiveness of the method of recording and capturing customer complaints and widening the parameters of issues that would fall within the scope of a customer complaint.

Of the service issues complained about one service complaint was partially upheld. Another service complaint was upheld and the investigation re-opened. Apologies and explanations were provided for both cases. One service complaint was closed as it exceeded the 12 month time limit for registering a complaint and another service complaint was closed as the complainant elected not to cooperate with the process. The remaining service issues complained of remain ongoing.

Case Study

POLICE OFFICER BREACHED GUIDELINES BY FAILING TO INFORM SOLICITOR ABOUT VIDEO RECORDING

In February 2020, we reported that a police officer had breached guidelines by failing to advise a solicitor that she was recording Body Worn Video (BWV) footage in his office. The solicitor described the incident as a “breakdown of trust and courtesy”.

It happened when the police officer was handing over a sum of cash for one of the solicitor’s clients.

The officer said she recorded the exchange in order to protect both herself and the solicitor in light of a previous allegation made by the client. The solicitor said the officer should have sought his consent to being filmed, and said that if she had he would have refused.

BWV footage showed that the officer started recording before entering the solicitor’s office but only informed him after he noticed a red light flashing on the camera.

The officer accepted that she had breached police guidelines by failing to inform him, but said it had slipped her mind. She added that no one had viewed the footage before it was provided to the Police investigator. The Police Ombudsman, Marie Anderson, noted that the recording took place within an area where a high degree of privacy and confidentiality is expected. She said: “Police guidelines state that the use of body worn video should be overt, and subjects should be advised that audio and video is being recorded.”

She recommended that the officer should be disciplined. The PSNI decided to address the issue by implementing measures to improve the officer’s performance.

In respect of requests for a review of outcomes of investigations of the 57 matters, 11 remain ongoing. On 8 occasions following the review additional investigative actions were deemed to be appropriate, however in one such case the complainant declined to cooperate with the process. Ten cases proceeded to the appeal stage and were subjected to further reviews but the original decisions were upheld.

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.

During 2019/20, 63% of the complaints received were from males and 37% from females. The age profile shows that 2% of complaints received were from a person aged under 18, just under a quarter (24%) were received from a person aged between 25 and 34 and a similar proportion were made by persons aged 35 to 44. The community background question shows 47% of complaints received were from a Protestant community background and 32% from a Catholic community background. The remaining 20% indicated that they were from neither a Catholic or Protestant community background. Just over one third (36%) of complainants self-reported having a disability.

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

During 2019/20 the Legal Directorate was engaged in preparing for Year 1 of the Legacy Inquest Series which is scheduled to last for 5 years. The Office is involved on one inquest in each quarter of year one. In order to meet the demands of the Coroner a small team was established to collate, consider and schedule potentially relevant material relating to the above inquests within defined timescales. Further funding has also been sought with a view to establishing a Legacy Disclosure Unit within the Office.

In May 2019, the Northern Ireland Retired Police Officers Association appealed the outcome of a Judicial Review in respect of the powers of the Police Ombudsman, arising from the public statement into the atrocity at the Heights Bar in Loughinisland. The Court of Appeal gave judgement on 18 June 2020. The content of the judgement is likely to have an impact on operational matters pertaining to the Office in the future, and we are currently considering the judgement carefully.

The Office continues to face significant challenges relating to funding of historic investigations. We are presently defending a Judicial Review at court together with the Coroner's Office, the Department and the Secretary of State which relates to delay and infringement of the applicant's Article 2 rights. The Office is also involved in a number of matters being considered by the High Court as Legacy Litigation.

The Office remains subject to complex third party disclosure applications, however recently the office succeeded in defending one such application and it is hoped that we will be able to rely on this judgement in the future in an effort to ease the pressure on our limited resources in this regard.

The Office continues to assist and support the Coroner's Service in lengthy and complex ongoing inquests including whereby the deceased have died following contact with police. This is a labour intensive undertaking however the Office is committed to assisting and supporting the Coroner to fulfil his statutory functions.

Working with other Police Oversight Bodies

The Police Ombudsman continues to engage and communicate with the policing oversight agencies in the rest of the United Kingdom (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 (IOPC) 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. The Police Ombudsman in her forward has outlined many of the significant investigative findings which we published during the period and which attracted a lot of media coverage and public comment.

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 2019/20 we held 43 such meetings.

Official Requests for Information

While the Office regularly deals with requests 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 more than 70 such requests. Most of these were subject access requests from people who had either made a complaint to us or had been the subject of such a complaint.

Long Term Expenditure Trends

The Office as a Non Departmental Public Body is financed by public money. Therefore the overall context of reductions to budgets across the public sector as a whole have impacted on the resources available to the Office.

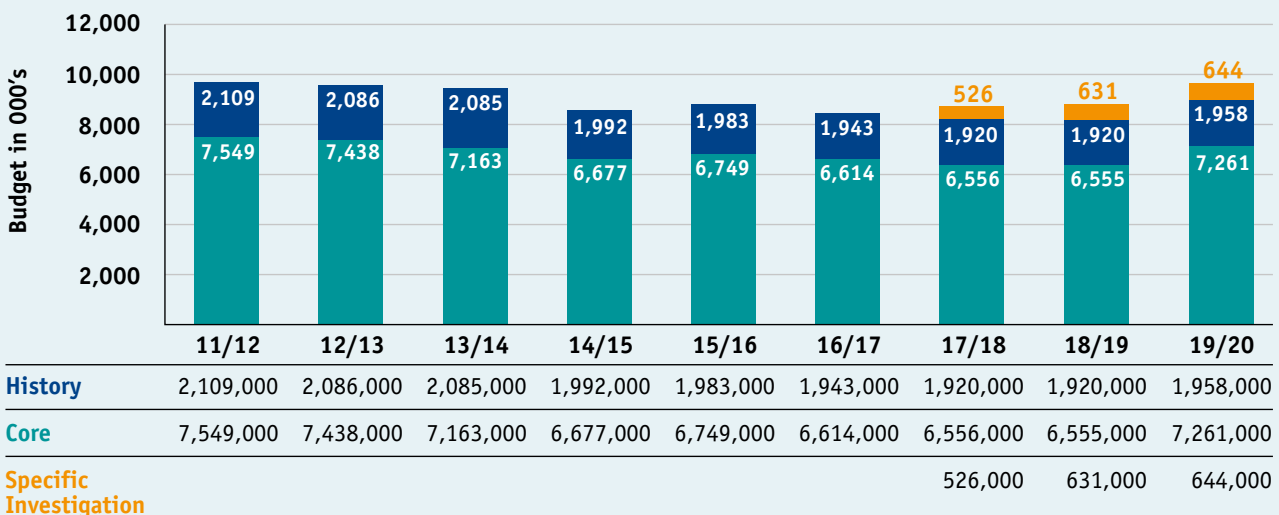
The chart below shows the total resource budget available year on year.

For some years, the Office has resources for two distinct areas of work – those relating to Historical matters dating prior to April 1998 and those relating to current investigations and significant matters from April 1998 onwards. From 2017/18, the Office has received additional separate funding for a specific time bound investigation.

The chart below shows that the overall budget for core work in the Office had been steadily decreasing over time. This trend was reversed in 2019/20 when the Office received a budget including inflationary pressures and also a specific pressure for additional pension costs of £361k per annum. This stabilisation of budget is welcome after successive years of reductions to budget with pay and price inflation not provided.

Specifically in relation to historic investigations the Office is clear that we do not currently have adequate resources to investigate those matters currently with the Office in a timely manner.

Budget by Financial Year £'000's



Case Study

USE OF INCAPACITANT SPRAY, TASERS AND IMPACT ROUNDS JUSTIFIED TO PREVENT WOMAN SELF-HARMING

A Police Ombudsman investigation concluded that police were justified in using incapacitant spray, TASERS and impact rounds to prevent a woman harming herself with a knife in east Belfast in November 2018.

Police had responded to a call from a member of the public who had seen the woman walking near train lines.

Officers went to the scene and tried speaking to the woman but received no response. When they noticed she had a knife, armed officers were tasked to help deal with the situation.

By the time they arrived, the woman had crouched down against a wall with her head bowed and the knife held to her throat. Rail traffic in the area was suspended and trained police negotiators spent two hours talking to the woman, who did not respond and continued to hold the knife to her throat.

Officers said they grew increasingly concerned for the woman's welfare as she was not reacting to changing weather conditions and it was hard to tell whether she was still breathing.

Police used graduated levels of force in a bid to cause her to drop the knife, including two discharges of incapacitant spray, then two discharges of TASER, followed by the use of an AEP (Attenuated Energy Projectile) impact round. None of these produced any apparent response.

However, after being struck by a second AEP, the woman opened her hand and dropped the knife. Police officers provided immediate aftercare before ambulance staff took over and took the woman to hospital.

The Police Ombudsman, Marie Anderson, concluded that police had used graduated force with the aim of protecting life, and found their actions to have been reasonable and proportionate.

It is recognised that it remains the intention that matters currently within our Historic Directorate will transfer to a new Historic Investigations Unit due to be established as part of the Stormont House Agreement. However at this stage it appears that the establishment of the HIU may yet be some way off. In recognition of that the Office has prepared and submitted a business case to the Department of Justice for additional resources to progress this work in a timelier manner in

the interim period. We are continuing to work with the Department to seek its approval.

The Office accepts a need for a degree of realism about the state of public finances however resourcing of the Office adequately to ensure it can operate effectively and efficiently must remain a key priority. The resourcing of the Office remains a key risk area in the Office's risk register.

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 60 and 61 respectively. The Office incurred net operating

expenditure for the year of £9,730,511 (£9,517,878 for year ended 31 March 2019). 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.

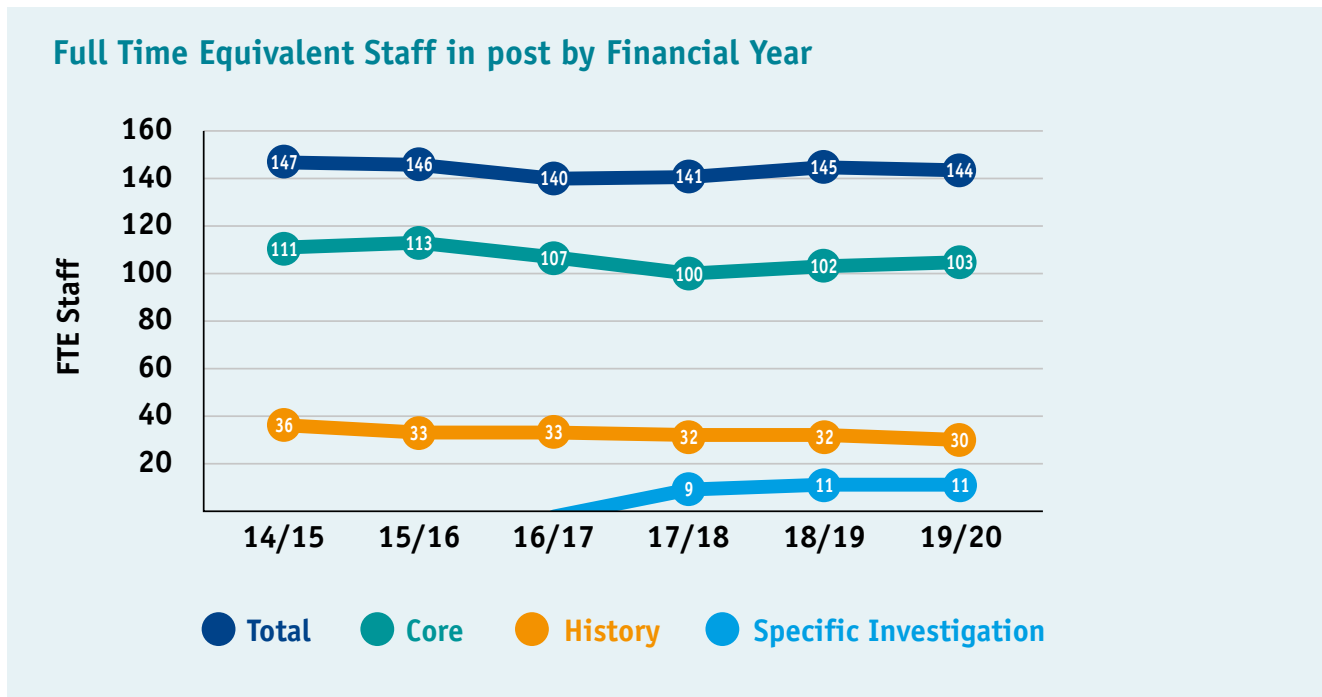
	2019/20 (34,147)	2018/19 (90,389)	2017/18 (108,945)
Income			
Expenditure			
Staff Costs	7,444,420	7,081,590	6,801,948
Other expenditure (note 6)	2,026,221	2,005,082	2,074,647
Other expenditure – non cash (note 6)	294,017	521,595	368,097
Total Expenditure for the year	9,764,658	9,608,267	9,244,692
Total Net Expenditure for the year	9,730,511	9,517,878	9,135,747

The 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.

The table above records a significant increase in the overall expenditure in relation to staff costs from 2018/19 to 2019/20. Staff costs increased from £7,081k to £7444k. This increase does not represent an increase in headcount, rather it is reflected by an increase in the employers cost of staff pensions. The Office identified this pension cost pressure to the Department and this was met by the Department by way of an increase to the baseline budget.

Other expenditure (excluding non cash) has increased marginally from £2,005k to £2,026k. This is consistent with cost of living/inflationary rises. In 2017/18 other expenditure (excluding non cash) included £106k for a one off discovery exercise to inform the development of a new Case Handling System. If this one off cost is excluded the movement 2017/18 to 2018/19 also corresponds to inflationary rises.

As noted above the majority of the expenditure by the Office is on staff costs. Excluding the increase in employers pension pressure the overall level of expenditure from 2018/19 to 2019/20 remains consistent. The average FTE staff in post over 2019/20 has decreased marginally from 144.8 to 143.8.



The chart above reflects the allocation of staff across a number of different discrete areas in the Office. The overall head count of the Office has remained relatively consistent from 2014/15 when the average FTE staff in post was 147 to 2019/20 when the average FTE staff in post is 144. However what is notable is that the FTE staff in post for core activities have reduced from 111 to 103 over that timescale and for Historic investigations from 36 in 2014/15 to 30 in 2019/20. This is as a consequence of cuts or cash flat budgets in previous years. It is important that the resourcing of the Office is stabilised in the coming years.

Financial Position

The total net assets of the Office as at 31 March 2020 were £855,638 (£228,108 as at 31 March 2019).

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 £253,403 at 31 March 2020 (£248,528 at 31 March 2019). The open market value of the leasehold interest in New Cathedral Buildings has been valued at £nil at 31 March 2020 (£nil at 31 March 2019). Details of the movement of property plant and equipment are set out in Note 7 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 2020 was 99.7% (98.7% for the year ended 31 March 2019). The overall performance to pay within 30 days for the year ended 31 March 2020 was 100% (100% for the year ended 31 March 2019).

Environmental Matters

The Office, despite its small scale, endeavours 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 57 to 59.

The audit fee for the work performed by the staff of the C&AG during the reporting period was £13,500 which relates solely to the audit of these financial statements. The audit fee for the year ended 31 March 2019 was £13,500.

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

Chief Executive

29 September 2020

Accountability Report

Overview

The Accountability section of the Annual Report outlines how the Office of the Police Ombudsman for Northern Ireland meets its key accountability requirements to the Assembly and ensures best practice with corporate governance norms and codes. The three sub-sections within the Accountability Report are outlined below.

Corporate Governance Report

The purpose of this section is to explain the composition and organisation of the governance structures in the Office and how they support the achievement of its objectives.

As a minimum, the corporate governance report must include:

- Directors' Report;
- Statement of Accounting Officer's responsibilities; and
- Governance Statement.

Remuneration and Staff Report

This section sets out the Office of the Police Ombudsman for Northern Ireland's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors as salary and pension entitlements.

In addition the report provides information relating to remuneration and staff that the Assembly and other users see as key to accountability.

Assembly Accountability and Audit Report

This section brings together key Assembly accountability documents within the Annual Report and Accounts. It comprises:

- Regularity of expenditure;
- Assembly accountability disclosures; and
- Certificate and Report of the Comptroller and Auditor General to the Assembly

Corporate Governance Report

Chief Executive's Report

Police Ombudsman

The Police Ombudsman for Northern Ireland is Mrs Marie Anderson. 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. Mrs Anderson's tenure as Police Ombudsman commenced on 16 July 2019.

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:

Mrs M Anderson	Police Ombudsman (from 16/07/2019)
Dr M Maguire	Police Ombudsman (until 15/07/2019)
Mrs O Laird	Chief Executive
Mr P Holmes	Senior Director of Investigation
Mrs J Adams	Director of Historic Investigation
Mrs S Harper	Director of Current Investigation (from 03/02/2020)
Mr D Hynds	Director of Current Investigation
Mr C Gartley	Director of Corporate Services (from 03/06/2019)
Mrs P Gillespie	Director of Corporate Services (acting) (until 30/06/2019)
Mr T Gracey	Director of Information
Mrs L Fee	Director of Legal Services

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 75 complaints received during the year within the Customer Complaints policy, 35 in the year to 31 March 2019. Further details are included in the performance report on page 21.

Data Handling

I am required to report personal data related incidents which occurred during the year ended 31 March 2020. 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 relating to the potential theft of data from the Office approximately 10 years ago – in October 2017 a second matter was identified, also relating to possible theft of data from the Office, also approximately 10 years ago. Both of these matters were reported in local media and both matters are under criminal investigation by PSNI 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 Accounting Officer's Responsibilities

Under the Police (Northern Ireland) Act 1998 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, the Department of Justice has directed the Office of the Police Ombudsman for Northern Ireland to prepare for each financial year a statement of accounts for in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Office of the Police Ombudsman for Northern Ireland and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

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

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

The Accounting Officer of the Department of Justice has designated the Chief Executive as Accounting Officer of the Office of the Police Ombudsman for Northern Ireland. The responsibilities as an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for the keeping proper records and for safeguarding the Office of the Police Ombudsman's assets, are set out in *Managing Public Money Northern Ireland* issued by the Department of Finance.

As Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Office of the Police Ombudsman for Northern Ireland's auditors are aware of that information. So far as I am aware there is no relevant audit information of which the auditors are unaware.

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, the Belfast Harbour Police, the Belfast International Airport Police, the Ministry of Defence Police in Northern Ireland, National Crime Agency Officers 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 of the Department of Justice 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.

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 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. She 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

As Chief Executive, I have been designated as Accounting Officer for the Office by the Departmental Accounting Officer of the DoJ.

As Chief Executive and Accounting Officer, 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 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 her 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 September 2019. 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. Due to the impact of the Coronavirus pandemic, normal end year governance processes, including the finalisation and audit of the Annual Report and Accounts for 2019/20 were delayed. Consequently, the outgoing two independent external members of the Audit and Risk Committee, who were due to have completed their contracts of service with overseeing the completion of this Annual Report and Accounts agreed to remain in post. The Office has also appointed two new independent external members who have taken up post from April 2020 for an initial three year term with an option for a further two years.

Internal Audit

The Internal Audit service for the Office for the year to 31 March 2020 was provided by the NICS Internal Audit Service 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. As a consequence of the Coronavirus outbreak, not all audit areas which had been scheduled for 2019/20 were able to be completed. However the Head of Internal Audit was able to provide an overall opinion on the governance, risk management and internal control system based on internal audit activity carried out during the year and cumulative assurances derived from internal audit activity during the previous two years.

External Audit

The External Auditor of the Office is the Comptroller and Auditor General (C&AG) of the Northern Ireland Audit Office. 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. Deloitte (NI) Limited has been appointed to undertake audit fieldwork on behalf of the NIAO on an outsourced basis.

Governance Arrangements

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. These are available on the Office website and in the library of the Northern Ireland Assembly. A process is underway across the NICS to replace MSFMs with “Partnership Agreements” in line with a new Code of Practice on Partnerships between Departments and Arms Length Bodies. Work remains ongoing by the Department of Finance to provide specific templates for Partnership Agreements for Corporation Soles such as Ombudsmen and Commissioners. The MSFM and MOU of the Office will be updated when this guidance is issued.

Sitting alongside the MSFM, the Office has 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. These will be reviewed to ensure they remain appropriate in conjunction with the work to establish a new Partnership Agreement.

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.

As part of the Internal Audit plan of work, the Internal Auditor assesses the Risk Management and Corporate Governance arrangements on a periodic basis. During the 2018/19 year the Internal Auditor carried out an audit in relation to Risk Management and Corporate Governance arrangements within the Office which provided satisfactory 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 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 2020 no conflicts of interest were declared. In the previous year to 31 March 2019 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 the provision of internal audit services going forward at that time. The internal audit representative left the meeting for the duration of the discussion. The internal audit representative left the meeting for the duration of that discussion. There were no conflicts of interest declared in SMT meetings.

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.

During the 2019/20 year a review was completed of the Risk Management Policy and Strategy within the Office which benchmarked the processes of Risk Management against best practice. The Risk Register is formally reviewed on a quarterly basis, however is considered as a standing item at each SMT meeting where new risks or significant changes to existing risks are discussed on a monthly basis.

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 low, moderate, high or extreme. Each individual risk on the risk register is also supported by a schedule which maps out the existing controls in place to manage the risk, any further work that is necessary and updates on progress to date.

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 chaired by the Chief Executive meets on a regular basis throughout the year. During the financial year there were 9 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. In addition all Directors meet regularly in an informal SMT. The attendance by members of SMT at the formal SMT across the year was

Marie Anderson, Police Ombudsman (from 16/07/19)	7
Michael Maguire, Police Ombudsman (until 15/07/19)	2
Olwen Laird, Chief Executive	9
Paul Holmes, Senior Director of Investigation	7
Julie Adams, Director of Historic Investigation	3
Susie Harper, Director Current Investigations (from 26/2/20)	1
David Hynds, Director of Current Investigations (until 26/2/20)	6
Craig Gartley, Director of Corporate Services (from 03/06/19)	7
Paula Gillespie, Director of Corporate Services (until 30/06/19)	1
Tim Gracey, Director of Information	9
Louisa Fee, Director of Legal Services	8

Audit and Risk Committee

The Audit and Risk Committee met on four occasions in total across the year. Each meeting was chaired by a non-executive member. There was regular attendance at these meetings as outlined below:

Frank Bryan, Non-Executive member,	4
Bernard Mitchell, Non-Executive member,	4
Marie Anderson, Police Ombudsman (from 16/07/19)	2
Michael Maguire, Police Ombudsman (until 15/07/19)	2
Olwen Laird, Chief Executive	4
Craig Gartley, Director of Corporate Services (from 03/06/19)	3
Paula Gillespie, Acting Director of Corporate Services (until 30/06/19)	1
Paul Holmes, Senior Director of Investigations	3
DoJ, Sponsor Department	4
NICS Internal Audit Services	4
NIAO, External Auditor	3
Deloitte, External Audit Contractor	4

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 2020 has confirmed that the Audit and Risk Committee operated effectively across the financial year.

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.

Department of Justice sponsor arrangements

Governance meetings are held on a quarterly basis throughout the year between the sponsor Division of the Department of Justice and in line with the provisions of the MSFM to discuss and monitor performance against the Annual Business Plan throughout the year. Additionally the Office responds to a significant number of requests for information and 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 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 four 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;
- a risk that information for sensitive cases may not be accessible such that the Office may fail to conduct an effective/complete investigation; and
- a risk that the Covid 19 outbreak may significantly affect operational activities and outcomes for a considerable period of time due to limitations on the ability of staff to work from home.

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. The budget for 2020/21 includes some additional resources for areas which had been highlighted as financial pressures by the Office.

In respect of Historic Investigations, during 2019/20 the Office submitted a revised History Business case which proposed an increase in funding to support an enlarged team, although this business case had not yet been approved. Further, regarding accessing sensitive information and in line with the recommendation from the Criminal Justice Inspector in her report of April 2020, work has been ongoing throughout the year in relation to developing an MOU with PSNI to support unfettered direct access by staff of this Office to information held by PSNI to material required for investigations. The Police Ombudsman and Chief Constable jointly signed a new MOU in August 2020.

The Coronavirus outbreak did not have a material impact on the 2019/20 financial year. However, since the pandemic occurred, the Office has experienced very significant impacts on how we are required to operate to ensure the safety and wellbeing of staff and those with whom we engage. The Office's IT infrastructure cannot be accessed remotely, and, as a consequence of social distancing, it is no longer possible to have all staff at work concurrently. This has meant and continues to mean that the Office cannot operate at normal levels of productivity. Steps are being taken to address this issue, including on boarding to ESS, the funds for which have been provided by the DoJ for 2020/21. This will include the ability for staff to access IT systems remotely and should facilitate a greater degree of flexibility and homeworking. A project has been established to deliver this important initiative by January 2021. This will significantly enhance our business resilience going forwards.

Budget Position and Authority

The Assembly passed the Budget Act (Northern Ireland) 2020 in March 2020 which authorised the cash and use of resources for all departments for the 2019-20 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2020 also authorised a Vote on Account to authorise departments' access to cash and use of resources for the early months of the 2020-21 financial year. While it would be normal for this to be followed by the 2020-21 Main Estimates and the associated Budget (No. 2) Bill before the summer recess, the COVID-19 emergency and the unprecedented level of allocations which the Executive has agreed in response, has necessitated that the Budget (No. 2) Bill is instead authorising a further Vote on Account to ensure departments have access to the cash and resources through to the end of October 2020, when the Main Estimates will be brought to the Assembly and the public expenditure position is more stable.

6. SIGNIFICANT INTERNAL CONTROL ISSUES

There were no 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 and cumulative assurances derived from internal audit activity during the previous two years. The areas subject to audit and the related assurance levels are as follows:
 - Budgetary Management and Financial Information (satisfactory)
 - Legal Services (satisfactory)
 - Oversight of Historical Investigations (satisfactory)
- 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. Judicial scales are based on the work and recommendations of the Senior Salaries Review Board (SSRB). The Chief Executive and Senior Director of Investigation are remunerated as senior civil servants. 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 Senior Civil Service (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 pay policy for the Northern Ireland public sector, including senior civil servants is normally approved by the Minister of Finance. In the absence of an Executive, the Department of Finance's Permanent Secretary set the 2019-20 NI public sector pay policy (October 2019) in line with the overarching Her Majesty's Treasury (HMT) parameters and in a manner consistent with the approach taken by the previous Finance Minister in 2016-17. Annual NICS pay awards are made in the context of the wider public sector pay policy. NICS and SCS pay are normally reviewed with effect from 1 August each year. The pay award for NICS staff, including SCS staff, for 2019-20 has been finalised is subject to a pay remit approval process which has not yet been finalised and as such the award has not been paid. An amount has been included in accruals based on the estimated liability for these pay awards. The Office is not involved in NICS pay negotiations.

Performance of staff is appraised by line managers 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. Marie Anderson was appointed as Police Ombudsman on 16 July 2019, replacing the outgoing Police Ombudsman, Dr Michael Maguire who left office on 15 July 2019 following the completion of a 7 year term.

The Non Executive Members of the Audit and Risk Committee during 2019/20 were Mr F Bryan and Mr B Mitchell. They were appointed at an hourly rate of £60/hr on 1 April 2015 for a three year term to 31 March 2018 with an option for a further 2 years. The 2 year extension was exercised. In light of the Covid 19 pandemic Mr Bryan and Mr Mitchell agreed to continue to serve as Non Executive Members of

the Audit and Risk Committee until these accounts were signed. Two new Non Executive Members, Mr L O'Reilly and Mr P Osbourne, were appointed on 1 April 2020 at an hourly rate of £60/hr for a three year term to 31 March 2023 with an option for a further 2 years.

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 2019/20			
	Salary (£'000)	Benefits in kind (to nearest £100)	Pension Benefit (to nearest £1000) ¹	Total (£'000)
Marie Anderson <i>Police Ombudsman</i> <i>(from 16 July 2019)</i>	95 – 100 (140 – 145 full year equivalent)	-	39	135 – 140
Dr Michael Maguire <i>Police Ombudsman</i> <i>(until 15 July 2019)</i>	40 – 45 (140 – 145 full year equivalent)	-	62	100 – 105
Olwen Laird <i>Chief Executive</i>	90 – 95	-	98	185 – 190
Paul Holmes <i>Senior Director of Investigation</i>	70 – 75	-	16	85 – 90
Julie Adams ² <i>Director of Investigation</i>	55 – 60	-	-	55 – 60
Susan Harper <i>Director of Investigation</i> <i>(from 3 February 2019)</i>	5 – 10 (55 – 60 full year equivalent)	-	4	10 – 15
David Hynds <i>Director of Investigation</i>	55 – 60	-	15	70 – 75
Craig Gartley <i>Director of Investigation</i> <i>(from 3 June 2019)</i>	40 – 45 (45 – 50 full year equivalent)	-	2	40 – 45
Paula Gillespie <i>Director of Corporate Services</i> <i>(until 30 June 2019)</i>	15 – 20 (45 – 50 full year equivalent)	-	18	30 – 35
Tim Gracey <i>Director of Information</i>	55 – 60	-	9	60 – 65
Louisa Fee <i>Director of Legal Services</i>	45 – 50	-	22	70 – 75
Non-Executive Audit and Risk Committee Members				
Frank Bryan	0 – 5	-	-	0 – 5
Bernard Mitchell	0 – 5	-	-	0 – 5
Fair Pay Disclosures				
Police Ombudsman's Total Full Time Equivalent Remuneration				£140,289
Median Total Remuneration				£33,113
Ratio				4.24

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 Julie Adams contributes to a partnership pension account. Therefore, there is no pension benefit disclosure.

Remuneration (including salary)

	AUDITED INFORMATION 2018-19			
	Salary (£'000)	Benefits in kind (to nearest £100)	Pension Benefit (to nearest £1000) ¹	Total (£'000)
Dr Michael Maguire <i>Police Ombudsman</i>	135 – 140	-	54	190 – 195
Olwen Laird ² <i>Chief Executive</i> <i>(from 1 November 2018)</i>	80 – 85 (85-90 full year equivalent)	-	94	170 – 175
Paul Holmes <i>Senior Director of Investigation</i>	70 – 75	-	17	85 – 90
Julie Adams ³ <i>Director of Investigation</i> <i>(from 15 November 2018 to 15 February 2019 and from 5 March 2019)</i>	20 – 25 (55-60 full year equivalent)	-	-	20 – 25
Tim Gracey <i>Director of Information</i>	55 – 60	-	9	60 – 65
Louisa Fee ⁴ <i>Director of Legal Services</i> <i>(from 12 October 2018)</i>	20 – 25 (45-50 full year equivalent)	-	9	30 – 35
Paula Gillespie <i>Director of Corporate Services</i> <i>(from 12 November 2018)</i>	15 – 20 (45-50 full year equivalent)	-	5	20 – 25
David Hynds <i>Director of Investigation</i> <i>(from 14 March 2018)</i>	0 – 5 (55-60 full year equivalent)	-	1	0 – 5
Tony Doherty <i>Director of Investigation</i>	75 – 80	-	23	100 – 105
Adrian McAllister ⁴ <i>Chief Executive (until 6 July 2018)</i>	15 – 20	-	465	480 – 485
Seamus McIlroy <i>Director of Legal Services</i> <i>(until 18 October 2018)</i>	35 – 40 (55-60 full year equivalent)	-	5	40 – 45
Paul Murphy <i>Director of Legal Services (from 12 November 2018 to 25 February 2019)</i>	15 – 20 (55-60 full year equivalent)	-	5	20 – 25
Non-Executive Audit and Risk Committee Members				
Frank Bryan	0 – 5	-	-	0 – 5
Bernard Mitchell	0 – 5	-	-	0 – 5
Fair Pay Disclosures				
Police Ombudsman's Total Full Time Equivalent Remuneration				£137,577
Median Total Remuneration				£32,221
Ratio				4.27

- The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.
- The salary quoted includes a full time equivalent of £65k to £70k for 1 April 18 to 31 October 18 as Director of Corporate Services and £85 – 90k for the period 1 November 18 to 31 March 19 as Chief Executive.
- Julie Adams contributes to a partnership pension account. Therefore there is no pension benefit disclosure.
- The salary quoted is the reduced amount paid due to ill health. The full time equivalent salary was £110 - £115k.

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 2020 (nil for the year ended 31 March 2019).

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 2020 (nil for the year ended 31 March 2019).

Pension Entitlements

	AUDITED INFORMATION					
	Accrued pension at pension age as at 31/3/20 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV at 31/3/20 £'000	CETV at 31/3/19 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account (Nearest £100)
Marie Anderson <i>Police Ombudsman</i>	20 – 25	0 –2.5	348	301	27	N/A
Michael Maguire <i>Police Ombudsman</i>	35 –40	2.5 –5.0	614	566	45	N/A
Olwen Laird <i>Chief Executive</i>	35 –40	5.0 –7.5	541	448	68	N/A
Paul Holmes <i>Senior Director of Investigation</i>	15 –20 plus lump sum of 50 – 55	0 –2.5 plus lump sum of 0 –2.5	376	355	15	N/A
Julie Adams <i>Director of Investigation</i> ¹	N/A	N/A	N/A	N/A	N/A	7900
Susan Harper <i>Director of Investigation</i>	0 – 5	0 –2.5	3	0	2	N/A
Craig Gartley <i>Director of Corporate Services</i>	5 – 10	0 –2.5	57	53	0	N/A
Tim Gracey <i>Director of Information</i>	5 – 10 plus lump sum of 20 – 25	0 –2.5 plus lump sum of 0 –2.5	151	139	9	N/A
Louisa Fee <i>Director of Legal Services</i>	0 – 5	0 –2.5	25	13	9	N/A
Paula Gillespie <i>Director of Corporate Services</i>	5 – 10	0 –2.5	68	60	8	N/A
David Hynds <i>Director of Investigation</i>	10 – 15 plus lump sum of 40 – 45	0 –2.5 plus lump sum of 0 –2.5	297	278	14	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

1 Julie Adams opted to open a partnership pension. The disclosure for such pension arrangements is the Employer Contribution only.

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 2019 was 1.7% and HM Treasury announced that public service pensions will be increased accordingly from April 2020.

Employee contributions for all members for the period covering 1 April 2020 to 31 March 2021 are as follows:

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates - all members
From	To	1 April 2020 to 31 March 2021
£0	£23,999.99	4.6%
£24,00.00	£55,499.99	5.45%
£55,500.00	£152,499.99	7.35%
£152,500.00 and above		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/civilservicepensions-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 2020 (£nil for the year ended 31 March 2019).

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 2020 (**£nil for the year ended 31 March 2019**).

Off Payroll Payments

(This section is subject to audit)

The Office had no off-payroll engagements during the year to 31 March 2020. None in the financial year ended March 2019.

Police Ombudsman Remuneration

The Police Ombudsman is remunerated on the Judicial scale 6.1. From 1 April 2019 the judicial scale increased from £137,538 to £140,289. The current Police Ombudsman took up post from 16 July 2019 and as such during the year her total remuneration, including benefits in kind, but excluding pension contributions, was £99,560. The former Police Ombudsman left office on 15 July 2019, his total remuneration, including benefits in kind, but excluding pension contributions, was £40,729.

Neither the current nor the former Police Ombudsman received any benefits in kind during the year nor for year ended 31 March 2019.

The Police Ombudsman is a member of the Northern Ireland Civil Service (NICS) Pension arrangements. For the year ended 31 March 2020, £36,896 was payable by the Office in respect of the Police Ombudsman's pension contributions (£36,183 for the year ended 31 March 2019).

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 2020 or the year ended 31 March 2019. Total remuneration includes salary, non-consolidated performance

related pay and benefits in kind. It does not include severance payments, employer pension 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 £20,951 to £140,289. The median rate of remuneration of staff in the Office is £33,113.

The total remuneration of the Police Ombudsman for the year ended 31 March 2020 was £140,289

which was 4.24 times the median remuneration of the workforce of £33,113. The total remuneration for the Police Ombudsman for the year ended 31 March 2019 was £137,577 which was 4.27 times the median remuneration of the workforce of £32,221.

The pay multiple has only marginally changed from 4.27 in the year ended 31 March 2019 to 4.24 for the year ended 31 March 2020. The reason for this is that the changes in pay in the NICS arrangements and the Police Ombudsman on the judicial scale were in keeping with one another and the profile of staff has remained largely consistent with the previous year.

Staff Costs

(This section is subject to audit)

	2019-20	2018-19
Amounts payable in respect of directly employed staff		
Wages and Salaries	4,308,892	4,084,775
Social Security Costs	455,262	431,456
Employer's pension costs	1,258,873	887,848
Total direct employee staff costs	6,023,027	5,404,079
Less recoveries of outward secondments	(34,147)	(89,928)
Total net costs	5,988,880	5,314,151
Amounts payable in respect of staff on secondment, agency workers, temporary and contract staff		
	1,421,393	1,677,511
Total Staff costs	7,410,273	6,991,662

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 for those 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 Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers for 1 April 2019 to 31 March 2021.

For the year ended 31 March 2020, employers' contributions of £1,408,158 were payable to the NICS pension arrangements (£1,013,334 for the year ended 31 March 2019) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

This change is primarily due to the reduction in the SCAPE discount rate (as announced at Budget 2018) to 2.4% pa above CPI.

The contribution rates are set to meet the cost of the benefits accruing during 2019-20 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, a stakeholder pension with an employer contribution. Employers' contributions of £26,395 (2018-19 £4,070) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2018-2019, 8% to 14.75%) of pensionable pay. The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £950, 0.5% (2018-19 £151, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £0. Contributions prepaid at that date were £0.

During 2019-20 one person retired early on the basis of ill-health. During 2018-19, 1 person also retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £8,499 (2018-19: £37,485).

Average number of persons employed

(This section is subject to audit)

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

	2019-20	2018-19
Directly employed permanent Police Ombudsman Staff		
Management and executive	8	5
Administrative and support	27	26
Complaints and Investigation	81	77
Seconded, agency worker, temporary and contract staff		
Management and executive	0	1
Administrative and support	5	5
Complaints and Investigation	23	31
Total Average number of full time equivalent persons	144	145

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 and Senior Director of Investigation are remunerated on SCS Pay Scales. The Police Ombudsman is remunerated on the Judicial Scales at judicial scale 6.1.

	2019-20	2018-19
SCS Payscale 2	1	1
SCS Payscale 1	1	1

Sickness Absence

For the year ended 31 March 2020, the Office had a target sickness absence of not greater than 4%. The target was not achieved as the rate of sickness absence for the year was 5.7%.

This represented a significant increase in the overall rate of sickness absence from 4.4% for the year ended 31 March 2019.

There have been a number of significant long terms sickness absences which have impacted the overall sickness absence rates. The HR team are undertaking a review of sickness absence to ensure that staff are effectively supported whilst absence due to sickness in order that a timely return to work can be achieved. Part of this review will include engagement with managers who should have close engagement with staff during periods of sickness absence.

In addition to the Office’s absence target, the Office assesses overall sickness 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 5.9% for the year ended 31 March 2020 and as such the Office remains just below the level of sickness for the wider NICS.

A target of 4% absence has been established for the year to 31 March 2021.

Expenditure on Consultancy

The Office incurred £5,400 on consultancy during the year ended 31 March 2020, (£nil for the year ended 31 March 2019).

Developing our people

A major area of focus in 2019/20 was preparation for the commencement of delivery of the formal PIP Accredited Investigator Learning and Development Programme. Over the past 3 years the College of Policing, alongside academic partners and key stakeholders, has undertaken significant consultation, leading to the development of revised learning and assessment standards.

We continued our work with the College of Policing and also successfully appointed a training provider to fine-tune our programme design and structure. As such the standards of investigation in the new programme are the most up to date and robust standards for delivery of priority and volume and complex investigations. Our first cohort commenced in March 2020.

While the focus of our teams is on investigations, the role of the line manager in effectively managing their teams is also important. Work was progressed in year with line managers in understanding the nature and causes of workplace grievances, workplace investigations and the impact on employee relations.

Training and Development

The diversity in roles across the Office means continuing professional development requirements, legislation and updates in technology result in many and varied training activities delivered in any one year. GDPR, Employment Law Review, Triage of Digital Equipment, Exhibit Packaging, Public Accountancy and Governance, Family Liaison Officer, Counter Corruption and Disclosure were all delivered in 2019/20

Our focus on mental health continued in year with Action Mental Health and Mindwise providing awareness sessions to staff, an enhanced session to line managers and Building Resilience for our Significant Cases team. We are always keen to work with PSNI in understanding new approaches to working with those vulnerable members of our society so a session on the work of the Multi Agency Triage Team was well received by our investigations teams.

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.

Recruitment and Selection training is provided to all those involved in recruitment panels within the Office. In addition, 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 2020 shows that excluding employees from a non determined background 52.1% are Protestant and 47.9% are Roman Catholic. The profile of staff at 1 January 2018 showed that 53.3% were Protestant and 46.7% were Roman Catholic.

In relation to gender composition the overall profile of staff at 1 January 2020 also shows that 43.8% were male and 56.2% were female (41.0% were male and 59.0% were female at 1 January 2019). As at 1 January 2020 there were 7 members of SMT, 4 of whom were male (57%), 3 were female (43%).

As at the end of the financial year there were two members of staff remunerated at SCS scale, the Chief Executive and the Senior Director of Investigation. The Police Ombudsman is remunerated on the Judicial scale. The Police Ombudsman is female. One of those currently remunerated at SCS grade is male (50%), one is female (50%).

The most recent Equality Commission Northern Ireland monitored workforce statistics for 2018 for community background are 50.7% protestant and 49.3% Roman Catholic and for gender are 48.2% male, 51.8% female. Within the NI Public Sector the level of female representation was higher at 65.8% female and 34.2% male.

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 2020, none for the year ended 31 March 2019.

Fees and Charges

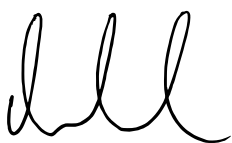
(This section is subject to audit)

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 16 to the accounts on page 82 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 2020, none for the year ended 31 March 2019.



Olwen Laird

Chief Executive Officer

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 2020 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, including significant accounting policies. 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 the Police Ombudsman for Northern Ireland's affairs as at 31 March 2020 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.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Police Ombudsman for Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Police Ombudsman for Northern Ireland has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Police Ombudsman for Northern Ireland's ability to continue to adopt the going concern basis.

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 Report 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.

My objectives are 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

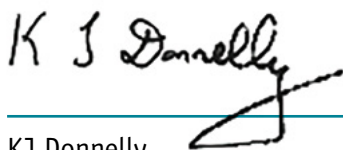
Matters on which I report by exception

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
BT7 1EU

16 October 2020

Statement of Comprehensive Net Expenditure for the year ended 31 March 2020

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

	Note	2019-2020 £	2018-2019 £
Income			
Other Operating Income	3	(34,147)	(90,389)
Total Operating Income		(34,147)	(90,389)
Expenditure			
Staff costs	5	7,444,420	7,081,590
Depreciation and revaluation/impairment charges	6	206,958	241,142
Disposals of assets	6	0	13,527
Provision expense	6	87,059	266,926
Other operating expenditure	6	2,026,221	2,005,082
Total Operating Expenditure		9,764,658	9,608,267
Net Operating Expenditure		9,730,511	9,517,878
Other Comprehensive Net Expenditure			
Items that will not be reclassified to net operating costs:			
Net (gain)/ loss on revaluation of Property Plant and Equipment	7	(1,041)	(1,660)
Net (gain)/loss on revaluation of Intangibles Assets	8	0	(6,178)
Comprehensive Net Expenditure for the year		9,729,470	9,510,040

The notes on the pages 64 to 83 form part of these accounts.

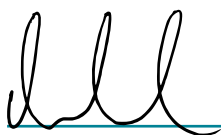
Statement of Financial Position as at 31 March 2020

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

	Note	As at 31 March 2020 £	As at 31 March 2019 £
Non-current assets:			
Property, plant & equipment	7	683,490	511,807
Intangible assets	8	514,330	420,604
Trade and other receivables	9	2,212	5,304
Total non-current assets		1,200,032	937,715
Current assets:			
Trade and other receivables	9	242,203	152,375
Cash and cash equivalents	10	347,584	48,039
Total current assets		589,787	200,414
Total assets		1,789,819	1,138,129
Current liabilities:			
Trade and other payables	11	(837,595)	(561,521)
Provisions	12	(96,586)	(348,500)
Total current liabilities		(934,181)	(910,021)
Total assets less current liabilities		855,638	228,108
Non-current liabilities:			
Provisions		-	-
Total non-current liabilities		-	-
Total assets less liabilities		855,638	228,108
Taxpayers' equity and other reserves:			
General reserve		607,291	(19,198)
Revaluation reserve		248,347	247,306
Total equity		855,638	228,108

The notes on pages 64 to 83 form part of these accounts.

The financial statements on pages 60 to 63 were approved and authorised for issue by:



Olwen Laird

Chief Executive

29 September 2020

Statement of Cash Flows for the year ended 31 March 2020

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

	Note	2019-2020 £	2018-2019 £
Cash flows from operating activities			
Net Operating Expenditure for the year		(9,730,511)	(9,517,878)
Adjustments for non-cash transactions	6	294,017	521,595
(Increase)/decrease in trade and other receivables	9	(86,736)	4,608
Increase/(decrease) in trade and other payables	11	276,074	85,751
Movements in payables relating to items not passing through the Net Expenditure Account	7, 8	(239,101)	-
Use of provisions	12	(338,973)	(50,926)
Net cash outflow from operating activities		(9,825,230)	(8,956,850)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(151,696)	(30,334)
Purchase of intangible assets	8	(80,529)	(65,381)
Net cash outflow from investing activities		(232,225)	(95,715)
Cash flows from financing activities			
Grant-in-Aid to fund resource expenditure		9,863,000	8,893,000
Grant-in-Aid to fund capital expenditure		494,000	96,000
Net financing		10,357,000	8,989,000
Net increase/(decrease) in cash and cash equivalents in the period	10	299,545	(63,565)
Cash and cash equivalents at the beginning of the period	10	48,039	111,604
Cash and cash equivalents at the end of the period	10	347,584	48,039

The notes on pages 64 to 83 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020

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

	General Fund £	Revaluation Reserve £	Taxpayers' Equity £
Balance at 1 April 2018	509,680	239,468	749,148
Changes in Taxpayers' Equity for 2018-19			
Grant-in-Aid to fund resource expenditure	8,893,000		8,893,000
Grant-in-Aid to fund capital expenditure	96,000		96,000
Comprehensive net expenditure for the year	(9,504,378)	7,838	(9,496,540)
Auditors remuneration	(13,500)		(13,500)
Balance at 31 March 2019	(19,198)	247,306	228,108
Changes in Taxpayers' Equity for 2019-20			
Grant-in-Aid to fund resource expenditure	9,863,000		9,863,000
Grant-in-Aid to fund capital expenditure	494,000		494,000
Comprehensive net expenditure for the year	(9,717,011)	1,041	(9,715,970)
Auditors remuneration	(13,500)		(13,500)
Balance at 31 March 2020	607,291	248,347	855,638

The notes on pages 64 to 83 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2019-20 Government Financial Reporting Manual (FReM) issued by Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of 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 of the Police Ombudsman for Northern Ireland 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 2020 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 Income

Income represents services provided to The Office of the Police Ombudsman's customers in the public sector as invoiced.

1.5 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 2020. The current lease term for the lease of the building was until 30 June 2020. Negotiations are currently underway with LPS and the landlord to extend the lease.

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.

1.6 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

1.7 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.

1.8 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 42 to 55. 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.12.1 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.

1.12.2 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.

1.13 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.

1.14 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 1.6.

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 1.7.

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 12.

1.15 Accounting standards, amendments, interpretations or other updates that were issued and effective for the 2019-2020 financial year

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 2019 or later periods, but which the Office has not adopted early. Other than as outlined below, the Office considers that these are not relevant or material to its operations

Review of Financial Process:

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 IFRS 12 - Disclosure of Interests in Other Entities	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 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 have changed as a result of the new Standards.

1.16 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 2020 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 16 - Leases (replaces IAS 17 Leases and related interpretations)
Effective date	January 2019 (EU endorsed 31 October 2017)
FReM application	2021-22
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. 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, unless they qualify for low value or short-term exemptions. In addition, there are updated disclosure requirements.</p> <p>The lessor accounting model is generally unchanged from IAS 17 but entities should be aware of the introduction and impacts of IFRS 9 Financial Instruments, enhanced disclosure requirements and that a sub-lessor now determines whether a lease is finance or operating based on the right of use asset it subleases.</p>
Comments	IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2021.

1.17 Financial reporting - future developments

The Office has considered the accounting initiatives identified by HM Treasury covering amendments or interpretations from the 2018-20 Annual improvement cycle, and projects where standards, amendments or interpretations are in development. The Office 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 Income From Sale of Goods and Services

	2019-2020 £	2018-2019 £
Other Operating Income		
Secondment income	34,147	90,389
Income from Services Provided	-	-
Total Income	34,147	90,389

Secondment income represents salary and travel costs of staff employed by the Office but seconded to other organisations.

4 Analysis of Net Operating Expenditure by Segment

	Core Office £	Historic Investigations £	Complex Investigations £	Legacy Inquests £	Total £
Gross Expenditure	7,272,777	1,872,777	610,523	8,581	9,764,658
Income from Secondments and services	(34,147)	-	-		(34,147)
Net Operating expenditure 2019-20	7,238,630	1,872,777	610,523	8581	9,730,511
Gross Expenditure	7,119,416	1,910,884	577,967	-	9,608,267
Income from Secondments	(90,389)	-	-	-	(90,389)
Net Operating expenditure 2018-19	7,029,027	1,910,884	577,967	-	9,517,878

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.

5 Staff Costs

	2019-2020 £	2018-2019 £
Amounts payable in respect of directly employed staff		
Wages and salaries	4,308,892	4,084,775
Social security costs	455,262	431,456
Employer's pension contributions	1,258,873	887,848
Total direct employee staff costs	6,023,027	5,404,079
Amounts payable in respect of staff on secondment, agency/ temporary staff and contract staff	1,421,393	1,677,511
Sub Total Staff Costs	7,444,420	7,081,590
Less recoveries in respect of outward secondments	(34,147)	(89,928)
Total net staff costs	7,410,273	6,991,662

Further details on staff costs can be found in the Remuneration and Staff Report on pages 42 - 55 of the Accountability Report.

6 Other Expenditure

	Note	2019-2020 £	2018-2019 £
		2018-2019	
Travel and subsistence		99,625	108,898
Training, recruitment and other personnel costs		498,893	496,467
Rates, maintenance, electricity and other accommodation costs		448,991	425,998
Consultancy		-	-
Legal costs & internal audit		17,438	17,726
Information and media		62,933	62,092
Printing, stationery, postage and office equipment		76,868	94,300
Direct case investigation costs		121,736	94,049
Computer support including maintenance and telecommunications		329,953	345,729
Other costs		54,988	48,224
Operating leases - buildings		282,000	282,000
Operating leases - other		19,296	16,099
Auditors remuneration and expenses		13,500	13,500
		<u>2,026,221</u>	<u>2,005,082</u>
Non cash items:			
Provisions - provided in year	12	115,703	323,426
Provisions - released in year not required	12	(28,644)	(56,500)
Depreciation and amortisation of assets:			
Property, plant and equipment	7	270,532	202,867
Intangible assets	8	117,803	132,065
Revaluation of assets - (gains)/losses:			
Property, plant and equipment	7	-	(1,939)
Intangible assets	8	-	(2,408)
Impairment of leasehold interest	7	(181,377)	(89,443)
Disposals of assets - write-off:			
Tangible assets - Furniture & Fittings	8	-	10,519
Intangible assets - software licences	8	-	3,008
		<u>294,017</u>	<u>521,595</u>
Total expenditure		2,320,238	2,526,677

7. Property, Plant and Equipment Property, Plant and Equipment

2019-20	Buildings, leasehold improvements £	Furniture & fittings £	Information technology £	Total £
Cost or valuation				
At 1 April 2019	248,528	496,128	932,732	1,677,388
Additions	22,320	20,400	217,077	259,797
Revaluations	(17,445)	4,346	-	(13,099)
Disposals	-	(15,879)	(196,985)	(212,864)
At 31 March 2020	253,403	504,995	952,824	1,711,222
Depreciation				
At 1 April 2019	-	398,141	767,440	1,165,581
Charged in year	198,822	19,473	52,237	270,532
Revaluations/Back log	(198,822)	3,305	-	(195,517)
Disposals	-	(15,879)	(196,985)	(212,864)
At 31 March 2020	-	405,040	622,692	1,027,732
Net book value at 31 March 2020	253,403	99,955	330,132	683,490
Net book value at 31 March 2019	248,528	97,987	165,292	511,807

2018-19	Buildings, leasehold improvements £	Furniture & fittings £	Information technology £	Total £
Cost or valuation				
At 1 April 2018	268,000	517,342	919,785	1,705,127
Additions	10,196	1,008	19,130	30,334
Revaluations	(29,668)	7,112	8,600	(13,956)
Disposals	-	(29,334)	(14,783)	(44,117)
At 31 March 2019	248,528	496,128	932,732	1,677,388
Depreciation				
At 1 April 2018	-	389,207	714,103	1,103,310
Charged in year	119,111	22,297	61,459	202,867
Revaluations/Back log	(119,111)	5,452	6,661	(106,998)
Disposals	-	(18,815)	(14,783)	(33,598)
At 31 March 2019	-	398,141	767,440	1,165,581
Net book value at 31 March 2019	248,528	97,987	165,292	511,807
Net book value at 31 March 2018	268,000	128,135	205,682	601,817

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 £253,403 as at 31 March 2020 (£248,528 as at 31 March 2019). The open market valuation at that date was £nil (£nil at 31 March 2019).

All other assets were re-valued on the basis of the latest available indices, as at 31 March 2020. This has resulted in an overall increase in valuation/write down of impairment of £182,418 as at 31 March 2020, which has been analysed below.

Analysis of property, plant and equipment revaluations	2019-20		2018-19	
	Revaluation Reserve £	Comprehensive Expenditure Account £	Revaluation Reserve £	Comprehensive Expenditure Account £
Fixtures & fittings	1,041	-	1,660	-
Information technology	-	-	-	1,939
	1,041	-	1,660	1,939

Analysis of property, plant and equipment write down of impairment	2019-20		2018-19	
	Revaluation Reserve £	Comprehensive Expenditure Account £	Revaluation Reserve £	Comprehensive Expenditure Account £
Buildings - leasehold improvements	-	181,377	-	89,443

Analysis of tangibles payments	Note	2019-20	2018-19
		£	£
Tangibles additions		259,797	30,334
Decrease/(Increase) in accruals related to tangibles	11	(108,101)	-
Total cash payments for tangibles		151,696	30,334

8. 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).

2019-20	Information technology, case handling system £	Software licences £	Total £
Cost or valuation			
At 1 April 2019	1,791,104	722,806	2,513,910
Additions	139,680	71,849	211,529
Revaluations	-	-	-
Disposals	-	(780)	(780)
At 31 March 2020	1,930,784	793,875	2,724,659
Amortisation			
At 1 April 2019	1,618,297	475,009	2,093,306
Charged in year	47,086	70,717	117,803
Revaluation/Back log	-	-	-
Disposals	-	(780)	(780)
At 31 March 2020	1,665,383	544,946	2,210,329
Net book value at 31 March 2020	265,401	248,929	514,330
Net book value at 31 March 2019	172,807	247,797	420,604

2018-19	Information technology, case handling system £	Software licences £	Total £
Cost or valuation			
At 1 April 2018	1,774,571	706,237	2,480,808
Additions	-	65,381	65,381
Revaluations	16,533	6,639	23,172
Disposals	-	(55,451)	(55,451)
At 31 March 2019	1,791,104	722,806	2,513,910
Amortisation			
At 1 April 2018	1,545,534	453,564	1,999,098
Charged in year	62,408	69,657	132,065
Revaluation/Back log	10,355	4,231	14,586
Disposals	-	(52,443)	(52,443)
At 31 March 2019	1,618,297	475,009	2,093,306
Net book value at 31 March 2019	172,807	247,797	420,604
Net book value at 31 March 2018	229,037	252,673	481,710

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 2020. This has resulted in no movement in valuation at 31 March 2020, which has been analysed below.

Analysis of intangible revaluations	Revaluation Reserve £	2019-20 Comprehensive Expenditure Account £	Revaluation Reserve £	2018-19 Comprehensive Expenditure Account £
Information technology (case handling system)	-	-	6,178	-
Software licences	-	-	-	2,408
	-	-	6,178	2,408

Analysis of intangibles payments	Note	2019-20 £	2018-19 £
Intangibles additions		211,529	65,381
Decrease/(Increase) in accruals related to intangibles	11	(131,000)	-
Total cash payments for intangibles		80,529	65,381

9. Trade Receivables, Financial and Other Assets

	2019-20 £	2018-19 £
Amounts falling due within one year:		
Deposits and advances	800	800
Prepayments and accrued income	241,403	151,575
	242,203	152,375
Amounts falling due after more than one year:		
Prepayments and accrued income	2,212	5,304
Total	244,415	157,679

10. Cash and cash Equivalents

	2019-20 £	2018-19 £
Balance as at 1 April	48,039	111,604
Net changes in cash and cash equivalents	299,545	(63,565)
Balance at 31 March	347,584	48,039
The following balances were held at:		
Commercial banks and cash in hand	347,584	48,039
Balance at 31 March	347,584	48,039

11. Trade Payables, Financial and Other Liabilities

	2019-20 £	2018-2019 £
Amounts falling due within one year:		
Trade payables	13,738	859
Other taxation and social security	0	1,984
Employee benefit accrual	171,949	177,275
Accruals and deferred income	651,908	381,403
Total	837,595	561,521

Total of Trade Payables & Other Current Liabilities includes £239,101 for capital creditors/accruals (£nil in 2018-19).

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

12. Provisions for Liabilities and Charges

	2019-20 £	2018-19 £
Balance at 1 April	348,500	132,500
Provided in the year	115,703	323,426
Provisions not required written back	(28,644)	(56,500)
Provisions utilised in the year	(338,973)	(50,926)
Balance at 31 March	96,586	348,500

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 exceeds 50% and on the accrued costs to date of defending legal actions, where no recovery of such costs is likely.

At 31 March 2020 the Office had 10 ongoing cases with an overall provision of £95,586. The provision which has been calculated in respect of these matters is £50,148 for three Judicial Reviews, £25,000 for five civil actions, £11,438 for three employment actions and £10,000 in relation to one inquest. For all of these cases the provision relates to the legal costs incurred in defending these matters. At 31 March 2019 the provision of £348,500 was in respect of five Judicial Reviews, eight Civil Actions, an employment issue and two inquests.

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

13. Capital Commitments

As at 31 March 2020 the Office of the Police Ombudsman for Northern Ireland contracted capital commitments amounting to £nil (£nil as at 31 March 2019).

14. Commitments Under Leases

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

	2019-20 £	2018-19 £
Obligations under operating leases comprise:		
<i>Buildings</i>		
Not later than one year	70,500	282,000
Later than one year and not later than five years	-	70,500
Later than five years	-	-
<i>Other:</i>		
Not later than one year	19,301	19,301
Later than one year and not later than five years	7,459	26,760
Later than five years	-	-
Total	97,260	398,561

The Office leases its current office accommodation under an operating lease which ended on 30 June 2020. Negotiations are currently underway with LPS and the landlord to extend the lease.

15. Other Financial Commitments

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

16. Contingent liabilities disclosed under IAS 37

At 31 March 2020, the Office of the Police Ombudsman for Northern Ireland had ten cases which it has provided for. In the unlikely event that the Office should lose the cases currently provided for the estimate of maximum damages and further legal costs that could arise is £180,000 (31 March 2019: £326,000 estimate of maximum damages/legal fees).

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.

The Office of the Police Ombudsman for Northern Ireland leases its office accommodation under an operating lease which ended on 30 June 2020. Negotiations are currently underway with LPS and the landlord to extend the lease. Under the existing lease agreement, the Office will have an obligation to pay dilapidation costs on exiting the accommodation should the lease not be renewed. However, given the uncertainty regarding the likelihood of the lease not being renewed or the ability to accurately value the dilapidation costs that would be incurred, in line with IAS 37 the office has treated this as a contingent liability. The office is not disclosing an estimation of the dilapidation cost, as it is not possible to accurately estimate this and in doing so may adversely impact the office's ability to negotiate costs should this liability materialise in the future.

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 2020.

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 NI Courts and Tribunals Service.

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

The Working Time (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020 came into operation on 24 April 2020 and allows those workers who are unable to take annual leave as result of the pandemic to carry over up to four weeks' annual leave into the next two leave years. Any exemption will apply only to circumstances where workers are unable to take their leave as a result of the outbreak, and carry over of annual leave will be limited to the next two leave years. The change in regulations may lead to a small increase in the value of accrued annual leave carried over in the next two years by the Office. It is not possible for the Office to give a reasonable estimate of the impact at this time as any increase in the accrued annual leave cost is likely to be minimal, as the Office does not foresee its staff being prevented from availing of their annual leave during 2020/21.

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

Date of Authorisation for issue

The financial statements were authorised for issue by the Accounting Officer on 16 October 2020.



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