



ANNUAL REPORT & ACCOUNTS

For the year ended
31 March 2021
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 2021**

*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 25 June 2021

Glossary of Abbreviations

| | |
|-------|---|
| C&AG | Comptroller and Auditor General |
| CARE | Career Average Related Earnings |
| CETV | Cash Equivalent Transfer Value |
| CPI | Consumer Prices Index |
| CSP | Civil Service Pensions |
| DoF | Department of Finance |
| DoJ | Department of Justice |
| FReM | Financial Reporting Manual |
| GAD | Government Actuary Department |
| GSOC | Garda Síochána Ombudsman Commission |
| HIU | Historic Investigations Unit |
| HMT | Her Majesty's Treasury |
| 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 Associated |
| UK | United Kingdom |

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Foreword by the Police Ombudsman

I am pleased to present to the Minister for Justice and the Northern Ireland Assembly my second Annual report as Police Ombudsman for Northern Ireland. This is the document of record for the work of the Office of the Police Ombudsman for Northern Ireland (the Office) in the 2020/21 reporting year. I was appointed to the role of Police Ombudsman on 16 July 2019. I am pleased and privileged to undertake this role as the fourth ombudsman since the establishment of the Office in 2000.

In order to properly address my vision for the Office and underpinning my Strategic Plan for 2020-2024, I assessed the current police complaints system in line with the model originally intended by its architect, Dr Maurice Hayes (former Northern Ireland Ombudsman). The principles and policies underpinning the original design of the police complaints system, which has been described by my predecessor and internationally acclaimed as the 'gold standard' of police oversight, remain as relevant today as they were when the Hayes report was published in 1997.

I remain committed to the original model of a single point of contact for all complaints about police, as recommended in the Hayes report. However, in listening to the views of stakeholders and assessing the outcomes of our casework, I believe that our legislation is outdated and has fallen behind that of other Ombudsman's and police oversight bodies. In light of this, and with the assistance of my Director of Legal Services, I undertook a review of Part VII of the Police (Northern Ireland) Act 1998 and other related legislation and regulations. In November 2020, in accordance with section 61(4) of the 1998 Act, I sent a copy of that Review to the Minister for Justice.

This legislative review coincides with the Justice Minister's planned stocktake of police oversight in Northern Ireland. The stocktake exercise highlights the roles of each of the police oversight bodies in Northern Ireland, and will create opportunities for the community of stakeholders to reflect on twenty years of policing reforms and ten years of devolution of criminal justice to the Northern Ireland Assembly. Work on the stocktake is underway and is being taken forward by the Department of Justice (DoJ).

This exercise highlighted the independence of each oversight body and their interdependence on each other. Informed by this exercise I, along with the Chair of the Northern Ireland Policing Board and the Criminal Justice Inspector for Northern Ireland, re-established the Strategic Oversight Group which comprises these NI-based bodies and Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) to enable exchange of work programmes and discussions about joined up working across police oversight bodies. The first meeting of the Strategic Oversight Group was held in November 2020 and it was agreed that a formal Statement of Purpose would be agreed at the second meeting in May 2021.

The operational work of my Office has been significantly impacted by the global Covid-19 pandemic and resulting restrictions. In March 2020, in light of the emerging challenges, my Chief Executive invoked the Office's Business Continuity Plan. The impact on operational performance as a result of Covid-19 will be reflected in the Chief Executive's Report. The restrictions also posed challenges to both internal communications with staff and external communications with stakeholders. The introduction of remote meetings has greatly assisted in this regard.

However, such technology has its limitations and, in particular, discussions with families in relation to their complaints has been limited in the absence of face to face meetings. During the year I held 17 meetings with stakeholders.

In this reporting year, complaints about police conduct decreased by 1% to 2,498 when compared with the complaints in 2019/2020. Notwithstanding the impact that Covid-19 may have had on complaints made to my Office, an overall reduction in complaints is a trend that has been noticed over past years and may be reflective of a number of factors such as the introduction by the Police Service of Northern Ireland (PSNI) of complaint education strategies, impact of Body Worn Video (BWV) and also decreased activity overall in the justice sector. The introduction of BWV and its impact on complaints in the first year of its introduction was published by my Office in a thematic report in April 2020.

In April 2020, I published a report into the impact of the introduction of body-worn video (BWV) by the PSNI on police complaints in Northern Ireland. Body-worn video was first introduced by PSNI in June 2016 and my Office conducted a statistical analysis to determine the effect of the new technology on the police complaints system. My report indicated that, as expected, the cameras have contributed to an overall reduction in complaints received in the 12-month period following their introduction. The report evidences a number of trends, but statistics alone cannot provide a complete examination for those trends and, in my view, there is a need for further discussion with criminal justice and the wider community on their deployment and an in-depth qualitative study at some stage in the future.

In April 2020, during the first Covid-19 related lockdown, the PSNI introduced the use of Spit Hood and Bite Guards for use by its officers. This followed a number of reported incidents of members of the public spitting at police officers. Spit Hood and Bite guards are considered a use of force and therefore, I requested that my Office be notified each time they were deployed. This was to ensure that each deployment could be independently reviewed and to identify if there may have been any criminality or misconduct on the part of the officers. There were 112 notifications from the PSNI about the use of Spit Hood and Bite Guards from the date of their introduction in the year to 31 March 2021. Of these notifications three resulted in matters being referred to my Office by way of Chief Constable referral and in one instance I commenced an 'own motion' investigation as a result of concerns identified during a review of body worn footage.

Increased policing powers to deal with Covid-19 complaints had a significant impact on complaints received by my office. In June 2020 a total of 24 complaints were received from members of the public about policing of the Black Lives Matters protests in Belfast and Derry/Londonderry. In light of these complaints and concerns raised regarding racial discrimination by police when compared with the policing of Protect our Monuments protests the same month, I commenced a section 60a investigation into PSNI policy and procedure relating to these protests. The investigation established that police had failed to fully understand their human rights obligations in relation to the right of peaceful protest and that complainants claims of unfairness and discrimination were justified.

Importantly, although my investigation did not establish that the discriminatory actions were intentional or based on race or ethnicity, it did establish that confidence in policing within minority ethnic communities had been severely damaged as a result of police actions.

The Office also investigates complaints and referrals about matters from the period of the 'Troubles'. During 2020/21 a total of 19 new historic complaints were received. The new complaints brought the total number of active historical cases to 457 as at 31 March 2021. The History Directorate comprises only 20 investigators and consequently the Office has had over successive years to prioritise matters for investigation with many matters remaining pending until resources are available. In light of these challenges, a business case for additional resources was submitted to the DoJ to increase staffing by 16 posts. This resource is essential to deal with the existing caseload in the History Directorate. Additional budget has been indicated for 2021/22 but use of that budget awaits the approval of the business case.

In June 2020, the Court of Appeal judgement was received following a legal challenge which had been brought by retired police officers following the release of the public statement surrounding the Loughinisland Massacre which had been issued by the former Police Ombudsman, Dr Maguire, in 2019. Dr Maguire had suspended the issue of all public statements relating to historical matters, pending the outcome of that Court of Appeal decision. I have taken time to carefully consider the judgement and to ensure that public statements under development were consistent with that judgement. As a consequence I did not release a public statement into an historical investigation during 2020/21.

In August 2020 I signed a new Memorandum of Understanding (MOU) with the Chief Constable of PSNI which will oversee the processes by which police provide information to my Office.

In order to ensure greater transparency over these processes, the MOU was published for the first time. The MOU is based on the principle of direct access to information held by the police and emphasises the need for the Police Ombudsman to have access to such information and to apply the test of relevance to all information requests made to the police.

The development of the new MOU with PSNI stemmed from a report and recommendations by Criminal Justice Inspection Northern Ireland (CJINI). CJINI had undertaken an inspection following concerns raised by the former Ombudsman, Dr Maguire about adequacy of disclosure of information by PSNI. CJINI released their report in April 2020 which I welcomed as an opportunity to review long established information handling practices with the PSNI.

In the context of the investigation of historic matters, my Office has a role to support the Lord Chief Justice's five-year programme of inquests for Troubles-related deaths. These inquests commenced in April 2020. In this reporting year, much work was undertaken by my legal Director and her staff to prepare for Year 1 inquests. A new Legacy Disclosure team has been established supported by bid for additional resources. Unfortunately, recruitment of staff to this unit has been delayed as a result of the impact of Covid-19.

This year marked the 20th anniversary of the Office and to commemorate this an anniversary booklet was published in November 2020.

The booklet outlines the work of each of the three former Ombudsmen recording their achievements and challenges.

I would like to extend my thanks to Tim Gracey, former Director of Information, for developing the concept and for his skilful capturing of the first two decades of the work of the Office into an informative and compelling narrative.

Finally, may I pay tribute to my Chief Executive, Senior Management Team (SMT) and all staff for their dedication and work in this most challenging year. I consider the home-working arrangements developed in response to Covid-19, and particularly the deployment of 90 laptops across the staff team for the first time, to be a major achievement of my office and I thank all staff for their energy and commitment in adapting to these new working arrangements. A number of staff retired this year and I thank them and their support to me in my new role and for their dedicated years of service to the Office.



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 12. 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.

This statement normally addressed the performance of the Office and outlines how the Office performed against objectives and targets set. However the year 2020/21 was an unprecedented year in terms of Covid-19 and its impact on the operation of the Office. The following section outlining the performance of the Office should be considered within the context of the Covid-19 pandemic and the particular challenges that this presented to the organisation.

Covid-19 Impacts

This has been a particularly challenging year for the Office as it has for many organisations and for individuals. The impact of the Covid-19 pandemic has been far reaching in society as a whole and no individual or organisation has remained unaffected.

The impacts on the Office of the pandemic were sharply felt. Whilst prior to the pandemic the Office had been seeking approval of a business case and funding to support “on-boarding” to IT Assist, this was not in place as the pandemic struck. For the Office that meant that during the initial lock down staff were unable to access any IT system remotely from the office. Due to the requirements to adhere to Covid-19 regulations and guidance and the need to ensure the wellbeing of staff, only very limited numbers were able to attend the Office during this time.

Despite the restrictions that arose with Covid-19, the Office remained open to receive complaints throughout the pandemic and lockdowns. All complaints were tri-aged and critical incidents responded to. In addition all critical investigative actions were maintained and all business critical activities included in the Business Continuity Plan were sustained. I want to acknowledge the dedication of those staff who had a role in this important work during the periods of Covid-19 restriction – their professionalism and commitment to the work of the Office has been invaluable and has ensured the Office could continue to deliver its statutory duties.

During the year to 31 March 2021, 14 staff contracted Covid-19. However, most of these cases occurred during the month of October and as a consequence the Office was closed other than for critical activities for a number of weeks during October to facilitate engagement with the Public Health Agency (PHA), undertake a deep clean of the entire office and ensure all necessary measures required were in place.

Whilst the Office maintained its key services throughout, it is the case that pressures of workload have accumulated across all functions within the Office during the year. In particular within the investigation directorates this has manifest in timescales for the investigation of cases taking longer than would normally have been the case and increases in caseload.

I am thankful for the support of the DoJ in approving the business case and providing the necessary resources in our baseline funding to move to IT Assist for the hosting of our IT systems. Work continued on that project across the 2020/21 year and although on boarding was not achieved during the financial year, the Office successfully onboarded in April 2021. During the year and prior to on boarding a limited laptop solution was established and made available to increasing numbers of staff that facilitated access to certain documents through a secure file share. This, whilst it did not provide access to underlying systems, did create a greater capacity for staff to continue to work whilst not physically in the office building.

It remains the case that for certain more sensitive areas of work, it is not possible to access information remotely from the Office.

Covid-19 Expenditure

During the year the Office spent around £61k as a result of Covid-19. This included £21k spent on hosting the interim laptop solution to allow for remote working, £13k on signage and social distancing measures within the office, £12k was in relation to additional cleaning services, £10k for hand sanitiser, wipes, cleaning products etc and replacement pedal operated bins and £5k to support staff with home working expenses.

The spend can be categorised as physical measures to ensure those attending the building were safeguarded (£35k) and measures to enhance the ability of staff to work effectively remotely from the Office (£26k).

On boarding

As outlined above, the Office has, across the reporting year, progressed with a project to on board our IT services to IT Assist. To date the Office has hosted its own IT services with a small but dedicated team of IT professionals. However it was recognised that a significant capital outlay would be required to modernise our IT systems and enable secure remote access. A decision was taken to seek to on board to IT Assist and business case approval and resources were made available in early 2020. The on boarding project has been progressed across the 2020/21 year with the culmination for go live occurring in April 2021. It is important to acknowledge the very significant contributions of IT staff in the Office and those in IT Assist who, with the support of a committed project co-ordinator, worked across the year during Covid-19 challenges, to move the Office forwards so that integration of internal and external IT systems could be achieved and effective remote working away from the Office could become a reality. The benefits to the Office in more efficient working will be evident in the years ahead.

Performance

In focusing on performance, the remainder of this section of the report will seek to outline the work of the Office during the 2020/21 year. 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.

Despite the very real challenges that were faced during the year, I am of the view that the performance of the Office remains strong and staff in the Office have continued to work with dedication and commitment to maintain 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. There have been a number of staff in particular who have worked unrelentingly throughout the period of the pandemic and who bore a disproportionate burden in ensuring that business critical functions in the work of the Office were maintained. To those staff in particular I express my particular thanks.

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 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 PSNI. The Office is accountable to the Northern Ireland Assembly and is required to take into account all relevant guidance given by the Department of Finance (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 11.

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

Principal Activities

The Office of the Police Ombudsman for Northern Ireland provides an independent, impartial police complaints system for the people and the police of Northern Ireland. It investigates complaints about 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 the DoJ.

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 DoJ, 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 DoJ.

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 | 2020/21 | 2019/20 |
| Delivering Excellence in Investigations | Resource and action all complaints and related allegations registered. | 2,498 complaints 1% decrease | 2,522 complaints 5% decrease |
| | | 3,667 allegations 7% decrease | 3,900 allegations 4% decrease |
| | Maintain or increase the number of complaints resolved through Informal Resolution. | 109 complaints – 38% decrease | 177 complaints – 17% decrease |
| Maintain Impartiality and Independence in Dealing with Complaints | To maintain a level of 80% public awareness of the Office. | 95% achievement | 86% achievement |
| | To maintain a level of 80% awareness of the independence of the Police Ombudsman. | 92% achievement | 88% achievement |
| | To maintain a level of 80% confidence that the Police Ombudsman for Northern Ireland deals with complaints in an impartial way. | 76% achievement | 85% 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 about the police. | 83% achievement | 86% achievement |
| | To maintain a level of 70% of complainants to feel that they have been treated fairly by staff in the Office. | 57% achievement | 66% 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. | 79% achievement | Survey deferred due to Covid-19 outbreak |
| 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 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 | 91% achievement 88% achievement 74% achievement 53% achievement 78% achievement 73% achievement 80% achievement 64% achievement 23% achievement 28% achievement | Survey deferred due to Covid-19 outbreak 80% achievement 80% achievement 66% achievement 40% achievement 43% achievement |
| | The number of complaints about the Office to be no more than in 2019/20. | 101 complaints received | 75 complaints received |
| Focus Efforts in Improving Policing | Continue to work with PSNI and NIPB in identifying how many recommendations have impacted on policing. | 7 recommendations made | 24 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 Team (SMT) 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 40 to 47.

There were three key strategic risks facing the Office during 2020/21. These were:

- a risk that the budget allocated to the Office would be 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 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 £479,105 (£344,394 for year ended 31 March 2020). 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 DoJ 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 2020/21 as the first year of a four year Corporate Plan. The four key aims in the four year Corporate Plan and in the Annual Business Plan were:

- to provide a high quality complaints and investigation service which is fair to all parties reflecting human rights standards;
- to increase transparency in decision making in relation to police complaints, referrals and investigations;
- 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.

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 2020/21 financial year.

Further detailed narrative is included in the Performance Analysis section of this report on pages 15 to 36.

Looking forward, the Office has drafted an Annual Business Plan for the year ended 31 March 2022 which is the second year of a four year Corporate Plan from 2020/21 to 2023/24.

Case Study

POLICE “JUSTIFIED” IN FIRING FOUR IMPACT ROUNDS DURING SERIOUS DISORDER IN DERRY/LONDONDERRY

In October 2020, the Police Ombudsman stated that police had been justified in firing four AEP (Attenuated Energy Projectile) impact rounds during serious rioting in Derry/Londonderry in 2018.

The rounds were fired in the early hours of 13 July 2018, on the third consecutive night of rioting in the city. Police had been targeted during the disorder with blast and petrol bombs, as well as stones, bottles and other missiles.

Police Ombudsman investigators examined police documents and radio transmissions, as well as video footage from a police helicopter, ground based police units and local CCTV. They established that in a three and a half hour period up to midnight on 12 July, around 50 petrol bombs had been thrown at police. Evidence confirmed that police issued repeated warnings over a public address system before any AEPs were discharged

Two rounds struck people reported to have had petrol bombs, and another struck a man recorded as having been in the process of lighting an improvised explosive device (IED). Another AEP was fired at the same man a short time later as he threw another IED at police. The round missed and the IED exploded in the air between two police Land Rovers

The Police Ombudsman’s investigation found that police accounts of the scale and extent of the disorder were corroborated by CCTV footage, and concluded that the use of AEPs had been justified and proportionate given the serious threat posed to police officers and members of the public.

Performance Analysis

Operational Performance

Investigations by the Office are commenced on receipt of complaints from members of the public and referrals from the Chief Constable of the PSNI, Director of Public Prosecutions, Policing Board or the DoJ. The Police Ombudsman also has a statutory 'own motion' power to commence investigations. Investigations are conducted by either the Current or Historic Directorates. The Current Investigations Directorate investigates matters that have occurred within 12 months of the subject of complaint or referral. An additional statutory gateway allows the Police Ombudsman to investigate 'grave or exceptional' matters that occurred more than 12 months previously. The Historic Investigations Directorate investigates complaints and referrals relating to serious incidents directly relevant to the 'Troubles' in Northern Ireland between 1968 and the Good Friday Agreement on 12 April 1998.

As outlined earlier in this report, the Office was significantly impacted in its day to day operation as a result of the Covid-19 pandemic. Measures to comply with the related restrictions and guidance issued by the Northern Ireland Assembly included reducing numbers of staff able to attend our office while maintaining critical areas of business including investigations in which Article 2 of the European Convention of Human Rights (Right to Life) is engaged; investigative actions which if delayed could result in compromise of investigations; maintaining our 'On Call' capability, particularly in respect of critical incidents; preparation for court and misconduct proceedings and ensuring compliance with statutory limitation of proceedings.

Current Investigation Directorate

The Office received 2,498 complaints during 2020/21, representing a decrease of 1% if compared to 2019/20 when 2,522 complaints were received. This reduction in complaints is, at first glance, surprising in view of the health emergency that persisted throughout the year, accompanied as it was by various 'lockdowns' which would have reduced contact between police and members of the public. A number of factors may, however, account for this statistical outcome. Following the introduction of 'Spit and Bite Guards' by the PSNI, in March 2020 the Police Ombudsman agreed to review all instances of their use upon 'notification' by police. Between 1st April 2020 and 31 March 2021 the Office received 112 notifications of their use. In addition, the Office received 79 complaints in which the principal issue was PSNI enforcement of the (Covid-19) Health Protection Regulations, including concerns about policing at 'Black Lives Matter' protests and funerals. All 191 of these notifications and complaints are reflected in the overall number of complaints for the year.

The Chief Constable made four referrals to the Office during 2020/21, three of which related to the use of Spit Hood and Bite Guards. This compared to one such referral during 2019/20 and 13 during 2018/19. The Police Ombudsman exercised the power to commence an 'own motion' investigation on seven occasions during the year as compared to 10 occasions during 2019/20. One of the 'own motion' investigations arose from the use of Spit Hood and Bite Guards. There were no referrals from the Director of Public Prosecutions during 2020/21 and one such referral during 2019/20.

Investigations undertaken by the Current Investigations Directorate are categorised as A, B or C, dependent on the nature and complexity of the matters involved.

Category A generally involve loss of life or serious injury, sexual assault, statutory referrals and other serious matters and are usually allocated to a Significant Cases Teams for investigation.

Category B casework relates to complaints involving physical injury, theft or fraud, discriminatory behaviour, serious neglect of duty associated with the conduct of criminal investigations and/or court proceedings and improper disclosure of information. These complaints are normally dealt with by the Core Investigation Team.

Category C investigations are concerned with allegations such as incivility, less serious breaches of police procedure, use of excessive force by police not accompanied by significant injury. This casework is normally retained for investigation by the Initial Complaints and Investigation Team.

The 2016 Police (Conduct) Regulations (Northern Ireland) enable the Police Ombudsman to make recommendations to the PSNI in relation to misconduct and/or performance matters. These include, recommendations that police officers appear before a 'misconduct meeting' or in respect of more serious misconduct, a 'misconduct hearing'.

In respect of disciplinary recommendations, during 2020/21 the Police Ombudsman made recommendations to the PSNI for five misconduct hearings and 24 misconduct meetings. A total of 33 recommendations were made in relation to performance matters. On three occasions the Office recommended to the Public Prosecution Service that a police officer be prosecuted.

During 2020/21 the Office forwarded a total of seven policy recommendations to Police. Five of these were categorised as operational and two were deemed to be areas for minor improvement. The Office to date has received a response to three of these recommendations. In respect of one operational recommendation Police advised that remedial action had already been taken regarding the matter and in another it was deemed that an alternative solution had already been implemented. In respect of a recommendation relating to an area for minor improvement Police advised that the technological change recommended was not possible.

This year saw two key areas of work arising from the Covid-19 restrictions – these related to the policing of the Black Lives Matter protests in Northern Ireland. The Police Ombudsman initiated a S60a Policy and Practice investigation. A report on this investigation was published in December 2021 in which the Police Ombudsman made four recommendations to PSNI.

In addition, in response to Covid-19, PSNI introduced the use of Spit Hood and Bite Guards in April 2020. Following early engagement with PSNI in respect of this measure, the Police Ombudsman agreed that it would be appropriate to review footage from Body Worn Video of all deployments of Spit Hoods and Spit Guards. During the year to 31 March 2021 the Office reviewed 112 deployments of Spit Hood and Bite Guards. On three occasions the deployment was subject of a Chief Constable's referral to the Office. In addition on one occasion the Police Ombudsman called herself in to conduct an own motion investigation. This was undertaken as an additional measure to ensure that these deployments are subject and where appropriate

Historic Investigation Directorate

As at 31 March 2021 the Police Ombudsman had a caseload of 457 Historic complaints and referrals. Of this casework, 152 matters were subject of active investigation, public statements were being prepared in respect of 29 cases and the remaining 276 were awaiting investigation.

Whereas the COVID-19 health emergency had a significant impact across the entire organisation, historic investigations were disproportionately affected due to the resourcing profile of staff employed for this casework, many of whom usually commute between GB and Northern Ireland. In addition, the organisation's internal restrictions on accessing historic casework remotely due to its sensitivity meant that during periods of 'lockdown' progressing these investigations met with significant challenges.

A significant number of investigations relating to historic casework are, nevertheless, complete or at an advanced stage and as a consequence it is anticipated that during 2021/22 the Police Ombudsman will publish six public statements concerning historic matters. Although not within the year under review, the first of these public statements, relating to four deaths attributed to the discharge of firearms by police officers in August 1969, was published in April 2021. Public statements to follow include those set in the context of a series of murders attributed to the South Belfast UDA, such as the 1992 attack at Sean Graham's Bookmakers, Ormeau Road in which five people died and murders attributed to the North West UDA, including the 1993 attack at Greysteel in which eight people died.

During the year the Office continued to engage with the DoJ in relation to the funding made available to investigate historic cases.

The current resources are not considered to be sufficient to address the caseload in a timely way. The Office continued to work with the Department to secure approval of and funding for a business case for additional funding to facilitate a more effective strategy for completion of these investigations. The budget for 2021/22 includes the additional resources bid for with approval to commence recruitment given in late May 2021.

Performance against Business Plan

As outlined above the Office had an Annual Business Plan for the year ended 31 March 2021 set within the context of a four year Corporate Plan for the period 2020/21 to 2023/24. The Annual Business Plan set out the following four key aims;

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

These key aims were established by the Police Ombudsman in conjunction with the SMT 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 DoJ Accounting Officer through the governance arrangements between the Office and the Sponsor Department, Policing Policy and Strategy Division.

Key Aim 1

To provide a high quality complaints and investigations service, fair to all parties reflecting human rights standards in order to hold the police to account

Restrictions on the numbers of staff who could attend our premises at any one time, including the impact of 'shielding', and the limitations of the organisation's remote working facilities, particularly in respect of access to sensitive material, resulted in a backlog of investigations. The organisation introduced targets designed to focus on addressing this issue. A target was set to *establish and implement a 'backlog' strategy to address operational pressures caused by Covid-19.* Underpinning performance targets aimed at reductions in investigation caseloads were also set by reference to caseloads in July 2020 which had significantly increased.

This target was achieved in that the strategy was developed, however the ongoing experience of Covid-19 with extended lockdowns and continued social distancing meant that the underpinning targets remained a challenge. The two Significant Case Teams, which specialise in Category A investigations, were set a target of a reducing their caseloads by 20% by the end of the reporting year. This was achieved, the combined number of their investigations reducing from 93 to 70 cases by the end of March 2021. There was however less success in the backlog strategy associated with Category B and C casework. The target set for the Core Team dealing with most Category B investigations was a reduction of 15% in their caseload and for the business area dealing with most Category C

investigations(ICIT) a reduction of 30%. By the end of the year the Core Team held 262 cases, a similar number as the 263 cases held at the height of the health emergency. The number of cases in ICIT reduced by 19% from a peak of 576 in July 2020 to 464 by end of March 2021.

The Police Ombudsman also set a target to *develop a digital transformation strategy and home-working pilot.* This target was achieved and a high level digital transformation strategy has been prepared. Assisted by the PSNI, the Office was able to quickly implement electronic access to police 'Body Worn Video' and subsequently to other records. This became critical to the Police Ombudsman's prompt examination of the PSNI's use of Spit Hood and Bite Guards throughout 2020/21. Operational protocols for the investigation of complaints and associated guidance for the use of Web-ex and remote working have also been implemented. Work was also significantly advanced in relation to on boarding to ESS IT Assist which was completed in April 2021.

The target to *develop a new investigation manual based on a human rights based approach* has been well advanced with an amended investigation manual drafted reflecting the priority of the Police Ombudsman to ensure that the practices of investigators are rooted in human rights obligations.

A target to *establish a representations policy approach for public statements and operational processes to support this policy* has been achieved and the policy has been drafted. Matters of procedural fairness will be embedded in the revised investigations manual and specifically addressed in public statements.

A target to *develop a stakeholder engagement strategy to improve access to the police complaints system for young and vulnerable persons* has not been completed due to Covid-19 and the retirement of the Director of Information. This target will carry over to 2021/22.

A target to *establish a new legal disclosure unit to support the investigation process and work with PPS and Coroner* has been partially completed and a decision has recently been made to recruit additional legal posts to the unit.

Targets also included publishing six public statements/Regulation 20 reports in respect of Current Directorate Category A investigations and completing a further six Current Directorate Category A investigations.

During 2020/21 the Police Ombudsman published a number of public statements or Regulation 20 reports in respect of Current Investigations. These included the police response to the activities of a self-declared 'paedophile hunter'; unlawful access to information held on police systems in respect of a number of vulnerable women; police contact with a man shortly before his death; the circumstances in which a police officer developed a relationship with a vulnerable woman whom he had met in his professional capacity, and a s60A investigation of PSNI policy and practice arising from the policing of 'Black Lives Matter' protests at Belfast and Derry/Londonderry during the health emergency.

A range of additional 'Current' Category A investigations were also completed, including those relating to unlawful access to information held by the PSNI; the circumstances of police contact with an alleged drug dealer which had significant media coverage, and alleged sensitive

disclosures by police officer(s) to social media. A number of investigations of complaints relating to contemporary murder investigations by the PSNI were also completed. This target to publish six public statements/Regulation 20 reports was not met as five were published. However the target to complete a further six was met and exceeded.

A target to publish six public statements relating to historic investigations and complete five additional investigations was not achieved. The Court of Appeal's judgement in respect of a legal challenge to the Police Ombudsman's public statement on complaints about police relating to six murders at Loughinisland on 18 June 1994 was delivered in June 2020. Enquiries arising from earlier failures in the PSNI's disclosure of sensitive information to a number of historic investigations were concluded in January 2021. Resolution of these matters enabled the Office to prioritise publication of a series of public statements that had been delayed. It is now anticipated that the Police Ombudsman will publish these statements during 2021/22.

A number of additional historic investigations that had been on target for completion during 2020/21 were delayed by the impact of the health emergency. These investigations are now likely to be concluded during 2021/22

Key Aim 2

To increase the transparency in decision making when dealing with complaints, referred matters, investigations and their outcomes

The Police Ombudsman is committed to transparency in processes associated with the commencement, conduct and outcomes of investigations within the context of the governing statutory framework. The Police Ombudsman set a number of targets in relation to this Key Aim which focussed on creating policies and processes which would increase the transparency of the office and how it makes information about the work of the Police Ombudsman available to the public.

To ensure that the Office is following best practice and providing responses to Freedom of Information requests in an appropriate and timely manner, a target to *review the Office's publication scheme under the Freedom of Information Act* has been achieved and the scheme has been updated.

A priority for the Police Ombudsman is to measure and demonstrate the effectiveness of the office in affecting change within policing practices and delivering better policing outcomes for complainants. The progress this priority a target to *scope the development of a Lessons Learned report on the outcomes of complaints* could not be completed and will be carried over into 2021/22.

A target to *ensure that we give full and adequate reasons for all our decisions* which was achieved. Templates have now been developed for use within the Current Directorate.

In consideration of the importance of transparency, a target was set to *consult with other stakeholders with the aim to publish all MOUs*. A MOU on information sharing between the Police Ombudsman and PSNI was published in August 2020. Work remains ongoing in relation to finalising MOU's with other stakeholders.

To reflect on the work of the office of the Police Ombudsman during its twentieth anniversary year, a target to *develop and publish a 20th anniversary commemorative booklet* was achieved.

In order to demonstrate the effectiveness of the office in changing police policies and processes through its recommendations, a target was set to *establish internal mechanisms to ensure Office-wide consistency in recommendations made to the PSNI in respect of policy matters, police performance and misconduct proceedings, including a decision-making template for directed hearings*. This target has not yet been achieved and will be carried over to 2021/22.

Key Aim 3

To collaborate with criminal justice partners to ensure recommendations and research reports impact on policing policy, standards and practice

During 2020/21 the Police Ombudsman set a number of targets to develop a culture of collaboration and information sharing across criminal justice agencies to ensure that reports and recommendations affect change in policing policy, standards and practice.

These targets included implementing recommendations which had been made in a report by Criminal Justice Inspection NI in April 2020 following failures in the PSNI's disclosure of sensitive information to the Office's historic investigations. The CJINI recommendations related to how sensitive information is held within the Office and how information is shared between the PSNI and Police Ombudsman. The recommendations included 'revisiting and revising the MOU for the sharing of information by the PSNI to the Police Ombudsman by 31 March 2021. This was accomplished with the new MOU including arrangements for 'facilitated direct access' to the PSNI systems that hold such material. An additional recommendation relating to the mechanism by which the Police Ombudsman 'quality assures' analytical products derived from PSNI material was also implemented.

To create a culture of learning, continuous improvement and measuring the effectiveness of Police Ombudsman actions, a target was set to consult with staff and *establish a learning from complaints model with PSNI and the Policing Board to ensure prompt follow up on recommendations made by the Police Ombudsman*. Covid-19 restrictions have prevented this target from being achieved. However, engagement has been undertaken with the PSNI at various levels and the Police Ombudsman has engaged directly with the Chief Constable and other agencies, including the Policing Board, on measuring changes arising from Police Ombudsman recommendations. This target will be carried forward to 2021/22.

The Police Ombudsman is required to conduct a 5 Year Review of the legislative powers and functions on the office to identify areas for improvement and recommendations for amending legislation to ensure better policing outcomes. A target was set to *consult with staff and other stakeholders to develop recommendations for a five year review of legislation*. This target was achieved and a 5 Year Review document has been drafted based on consultation with stakeholders. An easy read consultation document has been drafted and will be taken forward by the Head of Communications in 2021/22. The 5 Year Review was supported by another target to *participate in the DoJ stock take exercise on police accountability*. The Police Ombudsman provided a written response to the Justice Minister stock take proposal. This response was discussed in a meeting with the Justice Minister and the DoJ will engage with the Police Ombudsman's 5 Year Review document as part of the departmental stock take exercise.

In order to embed collaborative practices and to learn from the experiences of relevant stakeholders, a target was set to *participate in police oversight and ombudsman networks to identify cross-jurisdictional issues and good practice.*

This target has been achieved and the Director of Legal within the Office of the Police Ombudsman participates in a cross-jurisdictional working group of police oversight and ombudsman networks.

To ensure that information is shared in an effective and timely manner across criminal justice and policing oversight agencies, a target was set to *develop information sharing protocols with key stakeholders* including, Public Prosecution Service, the Policing Board, Criminal Justice Inspection, Public Records Office, Information Commissioner's Office and the Health and Safety Executive for Northern Ireland. This process of developing protocols is ongoing and a Memorandum of Understanding between the Office of the Police Ombudsman and the Public Prosecution Service has been drafted.

Case Study

DISCRIMINATION CONCERNS "JUSTIFIED", BUT NOT ON GROUNDS OF RACE OR ETHNICITY

In a report published in December 2020, the Police Ombudsman found that claims the police handling of 'Black Lives Matter' protests and a counter demonstration earlier that year amounted to unfairness and discrimination were justified. Although Mrs Marie Anderson believed this was not intentional nor based on race or ethnicity, she said confidence in policing among some within the Black, Asian and Minority Ethnic communities in Northern Ireland had been severely damaged.

The Police Ombudsman investigation looked at the policies in place and how they were implemented in the policing of five 'Black Lives Matter' and one 'Protect our Monuments' protests held between May 29 – 13 June following the death of Mr George Floyd, a black man who died while being restrained by police officers in the United States.

Police records about their planning for 13 June – which included plans for a 'Black Lives Matter' protest which did not go ahead - showed that they were mindful of criticism of the policing of the previous weekend's events. They also noted that the issuing of Fixed Penalty Notices had not led to crowd dispersal and were concerned that tensions would increase if they were to do so again.

Mrs Anderson said the situation had come about due to a failure by police to fully understand their human rights obligations.

Key Aim 4

To be accountable and ethical in the delivery of our service and use of public funds

The availability of appropriate funding for the work of the Police Ombudsman, particularly with respect to historic investigations, has been a longstanding strategic challenge for the organisation.

Consequently the Police Ombudsman set the following target for 2020/21. The Office had a target for 2020/21 *to secure adequate funding for our work through the development of business cases for departmental approval. Work continued throughout 2020/21 with the DoJ to secure approval and funding of the Office's most recent request for additional funding to support historic investigations. The budget for 2021/22 includes this additional funding for historic investigation with approval to recruit in late May 2021. This was accompanied by an indication that core funding would remain at a level similar to that of 2020/21 which will facilitate a re-alignment of existing current directorate structures.*

Inevitably during 2020/21 the focus of the SMT was often on the impact of Covid-19 and management of people and casework in a safe environment. A number of related targets were set including *ensuring plans for staff to return to the workplace (after lockdown) are implemented in line with relevant guidance, that opportunities are provided to address staff concerns regarding attending the workplace (after lockdown), assessing staffing levels to meet operational pressures post lockdown and implementing and reviewing business resumption plans in each Directorate.*

Following implementation of the organisation's business continuity plan in late March 2020, which included identification of those priority operational activities previously discussed and certain administrative support functions, a business resumption plan was developed by the SMT. This incorporated a range of physical measures within the Police Ombudsman's offices and introduction of policies and protocols designed to comply with Regulations and Guidance issued by the Northern Ireland Assembly with the aim of keeping service users, police officers with whom we engage and our own staff safe. As an example, the number of staff permitted to be present in the building varied in accordance with the Guidance and levels of 'lockdown' while ensuring social distancing and appropriate levels of operational efficiency and effectiveness were maintained throughout.

Despite the considerable challenges presented by the health emergency, the Office progressed two significant IT infrastructure projects. Targets for the year included *establishing a project board to ensure the successful on boarding to ESS during 2020/21, outlining a programme of work to enhance our IT infrastructure and IT capability to support the police complaints system and establishing a project board to ensure a revised Case Management System is delivered during 2021/22.* A project board was established to 'on board' to ESS by the end of 2020/21 and although there was a delay, arising from technical difficulties outwith the control of the Office, the organisation 'on boarded' on 30th April 2021. Similarly, a project board was established to oversee delivery of a new case handling system.

Unfortunately this project suffered a significant setback when 'Digital Development', a Northern Ireland Civil Service software development organisation, unexpectedly withdrew from the project in November 2020. As a result, procurement and implementation of a new system is unlikely prior to late 2022/23. The programme of work to further enhance IT infrastructure and capability will be carried forward as a priority target into 2021/22.

Regarding a target to *publish new complaints procedures and appoint an independent reviewer of complaints*, a review was completed of the complaints procedure and the organisation's first independent reviewer of complaints was appointed. The reviewer will perform an independent review of stage 3 customer services complaints

Regarding a target to *Ensure value for money in the new accommodation lease arrangements* the Office, in conjunction with DoJ and DoF obtained approval for a 10 year lease extension with a 5 year break clause.

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 2020/21 survey indicate that public awareness remains at a high level.

95% of respondents were aware of the Police Ombudsman. Of those respondents that had heard of the Police Ombudsman, 92% knew that the Office was independent of the police and 76% were either fairly confident or very confident that complaints are dealt with in an impartial way. In addition, 83% of respondents believed that the Police Ombudsman would help ensure that police in Northern Ireland do a good job.

Police Officer Satisfaction

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

The percentage of officers who felt that they had been treated fairly and with respect was high at 79% and 91% respectively.

Whilst it should be noted that there were other positive/negative messages from the survey in that 88% of officers felt that staff were easy to understand and 74% felt that staff were knowledgeable there is further work to be done to explore the reasons for the levels of dissatisfaction with the service provided. The survey results showed that 50% of officers were dissatisfied with the overall time to resolve the complaint and 49% of officers were dissatisfied with the frequency of progress updates.

Case Study

POLICE OFFICER SACKED OVER EXPLOITATIVE BEHAVIOUR TOWARDS VULNERABLE WOMAN

A police officer was dismissed following a Police Ombudsman investigation which found that the officer had 'demonstrated exploitative behaviour' by establishing a relationship with a vulnerable woman after calling at her home in response to a report of concern for her safety.

The woman, who had been recorded on police systems as being in a vulnerable state of mind, said she believed she had been targeted due to that vulnerability and had been 'used' by the officer.

The Police Ombudsman conducted an investigation into the circumstances and examined police records which showed that the officer knew that the woman was vulnerable when he initiated the relationship in February 2019.

When questioned by Police Ombudsman investigators, the officer claimed to have met the woman via a dating app, but said the relationship had ended before he met her through his police duties. This, however, was contradicted by evidence obtained from the officer's personal mobile phone which showed contact between the officer and the vulnerable woman only after he had attended the call at her home.

The Police Ombudsman recommended that the allegations about the officer should be heard at a misconduct hearing. This recommendation was accepted by the PSNI and after considering the evidence, the misconduct panel ruled that the officer should be immediately dismissed for 'gross misconduct'.

Complainant Satisfaction

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

The results at the end of 2020/21, showed that almost three quarters (73%) of complainants thought they had been treated with respect by the member of staff they had been dealing with and four in every five (80%) thought staff were easy to understand.

However 28% thought their complaint was dealt with independently and 23% 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.

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 about 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 2021 there were 101 complaints received, of which 99 related to requests for a review of the outcomes of investigations and two to quality of service issues. This represents an increase in the number of complaints from 75 in the year ended 31 March 2020 of which 57 were requests for review and 18 related to quality of service issue. It has not been possible to establish why there was such an increase in requests for review of the outcomes of investigations. The number of quality of service issues has substantially decreased.

Of the two service issues complained about one service complaint was withdrawn and the other service complaint was not upheld.

In respect of requests for a review of outcomes of investigations of the 99 matters, 22 remain ongoing. On five occasions following the review additional investigative actions were deemed to be appropriate. Five cases proceeded to the appeal stage and were subjected to further reviews which resulted in three cases being re-opened. The original decisions were upheld in the other two cases.

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 2020/21, 61% of the complaints received were from males and 39% from females. The age profile shows that 2% of complaints received were from a person aged under 18, just over two fifths (22%) were received from a person in each of the 25 to 34, 35 to 44 and 45 to 54 age groups. The community background question shows 45% of complaints received were from a Protestant community background and 36% from a Catholic community background. The remaining 19% indicated that they were from neither a Catholic or Protestant community background. Just over one third (34%) 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

Commitments and obligations of the Legal Directorate during the year were significantly impacted by the Covid-19 pandemic. The proposed Legacy Inquest Series that had been due to commence in April 2020 was considerably delayed. Inquests that the Office was scheduled to be involved in, did not progress to hearing during the year. Work continued however to prepare for these inquests and to meet the obligations on the Office as a Disclosure Provider.

This work is supported by a newly established Legacy Disclosure team within the Office, the role of which is to collate, consider and schedule potentially relevant material relating to these Inquests within appropriate timescales. A collaborative approach has been adopted to redaction of the documentation between the Office, the PSNI and the Coroner's Service in an effort to make this difficult and protracted task as effective as possible.

In June 2020, the Court of Appeal gave judgement in a Judicial Review by NI Retired Police Officers Association in relation to the powers of the Office. We welcome the clarity that this has provided. The Office continues to face significant challenges relating to progression of historic investigations. We are presently defending Judicial Review applications before the Court together with the Coroner's Office, the DoJ and the Secretary of State which relate 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.

There have also been challenges brought against current investigations of a procedural nature. One of these challenges relates to the referral of cases by the Chief Constable to the Office and another relates to effect given to the rights of police officers subject to a complaint. The Office welcomes the clarification of the Court in matters of process and statutory interpretation.

During the 2020/21 year, the Legal Directorate assisted the Police Ombudsman with the development of her statutory Five Year Review of legislation pertaining to the Office, detailing powers and functions.

This was a comprehensive review and it is hoped that legislative change and amendment will be progressed in due course following consultation.

The Office remains subject to complex third party disclosure applications, in both historic and current cases. This is a comprehensive and time consuming exercise for proceedings in which the Office is not directly involved. The Office will continue to deal with these applications in an effective and efficient manner however, where it appears that the information should be more appropriately sought from a direct party to the proceedings, the Office will make strenuous submissions in this regard.

The Office continues to assist and support the Coroner's Service in lengthy and complex current Inquests including where the deceased have died following contact with police. 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 2020/21 we held 17 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 42 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.

Budgetary Framework

DoF is responsible for management of the NI Executive Budget process in line with a budgetary framework set by Treasury. The total amount a department spends is referred to as the Total Managed Expenditure (TME); which is split into Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME).

HM Treasury sets firm limits for DEL budgets at each Spending Review. The NI Executive, based on advice from the Finance Minister, will in turn agree a local Budget that will set DEL controls for Executive departments and Arms Length Bodies.

DEL budgets are classified into resource budgets (which include non-ringfenced resource that pays for programme delivery and running costs and ringfenced resource that covers non-cash charges such as depreciation and impairment of assets) and capital budgets for spending on all other assets or investments.

HM Treasury and DoF do not set firm AME budgets as AME expenditure is volatile or demand-led in a way that departments and arm's length bodies cannot control.

The DoJ monitors AME forecasts closely and this facilitates reporting to DoF, who in turn report to Treasury.

The information contained within budgetary controls does not currently read directly to financial information presented in Financial Statements due to a number of misalignments. It is intended that the Executive's Review of Financial Process will help address these differences and improve transparency.

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

www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022.

The Office's performance against Budgetary Control totals is set out in the table below.

| | Final Plan 2020-21 £000 | Outturn 2020-21 £000 | Underspend / (Overspend) £000 |
|--|-------------------------------|----------------------------|-------------------------------------|
| Resource DEL | | | |
| <i>Non-ringfenced</i> | 9,816 | 9,462 | 354 |
| <i>Ringfenced Depreciation /Impairment</i> | 450 | 290 | 160 |
| Capital DEL | | | |
| <i>General Capital</i> | 128 | 39 | 89 |
| Total DEL | | | |
| AME | | | |
| <i>AME Resource</i> | 100 | 79 | 21 |
| <i>AME Capital</i> | | | |
| Total Managed Expenditure | 10,494 | 9,870 | 624 |

Case Study**OFFICER ACTED APPROPRIATELY IN CIRCUMSTANCES WHERE A MAN DIED FOLLOWING CONTACT WITH POLICE**

The Police Ombudsman conducted an investigation into the circumstances in which a man died following contact with the police. In the absence of a complaint from a member of the public, initiated an own-motion investigation.

In March 2018, a member of the public was handed a hand-written note by a passerby which indicated that the man who wrote it intended to jump into the River Lagan. The member of the public who was handed this note alerted police to its contents.

Police alerted local police crews with a description of the man, the contents of his note, his last known location and his direction of travel. Police crews were asked to stop this man on sight and the incident was treated as a 'Concern for Safety.

A police officer identified the man and spoke with him for approximately 20 minutes. After this, the officer recorded that he was satisfied that the man had no thoughts of self-harm or suicide at that time. The police officer asked police control for the telephone number of a support organisation for homeless and vulnerable people in Belfast and asked that city centre CCTV 'keep an eye on him' although CCTV operatives responded to say that other commitments would prevent them from tracking the man's movements.

Approximately one hour later, another member of the public contacted the police to advise that a man had handed him a suicide note. A police dispatcher liaised with the police officer who had earlier spoken with the man who confirmed that he was satisfied that the man had no thoughts of harming himself, that police records indicated that the man had threatened suicide on previous occasions but that he had no concerns for the man's safety at that time.

The next morning, the man's partner reported him as a missing person. Police asked the Coastguard to review CCTV footage at the Lagan Weir which confirmed that a man had entered the water on the previous night. The following day the man's body was recovered from the water and formally identified.

The Police Ombudsman's investigation sought to establish whether police contact with the man was appropriate and whether police had fulfilled their obligations to him. Police Ombudsman investigators obtained police records of the man's previous interactions with the police and reviewed relevant documentation including officers' notebook entries, body-worn video and recordings of police transmissions. Investigators also conducted interviews with police officers, staff and civilian witnesses.

The Police Ombudsman's investigation concluded that the police officer acted appropriately and proportionally in the lawful execution of his duty.

Explanation of Variances

The £354k underspend in relation to Non ring-fenced DEL was mainly as a result of challenges of recruitment and backfill for staff vacancies during Covid-19. As outlined earlier in this report the Office was significantly impacted by the Covid-19 pandemic. The Office anticipates a much closer alignment between outcome and final budget plan in the year ahead.

A large proportion of the Depreciation/Impairment DEL cost related to the leasehold interest in the building. As this is calculated after the year end based on market conditions it is difficult to estimate with precision the extent of the DEL budget required for this which can lead to variances.

The capital DEL variance relates to a planned capital upgrade which was unable to be procured within the year and which is carried over to 2021/22 financial year.

Long Term Expenditure Trends

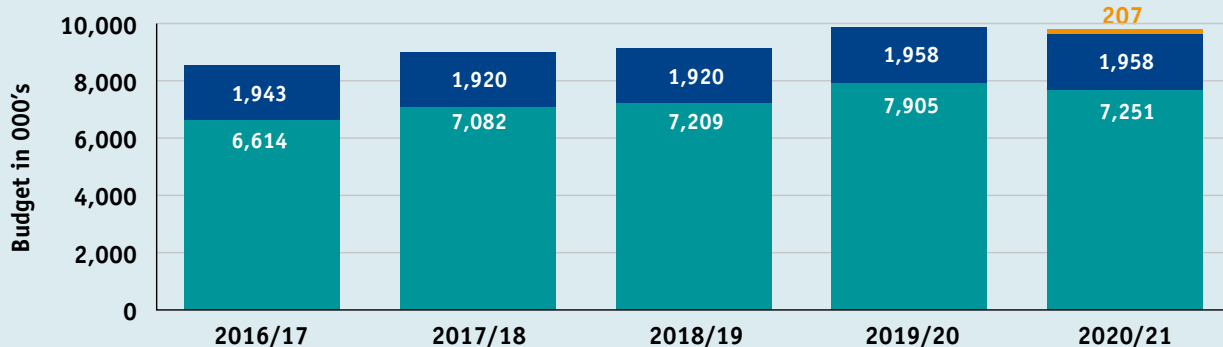
The Office as a Non Departmental Public Body is financed by public money. Therefore the overall

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 other significant matters from April 1998 onwards. In 2019/20 the Office received a budget including inflationary pressures and also a specific pressure for additional pension costs of £361k per annum. Although this may appear as a budgetary increase it was required in order to meet underlying costs increases – however the stabilisation of the budget was welcome after successive years of reductions to budget where pay and price inflation costs were not provided.

In the year to 2020/21 the Office has received a small amount of funding to support the development of a small dedicated team for the purposes of supporting the Lord Chief Justice's five year plan for legacy inquests. There is further recruitment ongoing to this team.

Budget by Financial Year £'000's



| | | | | | |
|-----------------------|-----------|-----------|-----------|-----------|-----------|
| History | 1,983,000 | 1,943,000 | 1,920,000 | 1,958,000 | 1,958,000 |
| Core | 6,749,000 | 6,614,000 | 6,556,000 | 6,555,000 | 7,261,000 |
| Legacy Inquest | | | | | 207,000 |

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.

In relation to historic investigations the Office has been clear for some time that we have not had adequate resources to investigate those matters in a timely manner. The future arrangements for dealing with the past in Northern Ireland are subject of much political discourse. It is anticipated that at some stage in the future this work may transfer from this Office. However until such times as that may occur the responsibility remains with the Office to investigate those matters. In recognition of that the Office has prepared and submitted a business case to the DoJ for additional resources to progress this work in a timelier manner in the interim period.

We are continuing to work with the DoJ to seek its approval but have been encouraged by the provision in our budget for 2021/22 of additional resource which would allow for the appointment of a further 16 staff to this team.

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 66 and 67 respectively. The Office incurred net operating expenditure for the year of £9,817,054 (£9,730,511 for year ended 31 March 2020). 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.

| | 2020/21 (99,316) | 2019/20 (34,147) | 2018/19 (90,389) |
|---|---------------------|---------------------|---------------------|
| Income (note 3) | | | |
| Expenditure | | | |
| Staff costs (note 5) | 7,638,611 | 7,444,420 | 7,081,590 |
| Other expenditure (note 6) | 1,908,663 | 2,026,221 | 2,005,082 |
| Other expenditure – non cash (note 6) | 369,096 | 294,017 | 521,595 |
| Total Operating Expenditure for the year | 9,916,370 | 9,764,658 | 9,608,267 |
| Total Net Operating Expenditure for the year | 9,817,054 | 9,730,511 | 9,517,878 |

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 majority of the expenditure by the Office is on staff costs. The table above records a significant increase in the overall expenditure in relation to staff costs from 2018/19 to 2020/21.

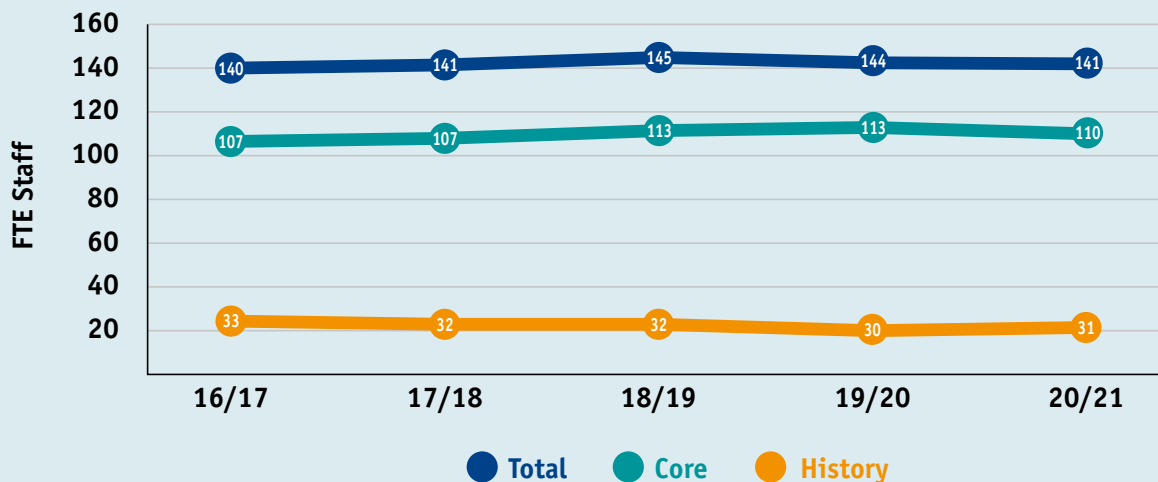
Over that period staff costs increased from £7,082k to £7,639k. This increase from 2018/19 to 2019/20 was derived largely from an increase in the employers cost of staff pensions. The Office identified this pension cost pressure to the DoJ and this was met by the DoJ by way of an increase to the baseline budget. The increased spend on staff from 2019/20 to 2020/21 is borne from increased pay costs and has not resulted in increased numbers of staff in post.

Other expenditure (excluding non cash) has reduced from £2,026k in 2019/20 to £1,909k in 2020/21. This is indicative of a year in which expenditure on normal business operations was not incurred at normal levels such as travel and subsistence

costs and other costs associated with the running of an office. Notwithstanding some expenditure on Covid-19 safe measures, there was a general reduction in non staff spend as a consequence of Covid-19 related impacts on the operation of the Office during the year.

The chart below reflects the allocation of staff between Historic investigations and other staff. The average FTE staff in post has decreased from 143.8 across 2019/20 to 140.8 across 2020/21. This was in part due to the challenges of recruitment during the pandemic to undertake recruitment exercises to fill positions which became vacant during the year.

Full Time Equivalent Staff in post by Financial Year



Financial Position

The total net assets of the Office as at 31 March 2021 were £488,753 (£855,638 as at 31 March 2020).

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 £207,184 at 31 March 2021 (£253,403 at 31 March 2020). The open market value of the leasehold interest in New Cathedral Buildings has been valued at £nil at 31 March 2021 (£nil at 31 March 2020). 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 2021 was 96.3% (99.7% for the year ended 31 March 2020).

The overall performance to pay within 30 days for the year ended 31 March 2021 was 98.2% (100% for the year ended 31 March 2020).

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.

Case Study

POLICE OFFICER SACKED OVER EXPLOITATIVE BEHAVIOUR TOWARDS VULNERABLE WOMAN

A police officer was dismissed following a Police Ombudsman investigation which found that the officer had 'demonstrated exploitative behaviour' by establishing a relationship with a vulnerable woman after calling at her home in response to a report of concern for her safety.

The woman, who had been recorded on police systems as being in a vulnerable state of mind, said she believed she had been targeted due to that vulnerability and had been 'used' by the officer.

The Police Ombudsman conducted an investigation into the circumstances and examined police records which showed that the officer knew that the woman was vulnerable when he initiated the relationship in February 2019.

When questioned by Police Ombudsman investigators, the officer claimed to have met the woman via a dating app, but said the relationship had ended before he met her through his police duties. This, however, was contradicted by evidence obtained from the officer's personal mobile phone which showed contact between the officer and the vulnerable woman only after he had attended the call at her home.

The Police Ombudsman recommended that the allegations about the officer should be heard at a misconduct hearing. This recommendation was accepted by the PSNI and after considering the evidence, the misconduct panel ruled that the officer should be immediately dismissed for 'gross misconduct'.

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 61 to 65.

The audit fee for the work performed by the staff of the C&AG during the reporting period was £13,750 which relates solely to the audit of these financial statements. The audit fee for the year ended 31 March 2020 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

17 June 2021

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 SMT. The executive management structure is as follows:

| | |
|-----------------------|---|
| Mrs M Anderson | Police Ombudsman |
| 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 |
| Mr D Hynds | Director of Current Investigation (until 30/04/2020) |
| Mr C Gartley | Director of Corporate Services (until 30/09/2020) |
| Mr D Moorehead | Director of Corporate Services (from 28/09/2020) |
| Mr T Gracey | Director of Information (until 31/12/2020) |
| 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 SMT and Non Executive members of the Audit and Risk Committee. No interests were identified which may cause a conflict of interest with management responsibilities. A copy of the register is available on request. In addition, the Office also has in place a Conflicts of Interest policy whereby staff are required to declare actual, perceived or potential conflicts of interest in order that these can be managed effectively.

Customer Complaints

There were 101 complaints received during the year within the Customer Complaints policy, 75 in the year to 31 March 2020. Further details are included in the performance report on page 27.

Data Handling

I am required to report personal data related incidents which occurred during the year ended 31 March 2021. 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. 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 DoJ has directed the Office of the Police Ombudsman for Northern Ireland to prepare for each financial year a statement of accounts 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 DoJ, 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 (FRoM) 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 DoJ 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 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 DoF.

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 about 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 DoJ and the Police Ombudsman is accountable to the Northern Ireland Assembly through the Minister of Justice. The Office of the Police Ombudsman is constituted and operated independently of the DoJ, the PSNI and the Northern Ireland Policing Board.

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 DoJ, 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 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 DoJ. 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. The Office has appointed two independent external members who took up post from April 2020 for an initial three year term with an option for a further two years. The outgoing independent external members of the Audit and Risk Committee, agreed to remain in post to oversee the completion of the Annual Report and Accounts for the year ended March 2020.

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 DoJ, the Head of Internal Audit and a representative from the Northern Ireland Audit Office (NIAO) as external auditor.

The Audit and Risk Committee has an established Terms of Reference which was last reviewed and updated in October 2020. 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 Accounting Officer.

Internal Audit

The Internal Audit service for the Office for the year to 31 March 2021 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. The Head of Internal Audit Annual Assurance report for the year ended 31 March 2021 provides overall satisfactory assurance.

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 DoJ. 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 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 DoF 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 SMT 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. Risk Management and Corporate Governance arrangements were last subject of audit during the 2018/19 year when satisfactory assurance was provided 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 DoJ to discuss Office performance against the objectives and targets set out in the Annual Business Plan. In addition, I keep the DoJ 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 SMT 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 2021 no conflicts of interest were declared in either the Audit and Risk Committee or in SMT meetings. None in the year to 31 March 2020.

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. 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.

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

Each risk has been assigned to a member of SMT who is designated with responsibility for ensuring the oversight of that risk. These key risks are prioritised by likelihood and impact and categorised as 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 SMT which is chaired by the Chief Executive meets on a regular basis throughout the year. During the financial year there were eight 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 | 8 |
| Olwen Laird, Chief Executive | 8 |
| Paul Holmes, Senior Director of Investigation | 8 |
| Julie Adams, Director of Historic Investigation | 7 |
| Susie Harper, Director Current Investigations | 8 |
| Louisa Fee, Director of Legal Services | 6 |
| David Moorehead, Temporary Director of Corporate Services (from 28/09/20) | 3 |
| Craig Gartley, Director of Corporate Services (until 30/09/20) | 4 |
| Tim Gracey, Director of Information (until 31/12/20) | 6 |

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:

| | |
|---|---|
| Leo O'Reilly, Non-Executive member | 4 |
| Peter Osborne, Non-Executive member | 4 |
| Marie Anderson, Police Ombudsman | 4 |
| Olwen Laird, Chief Executive | 4 |
| Craig Gartley, Director of Corporate Services | 1 |
| David Moorehead, Temporary Director of Corporate Services | 3 |
| DoJ, Sponsor Department | 4 |
| NICS Internal Audit Services | 4 |
| NIAO, External Auditor | 3 |
| Deloitte, External Audit Contractor | 4 |
| Frank Bryan, outgoing Non-Executive member | 2 |
| Bernard Mitchell, outgoing Non-Executive member | 2 |

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 2021 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 regular basis throughout the year between the sponsor Division of the DoJ and in line with the provisions of the MSFM to discuss and monitor performance against the Annual Business Plan throughout the year. During the 2020/21 year there were two meetings held. Additionally the Office responds to a significant number of requests for information and to the requirements to submit returns to the DoJ on a regular basis on a range of matters to satisfy the governance requirements of the DoJ. 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 were three key strategic risks facing the Office during 2020/21. These were:

- a risk that the budget allocated to the Office would be 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 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 DoJ. 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 pandemic had a significant impact on during the 2020/21 financial year. As has been described earlier in the report, when the pandemic was first declared staff could not access any IT system remotely and, as a consequence of social distancing, it was not possible to have all staff at work concurrently. This meant the Office was unable to operate at normal levels. This risk was addressed by securing approval of an onboarding business case and the necessary resources to move forward with on boarding to IT Assist. In addition during the year whilst work towards on boarding was in progress we secured access to a number of laptops in advance of on boarding that were made available staff to facilitate access to certain documents through a secure file share. This provided a greater capacity for staff to continue to work whilst not physically in the office building. The Office has since on boarded to IT Assist in April 2021.

Budget Position and Authority

The Assembly passed the Budget Act (Northern Ireland) 2021 in March 2021 which authorised the cash and use of resources for all departments for the 2020-21 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2021 also authorised a Vote on Account to authorise departments' access to cash

and use of resources for the early months of the 2021-22 financial year. This will be followed by the 2021-22 Main Estimates and the associated Budget (No. 2) Bill before the summer recess which will authorise the cash and resource balance to complete for the remainder of 2021-22 based on the Executive's 2021-22 Final Budget.

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 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 previous years. The areas subject to audit and the related assurance levels are as follows:

- Premises and Security (satisfactory)
- Statistics (satisfactory)
- Payroll/HR (satisfactory)
- Property Handling Policy (Satisfactory)
- Procurement/Contract Management (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 SMT 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 remit for the Northern Ireland public sector, including senior civil servants is approved by the Minister of Finance. The Minister has set the 2020-21 NI public sector pay policy (September 2020) in line with the overarching HMT parameters. Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for staff in the Office is aligned to NICS pay. The NICS pay award, including SCS staff, has now been finalised for 2020-21 but has not yet been paid.

The pay of NICS staff and SCS staff is based on a system of pay scales for each grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance.

The Office is not involved in NICS pay negotiations. Performance of staff is appraised by line managers against agreed objectives and targets.

Service Contracts

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.

The Non Executive Members of the Audit and Risk Committee during 2020/21 were Mr L O'Reilly and Mr P Osbourne, who 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). In addition, in light of the Covid-19 pandemic, Mr Bryan and Mr Mitchell who were the outgoing Non Executive Members of the Audit and Risk Committee agreed to continue to serve as Non Executive Members until the 2019/20 accounts were signed. Their last meeting was in September 2020. They were also remunerated at an hourly rate of £60/hr.

The following sections provide details of the remuneration and pension interests of the Police Ombudsman, the Accounting Officer/Chief Executive, members of the SMT 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 and pension entitlements (AUDITED INFORMATION)

| Official | Salary (£'000) | | Benefits in Kind (to nearest £100) | | Pension Benefit (to nearest £1000) | | Total (£'000) | |
|--|--|---|---------------------------------------|---------|---------------------------------------|---------|---------------|-----------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Marie Anderson <i>Police Ombudsman</i> (from 16 July 2019) | 140 – 145 | 95 – 100 (140 – 145 full year equivalent) | - | - | 68 | 39 | 205 – 210 | 135 – 140 |
| Dr Michael Maguire <i>Police Ombudsman</i> (until 15 July 2019) | - | 40 – 45 (140 – 145 full year equivalent) | - | - | - | 62 | - | 100 – 105 |
| Olwen Laird <i>Chief Executive</i> | 95 – 100 | 90 – 95 | - | - | 57 | 98 | 150 – 155 | 185 – 190 |
| Paul Holmes ¹ <i>Senior Director of Investigation</i> | 75 – 80 | 70 – 75 | - | - | - | 16 | 75 – 80 | 85 – 90 |
| Julie Adams ¹ <i>Director of Investigation</i> | 60 – 65 | 55 – 60 | - | - | - | - | 60 – 65 | 55 – 60 |
| Susan Harper ¹ <i>Director of Investigation</i> (from 3 February 2020) | 55 – 60 | 5 – 10 (55 – 60 full year equivalent) | - | - | - | 4 | 55 – 60 | 10 – 15 |
| David Hynds ¹ <i>Director of Investigation</i> (until 30 April 2020) | 0 – 5 | 55 – 60 | - | - | - | 15 | 0 – 5 | 70 – 75 |
| Louisa Fee <i>Director of Legal Services</i> | 45 – 50 | 45 – 50 | - | - | 19 | 22 | 60 – 65 | 70 – 75 |
| Craig Gartley ² <i>Director of Corporate Services</i> (3 June 2019 to 30 September 2020) | 20 – 25 (45 – 50 full year equivalent) | 40 – 45 (45 – 50 full year equivalent) | - | - | 12 | 2 | 35 – 40 | 40 – 45 |
| Paula Gillespie <i>Director of Corporate Services</i> (until 30 June 2019) | - | 15 – 20 (45 – 50 full year equivalent) | - | - | - | 18 | - | 30 – 35 |
| Tim Gracey <i>Director of Information</i> (until 31 December 2020) | 40 – 45 (50 – 55 full year equivalent) | 55 – 60 | - | - | 7 | 9 | 45 – 50 | 60 – 65 |
| Non-Executive Audit and Risk Committee Members | | | | | | | | |
| Leo O'Reilly (from 1 April 2020) | 0 – 5 | - | - | - | - | - | 0 – 5 | - |
| Peter Osborne (from 1 April 2020) | 0 – 5 | - | - | - | - | - | 0 – 5 | - |
| Frank Bryan (until 28 September 2020) | 0 – 5 | 0 – 5 | - | - | - | - | 0 – 5 | 0 – 5 |
| Bernard Mitchell (until 28 September 2020) | 0 – 5 | 0 – 5 | - | - | - | - | 0 – 5 | 0 – 5 |

- Julie Adams contributes to a partnership pension arrangement and as such there is no relevant pension benefit disclosure. Paul Holmes, Susan Harper and David Hynds moved to a partnership pension arrangement in 2020/21 and as such there are no relevant pension benefit disclosures for 2020/21.
- Craig Gartley left the Office on 30 September 2020. He was replaced by David Moorehead who was engaged through an agency on a contract for services. His remuneration is based on the NICS Grade 7 pay scale which is currently £49,806 to £54,588.

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 2021 (nil for the year ended 31 March 2020).

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 2021 (nil for the year ended 31 March 2020).

Pay Multiples

| | 2020-21 | 2019-20 |
|--|----------|----------|
| Police Ombudsman’s Total Full Time Equivalent Remuneration * | £143,095 | £140,289 |
| Median Total Remuneration * | 33,643 | £33,113 |
| Ratio | 4.25 | 4.24 |

* 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.

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. The Ombudsman’s remuneration was £143,095 (2019/20 - £140,289). This was 4.25 times (2019/20 4.24 times) the median remuneration of the workforce, which was £33,643 (2019/20 £33,113).

No employee of the Office of the Police Ombudsman received remuneration in excess of the Police Ombudsman during either the year ended 31 March 2021 or the year ended 31 March 2020.

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 £21,370 to £143,095. (2019/20 - £20,951 to £140,289).

The pay multiple has only marginally changed from 4.24 in the year ended 31 March 2020 to 4.25 for the year ended 31 March 2021. 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.

Pension Entitlements (AUDITED INFORMATION)

| | Accrued pension at pension age as at 31/03/21 and related lump sum £'000 | Real increase in pension and related lump sum at pension age £'000 | CETV at 31/3/21 £'000 | CETV at 31/3/20 £'000 | Real increase in CETV £'000 | Employer contribution to partnership pension account (Nearest £100) |
|---|---|---|--------------------------|--------------------------|--------------------------------|---|
| Marie Anderson <i>Police Ombudsman</i> | 25 – 30 | 2.5 – 5.0 | 420 | 348 | 48 | N/A |
| Olwen Laird <i>Chief Executive</i> | 35 – 40 | 2.5 – 5.0 | 600 | 541 | 35 | N/A |
| Paul Holmes ³ <i>Senior Director of Investigation</i> | N/A | N/A | N/A | N/A | N/A | 13,600 |
| Julie Adams ³ <i>Director of Investigation</i> | N/A | N/A | N/A | N/A | N/A | 8,400 |
| Susan Harper ³ <i>Director of Investigation</i> | N/A | N/A | N/A | N/A | N/A | 12,000 |
| Louisa Fee <i>Director of Legal Services</i> | 0 – 5 | 0 – 2.5 | 37 | 25 | 9 | N/A |
| David Moorehead <i>Director of Corporate Services</i> | N/A | N/A | N/A | N/A | N/A | 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 | 163 | 151 | 6 | N/A |
| Craig Gartley <i>Director of Corporate Services</i> | 5 – 10 | 0 – 2.5 | 65 | 57 | 4 | N/A |
| Non Executive Audit and Risk Committee Members | | | | | | |
| Leo O'Reilly | N/A | N/A | N/A | N/A | N/A | N/A |
| Peter Osborne | N/A | N/A | N/A | N/A | N/A | N/A |
| Frank Bryan | N/A | N/A | N/A | N/A | N/A | N/A |
| Bernard Mitchell | N/A | N/A | N/A | N/A | N/A | N/A |

Northern Ireland Civil Service Pensions

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

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date.

Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate is 2.32%.

³ Paul Holmes, Julie Adams and Susan Harper opted to contribute to a partnership pension. The disclosure for such pension arrangements is the Employer Contribution only.

Discrimination identified by the courts in the way that the 2015 pension reforms were introduced must be removed by the DoF. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relates to the different schemes eg classic, alpha etc and is not the monetary benefits received. This is known as the 'McCloud Remedy' and will impact many aspects of the Civil Service Pensions schemes including the scheme valuation outcomes. Further information on this will be included in the NICS pension scheme accounts which are available at www.finance-ni.gov.uk/publications/dof-resource-accounts.

Currently new entrants joining can choose between membership of alpha or joining a '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.

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).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Scheme Pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**. The normal scheme 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.

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 2020 was 0.5% and HM Treasury announced that public service pensions will be increased accordingly from April 2021.

Employee contributions for all members for the period covering 1 April 2021 to 31 March 2022 are as follows:

| Annualised Rate of Pensionable Earnings (Salary Bands) | | Contribution rates - all members |
|--|-------------|-------------------------------------|
| From | To | 1 April 2021 to 31 March 2022 |
| £0 | £24,199.99 | 4.6% |
| £24,200.00 | £55,799.99 | 5.45% |
| £55,800.00 | £153,299.99 | 7.35% |
| £153,300.00 and above | | 8.05% |

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 2021 (£nil for the year ended 31 March 2020).

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 SMT or former Police Ombudsman for the year ended 31 March 2021 (£nil for the year ended 31 March 2020).

Off Payroll Payments

(This section is subject to audit)

The Office had no off-payroll engagements during the year to 31 March 2021. None in the financial year ended March 2020.

Staff Costs

(This section is subject to audit)

| | 2020-21 | 2019-20 |
|--|------------------|------------------|
| Amounts payable in respect of directly employed staff | | |
| Wages and Salaries | 4,455,185 | 4,308,892 |
| Social Security Costs | 448,794 | 455,262 |
| Employer's pension costs | 1,229,450 | 1,258,873 |
| Total direct employee staff costs | 6,133,429 | 6,023,027 |
| Less recoveries of outward secondments | (89,316) | (34,147) |
| Total net costs | 6,044,113 | 5,988,880 |
| Amounts payable in respect of staff on secondment, agency workers, temporary and contract staff | | |
| | 1,505,182 | 1,421,393 |
| Total Staff costs | 7,549,295 | 7,410,273 |

Police Ombudsman Remuneration

The Police Ombudsman was appointed on the judicial scale 6.1. During the course of the year the scale was renamed as 5.2 and the scale pay point increased by 2% from £140,289 to £143,094. Approval to implement the uplifted pay point was received in March 2021 and implemented in April 2021 payroll. As such the Police Ombudsman was remunerated throughout the year ended March 2021 at £140,289. Pay arrears of £2,806 have been accrued in the accounts. The Police Ombudsman's total remuneration, including benefits in kind, but excluding pension contributions, was £143,094.

The Police Ombudsman did not receive any benefits in kind during the year nor for year ended 31 March 2020.

The Police Ombudsman is a member of the Northern Ireland Civil Service (NICS) Pension arrangements. For the year ended 31 March 2021, £47,979 was payable by the Office in respect of the Police Ombudsman's pension contributions (£47,979 for the year ended 31 March 2020).

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

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

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. DoF have also commissioned a consultation in relation to the Cost Cap Valuation which will close on 25 June 2021. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. On completion of the consultation the 2016 Valuation will be completed and the final cost cap results will be determined.

For the year ended 31 March 2021, employers' contributions of £1,371,354 were payable to the NICS pension arrangements (£1,408,158 for the year ended 31 March 2020) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £44,392 (2019-20 £26,395) 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% (2019-20, 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 £1,269, 0.5% (2019-20 £950, 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.

There were no ill health retirements during the year to 31 March 2021. During 2019-20 one person retired early on the basis of ill-health and the total additional accrued pension liabilities in that year amounted to £8,499.

Average number of persons employed (This section is subject to audit)

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

| | 2020-21 | 2019-20 |
|--|------------|------------|
| Directly employed permanent Police Ombudsman Staff | | |
| Management and executive | 7 | 8 |
| Administrative and support | 26 | 27 |
| Complaints and Investigation | 80 | 81 |
| Seconded, agency worker, temporary and contract staff | | |
| Management and executive | 1 | - |
| Administrative and support | 5 | 5 |
| Complaints and Investigation | 22 | 23 |
| Total Average number of full time equivalent persons | 141 | 144 |

During the year to 31 March 2021, the average number of persons employed by the Office was 141. Over the same period there were 14 leavers and 11 new starts, The staff turnover during the year was 10%.

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.

| | 2020-21 | 2019-20 |
|----------------|---------|---------|
| SCS Payscale 2 | 1 | 1 |
| SCS Payscale 1 | 1 | 1 |

Sickness Absence

For the year ended 31 March 2021, the Office had a target sickness absence of not greater than 4%. The actual rate of sickness absence for the year was 1.7%. This represented a significant decrease in the overall rate of sickness absence from 5.7% for the year ended 31 March 2020.

It has not been possible to establish why the rate of sickness has fallen so significantly over the reporting period, however it is of note that during this period staff were for large periods of time restricted in their ability to attend the workplace and limited in their ability to work effectively from home. There are a number of potential explanations for the reduction in sickness absence over the period. It may have been that staff were less sick as social distancing measures restricted transmission of illnesses which would previously be a cause of sickness. It is also possible that days that staff might have felt able to continue to work at home where as previously they may have stayed off work to avoid transmitting an illness to a colleague. It is also the possibility that days that may otherwise have taken as sickness absence by staff were recorded as been off due to social distancing requirements.

Each year, 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. It may be inappropriate however to draw a strong conclusion from this data in light of the variation in sickness absence experienced by the Office from last year to this.

The target of 4% absence which has been in place for a number of years remains in place until it can be established if the pandemic and alternative ways of working have resulted in a systemic reduction in sickness absence.

Expenditure on Consultancy

The Office incurred £nil on consultancy during the year ended 31 March 2021, (£5,400 for the year ended 31 March 2020).

Developing our people

The major focus in the 2020/21 year was the roll out of our College of Policing accredited Professionalising Investigations Programme (PIP).

The first cohort attended one week of a five week programme in March before Covid-19 and national lock-down forced an unplanned break of five months. By working with our training provider and guest speakers we were able to utilise existing and emerging technology to successfully resume and complete delivery of the classroom training in October.

Covid-19 has undoubtedly brought it's challenges to the provision of training to the office but it has also provided opportunities. It is evident that training providers have embraced the new technologies and their offerings are now more readily available, easily accessible and cost effective than the traditional face-to-face delivery. This was particularly evident to us in the delivery of Assessor Skills to staff who will play a vital role in ensuring that our PIP Cohort are assessed to robust investigative standards. We continue to work with the team at Skills For Justice in the ongoing development of our Assessors and our Internal Quality Assurance process.

Training and Development

Courtroom Skills and Giving Evidence, Open Source Investigations, Interview Adviser, RIPA Legislation Update and Freedom of Information Practitioner are all examples of training activities which have been delivered virtually in 2020/21 and received very positive feedback from our staff. With an acceptance that flexible and home-working would be a key feature of working practices, Protecting Data While Home Working was an important addition to our suite of mandatory eLearning packages this year and a recognition by the Office of the importance of security of information in our role.

We recognise that perhaps some of the biggest challenges will be those face by line managers in continuing to manage teams who are now equipped to connect remotely to our systems and no longer need to be present in the office. With this in mind, Managing a Remote Workforce was a well-received and thought provoking course attended by line managers this year.

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 2021 shows that excluding employees from a non determined background 51.7% are Protestant and 48.3% are Roman Catholic. The profile of staff at 1 January 2020 showed that 52.1% were Protestant and 47.9% were Roman Catholic.

In relation to gender composition the overall profile of staff at 1 January 2021 also shows that 42.4% were male and 57.6% were female (43.8% were male and 56.2% were female at 1 January 2020). As at 1 January 2021 there were six members of SMT, two of whom were male (33%), four were female (67%).

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 2021, none for the year ended 31 March 2020.

Fees and Charges

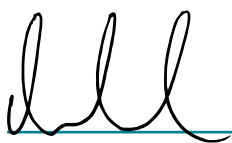
(This section is subject to audit)

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 87 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 2021, none for the year ended 31 March 2020.



Olwen Laird

Chief Executive Officer

17 June 2021

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

Opinion on financial statements

I certify that I have audited the financial statements of the Police Ombudsman for Northern Ireland for the year ended 31 March 2021 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. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union and interpreted by the Government Financial Reporting Manual.

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 2021 and of the Police Ombudsman for Northern Ireland's 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements 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 the Police Ombudsman for Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Police Ombudsman for Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police Ombudsman for Northern Ireland's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Police Ombudsman for Northern Ireland is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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

Other Information

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of 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.

Matters on which I report by exception

In the light of the knowledge and understanding of the Police Ombudsman for Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

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

Responsibilities of the Accounting Officer for the financial statements

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud of error; and

- assessing the Police Ombudsman for Northern Ireland's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Police Ombudsman for Northern Ireland will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the 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 reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

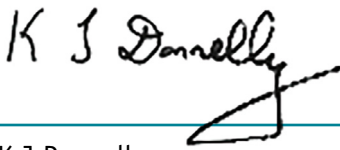
- obtaining an understanding of the legal and regulatory framework applicable to the Police Ombudsman for Northern Ireland through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Police (Northern Ireland) Act 1998 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010;
- making enquires of management and those charged with governance on the Police Ombudsman for Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Police Ombudsman for Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate the risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the 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.

Report

I have no observations to make on these financial statements.



K J Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Galwally
BELFAST
BT8 6RB

21 June 2021

Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

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 | 2020-2021 £ | 2019-2020 £ |
|---|------|------------------|------------------|
| Income | | | |
| Other Operating Income | 3 | (99,316) | (34,147) |
| Total Operating Income | | (99,316) | (34,147) |
| Expenditure | | | |
| Staff costs | 5 | 7,638,611 | 7,444,420 |
| Depreciation and revaluation/impairment charges | 6 | 289,817 | 206,958 |
| Provision expense | 6 | 79,279 | 87,059 |
| Other operating expenditure | 6 | 1,908,663 | 2,026,221 |
| Total Operating Expenditure | | 9,916,370 | 9,764,658 |
| Net Operating Expenditure | | 9,817,054 | 9,730,511 |
| Other Comprehensive Net Expenditure | | | |
| Items that will not be reclassified to net operating expenditure: | | | |
| Net gain on revaluation of Property Plant | 7 | (1,083) | (1,041) |
| Net gain on revaluation of Intangibles Assets | 8 | (14,086) | - |
| Comprehensive Net Expenditure for the year | | 9,801,885 | 9,729,470 |

The notes on the pages 70 to 88 form part of these accounts

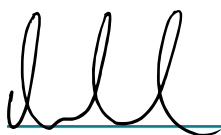
Statement of Financial Position as at 31 March 2021

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 2021 £ | As at 31 March 2020 £ |
|--|------|--------------------------|--------------------------|
| Non-current assets: | | | |
| Property, plant & equipment | 7 | 566,688 | 683,490 |
| Intangible assets | 8 | 395,201 | 514,330 |
| Trade and other receivables | 9 | 5,969 | 2,212 |
| Total non-current assets | | 967,858 | 1,200,032 |
| Current assets: | | | |
| Trade and other receivables | 9 | 224,285 | 242,203 |
| Cash and cash equivalents | 10 | 216,756 | 347,584 |
| Total current assets | | 441,041 | 589,787 |
| Total assets | | 1,408,899 | 1,789,819 |
| Current liabilities: | | | |
| Trade and other payables | 11 | (766,526) | (837,595) |
| Provisions | 12 | (153,620) | (96,586) |
| Total current liabilities | | (920,146) | (934,181) |
| Total assets less current liabilities | | 488,753 | 855,638 |
| Total assets less liabilities | | 488,753 | 855,638 |
| Taxpayers' equity and other reserves: | | | |
| General reserve | | 225,237 | 607,291 |
| Revaluation reserve | | 263,516 | 248,347 |
| Total equity | | 488,753 | 855,638 |

The notes on pages 70 to 88 form part of these accounts

The financial statements on pages 66 to 69 were approved and authorised for issue by:



Olwen Laird

Chief Executive

17 June 2021

Statement of Cash Flows for the year ended 31 March 2021

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 | 2020-2021 £ | 2019-2020 £ |
|---|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Net Operating Expenditure for the year | | (9,817,054) | (9,730,511) |
| Adjustments for non-cash transactions | 6 | 369,096 | 294,017 |
| Decrease/(increase) in trade and other receivables | 9 | 14,161 | (86,736) |
| (Decrease)/increase in trade and other payables | 11 | (71,069) | 276,074 |
| Movements in payables relating to items not passing through the Net Expenditure Account | 7, 8 | 200,837 | (239,101) |
| Use of provisions | 12 | (22,245) | (338,973) |
| Net cash outflow from operating activities | | (9,326,274) | (9,825,230) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 7 | (100,882) | (151,696) |
| Purchase of intangible assets | 8 | (138,672) | (80,529) |
| Net cash outflow from investing activities | | (239,554) | (232,225) |
| Cash flows from financing activities | | | |
| Grant-in-Aid to fund resource expenditure | | 9,394,000 | 9,863,000 |
| Grant-in-Aid to fund capital expenditure | | 41,000 | 494,000 |
| Net financing | | 9,435,000 | 10,357,000 |
| Net (decrease)/increase in cash and cash equivalents in the period | 10 | (130,828) | 299,545 |
| Cash and cash equivalents at the beginning of the period | 10 | 347,584 | 48,039 |
| Cash and cash equivalents at the end of the period | 10 | 216,756 | 347,584 |

The notes on pages 70 to 88 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

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 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 |
| Changes in Taxpayers' Equity for 2020-21 | | | |
| Grant-in-Aid to fund resource expenditure | 9,394,000 | - | 9,394,000 |
| Grant-in-Aid to fund capital expenditure | 41,000 | - | 41,000 |
| Comprehensive net expenditure for the year | (9,803,304) | 15,169 | (9,788,135) |
| Auditors remuneration | (13,750) | - | (13,750) |
| Balance at 31 March 2021 | 225,237 | 263,516 | 488,753 |

The notes on pages 70 to 88 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2020-21 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 2021 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 is no longer VAT registered. All transactions are therefore stated inclusive of 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 lease of the building was renewed on 1st July 2020 for a 10 year period with the option of a break clause after 5 years.

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 48 to 59. 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 2020-21 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 2020 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 IASB issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014. |
| IFRS 11 - Joint Arrangements | Accounting boundary IFRS are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by 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 2022-23, 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 these Standards.' |
| IFRS 12 - Disclosure of Interests in Other Entities | |

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 | 2022-23 |
| Description of Revision | <p>The IASB issued IFRS 16 in January 2016 with an effective date for annual periods beginning on or after 1 January 2019. Early application is permitted for those entities applying IFRS 15.</p> <p>IFRS 16 represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. A lessee is required to recognise assets and liabilities for all leases, 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 2022. |

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

| | 2020-2021 £ | 2019-2020 £ |
|-------------------------------|----------------|----------------|
| Other Operating Income | | |
| Secondment income | 89,316 | 34,147 |
| Income from Services Provided | 10,000 | - |
| Total Income | 99,316 | 34,147 |

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 | 7,352,875 | 1,880,221 | 523,177 | 160,097 | 9,916,370 |
| Income from Secondments and services | (99,316) | - | - | - | (99,316) |
| Net Operating expenditure 2020-21 | 7,253,559 | 1,880,221 | 523,177 | 160,097 | 9,817,054 |
| Gross Expenditure | 7,272,777 | 1,872,777 | 610,523 | 8,581 | 9,764,658 |
| Income from Secondments | (34,147) | - | - | - | (34,147) |
| Net Operating expenditure 2019-20 | 7,238,630 | 1,872,777 | 610,523 | 8,581 | 9,730,511 |

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

| | 2020-2021 £ | 2019-2020 £ |
|--|------------------|------------------|
| Amounts payable in respect of directly employed staff | | |
| Wages and salaries | 4,455,185 | 4,308,892 |
| Social security costs | 448,794 | 455,262 |
| Employer's pension contributions | 1,229,450 | 1,258,873 |
| Total direct employee staff costs | 6,133,429 | 6,023,027 |
| Amounts payable in respect of staff on secondment, agency/ temporary staff and contract staff | 1,505,182 | 1,421,393 |
| Sub Total Staff Costs | 7,638,611 | 7,444,420 |
| Less recoveries in respect of outward secondments | (89,316) | (34,147) |
| Total net staff costs | 7,549,295 | 7,410,273 |

Further details on staff costs can be found in the Remuneration and Staff Report on pages 48 - 59 of the Accountability Report.

6. Other Expenditure

| | | 2020-2021 | | 2019-2020 | |
|---|------|-----------|------------------|-----------|------------------|
| | Note | £ | £ | £ | £ |
| Travel and subsistence | | 26,079 | | 99,625 | |
| Training, recruitment and other personnel costs | | 359,439 | | 498,893 | |
| Rates, maintenance, electricity and other accommodation costs | | 437,665 | | 448,991 | |
| Legal costs & internal audit | | 16,771 | | 17,438 | |
| Information and media | | 75,123 | | 62,933 | |
| Printing, stationery, postage and office equipment | | 60,054 | | 76,868 | |
| Direct case investigation costs | | 115,066 | | 121,736 | |
| Computer support including maintenance and telecommunications | | 342,854 | | 329,953 | |
| Other costs | | 36,290 | | 54,988 | |
| Operating leases - buildings | | 406,271 | | 282,000 | |
| Operating leases - other | | 19,301 | | 19,296 | |
| Auditors remuneration and expenses | | 13,750 | | 13,500 | |
| | | | 1,908,663 | | 2,026,221 |
| Non cash items: | | | | | |
| Provisions - provided in year | 12 | 100,423 | | 115,703 | |
| Provisions - released in year not required | 12 | (21,144) | | (28,644) | |
| Depreciation and amortisation of assets: | | | | | |
| Property, plant and equipment | 7 | 155,121 | | 270,532 | |
| Intangible assets | 8 | 142,744 | | 117,803 | |
| Revaluation of assets - gains: | | | | | |
| Property, plant and equipment | 7 | (2,463) | | - | |
| Intangible assets | 8 | (1,857) | | - | |
| Impairment of leasehold interest | 7 | (3,728) | | (181,377) | |
| | | | 369,096 | | 294,017 |
| Total expenditure | | | 2,277,759 | | 2,320,238 |

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

| 2020-2021 | Buildings, leasehold improvements £ | Furniture & fittings £ | Information technology £ | Total £ |
|--|--|------------------------------|--------------------------------|------------------|
| Cost or valuation | | | | |
| At 1 April 2020 | 253,403 | 504,995 | 952,824 | 1,711,222 |
| Additions | (1,680) | - | 32,725 | 31,045 |
| Revaluations | (44,539) | 7,806 | 7,109 | (29,624) |
| At 31 March 2021 | 207,184 | 512,801 | 992,658 | 1,712,643 |
| Depreciation | | | | |
| At 1 April 2020 | - | 405,040 | 622,692 | 1,027,732 |
| Charged in year | 48,267 | 20,506 | 86,348 | 155,121 |
| Revaluations/Back log | (48,267) | 6,723 | 4,646 | (36,898) |
| At 31 March 2021 | - | 432,269 | 713,686 | 1,145,955 |
| Net book value at 31 March 2021 | 207,184 | 80,532 | 278,972 | 566,688 |
| Net book value at 31 March 2020 | 253,403 | 99,955 | 330,132 | 683,490 |

| 2019-2020 | 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 |

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 £207,184 as at 31 March 2021 (£253,403 as at 31 March 2020). The open market valuation at that date was £nil (£nil at 31 March 2020).

All other assets were re-valued on the basis of the latest available indices, as at 31 March 2021. This has resulted in an overall increase in valuation/write down of impairment of £7,274 as at 31 March 2021, which has been analysed below.

| Analysis of property, plant and equipment revaluations | Revaluation Reserve £ | 2020-2021 | Revaluation Reserve £ | 2019-2020 |
|--|--------------------------|--|--------------------------|--|
| | | Comprehensive Expenditure Account £ | | Comprehensive Expenditure Account £ |
| Fixtures & fittings | 1,083 | - | 1,041 | - |
| Information technology | - | 2,463 | - | - |
| | 1,083 | 2,463 | 1,041 | - |

| Analysis of property, plant and equipment write down of impairment | Revaluation Reserve £ | 2020-2021 | Revaluation Reserve £ | 2019-2020 |
|--|--------------------------|--|--------------------------|--|
| | | Comprehensive Expenditure Account £ | | Comprehensive Expenditure Account £ |
| Buildings - leasehold improvements | - | 3,728 | - | 181,377 |

| Analysis of tangibles payments | Note | 2020-2021 | 2019-2020 |
|--|------|----------------|----------------|
| | | £ | £ |
| Tangibles additions | | 31,045 | 259,797 |
| Decrease/(Increase) in accruals related to tangibles | 11 | 69,837 | (108,101) |
| Total cash payments for tangibles | | 100,882 | 151,696 |

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).

| 2020-2021 | Information technology, case handling system £ | Software licences £ | Total £ |
|--|--|---------------------------|------------------|
| Cost or valuation | | | |
| At 1 April 2020 | 1,930,784 | 793,875 | 2,724,659 |
| Additions | 7,672 | - | 7,672 |
| Revaluations | 22,055 | 5,923 | 27,978 |
| At 31 March 2021 | 1,960,511 | 799,798 | 2,760,309 |
| Amortisation | | | |
| At 1 April 2020 | 1,665,383 | 544,946 | 2,210,329 |
| Charged in year | 72,316 | 70,428 | 142,744 |
| Revaluation/Back log | 7,969 | 4,066 | 12,035 |
| At 31 March 2021 | 1,745,668 | 619,440 | 2,365,108 |
| Net book value at 31 March 2021 | 214,843 | 180,358 | 395,201 |
| Net book value at 31 March 2020 | 172,807 | 247,797 | 420,604 |

| 2019-2020 | 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 |
| 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 |
| 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 |

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.

| | 2020-2021 | | 2019-2020 | |
|---|-----------------------------|--|-----------------------------|--|
| | Revaluation Reserve £ | Comprehensive Expenditure Account £ | Revaluation Reserve £ | Comprehensive Expenditure Account £ |
| Analysis of intangible revaluations | | | | |
| Information technology (case handling system) | 14,086 | - | - | - |
| Software licences | - | 1,857 | - | - |
| | <u>14,086</u> | <u>1,857</u> | <u>-</u> | <u>-</u> |

| Analysis of intangibles payments | Note | 2020-2021 £ | 2019-2020 £ |
|--|------|----------------|----------------|
| Intangibles additions | | 7,672 | 211,529 |
| Decrease/(Increase) in accruals related to intangibles | 11 | 131,000 | (131,000) |
| Total cash payments for intangibles | | 138,672 | 80,529 |

9. Trade Receivables, Financial and Other Assets

| | 2020-2021 £ | 2019-2020 £ |
|--|----------------|----------------|
| Amounts falling due within one year: | | |
| Deposits and advances | - | 800 |
| Prepayments and accrued income | 224,285 | 241,403 |
| | 224,285 | 242,203 |
| Amounts falling due after more than one year: | | |
| Prepayments and accrued income | 5,969 | 2,212 |
| Total | 230,254 | 244,415 |

10. Cash and cash Equivalents

| | 2020-2021 £ | 2019-2020 £ |
|--|----------------|----------------|
| Balance as at 1 April | 347,584 | 48,039 |
| Net changes in cash and cash equivalents | (130,828) | 299,545 |
| Balance at 31 March | 216,756 | 347,584 |
| The following balances were held at: | | |
| Commercial banks and cash in hand | 216,756 | 347,584 |
| Balance at 31 March | 216,756 | 347,584 |

11. Trade Payables, Financial and Other Liabilities

| | 2020-2021 £ | 2019-2020 £ |
|---|----------------|----------------|
| Amounts falling due within one year: | | |
| Trade payables | 561 | 13,738 |
| Employee benefit accrual | 358,765 | 171,949 |
| Accruals and deferred income | 407,200 | 651,908 |
| Total | 766,526 | 837,595 |

Total of Trade Payables & Other Current Liabilities includes £38,264 for capital creditors/accruals (£239,101 in 2019-20).

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

12. Provisions for Liabilities and Charges

| | 2020-2021 £ | 2019-2020 £ |
|--------------------------------------|----------------|----------------|
| Balance at 1 April | 96,586 | 348,500 |
| Provided in the year | 100,423 | 115,703 |
| Provisions not required written back | (21,144) | (28,644) |
| Provisions utilised in the year | (22,245) | (338,973) |
| Balance at 31 March | 153,620 | 96,586 |

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 2021 the Office had fourteen ongoing cases with an overall provision of £153,620. The provision which has been calculated in respect of these matters is £40,148 for four Judicial Reviews, £103,000 for nine civil actions and £10,472 for one employment matter. For the majority of these cases the provision relates to the legal costs incurred in defending these matters. At 31 March 2020 the provision of £96,586 was in respect of three Judicial Reviews, five Civil Actions, three employment issue and one inquest.

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

13. Capital Commitments

As at 31 March 2021 the Office of the Police Ombudsman for Northern Ireland contracted capital commitments amounting to £nil (£nil as at 31 March 2020).

14. Commitments Under Leases

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

| | 2020-2021 £ | 2019-2020 £ |
|---|------------------|----------------|
| Obligations under operating leases comprise: | | |
| <i>Buildings</i> | | |
| Not later than one year | 406,380 | 70,500 |
| Later than one year and not later than five years | 1,320,735 | - |
| <i>Other:</i> | | |
| Not later than one year | 7,459 | 19,301 |
| Later than one year and not later than five years | - | 7,459 |
| Total | 1,734,574 | 97,260 |

The Office leases its current office accommodation under an operating lease which was renewed on 1st July for a 10 year period with a break clause after 5 years. The treatment of the office's operating leases will change once IFRS 16 becomes effective for the public sector from 1 April 2022.

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 2021, the Office of the Police Ombudsman for Northern Ireland had fourteen 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 £225,000 (31 March 2020: £180,000 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.

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 2021.

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 one other entity for which the Department of Justice is regarded as the parent Department, namely Forensic Science Northern Ireland.

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

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

18. Financial Instruments

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

19. Events after the Reporting Period

There have been no significant 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 21 June 2021.



Police Ombudsman for Northern Ireland

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