



# ANNUAL REPORT

---

## & ACCOUNTS



For the year ended  
31 March 2017  
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 2017**

*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) Schedule 3 to that Act as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

on 30 June 2017

## Glossary of Abbreviations

ABD	Accute Behavioural Disturbance
C&AG	Comptroller and Auditor General
CARE	Career Average Related Earnings
CCTV	Closed Circuit Television
CETV	Cash Equivalent Transfer Value
CHS	Case Handling System
CPD	Continuous Professional Development
CPI	Consumer Prices Index
CSP	Civil Service Pensions
DoF	Department of Finance
DoJ	Department of Justice
FReM	Financial Reporting Manual
FTE	Full Time Equivalent
GSOC	Garda Siochana Ombudsman Commission
HIU	Historic Investigations Unit
IAS	International Accounting Standards
IFRS	International Financial Reporting Standard
iP	Investors in People
IPCC	Independent Police Complaints Commission
LEOBAB	Law Enforcement Oversight Body Accreditation Board
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
PPS	Public Prosecution Service
PSIAS	Public Sector Internal Audit Service
PSNI	Police Service of Northern Ireland
RPI	Retail Prices Index
SCS	Senior Civil Service
SMT	Senior Management Team
SSRB	Senior Salaries Review Board
UVF	Ulster Volunteer Force
VAT	Value Added Tax

---

### © Police Ombudsman for Northern Ireland Copyright 2017

The text of this document (this excludes all logos) may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as **Police Ombudsman for Northern Ireland** copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

For further details about the re-use of Police Ombudsman for Northern Ireland information, or enquiries related to this publication/document, please write to us at Police Ombudsman for Northern Ireland, 11 Church Street, Belfast, BT1 1PG or email [info@policeombudsman.org](mailto:info@policeombudsman.org).

This document/publication is also available on our website at [www.policeombudsman.org](http://www.policeombudsman.org).

## Index to the Annual Report and Accounts

**Foreword by the Police Ombudsman** 4 – 6

### **Performance Report:**

- Overview 7 – 14
- Performance Analysis 15 – 38

### **Accountability Report**

- Corporate Governance Report
  - Chief Executive's Report 39
  - Statement of the Police Ombudsman for Northern Ireland and the Chief Executive's Responsibilities 40
  - Governance Statement 41 – 47
- Remuneration and Staff Report 48 – 61
- Audit Report
  - Assembly Accountability Report 62
  - Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly 63 – 64

### **Financial Statements:**

- Statement of Comprehensive Net Expenditure 65
- Statement of Financial Position 66
- Statement of Cash Flows 67
- Statement of Changes in Taxpayers' Equity 68
- Notes to the Accounts 69 – 87

## Foreword by the Police Ombudsman

---

The Office of the Police Ombudsman in Northern Ireland occupies a unique place among police complaints bodies. Indeed one international study described it as the only police oversight organisation in the world that scholars have accepted as fitting the “civilian control model”. The Office is financially and institutionally independent of the police. It has direct control of all public complaints against the police, can call itself in to investigations in the public interest, has significant powers to access information, investigates both criminality and misconduct, has the power to recommend disciplinary hearings and can issue public reports on the completion of investigations.

In 2016/17 we received 2,797 cases a reduction of 8% on the previous year. Each complaint the Office receives can comprise one or more allegations. An allegation describes the type of behaviours being complained about or the separate issues making up the complaint. For example a complainant may allege that an officer both unlawfully arrested them and assaulted them in the course of the arrest. The number of allegations against the police has remained relatively stable at 4,725 compared with 4,996 last year. Examining a complaint with multiple allegations against the police inevitably make the investigations more complex.

The work of the Office covers the range of policing activities in Northern Ireland. During the year we dealt with allegations of failures in police investigations, assaults by officers, oppressive behaviour, incivility unlawful arrest and mishandling of property. Complaints that have arisen following the police making an arrest and police searches are at their lowest levels for five years. On the other hand complaints arising from a police criminal investigation have increased by 10% and are at the highest levels for five years.

Of the 1,148 cases subject to full investigation we found in 22% evidence that either the initial complaint was substantiated or there was a separate issue that concerned us. A total of 261 recommendations were made for disciplinary action or performance improvement. We made a further 24 recommendations that an officer be prosecuted.

We also made 47 policy recommendations designed to improve policing. These included recommendations related to the establishment of a dedicated missing persons unit and the creation of a memorandum of understanding between the PSNI and the ambulance service in respect of the recognition and response to Acute Behavioural Disturbance (ABD), including classifying ABD as a priority emergency call.

Our investigations have had a real impact on the lives of those who brought their concerns to the Office. In December, for example, we reported that the police had agreed to reopen a case into a serious assault after we found the original investigation had been flawed. In another case the police rescinded a sanction imposed on a man following a disagreement with a family member. We continued to investigate and review historical cases.

Sixty eight complaints were closed by the History Directorate in 2016 / 2017. In June 2016 we reported on the results of a three year investigation into the murders in The Heights Bar in Loughinisland. Six people were murdered and a further five injured by UVF gunmen while watching a world cup football match. The report stated clearly that those responsible for the attack were the UVF gunmen and that the police did not have prior intelligence about the attack. However, the conclusion of the report was that collusion between police and the UVF was a significant feature of the attack. There was intelligence that the police were

aware of the importation of weapons used in the attack, police informants were involved in the importation of those weapons, there were failures to share intelligence and that there were significant failures in the police investigation.

The progress made on the completion of historical cases remains unacceptably slow. We simply do not have the resources to undertake the caseload currently sitting within the Directorate. The budget for history cases in 2016/17 was £1,943k to deal with nearly 400 cases, the majority of which involve murders. This compares very unfavourably with the budget for investigation into the activities of the agent known as “Stakeknife”. This is in the region of £35m and involves at this point up to 30 murders. The investigation, initiated by work undertaken by this Office, is being carried out by the Chief Constable of Bedfordshire on behalf of the PSNI.

Political discussion is again on-going about the establishment of bodies to deal with the legacy of the past in Northern Ireland. I have stated on many occasions that the current arrangements are unacceptable. In the event of political agreement, the implementation of the Stormont House Agreement will provide a more comprehensive mechanism for dealing with “Troubles-related” murders/killings. It will be specifically funded for this purpose which means more cases will be investigated than is possible at the moment. It will be better because there are alternative structures proposed to deal with issues outside the criminal justice system including truth recovery and oral history initiatives. It will also allow both my Office and the police to focus on contemporary policing issues. Once again I would urge those involved to agree on how we deal with the troubled past of Northern Ireland.

I am pleased to report that despite the ongoing pressures on resources we continued to close more cases than we opened and that there have been improvements in the speed with which cases have been closed. In addition we continue to receive positive feedback from complainants and police officers on the quality of the service we provide. In organisational terms we met the majority of our balance score card targets and lived within the financial envelope provided by the Department. The overall awareness of the Office within Northern Ireland continues to be high and we continue to be seen to be independent of the police. These details are set out in the following report.

In addition, the Office continues to be the focus of international interest receiving visitors in the past year from Ukraine, Kashmir, Mexico, Kosovo, South Africa and Colombia. I have also given public lectures on the work of the Office in Mexico City and Wellington, New Zealand. The work of the Office features regularly in academic publications and journals. It is with some pride that Northern Ireland can point to a strong and robust police complaints organisation.

I believe this performance is all the more impressive despite the continued reduction in funding provided by the Department of Justice. Since 2012 when I joined the Office the funding provided by the Department has been reduced from £9,524k in 2012/13 to £8,557k in 2016/17 – a reduction of £967k or 10.2%. We have managed to maintain performance through restructuring and continually reviewing our investigative processes and seeking to work as efficiently as possible within the legal constraints imposed on the Office. It is not without impact as for example we have had to rethink how we engage with complainants and their families.

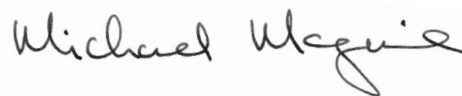
Comparisons with other police complaints bodies are erroneous as unlike the IPCC in England and Wales and GSOC in Ireland the Office deals with all public complaints against the police. Although the IPCC receive more than twice the number of cases than the Police Ombudsman they have more than six times the budget.

The impact of reduced resources is significant and in particular it has meant that we have been unable to progress some particularly complex and resource intensive cases in a timely fashion. The Office submitted a number of business cases to the Department covering both history and current cases and it is imperative that funding is released in order that these cases are progressed. Following the business cases, the Department have provided funding for one bespoke investigation. However the indicative 2017/18 budget for the Office is a 3% baseline budget cut. Therefore it is important to emphasise that the budget for the core work of the Office and for historic investigations has been cut by 3%.

In a recent Court Case (Bell judgement – 24th March 2017) the Judge stated that “there is no significant dispute that there remains a continuing problem in the form of the Police Ombudsman and his Office being underfunded.” The remarks of the Court were particularly significant “...the court has no difficulty in concluding that, on the balance of probability, the source of the problem besetting the Police Ombudsman’s Office lies with the failure of government, most directly the DoJ, to provide adequate resources to the Police Ombudsman.” The judgement went on to say the “present case is one of systematic and persistent underfunding which is disabling the Police Ombudsman, not in one but in a range of cases, and not in one lone period but over a period of years, from being unable to

meet a not particularly demanding standard viz that of carrying out its investigation into a public complaint against the police within a reasonable time.

A further cycle of funding reductions will lead a decrease in the service provided by the Office. This means an inability to conduct timely investigations, including investigations into serious criminality by police officers. There is a potential it will also reshape the functions of the Office by the back door by undermining our ability to deal with all public complaints against the police. This situation cannot be permitted to continue.



**Dr Michael Maguire**  
**Police Ombudsman for Northern Ireland**



# Performance Report

---

## Overview

### Statement from the Chief Executive

I am pleased to report on the business and performance of the Office for the financial year 2016/17. The report is supplemented by a statistical bulletin which can also be found on our website [www.policeombudsman.org](http://www.policeombudsman.org). A table detailing performance against the key aims of the Office is also included at page 13. The key aims are underpinned by the Office values of Independence, Impartiality, Accountability, Respectfulness and Professionalism.

The report also includes a selection of case studies that demonstrates some of the variety of the work undertaken by the Office throughout the year. Examples of both positive and negative feedback have also been included.

Performance throughout the year was strong with positive feedback from complainants, police officers and the general public. The volume of complaints fell by 8% when compared to the previous year (2,797 for 2016/17, 3,042 for 2015/16) and the Office continued to focus resources on the areas of greatest risk whilst maintaining the integrity and quality of investigations.

Additionally, Internal Audit examined control and governance arrangements in the Office and reported on four key areas along with a follow up report on recommendations from the previous year. The four audit areas were a High Level Review of Financial Systems, Complaints and Client Satisfaction, Management Policy Review Processes and Records Management – file transfer – I refer to these further in my governance statement on page 41 to 47.

Throughout the year the Office undertook an important piece of work in respect of ‘Records

Management’. The work was driven both by an acknowledgement that records management needed to be addressed across Directorates and recommendations of previous internal audit reports commissioned by the Office.

The Office made significant progress through the year having adopted a project management approach to this important area of work. The Executive Team ensured a robust approach to identifying physical and electronic records held by the Office and taking informed decisions to retain/destroy records in line with the requirement of the Data Protection Act and the Office data retention policy. In addition, the Office now has a clear framework for ongoing records management in ensuring that records are retained and destroyed on an ongoing basis.

In June 2016 new regulations covering police misconduct, performance and the appeals process for disciplinary tribunals came into force. Whilst retaining important options for formal disciplinary sanctions, the new regulations bring a greater focus to the *performance* of police officers and our recommendations to PSNI take due account of the changes. During the year the Office made a number of recommendations for officers to be subject of performance improvement rather than a disciplinary sanction. Those matters were all in respect of less serious transgressions such as failing to keep proper and complete records and minor incivility.

The Office undertook a significant and wholesale reorganisation of the ‘Current Directorate’ during 2016/17. The directorate is the largest in the Office, comprises over 80 staff and deals with all complaints other than those related to the ‘Troubles’. The key aims of the reorganisation were to maintain or improve the timelines of

investigations (in the face of a challenging financial environment), bring greater consistency to decision making and focus resources appropriately on the basis of operational risk.

The reorganisation was led by the Director of Current Investigations and was supported by all Directorates in the Office. An extensive consultation and communication programme ensured that all affected staff were engaged in the changes which have been widely welcomed. It is too early to assess the impact of the changes on performance but early indications are that the timeliness of investigations is already improving.

The Current Directorate now comprises three areas of delivery;

- *Initial Complaints and Investigations Team*, dealing with the receipt and initial handling of all complaints, investigating more routine cases such as incivility, failure to investigate reports of crime and failure to maintain accurate records and also focussing on problem solving, informal resolution and mediation.
- *Core Investigations Team*, dealing with a wide range of cases including allegations of assault, inappropriate police contact with vulnerable people and corruption.
- *Significant Cases Team* dealing with complex and high profile cases including deaths after police contact, deaths in custody and allegations of collusion.

The reorganisation also saw the Office revisit the performance indicators in relation to Current Investigations. Performance indicators in relation to caseloads and the timeliness of investigations that had previously measured performance across the

directorates were refined to measure the performance of the three new areas of delivery. Some of these were revised in year (see page 13) whilst others were 'benchmarked' during the year in readiness for inclusion in the 2017/18 Business Plan.

The reorganisation has also brought about a renewed focus on 'problem solving' which has seen the Office engage complainants and police officers in resolving complaints through dialogue and an effort to resolve issues at the heart of the complaint rather than always following the more formal and necessarily protracted investigation process. We believe that many more complaints can be resolved through this approach which often results in enhanced confidence in the complaints system for both the complainant and the officer(s) concerned.

During the year the Office conducted investigations into historical allegations of abuse relating to the Kinora children's care home in Belfast and how those matters were dealt with by the police. The Office liaised with Judge Hart<sup>1</sup> who carried out a wide ranging inquiry into the allegations in ensuring there was minimal duplication of effort and that victim and survivors were dealt with compassionately. The Ombudsman's investigation will be concluded during 2017.

The Office also continued to investigate historic matters relating to the 'Troubles'. The Office had anticipated (and was planning) for the transfer of the majority of this work to a newly constituted Historical Inquires Unit (HIU). However, the political challenges in Northern Ireland meant that the establishment of the HIU did not take place and the Office continued to receive and investigate complaints in respect of the Troubles.

1. The Historical Institutional Abuse Inquiry launched the report into its findings on the 20 January 2017.

The Office now has some 400 complaints and referrals of this nature set against a continually decreasing reduction in budget to undertake to work. During the year the Office published a significant report on the Loughinisland attack and completed investigations into a number of other high profile matters. Public reports on those investigations will be published during the 2017/18 financial year. The Office will continue to investigate historic matters thoroughly and impartially notwithstanding the ongoing pressures on resources.

Following the public report on the Loughinisland attack, the Northern Ireland Association of Retired Police Officers brought a Judicial Review against the Office challenging the legal foundation for reporting on such matters. At the time of writing the action had not progressed beyond an application for leave to bring the Judicial Review. The outcome of the proceedings may or may not have an impact on how the Office deals with such matters in the future.

Every five years statute requires that the functions of the police complaints system and the Office are reviewed and recommendations made for changes and improvements. During the year the Office developed recommendations in respect of a 'Five Year Review' – these will be forwarded to the Department of Justice in early 2017/18.

Throughout the year the Office has continued to perform well in meeting the majority of key performance targets and can be proud of its achievements. Of course there remain significant challenges, not least of which is the need for additional resources to address bespoke areas of work.

During the year the Office finalised and submitted business cases to the Department of Justice in

respect of additional funding for both historic investigations and a specific area of current investigations. It remains the view of the Office that additional funding for both aspects of our work is essential if the high levels of confidence the Office enjoys with the public of Northern Ireland are to be maintained and the Office is to carry out its statutory duties efficiently and effectively.

During the year the Office carried out an internal investigation following the search of an employee's filing cabinet by supervisory staff (for unrelated case material) and the discovery of a police issue firearm and a number of rounds of ammunition, contrary to Office policy. The enquiry into the circumstances of the discovery was led by a Deputy Senior Investigating Officer. The investigation quickly established that the firearm/ammunition had been seized as part of an inquiry in January 2007. The employee who had retained the firearm and ammunition resigned from the organisation prior to the conclusion of the investigation and as a consequence, no disciplinary action was taken following the investigation.

Prior to the discovery of the firearm, the Office was undertaking a review of internal policy in respect of the seizure and retention of property including firearms and ammunition. The review reported to the Chief Executive prior to the conclusion of the investigation cited above and made recommendations on how firearms and ammunition should be stored. The recommendations of the review were approved by the Senior Management Team and presented to the Audit and Risk Committee. The recommendations have been implemented and all reasonable steps taken to ensure that there is not a reoccurrence of this or any similar incident.

During the year the Office introduced a set of 'Leadership Principles' which clearly define the approach to leadership at all levels of the Office. The Principles were developed with and by staff and have been supported by a leadership development programme which saw 20 staff from across grades and directorates undertake formal leadership development and accreditation. This work is a key component in our approach to excellence, succession planning and developing our future leaders from within the Office.

The training budget for the Office is inevitably restricted given the financial climate in which the Office operates. Despite the financial constraints, significant effort has been made to fulfil a learning agenda which is turn driven by requirements identified by staff through the performance review process. The Office has held a series of 'coffee and learn' sessions in areas such as the PSNI body worn video project, counselling for victims of sexual abuse and the Rainbow Project, all of which were well received by the staff.

The commitment and dedication of the staff remains steadfast at a time of ongoing change and the potential for further cuts to the budget of the Office. During the year the Office built on the positive results of the 2015 Staff Attitudes Survey and developed an action plan to address some of the less positive feedback reflected in the survey. Sickness levels in the Office fell to 2.6%, the lowest on record and comparing favourably with both the private and public sector averages for comparable organisations.

In addition the Office engaged in the Investors in People (IiP) assessment process with re-accreditation assessment undertaken in March 2017. The Office last engaged in the assessment nearly two years ago when it achieved Bronze accreditation. The outcome of the recent assessment has been that the Office has been awarded Silver accreditation – work will now be undertaken to assess areas for future development towards Gold or Platinum accreditation in the years

to come. Both the staff attitude survey action plan and the IiP assessment are evidence of an ongoing commitment to listening and working with staff with a focus on continuously improving our services and maintaining the Office as a great place to work.

As always, I extend my thanks to all the staff in the Office who perform so well day to day and make the Office a great place to be part of.

### Statutory Duties and Background

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

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

The Key Strategic Aims of the Office which are framed by the Police (Northern Ireland) Act 1998 are to secure an effective, efficient and independent police complaints system which is capable of securing the confidence of the public and police in that system. The key features of legislation are detailed in the table on page 10.

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

### Principal Activities

The Office of the Police Ombudsman for Northern Ireland provides an independent, impartial police complaints system for the people and the police of Northern Ireland. It investigates complaints against the Police Service of Northern Ireland, the Belfast Harbour Police, the Belfast International Airport Police, National Crime Agency (NCA) officers in Northern Ireland, certain Home Office staff using policing functions and Ministry of Defence Police in Northern Ireland.

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

statistical reports for management purposes to the Police Service of Northern Ireland and to the Northern Ireland Policing Board and provides management information to the Department of Justice.

The Office also undertakes investigations into certain complaints about Immigration Officers and Designated Customs Officials when operating in Northern Ireland through a legal framework developed jointly with the Home Office and Department for Justice.

### Key Issues and Risks facing the Office

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

In addition the Audit and Risk Committee consider the Risk Register at each quarterly meeting. Further information in relation to risk management is contained in the Governance Statement at pages 41 to 47.

There are 3 key strategic risks facing the Office these are:

- a risk that the budget allocated to the Office is insufficient for the Office to function effectively in the delivery of its statutory duties

- a risk that the Significant Cases Team is not adequately resourced to investigate a portfolio that includes both post 1998 historical enquiries and contemporary critical incidents, and
- a risk that if a new Historic Investigations Unit (HIU) is established it may lead to issues including higher staff turnover, uncertainty and reduced morale for staff and reputational damage to the Office.

### Explanation of the adoption of the Going Concern basis

The Office draws cash resource from the DoJ on the basis of need to pay and not as costs are accrued. Consequently, at the end of the financial year the Office had net current liabilities of £119,930 (£104,880 for year ended 31 March 2016). It is considered appropriate to adopt a going concern basis for the preparation of the financial statements as the Office is funded through Grant in Aid from the Department of Justice which draws its funds from the Consolidated Fund. Therefore there is no liquidity risk in respect of the liabilities due in future years.

### Summary of Performance and Forward Look

Table 1 provides an overview of the key service commitments derived from the annual business plan for the 2016/17 financial year. Further detailed narrative is included in the Performance Analysis section of this report on pages 15 to 38.

Table 1 - Service Commitments		Performance against targets	
Key Aim	Targets	2016/17	2015/16
<b>Delivering Excellence in Investigations</b>	Resource and action all complaints and related allegations registered.	2,797 complaints- 8% decrease	3,042 complaints -10% decrease
		4,725 allegations 5% decrease	4,966 allegations - 12% decrease
	Maintain or increase the number of complaints resolved through Informal Resolution.	174 complaints- 6% increase	165 complaints - 8% decrease
<b>Maintain Impartiality and Independence in Dealing with Complaints</b>	To maintain a level of 80% public awareness of the Office.	88% achievement	90% achievement
	To maintain a level of 80% awareness of the independence of the Police Ombudsman.	85% achievement	83% achievement
	To maintain a level of 80% confidence that the Police Ombudsman for Northern Ireland deals with complaints in an impartial way.	79% achievement	80% achievement
	To maintain a level of 80% of respondents who think that that they would be treated fairly by the Office if they made a complaint against the police.	84% achievement	83% achievement
	To maintain a level of 70% of complainants to feel that they have been dealt with fairly by the Office.	75% achievement	78% achievement
	To maintain a level of at least 70% of police officers subject of investigation to feel that they have been dealt with fairly by the Office.	80% achievement	80% achievement
<b>Develop and Implement Standards for the services we provide</b>	At least 60% of complainants to be satisfied with the service they receive.	46% achievement	41% achievement
	Measure performance against the Service Charter		
	<b>Police Officers</b>		
	-thought they were treated with respect	89% achievement	89% achievement
	-thought staff were easy to understand	89% achievement	90% achievement
-thought staff were knowledgeable	76% achievement	77% achievement	
-satisfied with the manner in which they were treated	58% achievement	56% achievement	
-thought their complaint was dealt with independently	76% achievement	79% achievement	
-satisfied with how the complaint was handled	49% achievement	48% achievement	
<b>Complainants</b>			
-thought they were treated with respect	88% achievement	85% achievement	
-thought staff were easy to understand	83% achievement	83% achievement	
-thought staff were knowledgeable	76% achievement	78% achievement	
-satisfied with the manner their complaint was treated	51% achievement	51% achievement	
-thought their complaint was dealt with independently	55% achievement	53% achievement	
	The number of complaints against the Office to be no more than in 2015/16.	49 complaints received	51 complaints received
<b>Focus Efforts in Improving Policing</b>	Continue to work with PSNI and NIPB in identifying how many recommendations have impacted on policing.	47 recommendations made	57 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.

## Forward Look

The 2016/17 financial year was the third year in a three year planning cycle. The 2017/18 to 2019/20 Corporate Plan will be published and placed on the Office website along with the one year Annual Business Plan for 2017/18 when ministerial approval has been granted. The four key aims in the new Corporate Plan and for the 2017/18 Annual Business Plan are;

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

The new priorities reflect the increasing need to undertake proportionate investigations in some cases given increasingly constrained resources and the importance of the Office working to enhance the knowledge of the police complaints system in Northern Ireland. The other key change in the priorities is that the Office has moved from establishing service standards achieved through the 2014/15 to 2016/17 corporate plan to measuring performance against those established standards.

There seems little doubt that the pressures on public sector spending will continue throughout the next planning cycle. What those pressures mean for the Office will influence how the Office continues to carry out its statutory duties and whether the Police Complaints System can survive as it is currently constructed.

The investigation of historic matters will remain an important element of the work of the Office until such time as the work transfers to a new body. The Office will ensure that any transfer or work is carried out in a professional and orderly manner and has already undertaken a lot of work to ensure that this is the case. In the absence of the establishment of an HIU, the Office will continue to investigate and report on historic matters.

Should the HIU or similar body be established over the lifetime of this plan, the Office will ensure a comprehensive and professional transition of work and the completion of a carefully timetabled completion of investigations and public reports.

The Office has submitted two business cases to the DoJ in support of additional resources for historic investigations and a bespoke investigation into complex contemporary policing matters. The Office considers both business cases to accurately reflect the resourcing requirement in two important areas of investigations that underpin the statutory responsibilities of the Office.

## In Conclusion

Overall I consider that during a busy and demanding year, the Office has continued to perform at a high level. We will continue to develop and learn and increasingly seek to show the impact of our work on contemporary policing.



## Performance Analysis

### Operational Performance

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.

During the year the Office performed strongly towards this objective. An independent survey found ;

- 88% of those surveyed were aware of the Office
- 85% of those who were aware of the Office were also aware of its independence
- 79% had confidence that the Police Ombudsman deals with complaints in an impartial manner.
- 86% of respondents felt that the Ombudsman helps to ensure that the police in Northern Ireland do a good job.

During the course of the year the Office conducted research into Police Officer satisfaction with the service provided by the Police Ombudsman's Office. The survey reflected that that the majority of police officers had positive views of Ombudsman staff, with 89% stating that they had been treated with respect and 80% stating that they had been treated fairly.

The research also surveyed officers who had been subject of an investigation as to whether they were satisfied with the service provided by the Office. Almost half of the officers who responded to the survey were satisfied with how the Office had handled the investigation.

The core business of the Office is the receipt and investigation of complaints and referrals that relate to contemporary policing in Northern Ireland. The handling and investigation of these complaints and referrals is undertaken by the Police Ombudsman's Current Directorate.

### Contemporary/current investigations

During 2016/17 in response to budgetary pressures, the Office maintained a constant drive to streamline processes and where possible to reduce bureaucracy. The Current Directorate underwent a major restructuring exercise. It is anticipated that the new structures, in place since late October 2016, will allow for a more efficient and proportionate resourcing of the investigation of complaints and referrals and will improve our service to the public and the timeliness of our investigations.

The new structure introduces an Initial Complaints and Investigations Team which processes all complaints received, manages the informal resolution and mediation functions of the Office and also investigates those of a more minor nature while an expanded Core team investigates more serious cases.

The Current Investigation Directorate's Significant Cases Team (SCT) has been enhanced and now comprises two investigative functions. The SCT Legacy team investigates legacy matters which fall outside of the remit of the History directorate and are primarily relate to the post 1998 conflict situation in Northern Ireland. The SCT Contemporary team investigates matters of alleged serious criminality and critical incidents involving the police.

## Realignment of Key Performance Indicators

The Office has long recognised that the timeliness of investigations is a key indicator of our performance in the eyes of both complainants and the officers subject to investigation. The Office investigates a diverse range of cases as regards both complexity and sensitivity.

The resources required to progress an investigation can also differ from case to case. In order to better allocate resources to progress this range of cases in an expeditious manner, the Office has restructured its Current Directorate into three service delivery areas. These are the Initial Complaints and Investigations Team (ICIT), the Core Investigations Team (CORE) and the Significant Cases Team (SCT).

The restructuring of the Current Directorate took place in October 2016 at which point individual team performance indicators in relation to the timeliness of investigations for the remainder of the year were set for both the ICIT and the CORE team as follows:

- *Initial Complaints and Investigations Team* - 75% of complaints other than grave or exceptional to be completed within 90 working days.
- *Core Investigations Team* - 75% of complaints other than grave or exceptional to be completed within 110 working days.

From October 2016 to 31 March 2017 94% of all cases dealt with by the Initial Complaints and Investigations Team were completed within 90 days. This far exceeds the target set of 75% of complaints. The average time taken to deal with a case in the ICIT was 27 days.

Reflecting the greater complexity of the cases allocated to the CORE team a target was set for 75% of complaints to be completed within 110 days. However, 110 working days from the date of the restructuring ended on 31 March 2017 meaning that at the end of the reporting year it was too early to tell if the restructuring had assisted in improving the timeliness of investigations.

The Significant Cases Team deals with complex and high profile cases including deaths after police contact, deaths in custody and allegations of collusion. Due to the complexity of the issues under investigation such cases sometimes resulting in criminal, disciplinary and/or coronial proceedings, these cases can often take years to conclude. Nevertheless the Police Ombudsman has undertaken a benchmarking process to develop performance targets for the work of the Significant Cases team for the next three year planning cycle.

The timeliness of investigations conducted by the Police Ombudsman remains a key area of focus for the Office and efforts will continue to reduce bureaucracy and streamline process in the next planning cycle. The quality of the work in the Office is critically important. The achievement of 'excellence in investigations' and the complaint handling process is a key aim of the organisation. The Police Ombudsman's Quality and Standards Board oversees this agenda and is supported by a small Quality Assurance Team which provides focussed thematic inspection and policy development support to the Office.

During 2016/17 the Office received 2,797 complaints ranging from allegations of minor incivility to allegations of assault, misuse of data and sexual impropriety with vulnerable females.

Despite the reduction in complaints, 2016/17 it remained a challenging and productive year for the Office.

The level of complaints in 2016/17 represented a further reduction in police complaints from 2015/16; following a significant 'spike' in police complaints in 2014/15, each subsequent year has seen a decrease in complaints to the Office.

The reduction in complaints coincides with a number of PSNI and Police Ombudsman initiatives aimed at reducing the number of complaints against the police. The Police Ombudsman has allocated a dedicated liaison to each PSNI District to facilitate the provision of improved statistical information at local District level to allow a greater understanding of the causes of public dissatisfaction with police service. The Police Ombudsman has also embarked on a number of initiatives throughout the year to improve public understanding of policing powers and operational functions.

During the course of the year the Police Ombudsman agreed with PSNI that incidents involving the discharge of a Taser would no longer automatically be referred to the Police Ombudsman. Instead a system was introduced whereby the Police Ombudsman be immediately *informed* of any such incident and assess whether any further investigative response was required. This new approach has allowed the Police Ombudsman to better manage resources and to focus investigations on incidents where it is desirable to do so in the public interest. This has resulted in a significant decrease in Chief Constable's referrals from 51 in 2015/16 to 22 in 2016/17.

In the absence of a complaint or a referral from the Chief Constable, the Police Ombudsman can also exercise a 'call in' power to investigate any matter

### Case Study

#### OFFICER DID NOT PROPERLY INVESTIGATE ALLEGATION THAT MAN KICKED BOY

**A police officer has been disciplined for failing to properly investigate an allegation that a man annoyed by children playing football near his car in west Belfast, assaulted a 12-year-old boy by kicking him on the hand. It followed a Police Ombudsman investigation which found that the police officer did not obtain statements from the boy's friends about what had happened.**

The Public Prosecution Service later directed that there was insufficient evidence to prosecute over the incident.

The boy's mother alleged that the man had came out of his house with his arms and legs flailing, after the boys' ball went close to his car. She told a Police Ombudsman investigator that she felt her son had been let down by the police as the alleged perpetrator had suffered "no consequences for his actions."

The investigating police officer was interviewed and stated that she had asked for the details of the other witnesses, but could provide no record of having done so.

The Police Ombudsman investigator concluded that the officer had failed to conduct all reasonable enquiries before submitting a file to the Public Prosecution Service and recommended that she should be disciplined. The PSNI has since implemented the recommendation.

if it appears to the Ombudsman to be in the public interest to do so. In 2016/17 the Ombudsman invoked this power on 11 occasions and investigated matters such as a police pursuit that had resulted in a serious injury accident and a matter where it was suspected that a police officer may have entered into a relationship with a vulnerable person. The Office also received one referral from the Public Prosecution Service involving sensitive matters.

During 2016/17 the Office has recommended discipline sanctions or a performance action on 261 occasions.

In June 2016 the new Police (Conduct) Regulations (Northern Ireland) came into force which altered the manner in which the Police Ombudsman makes recommendations to the PSNI in relation to disciplinary action. However, for cases received, and notified to the PSNI or the Policing Board, prior to 1 June 2016 the Police Ombudsman is required to make recommendations for disciplinary proceedings under the old regulations.

In 2016/17 the Police Ombudsman recommended discipline sanctions under the old regulations on 192 occasions. Of those 28 were for Management Discussion, 104 for Advice and Guidance, 53 for Superintendent Written Warning and 7 for formal disciplinary hearing.

In 2016/17 the Police Ombudsman recommended disciplinary action under the new regulations on 69 occasions. The new regulations introduce the concept of a misconduct meeting at which a police officer may be dealt with by disciplinary action of management advice, written warning and final written warning. The Police Ombudsman recommended that a misconduct meeting be held on 62 occasions. On 51 of those occasions the

recommendation was for management advice and on 11 occasions for a written warning. The Police (Performance and Attendance) Regulations (Northern Ireland) 2016 came into effect on 1 June 2016 and introduced a revised procedure for dealing with unsatisfactory performance or attendance within the PSNI. The Police Ombudsman has the power under regulation 12 of the RUC (Complaints etc.) Regulations 2000 to refer some matters to the Police Service of Northern Ireland as performance matters following investigation. In 2016/17 the Police Ombudsman made recommendations on 7 occasions for an officer to be dealt with under the performance regulations.

On 24 occasions the Office recommended that the PPS prosecute officers/staff.

“*[Investigating Officer] was dealing with my complaint. I felt he was polite every time I received communication from him- which was via e-mail and this suited me well. [Investigating Officer] has always treated me with respect and courtesy, which I have noted and appreciate.*”

**PSNI Officer**

### Historic investigations

The Office continues to investigate historical matters that are considered by the Ombudsman to meet the statutory test for investigation. The majority of those investigations relate to deaths prior to 1998 associated with what is referred to as the ‘Troubles’ in Northern Ireland.

The Historic Investigations Directorate set targets for the year of delivering eight public statements in relation to investigations that had been concluded and completion of four other inquiries.

## Case Study

**OFFICER'S MISTAKE LED TO ARMED POLICE RAIDING WRONG HOUSE**

**A police officer has been disciplined over a mistake which led to armed police being deployed to the wrong address during a search of a family home in Co. Down.**

A man lodged a complaint with the Police Ombudsman's Office stating that he had arrived home to find police in the garden of his property. He said he was searched and made to wait while armed police with shields and firearms moved towards the house. The man was then taken inside and arrested in connection with a firearms offence which had happened the previous day. He was later released when police realised he was not the person they were looking for.

When a Police Ombudsman investigator examined police files, he found that the issue lay with an incorrectly recorded date of birth in an information pack provided to the officer who organised the search.

The officer who compiled the pack had recorded the name and address of another man of the same name, but had mistakenly added the complainant's date of birth.

The officer who co-ordinated the search said she checked the details in the pack, but found no one of that name living at the address. She then searched for a more up-to-date address using the complainant's name and date of birth, which resulted in his arrest and home being searched.

The officer who recorded the wrong date of birth admitted his mistake and apologised to the complainant and his family for the upset and annoyance which resulted. Police later tracked down the right man, who was subsequently arrested.

During 2016/17 two public statements were published. These concerned investigations in respect of the murders at the Heights Bar, Loughinisland on 18 June 1994 and the death of Mr John Hemsworth on 1 January 1998. Resourcing pressures, the complexity of the enquiries being undertaken and external factors have delayed final public reporting on seven other cases and completion of eight additional investigations that are underway until later this year.

The Directorate also completed the first year of two major investigations, one of which is concerned with the deaths of more than 100 citizens as a result of the activities of the 'mid-Ulster UVF'.

The Office remains committed to a parallel investigation to that of Operation Kenova (a police investigation into the activities of the person known as 'Stakeknife') and supporting the inquest process into a number of matters including the murders at Kingsmill in January 1976.

## Case Study

**INVESTIGATION CLEARS POLICE OVER ALLEGATIONS THEY STRIPPED AND ASSAULTED DETAINEE**

**A Police Ombudsman investigation has rejected a complaint that police stripped and assaulted a female prisoner in a cell at Strand Road police station in Derry/Londonderry. The woman also claimed police had failed to take her to hospital after she suffered a seizure, and did not provide her medical records for a subsequent court appearance.**

However, when a Police Ombudsman investigator examined audio and video footage from the custody suite it showed that the woman had not been assaulted as she had claimed. Instead, police staff intervened when the woman removed items of clothing and attempted to use them to inflict self-harm.

Other items in the cell, including a blanket, mattress and pillow were also removed after the woman tried to rip them to create ligatures. Police staff offered her replacement clothing but this was refused.

Evidence also showed that police had kept the woman under constant observation during her period in custody, and ensured she was seen by a doctor after she reported having suffered a seizure.

By the end of 2016/17 the Ombudsman held an overall caseload of some 390 public complaints and referrals relating to events, the majority being deaths, which occurred as a consequence of the 'Troubles'. Although the active cases which I have described account for in excess of 40% of this overall caseload, as we commence 2017/18 budgetary constraints mean that resourcing of the Directorate has reached its lowest level since commencement of the current Police Ombudsman's programme of historic investigations in January 2013. The year on year erosion in funding will undoubtedly continue to impact on the efficiency with which the organisation can deal with historic cases.

During 2016/17 efforts again continued to secure the additional funding to allow the Ombudsman to fulfil his statutory obligation to investigate such cases. A business case requesting additional resources for this work was submitted to the DoJ and awaits decision making in respect of the proposed Historical Investigations Unit.

The Police Ombudsman conducted a quality assurance exercise in the random dip sampling and review of investigations. This provided further assurance as to the high level of investigative product and the reasoned and evidence based decision making of our investigators.

The Police Ombudsman is required to prepare for a schedule of cases due to be heard in the Coroner's court in the coming year. This work continued during 2016/17. As the extent of the resources required to fulfil these obligations became clear efforts were made through the Department of Justice to secure additional funding but without success.

### Case Study

#### OFFICER COMPROMISED INVESTIGATION INTO “THREATENING AND OBSCENE” PHONE CALLS:

**A police officer who “compromised” a police investigation into threats and intimidation which left a family fearing for their safety, has been disciplined following a Police Ombudsman investigation.**

The officer had been sent to arrest a suspect and search a house after a woman and her husband reported receiving threatening and obscene phone calls and texts. The husband believed he recognised the caller’s voice and said the information provided would only have been known to one person.

The officer went to the suspect’s home but received no response. He then left a calling card with a request that he be contacted. By doing so, the complainant alleged that the officer had alerted the suspect to police interest and given him an opportunity to dispose of evidence.

When interviewed by a Police Ombudsman investigator, the officer said he had received a “low key” request with no apparent urgency to contact the suspect. He believed he had been instructed to leave a calling card rather than to conduct an arrest and search. However, an examination of police records showed that he had been tasked to arrest and search, but received no instruction to leave a calling card.

The supervising officer said the officer had been briefed about the background to the case, which involved intimidation including threats to damage property and endanger life. She expressed shock that the officer had left a calling card given the nature of the task.

The Police Ombudsman recommended that the officer be disciplined for compromising the police investigation, for failing to act on an order, and for failing to keep appropriate notes. The PSNI has since disciplined the officer.

#### Performance against the Annual Business Plan - 2016/17

The Office established a Vision for the Office and four Key Aims in the Three Year Corporate Plan (2014/17). The key aims, along with indicators and targets for the year 2016/17 were set by the Police Ombudsman in conjunction with the Senior Management Team and progress was reviewed throughout the year.

Where necessary steps were taken both to maintain performance and to focus effort on those targets requiring attention.

Reports were also provided to the Department of Justice Accounting Officer through the governance arrangements between the Office and the Sponsor Department, Policing Policy and Strategy Division.

Pages 22 to 26 reflects on the performance of the Office against each Key Aim

## Key Aim 1

### Excellence in investigations

Throughout the year the Office focussed on ensuring that our investigations were characterised by excellence in evidence gathering, investigative decision making and in reporting investigative outcomes whether by public report or by private correspondence.

Training initiatives throughout the year sought to bolster the investigative skills of our staff and to better equip our investigators and complaints officers to meet the demands of a diverse range of investigations. A number of staff attending training courses in specialist areas such as mobile phone analysis and the evidential recovery of CCTV footage. Staff were also involved in continuous professional development in other specialist areas such as investigative interviewing and family liaison.

Quality assurance exercises examined and affirmed our commitment to excellent communication with complainants, police officers subject of investigation and other stakeholders. Improvements were identified as to how we can better communicate and explain the outcomes of investigations to relevant parties.

The Office closed 2,986 complaints during 2016/17. This is 189 complaints more than it received. A significant number of investigation reports were also issued during the reporting year.

The Office investigated a number of high profile matters including the death of a man in Belfast City Centre and a case involving the supervision of bail conditions of a person on remand.

Investigations were also commenced into allegations that PSNI officers had engaged in sexual relationships with vulnerable persons and the Office again investigated several allegations in relation to the misuse of police databases.

The Police Ombudsman's Historic Investigations Directorate was set the target of delivering eight public statements and completing four additional investigations by the end of the reporting year. Two public statements were published during 2016/17, and as I have previously outlined, various pressures, including the complexity of the enquiries, delayed final public reporting on seven other cases and completion of eight additional investigations. The Police Ombudsman anticipates publishing these statements and completing the investigations during the course of 2017.

“This has felt like a very damaging, stressful and lonely process. Only for your support and clarity it would have been unbearable. I can't tell you how much I have appreciated your knowledgeable and sensible approach... I think you're excellent at your job and a real asset to the Ombudsman. So although I was not able to reach what I felt was a satisfactory conclusion... I have been encouraged that we have such a skilled organisation looking out for people.”

**Complainant**



## Case Study

**CLAIMS OF ASSAULT AND ABUSE REJECTED**

**The Police Ombudsman has dismissed a complaint that a man was assaulted and verbally abused by police, after his account was contradicted by a number of witnesses.**

The man claimed to have been held in a “bear hug” by one officer, while another punched him in the face, kned him in the groin and elbowed him in the arm. He also claimed to have been thrown into a police car, and to have been subjected to a stream of abuse by an officer while en route to the police station. The man’s claims were supported by a friend who said he saw him being punched and elbowed in the face.

However, his account of the incident – which happened in north Belfast - was contradicted by other witnesses. One said the officers had not struck the man but appeared to have been restraining him to prevent him getting away. Another said she had not heard officers being abusive, and said the man had been placed in the police car, rather than having been thrown into it as he claimed.

When interviewed, the officers who dealt with the incident said they had used minimal force to prevent the man from running away, and also to place him in handcuffs to prevent him attacking them.

Police records also showed that the man made no mention of having been assaulted to a police doctor who examined him in custody. In addition, the doctor made no reference to any injuries in his report.

The Police Ombudsman investigator noted that police may use reasonable force while making an arrest, and concluded that the force used during the incident had been “necessary and proportionate.”

In 2015/16 the Office sought to increase the number of cases concluded through Informal Resolution (IR). In hindsight the target set of achieving a 25% increase was overly ambitious and was impacted upon by mid-year changes in the IR process and also the conclusion of a PSNI ‘local resolution’ project. In 2016/17 the Office set the target to maintain or increase the number of cases concluded through IR. The target figure of 164 cases was surpassed with 174 cases informally resolved in the year. This represents an increase of over 6% which we will seek to build on in the coming years.

In 2015/16 the Police Ombudsman commenced a pilot project to successfully ‘mediate’ a small number

of cases using existing legislation. Although progress was made in these cases the existing legislative arrangements were found to be cumbersome and bureaucratic. This has informed recommendations for legislative amendments. The Office remains committed to finding innovative and forward thinking ways to resolve, where appropriate, the underlying issues that can lead to police complaints. In 2016/17 the Office began a small project examining ways in which problem solving techniques can be employed to resolve complaint issues. The project is in its early stages; however we have already achieved some positive outcomes and positive feedback from complainants. It is intended to develop this area further in the coming year.

## Key Aim 2

### Maintain impartiality and independence

The Police Ombudsman set a target of maintaining a level of at least 85% public awareness of the Office, with a target of 80% public awareness of its independence and of confidence that it deals with complaints in an impartial manner.

Public awareness of the Office remained high at 88%. Additionally, 85% of those who were aware of the Office were also aware of its independence. Of those surveyed 79% were either confident or fairly confident that the Office dealt with complaints in an impartial manner. This final figure was just short of the target we had set ourselves.

The Office held a range of meetings and engagements throughout the year across Northern Ireland to inform both the public and the police about the work of the Office. More than 60 meetings were held including meetings with community groups and speaking engagements with the NI Policing Board, Police and Community Safety Partnerships and victims groups.

The Office published a Quarterly Statistical report throughout the year and statistical information was also available through the Police Ombudsman website.

In demonstrating the impartiality and independence of the Police Ombudsman, over 60 statements were released through media outlets outlining investigative findings. The Office also engaged with social media platforms including Facebook and Twitter to better inform the public of the work of the Office.

### Case Study

#### POLICE JUSTIFIED IN USING CS SPRAY AGAINST JUVENILES

**The Police Ombudsman has concluded that police were justified in using CS spray against juveniles during incidents in Ballymena, Downpatrick and Derry/Londonderry last year. All uses of the spray against those aged 18 or under are referred by the Chief Constable to the Police Ombudsman for independent investigation.**

The first incident happened in Ballymena when a 17-year-old youth tried to enter a house where police were recovering property following a reported burglary.

The spray was used again in Downpatrick after police responded to a report of two male youths damaging equipment and furniture at a local children's home.

CS Spray was used in Derry/Londonderry as officers arrested a 17-year-old boy who had been detained by a member of the public after breaking a shop window.

The Police Ombudsman noted that the officers who used the spray were all properly trained in its use, and concluded that their actions had been lawful, necessary and proportionate.

### Key Aim 3

#### Develop and implement standards for the service we provide

The Police Ombudsman's Service Charter details the way in which staff should deliver services to the public, police officers and each other and reflects our organisational commitment to our Corporate Values.

In 2016/17 our surveys of both complainants and the police measured performance against the benchmark set by the Charter. During the year 75% of complainants reported that they had been treated fairly and 46% of respondents indicated that they were satisfied with the overall service they received.

The survey of police officers found that 89% of police officers stated that they had been treated with respect and 80% stated that they had been treated fairly. However, just under half of the officers who responded to the survey were satisfied with how the Office had handled the investigation overall. Further analysis of these results for both complainants and police officers will be undertaken to inform improvements to the service provided and consideration given to how best to measure our performance in these areas.

During 2016/17 the number of complaints against the Office decreased slightly from 51 in 2015/16 to 49 in 2016/17. As in previous years many of the complaints were in respect of the outcome of the investigation. Further information on complaints received by the Office is detailed at page 26 below.

### Key Aim 4

#### Focus our efforts on improving policing

Since 2014 the Police Ombudsman has assigned Senior and Deputy Senior Investigating Officers geographical responsibility for liaising with senior PSNI officers in each PSNI district. This has developed into regular contact and liaison between senior investigative staff designed to improve the provision of statistical and other information that may assist in the resolution of complaint issues and in the reduction of complaints generally. In 2016/17 in excess of 50 meetings and engagements took place.

During the last three year planning cycle the Police Ombudsman also undertook significant work as part of the Policy Evaluation Group alongside representatives of the PSNI, the Policing Board, HMIC and CJINI to better catalogue and track recommendations made by the Police Ombudsman to improve policing and to identify how the recommendations made have impacted on policing in Northern Ireland.

All policy recommendations made by Police Ombudsman to the PSNI are now categorised into one of three categories.

“ “[Investigating Officer]’s easy and open manner was a breath of fresh air and he should be commended for both his investigative abilities and his easy manner.”

**PSNI Officer**

“Thank you for your letter ... for the detailed information therein; and particularly for the lengths taken in investigating and reporting... your due diligence and sympathetic handling is very much appreciated.”

**Complainant**

Policy recommendations classified as ‘Strategic’ Policy Recommendations are considered to be those that affect the entire service or that may result in fundamental change to policy or practice. Policy recommendations that are regarded as ‘operational’ are those that are in respect of matters associated with the day-to-day running of the police service and ‘areas for minor improvement’ are matters which require improvement but which are of a minor nature. The Police Ombudsman also makes recommendations that may relate to a single case or complaint. These are not considered to be recommendations regarding PSNI policy and are recorded as ‘case specific’ recommendations.

In 2016/2017 the Office made 47 policy recommendations to the Police Service of Northern Ireland. Two of these were in respect of strategic matters, 39 were in respect of operational matters and 6 related to areas for minor improvement.

The strategic matters related to the establishment of a dedicated Missing Persons Unit to offer specialised and dedicated assistance to districts and to the creation of a Memorandum of Understanding between the Police and ambulance services/hospitals in respect of the recognition of and response to Acute Behavioural Disturbance, including classifying Acute Behavioural Disturbance as a priority emergency call.

Policy recommendations associated with operational matters included the management of police vehicle pursuits such as driver qualification checks and standardisation of equipment location and instructions for use. Operational policy recommendations were also made in respect of the allocation and use of electronic key fobs, used in conjunction with LOCATE (mechanism for controlling and accounting for officers in their deployed vehicles) to identify police vehicle drivers and locations. Case-specific recommendations were also made in four cases.

“The purpose of this correspondence is to pass on my appreciation to [Investigating Officer] who attended my home ... and listened to my difficulty. [Investigating Officer] was professional, courteous, patient and showed genuine empathy towards my complaint in an unbiased manner.”

**Complainant**

## Our Values and Service Charter

During the year the Office developed and launched a new and revised set of Values and a Service Charter.

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

### Values

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

- Independent
- Impartial
- Accountable
- Respectful and professional

### Service Charter

The Service Charter derives from our Values.

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

#### Being Independent

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

#### Being Impartial

- We will treat people with integrity and fairness

#### Being Accountable

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

#### Being respectful and professional

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

## Measuring success

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

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

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

### Customer Complaints against the Office

Based on work undertaken in 2015/16 a revised and redrafted Customer Complaint Policy and associated guidance was introduced in 2016/17. The revised Customer Complaint Policy was published on the Police Ombudsman website. Further information on our Customer Complaints policy is available on our website [www.policeombudsman.org](http://www.policeombudsman.org)

The revised procedures takes cognizance of the fact that very few of the complaints received by the Police Ombudsman relate to the service provided

by staff or alleges improper or inappropriate behaviour by staff members. The majority of complaints received instead relate to the outcomes of investigations and are more properly reviewed as requests for a review or an appeal of the outcome of an investigation.

Within the year 2016/17 there were 49 complaints received which were confirmed as falling within the Customer Complaints policy, 44 of which have been addressed.

#### Case Study

### OFFICER FAILED TO INVESTIGATE "ROAD RAGE" INCIDENT

**A police officer has been disciplined for failing to investigate a road rage incident and failing to inform the victim that the case had been closed.**

A motorist reported that another driver had threatened him and later gone to his place of work and demanded to know where he lived. An officer recorded a statement about what had happened and provided his mobile number so he could be contacted if the man became aware of anything that could help identify the other driver.

Nine days later the complainant saw the other man's car and left a message on the officer's mobile with detailed information about the vehicle and its location. However, he said he never heard from the officer again, despite raising the case when speaking to police about another matter several months later.

In February the following year he learned that the case had become statute barred and could no longer be progressed.

Police Ombudsman investigators reviewed police records and found gaps of months during which the officer had done nothing to progress the investigation – despite being asked by his supervisors to make additional enquiries.

The officer said he could not recall having received a voicemail about the case, but accepted he had failed to provide the man with any updates and had not contacted him when the case was closed.

The PSNI has since implemented a recommendation that the officer should be disciplined.

This year 78% of Customer Complaints related to requests for a review of the findings of our investigations and 22% were in respect of the quality of service provided by the Office.

Seven Customer Complaints (14%) were upheld (none relating to the quality of service provided); four (8%) were partially upheld (one relating to the quality of service provided); one complaint about the quality of service was informally resolved through an explanation being provided about investigative practices; and the remaining thirty two complaints (65%) were not upheld.

The Customer Complaints which were upheld resulted in the re-opening of investigations and the partially upheld complaints resulted in such actions as apologies being provided; a recommendation being made to the Police Service of Northern Ireland in respect of a change in procedures; explanations being provided and a member of the Office's staff being given words of advice.

Two Customer Complaints proceeded to the appeal stage (neither about the quality of service provided) but neither appeal was upheld.

“I found my engagement with [Investigating Officer] to be very professional and understanding and for that I would like to commend her. She has a very broad understanding of what the public have to deal with but also a fair acceptance of the restraints of public office for the police.”

**Complainant**

“I was very impressed with the Investigating Officer ... and his thorough manner. I found him to be very professional and he gave me confidence in the process.”

**Complainant**

### Problem Solving

Within the year there have been ten complaints dealt with by way of a “problem-solving” approach. In these cases staff members have variously resolved a range of issues and the complainants have achieved a timely resolution to the matters, which gave rise to their complaints.

These problem-solving activities have ranged from establishing the facts of cases, sharing relevant information with the complainant and explaining procedures and actions to instigating a police re-investigation of a matter.

Resolutions achieved have included facilitating the return of a complainant's phone which had been seized by police but was no longer required as evidence; obtaining and communicating to the complainant details of a police investigation into threats to kill and harassment thereby reassuring the complainant that investigative steps had been taken; resolving a misunderstanding about the circumstances of a road traffic collision; providing an explanation for the demeanour of police in a very sensitive situation; clarifying that the delay in an investigation was due to the involvement of an organisation other than the police; brokering an agreement between the complainant and police in respect of a contested parking issue; and prompting the correct updating of motor vehicle records.

## Public Attitudes towards the Office

As part of our programme of continuous improvement, the Office commissions an annual survey of public awareness of the police complaints system.

Results from the 2016/17 survey indicate that public awareness remains at a high level with 88% of respondents being aware of the Police Ombudsman. Of those respondents that had heard of the Police Ombudsman, 85% knew that the Office was independent of the police and 79% were either fairly confident or very confident that complaints are dealt with in an impartial way.

In addition, 86% of respondents believed that the Police Ombudsman would help ensure that police in Northern Ireland do a good job.

## Complainant Satisfaction

The Office surveys complainants to seek comment on how they view the service they received. In the year to 31 March 2017, 46% were satisfied with the service, compared with 41% for the year ended 31 March 2016.

The Office carries out regular surveys in order to measure the overall satisfaction of complainants with the service they receive from the Office. The Office set a challenging target for this measure of 60% being satisfied with the service. This target was not met; 46% of respondents reported that they were satisfied with the service they received. The Office is mindful that the outcome of a complaint may heavily influence the level of overall satisfaction with how a case was handled and will be considering this as a measure of performance during 2017/18.

The satisfaction of complainants is a key issue for the Office and sits alongside a reduction in

complaints received about the work of the Office and positive indications from both internal and external reviews as to the quality of the work undertaken. The Office intends to review the complainant satisfaction and take steps to better understand the reasons for our performance in this area.

## 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 80% and 89% respectively.

Whilst it should be noted that there were other positive messages from the survey in that 89% of officers felt that staff were easy to understand and 76% 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.

## Equality Monitoring of Complainants

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

As in previous years the Office received around twice as many complaints from males as females. Of the complaints received, 15% were made by persons aged 25 and under and just under a quarter were made by persons aged 25 to 34. The community background of complainants reflected the most recent Census. Around one-third of complainants self-reported having a disability.



### Case Study

## POLICE DID NOT LET DOWN MAN WHO ASKED FOR HELP

**A Police Ombudsman investigation has found that police did not fail to help a man who asked for help over fears a family member was contemplating suicide.**

The man lodged a complaint with the Police Ombudsman's Office that police did not send officers to help when he reported that a relative was suffering a mental health crisis and had cuts to the neck.

A Police Ombudsman investigator obtained a copy of a non-emergency phone call made by the complainant. During the call, which was taken by a police call handler, he asked police to detain the person under mental health legislation to help prevent any further self-harm.

The call was referred to an officer who called back 25 minutes later and established that the person was at home, being looked after and in no immediate danger. He then explained that in the circumstances police could not remove the person from their own home, unless there was a risk to the safety of the person or others, or a possible breach of the peace. The officer advised the man to call the out of hours doctor, and to call back if the situation changed.

A Police Ombudsman investigator confirmed that the advice given by the officer was correct and in line with police procedure.

Her closure letter to the complainant explained that mental health legislation allows police to detain a person in their own home only if they are a risk to themselves or others, or if there is a risk of a breach of the peace, or if they are unable to care for themselves and are not being properly cared for by anyone else.

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

### Legal Services

The Office has been involved in a number of high profile court cases. Most recently a complainant in a case which sits with the Historic Directorate challenged the delay in commencing the investigation into her complaint. The Court found that the Office was underfunded to conduct such work (this matter is subject of appeal by the DoJ).

Other High Court challenges included a challenge by retired officers concerning the Loughinisland public statement (judgment on the leave application is awaited) and a challenge on how the Office deals with complaints regarding approaches to potential informants (currently listed to go before the Court of Appeal).

A considerable amount of time continues to be taken up in preparation for a number of forthcoming inquests (relating to both legacy and more contemporary deaths). The Office is acutely aware of its obligations to assist the Coroner whilst also aiming to meet its statutory obligations within an ever-diminishing baseline budget.

In this regard, it is hoped that the judgment outlined above regarding funding will lead to more resources to assist with the increasing demands on the Office.

### Working with other Police Oversight Bodies

The Police Ombudsman continued to engage and communicate with the policing oversight agencies in the rest of the UK, Northern Ireland and the Republic of Ireland.

The Police Ombudsman has been a member of the Law Enforcement Oversight Body Accreditation Board (LEOBAB) since it was established. Alongside representatives from the Garda Síochána Ombudsman Commission (GSOC), the Independent Police Complaints Commission in England and Wales (IPCC) and the Police Investigations and Review Commissioner for Scotland (PIRC) the Board has worked to encourage opportunities for shared learning and joint training events in the practices of civilian investigation and oversight of police .

Over the course of 2016/17 the board has been re-constituted as the Joint Training and Development Board to emphasise its principle purposes of actively promoting professional training and development courses and qualifications for police oversight investigators and case officers, ensuring that investigators and case officers are trained to common standards and that these standards are maintained through continuous professional development. The board also seeks to identify and promote opportunities for joint training between the organisations and the sharing of best practice in policing oversight.

The Joint Training and Development Board is currently chaired by the Police Investigations and Review Commissioner for Scotland and the Police Ombudsman looks forward to continuing to work

in partnership with the other law enforcement oversight bodies in the coming year.

### Media and Statistical work

Independent research reflects that most people in Northern Ireland have heard of the work of the Office and that their main source of information has been material they have heard and read on television, radio and in newspapers. Recognising that the 'traditional' media remains a powerful means of providing people with information, the Office regularly provides outlets with information about our work. Last year the Office issued more than 60 statements, mainly about casework but also about other issues which affect the police complaints system.

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

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

While reports, such as the Annual Statistical Bulletin are designed for public consumption, some are geared more towards the particular needs of groups

and organisations. The Office produces monthly and quarterly reports to the PSNI which provides them with regular information about trends and patterns in police complaints and helps identify any issues they may need to address. We also provide reports to the Northern Ireland Policing Board which give a profile of complaints received. The Chief Executive meets with the Board twice a year to discuss such topics.

### Engaging with the people we serve

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

During 2016/17 we held more than 50 meetings across Northern Ireland. More than 30 were in the community and included speaking engagements with the NI Police Board, Police and Community Safety Partnerships and with victims groups. We also held Police Ombudsman stands at both the Belfast Pride and the Mela events. Much of our outreach work is focused on raising awareness of the police complaints system among children and young people. Last year we visited a number of schools, launched a video and are developing an 'app' helping to inform young people on a range of issues including their rights and responsibilities if they are stopped and searched.

It is also important that we talk and listen to the PSNI on matters of policy and practice and where there are opportunities to work together to improve policing. Last year we held more than 20 such meetings, some with District Commanders where we identified trends and patterns in complaints from their area as part of an overall strategy to reduce the number of complaints against police officers.

### Assembly Questions/Freedom of Information

During the year the Office dealt with almost 40 separate requests for information, using the powers contained in the Freedom of Information and in the Data Protection Acts. There were 25 Freedom of Information requests and 14 Subject Access requests under the Data Protection Act. Many of these requests asked for information about particular investigations, but some focused on broader issues, such as the structure of the Office, and the nature of the international delegations which visit us.

During the year the Office responded to 6 Assembly Questions. Two of these questions related directly to the functions of the Office, while the others were questions asked more generally of the DoJ and its agencies.

### Leadership Principles

During the business year, further work was progressed in relation to the Leadership strand of the HR Strategy. The Office continued to focus on the qualities and style of leadership within the organisation that would best support organisational performance and the further development of the culture necessary to achieve the key aims of the Office. The Leadership Principles which were developed through workshops with staff in the previous financial year have been used as the basis of a Leadership Charter which was launched during the year which underpins the behaviours of those in a leadership role in the Office. In consolidating those values, and behaviours the Office's core competency framework was also reviewed with a Leadership Cluster of competencies now central to that framework.

In addition all managers attended a one day workshop to explore leadership principles in action and 16 managers took the opportunity to enhance their knowledge and skills through the achievement of a formal Leadership and Management qualification, accredited by the Chartered Institute of Management.

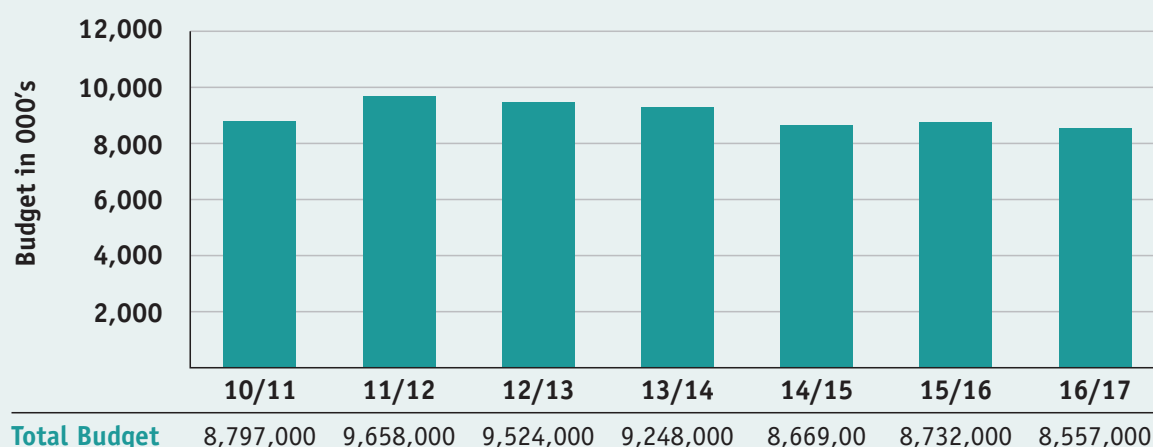
### Long Term Expenditure Trends

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, showing decreases from 2011/12 to 2016/17. However, by reference to 2010/11 the chart appears to suggest that the total budget available to the Office has not been substantially impacted by budget cuts with the total budget available in 2015/16 being £8,732k being marginally less than the £8,797k total available in 2010/11. However focusing on the total budget loses a key trend in the financial trend in the Office.

The overall level of resource available is comprised of resources for two distinct areas of work in the Office – those relating to Historical matters dating prior to April 1998 and those relating to current investigations and significant matters from April 1998 onwards. As can be shown in the chart below a significant additional budget was provided for the financial year 2011/12 onwards as additional resources for Historic investigations, although this too has been subject to year on year cuts. The additional resources for Historic Investigations has had the effect of distorting the overall budget of the Office.

The chart on page 35 shows is that the overall budget for core work in the Office has been steadily decreasing from £7,847k in 2010/11 to £6,749k in 2015/16 – this is a 14% reduction in cash budgets, the impact of which is greater in real terms due to inflationary rises over the period.

**Total Resource Budget from 2011/12 to 2016/17**



The Office budget for 2017/18 has not been agreed in the absence of an Executive – the Office has however been asked to profile expenditure on the basis of a 3% reduction in budget from the level of resource available in 2016/17 with specific additional resources available to a specific investigation. A cut in budget of this scale will have a significant impact on the Office and in particular, levels of staff.

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

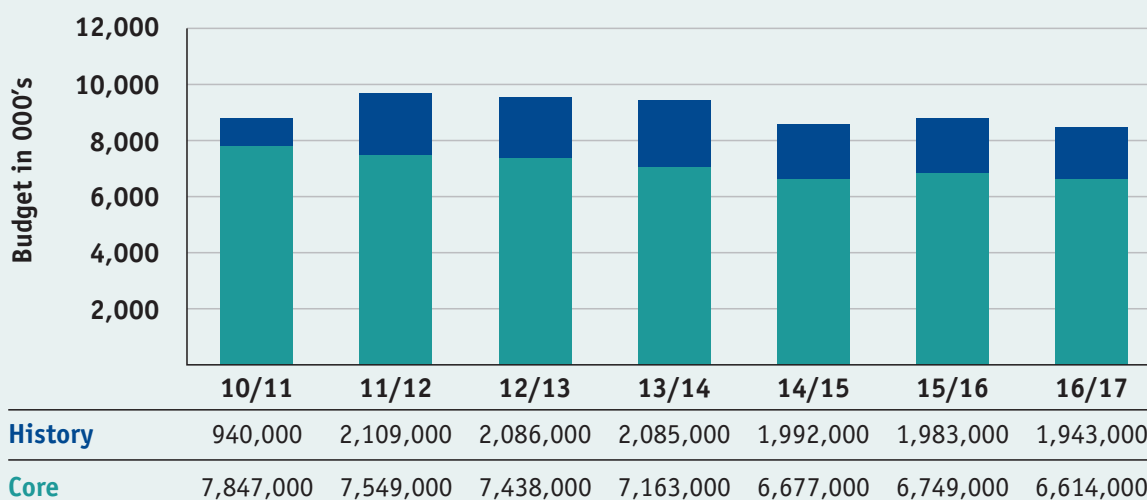
The additional resources for the specific investigation will mean there will be no overall reduction in headcount, however there will be a further headcount reduction, apart from for this specific investigation, which is likely to impact on the timeliness of investigations and increased pressure on staff.

Whereas the Office accepts a need for a degree of realism about the state of public finances, there are two key areas in which the Police Ombudsman has had significant concerns about the impact of lack of resources on the work of the Office. These are in relation to the level of resources available to conduct Historic Investigations pending any transfer of this work to a new HIU, and also the resources available to the Office to investigate particular significant cases post April 1998. The Office submitted two business cases to the Department of Justice requesting that additional resources be made available to the Office in order to progress these matters in a timely manner. Additional resources have been granted for the latter business case, the Office awaits the outcome of considerations by the Department in relation to the Historic Investigations business cases.

### Financial Review

The Office, like other parts of the wider public sector has seen a reduction in budgets over recent years.

#### Resource Budget from 2011/12 to 2016/17



The 2016/17 financial year saw a further decrease in our operational budget in real terms. The budget for 2016/17 was set at £8,557k which represented a 2% reduction from the budget of £8,732k in 2015/16. The net effect of year on year cuts to funding since 2009/10 presents a clear risk to the operation of the Office.

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 65 and 66 respectively. The Office incurred net expenditure for the year of £8,685,123 (£8,732,098 for year ended 31 March 2016). 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.

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.

Other expenditure (excluding non cash expenditure) has increased marginally from £1.81m in 2015/16 to £1.86m in 2016/17 following a significant reduction from £2.12m in 2014/15. Previously non staff cost reductions had included cessation of a lease, renegotiated computer maintenance costs and general restrictions on spending on any non essential items.

However, as the majority of the expenditure of the Office is on staff and as the scope to reduce non staff costs has largely been exhausted, there has already been a reduction in staff numbers. The Office is required to absorb pay pressure from pay increments and increases to employers NIC and therefore although there was a marginally higher level of expenditure on pay in 2016/17 this correlated with a reduction in overall headcount. An average of 140 full time equivalent (FTE) staff were employed through the year ended 31 March 2017 representing a reduction from 146 for the year ended 31 March 2016, 147 for the year ended 31 March 2015 and 151 for the year ended 31 March 2014. Further budget cuts will inevitably lead to further headcount reduction and although the Office is continually seeking to identify ways in which to streamline processes, such a headcount reduction is likely to impact on the timeliness of investigations and increased pressure on staff.

### Financial Position

The total net assets of the Office as at 31 March 2017 were £1,004,321 (£923,444 as at 31 March 2016).

### 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

Expenditure	2016/17	2015/16	2014/15
Staff Costs	6,576,282	6,532,185	6,475,189
Other expenditure	1,864,312	1,813,708	2,122,398
Other expenditure – non cash	335,107	418,375	691,824
<b>Total Net Expenditure for the year</b>	<b>8,775,701</b>	<b>8,764,268</b>	<b>9,289,411</b>

on the basis of existing use value at £265,000 at 31 March 2017 (£280,000 at 31 March 2016). The open market value of the leasehold interest in New Cathedral Buildings has been valued at £nil at 31 March 2017 (£nil at 31 March 2016). Details of the movement of property plant and equipment are set out in Note 6 to the Accounts.

### Prompt Payments

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

The overall performance to pay within 10 working days for the year ended 31 March 2017 was 98.3% (99.6% for the year ended 31 March 2016). The overall performance to pay within 30 days for the year ended 31 March 2017 was 100% (100% for the year ended 31 March 2016).

### Environmental Matters

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

### Auditors

The Financial Statements are audited by the Comptroller and Auditor General (C&AG) who heads the Northern Ireland Audit Office and is appointed by statute and reports to the Northern Ireland Assembly. His certificate and report are produced on pages 63 and 64.

The audit fee for the work performed by the staff of the C&AG during the reporting period was £11,500 which relates solely to the audit of these financial statements. The audit fee for the year ended 31 March 2016 was £11,500.

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

### In Conclusion

During the year the Police Ombudsman responded to a range of issues including significant operational and financial pressures. The Office continued to refine operational processes and seek to reduce unnecessary bureaucracy.

In doing so the Office continued to resolve complaints through a variety of means, including local resolution and 'problem solving'. The investigation of complaints in respect of both contemporary and historic policing in Northern Ireland is the core business of the Office and work in those areas has continued to be of a high standard with positive feedback from both complainants and police officers.

The Office can be proud of performance across all areas of delivery with two significant pieces of work of particular note; one to restructure the largest Directorate in the Office and secondly to deliver a complex piece of work in respect of records management. Additionally, in achieving silver accreditation in Investors in People, the Office has reflected an ongoing commitment to supporting staff and making continuous improvements in the way the Office is managed both 'day to day' and more strategically.

The governance arrangements in the Office continue to be robust and stand the scrutiny of independent audit. The Audit and Risk Committee carries out its functions diligently and in particular I am grateful for the highly valued support of the two non executive members of the Committee.

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 for their unstinting support throughout the year and of course to the Executive Team, who individually and collectively continue to meet the responsibility and the privilege of delivering a vitally important service to the people of Northern Ireland.



**Adrian McAllister**  
**Chief Executive**  
13 June 2017



## Accountability Report

---

### Corporate Governance Report

#### Chief Executive's Report

##### Police Ombudsman

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

##### Executive Management

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

<b>Dr M Maguire</b>	Police Ombudsman
<b>Mr A McAllister</b>	Chief Executive
<b>Mr P Holmes</b>	Director of Investigation
<b>Dr B Doherty</b>	Director of Investigation
<b>Mrs O Laird</b>	Director of Corporate Services
<b>Mr T Gracey</b>	Director of Information
<b>Mr S McIlroy</b>	Director of Legal Services

There were no changes within the Senior Management Team during the financial year.

##### Register of Interests

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

##### Data Handling

I am required to report personal data related incidents which occurred during the year ended 31 March 2017. 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. There were no such personal data related incidents during the year ended 31 March 2017 or in the previous years. An issue arose in April 2017 following the end of the financial year which has been reported in local media and to which I refer for completeness. This has been referred to PSNI and is currently subject of criminal investigation. In addition it has been notified to the Information Commissioner. Information risk is managed within the Office within the context of the risk management framework to which I refer in my Governance Statement.

##### Customer Complaints

There were 49 complaints received during the year within the Customer Complaint policy, 51 in the year to 31 March 2016. Further details are included in the performance report on pages 28 to 29.

## Statement of the Police Ombudsman for Northern Ireland and the Chief Executive's Responsibilities

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

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

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

- observe the accounts direction issued by the Department of Justice, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual (FRoM) have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.

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

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

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

## Governance Statement

### 1. Scope Of Responsibility

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

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

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

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

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

### 2. Purpose Of The Governance Framework

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

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

### 3. Governance Framework

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

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

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

#### The Police Ombudsman

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

#### The Chief Executive, as Accounting Officer

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

#### The Audit and Risk Committee

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

The Audit and Risk Committee has an established Terms of Reference which was last reviewed and updated in September 2016 and is available on the Office website. The responsibilities of the Audit and Risk Committee include advising the Police Ombudsman and Chief Executive on the strategic processes for risk, control and governance within the Office. The Audit and Risk Committee has oversight of key governance matters including Whistleblowing, Fraud and Theft, Gifts and Hospitality, Health and Safety and Direct Award Contracts. The Audit and Risk Committee produces an annual report on the

effectiveness of the Committee in the discharge of their responsibilities in support of the Police Ombudsman and me as Accounting Officer.

### Internal Audit

The Internal Audit service for the Office for the year to 31 March 2017 was provided by ASM who operate to Public Sector Internal Audit Standards (PSIAS). The Internal Audit work programme for the year was set within a strategic internal audit plan. The plan gives assurance to the Accounting Officer on the effectiveness and efficiency of the operation of key systems and controls in the Office in order to deliver the statutory duties of the Office. On an annual basis the Audit and Risk Committee approves an annual audit plan and considers the adequacy of the management responses to findings and recommendations contained in audit reports. The Head of Internal Audit also produces an Annual Assurance report which provides assurances to me as Accounting Officer as to the effectiveness of the Office's overall systems of control.

### External Audit

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

### Governance Arrangements

The Office had an established set of arrangements for Corporate Governance which was put in place

in October 2012. The Corporate Governance Arrangements document was reviewed and endorsed by the Police Ombudsman, the Senior Management Team and the Office's Audit and Risk Committee in May 2016.

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

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

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

As part of the sponsorship arrangements, I meet formally on a quarterly basis with the Head of the sponsor Division within the Department to discuss Office performance against the objectives and targets set out in the Annual Business Plan.

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

#### Conflicts of Interest

A standing item of Conflicts of Interest is included at the start of all Audit and Risk Committee and Senior Management Team meeting agendas. Any conflicts of interest declared are managed by the Chair of the relevant meeting and will normally require the withdrawal from the meeting in full or for the relevant part of the meeting by the individual who has declared the conflict. All such conflicts of interests are recorded in the minutes of the meeting and are forwarded for inclusion in the organisational Conflict of Interest register. In the year to 31 March 2017, there were no conflicts of interest declared. In the year to 31 March 2016 one potential conflict of interest was registered by a member of the Audit and Risk Committee following correspondence from NIAO advising of the appointment of RSM Northern Ireland. The member concerned identified that they serve on another Board alongside the Managing Partner of RSM Northern Ireland. Following discussion, the Audit and

Risk Committee was satisfied that this did not present a conflict of interest. There were no conflicts of interest declared in SMT meetings.

## 4. Risk Management And Internal Control

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

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

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

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

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

## 5. Review Of Effectiveness Of The Governance Framework

### Senior Management Team (SMT)

The Senior Management Team, which I chair, meets on a regular basis throughout the year. During the financial year there were six such SMT meetings held. These meetings are designed to ensure the effective management of the day to day operation of the Office and to ensure effective progress against the objectives and targets of the Annual Business Plan. The Police Ombudsman normally attends SMT meetings. Bi-annually, the SMT meeting is expanded to include all functional members in the Office. In addition I meet regularly with all Directors in an informal SMT. The attendance by members of SMT at the formal SMT across the year was

<b>Michael Maguire</b> , Police Ombudsman,	5
<b>Adrian McAlister</b> , Chief Executive,	6
<b>Brian Doherty</b> , Director of Current Investigation,	5
<b>Paul Holmes</b> , Director of Historic Investigation,	6
<b>Olwen Laird</b> , Director of Corporate Services,	6
<b>Tim Gracey</b> , Director of Information,	5
<b>Seamus McIlroy</b> , Director of Legal Services	5

### Audit and Risk Committee

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

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

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

In addition, during the year Brian Doherty, Director of Current Investigation attended the Audit and Risk Committee on two occasions and Tim Gracey, Director of Information on one occasion.

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 me as Accounting Officer. The report for the year ended 31 March 2017 has confirmed that the Audit and Risk Committee was operated effectively across the financial year.

Department of Justice sponsor arrangements  
There were three governance meetings held during the year between the sponsor Division of the Department of Justice and the Office in line with the provisions of the MSFM to discuss and monitor performance against the Annual Business Plan throughout the year. Additionally the Office responded to a significant number of requests for information and responded to the requirements to submit returns to the Department on a regular basis on a range of matters to satisfy the governance requirements of the Department.

There were no ministerial directions given during the financial year.

### Risk management

The process of ongoing overview of key organizational risks has been effective across the financial year. Individual members of SMT have been pro-active in the management of the risks that have been individually assigned and the consideration of risk by SMT as a standing item on the agenda has enabled focused discussion on these risks and related actions required to address them.

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

- a risk that the budget allocated to the Office is insufficient for the Office to function effectively in the delivery of its statutory duties and that any in-year reduction would further undermine the capability and capacity of the Office to undertake its statutory functions;
- a risk that the Significant Cases Team is not adequately resourced to investigate a portfolio that includes both post 1998 historical enquiries and contemporary critical incidents, resulting in reduced quality of investigations, reputational damage to the organization and legal challenge; and
- a risk that if a new Historic Investigations Unit (HIU) is established under the Stormont House Agreement it 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 reputational damage to the Office.

In order to address these risks the Office has identified the pressures to the Department of Justice as part of financial monitoring discussions,

during the formal governance meetings and through the submission of two separate business cases for additional resources - one for additional monies to address pressures in Historic work and the other for additional monies to address pressures in Current work, including significant cases.

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.

### 2017-18 Budget Position

The Northern Ireland Assembly was dissolved as from 26 January 2017 for an election which took place on 2 March, on which date Ministers also ceased to hold office. An Executive was not formed following the election within the period specified in the legislation. As a consequence, a Budget Act is not yet in place for 2017-18. In the absence of a budget for 2017-18 determined by an Executive, Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 provide for the Permanent Secretary of the Department of Finance to issue cash to departments from the NI Consolidated Fund. Following this the Department of Justice has allocated an indicative budget to the Office for the 2017-18 year. These powers are an interim measure designed to ensure that services can be maintained until such times as a budget is agreed and a Budget Act passed.



## 6. Significant Internal Control Issues

During the course of the previous financial year the SMT identified 'records management' as an issue that required increased focus and attention across the Office. As part of that focus, the Office requested an internal audit be undertaken. As a consequence, internal audit was asked to carry out an audit in relation to records management within the Office, records management was also added as a risk to the Corporate Risk Register and work began within the Office to enhance existing internal controls in this area. An internal audit report was received in respect of records management in April 2016 which provided a limited assurance rating in this area. By the date of the receipt of the Internal Audit report, significant work was being progressed within the Office to enhance these arrangements. Further work has continued throughout 2016/17 and the Internal Audit follow up report confirms that there has been substantial progress against the recommendations made in the April 2016 Internal Audit report. Of the 13 recommendations made, 9 have been fully implemented, 3 partially implemented and 1, relating to staff training remains to be progressed. I am satisfied that the controls in place in relation to this area have been improved to a satisfactory standard albeit they will be kept under continual review for the foreseeable future. There were no other significant internal control issues identified during the year.

## 7. Accounting Officer Statement On Assurance

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

- the Annual Assurance Report from the Internal auditor which provides an overall assurance rating to me on the basis of work undertaken across a range of internal audit areas. The Office adopted DAO DOF 07/16 Internal Audit Opinions and prioritisation of recommendations for the year ended 31 March 2017. This removed the concept of substantial assurance leaving satisfactory, limited or unacceptable as possible audit opinions. The overall assurance that has been provided to me as Accounting Officer by the Internal Auditor is satisfactory. This satisfactory assurance is drawn from a range of internal audit carried out during the financial year. The areas subject to audit and the assurance level obtained are as follows:
  - High Level Review of Financial Systems (satisfactory)
  - Complaints and Client Satisfaction (satisfactory)
  - Management Policy Review Processes (satisfactory)
  - Records Management – file transfer (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. The Chief Executive is remunerated as a senior civil servant. Judicial and Senior Civil Service (SCS) scales are based on the work and recommendations of the Senior Salaries Review Board (SSRB). The Minister of Finance approves the pay remit for Senior Civil Service (SCS) staff in Northern Ireland. The SCS remuneration arrangements are based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima allowing progression towards the maxima on performance. In 2012, on creation, there were 11 points on each scale. The minimum point has been removed in each year from 2014 to 2016 (the scales now have 8 pay points) to allow progression through the pay scales within a reasonable period of time.

The remuneration of other members of the Senior Management Team within the Office is set within the Northern Ireland Civil Service (NICS) pay structures. The Minister of Finance approves the pay remit for staff in the Office. The Office is not involved in NICS pay negotiations. Performance is appraised by line managers of achievement against agreed objectives and targets.

### Appointments

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

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

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

Mr B Doherty was appointed on 3 March 2014 as Director of Investigation on a three year fixed term contract. In recognition of the anticipated end of this contract in March 2017 and due to ongoing uncertainty about the future of Historic investigation matters within the Office, including the potential that these matters will transfer at a future date to a body yet to be established, the contract for Mr Doherty has been extended for a further 18 months until 3 September 2018 to provide for continuity and resilience during this uncertain period.

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

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

#### Salary and pension entitlements

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

## Remuneration (including salary)

	AUDITED INFORMATION 2016-17			
	Salary (£'000)	Benefits in kind (to nearest £100)	Pension Benefit (to nearest £1000) <sup>2</sup>	Total (to nearest £1000)
<b>Dr Michael Maguire</b> <i>Police Ombudsman</i>	130 – 135	-	52	185-190
<b>Adrian McAllister</b> <i>Chief Executive</i>	110 – 115	-	43	150-155
<b>Paul Holmes</b> <i>Director of Investigation</i>	65 – 70	-	11	75-80
<b>Brian Doherty</b> <i>Director of Investigation</i>	75 – 80	-	26	105-110
<b>Olwen Laird</b> <i>Director of Corporate Services</i>	55 – 60	-	19	75-80
<b>Tim Gracey</b> <i>Director of Information</i>	55 – 60	-	11	65-70
<b>Seamus McIlroy</b> <i>Director of Legal Services</i>	45 – 50	-	20	65-70
<b>Non Executive Audit and Risk Committee Members</b>				
Frank Bryan	0 – 5	-	-	0-5
Bernard Mitchell	0 – 5	-	-	0-5
Police Ombudsman's Total Full Time Equivalent Remuneration		£132,210		
Median Total Remuneration		£33,004		
Ratio		4.01		

2. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

## Remuneration (including salary)

	AUDITED INFORMATION 2016-17			
	Salary (£'000)	Benefits in kind (to nearest £100)	Pension Benefit (to nearest £1000) <sup>1</sup>	Total (to nearest £1000)
<b>Dr Michael Maguire</b> <i>Police Ombudsman</i>	130 – 135	-	56	185 – 190
<b>Adrian McAllister</b> <i>Chief Executive</i>	110 – 115	-	44	155 – 160
<b>Paul Holmes</b> <i>Director of Investigation</i>	65 – 70	-	14	75 – 80
<b>Brian Doherty</b> <i>Director of Investigation</i>	75 – 80	-	27	105 – 110
<b>Olwen Laird</b> <i>Director of Corporate Services</i>	55 – 60	-	13	70 – 75
<b>Tim Gracey</b> <i>Director of Information</i>	50 – 55	-	12	65 – 70
<b>Seamus McIlroy</b> <sup>2</sup> <i>Director of Legal Services</i>	40 – 45	-	19	60 – 65
<b>Non Executive Audit and Risk Committee Members</b>				
Frank Bryan	5 – 10	-	-	5 – 10
Bernard Mitchell	0 – 5	-	-	0 – 5
Police Ombudsman's Total Full Time Equivalent Remuneration		£132,613		
Median Total Remuneration		£32,158		
Ratio		4.12		

1. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.
2. The salary figure quoted is the salary paid to Mr McIlroy for the full year to 31 March 2016, however this period included some unpaid leave. The full time equivalent salary for the year ended 31 March 2016 is £45k - £50k

---

## 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 2017 (nil for the year ended 31 March 2016).

## 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 2017 (nil for the year ended 31 March 2016).

## Pension Entitlements

	AUDITED INFORMATION					
	Accrued pension at pension age as at 31/3/17 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV at 31/3/17 £'000	CETV at 31/3/16 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account (Nearest £100)
<b>Dr Michael Maguire</b> <i>Police Ombudsman</i>	25 – 30	2.5 – 5.0	413	361	35	N/A
<b>Adrian McAllister</b> <i>Chief Executive</i>	10 – 15	2.5 – 5.0	141	107	23	N/A
<b>Paul Holmes</b> <i>Director of Investigation</i>	10 – 15 plus lump sum of 40 – 45	0 – 2.5 plus lump sum of 0 – 2.5	272	249	9	N/A
<b>Brian Doherty</b> <i>Director of Investigation</i>	0 – 5	0 – 2.5	46	31	9	N/A
<b>Olwen Laird</b> <i>Director of Corporate Services</i>	20 – 25	0 – 2.5	299	278	7	N/A
<b>Tim Gracey</b> <i>Director of Information</i>	0 – 5 plus lump sum of 10 – 15	0 – 2.5 plus lump sum of 0 – 2.5	109	95	11	N/A
<b>Seamus McIlroy</b> <i>Director of Legal Services</i>	5 – 10	0 – 2.5	62	50	7	N/A
<b>Non Executive Audit and Risk Committee Members</b>						
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). 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).

These arrangements are unfunded with the cost of benefits met by monies voted by the Assembly each year. From April 2011, pensions payable under classic, premium and classic plus are reviewed annually in line with changes in the cost of living. Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality ‘money purchase’ stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is a ‘Career Average Revalued Earnings’ (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are reviewed annually in line with increases in the cost of living.

A new pension scheme, alpha, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements have also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age will 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 also 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 will be 2.32%. CARE pension benefits are reviewed annually in line with increases in the cost of living.

Increases to public sector pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with 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 2016 was 1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2017.

Employee contributions for all members for the period covering 1 April 2017 to 31 March 2018 are as follows:

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – classic members or classic members who have moved to alpha	Contribution rates – all other members
From	To	1 April 2017 to 31 March 2018	1 April 2017 to 31 March 2018
£0	£15,000.99	4.6%	4.6%
£15,001.00	£21,422.99	4.6%	4.6%
£21,423.00	£51,005.99	5.45%	5.45%
£51,005.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

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

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

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos. The normal pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension arrangements can be found at the website [www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni](http://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni).

### Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying 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 (2008) 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.

### NICS Pension arrangements

The Northern Ireland Civil Service pension arrangements are unfunded multi-employer defined benefit schemes. The Office of the Police Ombudsman for Northern Ireland is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowance Resource Accounts as at 31 March 2017.

For the year ended 31 March 2017, employers' contributions of £1,004,815 were payable to the NICS pension arrangements (£986,289 for the year ended 31 March 2016) at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during the year to 31 March 2015. This valuation was used to determine employer contribution rates for the introduction of the new career average earning scheme, alpha, from April 2015. For 2017/18 the rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during the year to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account which is a stakeholder pension with an employer contribution. Employer contributions

are age-related and range from 8% to 14.75% of pensionable pay (3% to 14.7% for the year ended 31 March 2016). Employers also match employee contributions up to 3% of pensionable pay. Additionally 0.5% of pensionable pay is payable by employers to cover the cost of the future provision of lump sum benefits of death in service and ill health retirements of these employees (0.5% for the year ended 31 March 2016). There were no employer's contributions paid or due to be paid to the appointed stakeholder pension providers during the year (£nil for the year ended 31 March 2016).

### 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. Ill-health retirement costs are met by the pension scheme and are not reported by the Office. There were no redundancy or other departure costs for the year ended 31 March 2017 (£nil for the year ended 31 March 2016).

### Voluntary Exit Scheme

(This section is subject to audit)

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

## Payments to Past Directors

(This section is subject to audit)

There were no payments made to any former member of the Senior Management Team or former Police Ombudsman for the year ended 31 March 2017 (£nil for the year ended 31 March 2016).

## Off Payroll Payments

(This section is subject to audit)

The Office had no off-payroll engagements during the year to 31 March 2017. None in the financial year ended March 2016.

## Fair Pay Disclosures

(This section is subject to audit)

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

The Police Ombudsman for Northern Ireland is the highest paid official within the Office. No employee of the Office of the Police Ombudsman received remuneration in excess of the Police Ombudsman during either the year ended 31 March 2017 or the year ended 31 March 2016. Total remuneration includes salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer contributions or the cash equivalent transfer value of pensions.

Staff in the Office hold a range of posts. The level of remuneration varies according to the post that is held. The range of remuneration on a full time equivalent basis within the Office is £19,811 to £132,210. The median rate of remuneration of staff in the Office is £33,004

The total remuneration of the Police Ombudsman for the year ended 31 March 2017 was £132,210 which was 4.01 times the median remuneration of the workforce of £33,004. The total remuneration for the Police Ombudsman for the year ended 31 March 2016 was £132,613 which was 4.12 times the median remuneration of the workforce of £32,175.

The pay multiple has decreased slightly from 4.12 for the year ended 31 March 2016 to 4.01 for the year ended 31 March 2017. The reason for this is the 2016 NICS pay award included an element of pay progression and upwards revalorisation of the pay scales on which staff are paid. Changes to the Police Ombudsman's pay are outlined on page 59.

## Staff Costs

(This section is subject to audit)

	2016-17	2015-16
<b>Amounts payable in respect of directly employed staff</b>		
Wages and Salaries	3,877,820	3,998,233
Social Security Costs	414,242	311,755
Employer's pension costs	863,551	876,476
<b>Total direct employee staff costs</b>	<b>5,155,613</b>	<b>5,186,464</b>
Less recoveries of outward secondments	(113,261)	(41,972)
Total net costs	5,042,352	5,144,492
<b>Amounts payable in respect of staff on secondment, agency workers, temporary and contract staff</b>	<b>1,553,930</b>	<b>1,387,693</b>
<b>Total Staff costs</b>	<b>6,576,282</b>	<b>6,532,185</b>

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

## Average number of persons employed

(This section is subject to audit)

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

	2016-17	2015-16
<b>Directly employed permanent Police Ombudsman Staff</b>		
Management and executive	6	6
Administrative and support	23.5	26
Complaints and Investigation	75	81
<b>Seconded, agency worker, temporary and contract staff</b>		
Management and executive	1	1
Administrative and support	4.5	5
Complaints and Investigation	30	27
<b>Total Average number of full time equivalent persons</b>	<b>140</b>	<b>146</b>

## 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 is the only post which is on a payscale aligned to the NICS Senior Civil Service. The Police Ombudsman is remunerated on the Judicial Scales at judicial scale 6.1.

	2016-17	2015-16
SCS Payscale 2	1	1

## Police Ombudsman Remuneration

The Police Ombudsman is remunerated on the Judicial scale 6.1. For the year ended 31 March 2017, the judicial scale 6.1 was £133,506. However, due to overpayments of pay made to the Ombudsman in previous financial years (which are explained in detail in the 2015/16 Remuneration and Staff report within the Annual Report) the Police Ombudsman requested that his pay be reduced by an amount of £1,296 per annum for each of the 3 financial years from 1 April 2016 to 31 March 2019.

Therefore during the year the Police Ombudsman's total remuneration, including benefits in kind, but excluding pension contributions, was £132,210. His total remuneration during the year ended 31 March 2016 was £132,613.

The Police Ombudsman received no benefits in kind during the year nor for year ended 31 March 2016. The Police Ombudsman is a member of the Northern Ireland Civil Service (NICS) Pension arrangements. For the year ended 31 March 2017, £34,771 was payable by the Office in respect of the Police Ombudsman's pension contributions (£34,877 for the year ended 31 March 2016).

## Sickness Absence

For the year ended 31 March 2017 the Office set a target not to exceed a sickness absence rate of 4%. This target was achieved - the rate of sickness absence for the year was 2.60%. This represents a significant decrease in the level of sickness absence in the Office from the 4.26% rate during the year to 31 March 2016.

This decrease in sickness absence rate is particularly pleasing as comes following what had been the highest rate in the last 5 years in 2015/16.

The absence for the year ended 31 March 2017 represent the lowest level of sickness absence that the Office has reported. Managers in the Office continue to work closely with staff to ensure that sickness absence continues to be effectively managed and the target of 4% absence has been renewed for the year to 31 March 2018.

The Office continues to reflect positively against the most current information available in relation to the rate of sickness absence across the NICS. The most up to date level of sickness absence reported for the NICS was 5.3% for the year ended 31 March 2016.

## Expenditure on Consultancy

The Office incurred £nil on consultancy during the year ended 31 March 2017, (£9,900 for the year ended 31 March 2016).

## Developing our people

The Office has come to the end of the current three year People Strategy. The strategy included a significant focus on developing our people with a particular focus on enhancing leadership capability, through the provision of formal Leadership qualifications accredited by the Chartered Management Institute. In the forthcoming business year the Office will introduce a Continuous Professional Development Framework to support the ongoing commitment to professional and personal development in the years ahead.

## Training and Development

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

In the context of reducing budget levels this has been a challenging but productive year for learning and development. We have seen an extensive range of educational, learning and CPD programmes and activities delivered. The diversity of the examples cited demonstrates this. These include; Specialist Accredited Investigative Interviewing for both Witnesses and Suspects, New Police Misconduct Regulations 2016, Legislation Workshops, E-Learning (Security of Information), RIPA core skills and Authorising Officer roles, Disclosure, Cyber Crime, Data Protection, Prince2 and Use of Force Tactical training. During the year the Office also launched a series of Coffee and Learn sessions inviting representatives from key stakeholder organisations to share their knowledge and experiences in relevant subject areas with our staff.

## 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.

During the reporting year the Office agreed a new recruitment policy and as part of the Office's commitment to Equality of Opportunity, it made

provision for improved 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.

The Office is 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 2017 shows that excluding employees from a non determined background 55.5% are Protestant and 44.5% are Roman Catholic. The profile of staff at 1 January 2015 showed that 57.4% were Protestant and 42.6% were Roman Catholic.

In relation to gender composition the overall profile of staff at 1 January 2017 also shows that 45.9% were male and 54.1% were female (47.8% were male and 52.2% were female at 1 January 2016). There are 7 members of SMT, 6 of whom were male (86%), 1 was female (14%).

There is one member of staff remunerated at SCS scale, the Chief Executive, additionally the Police Ombudsman is remunerated on the Judicial scale. Both the Police Ombudsman and Chief Executive are male.

---

The most recent Equality Commission Northern Ireland monitored workforce statistics for 2015 for gender are 47.8% male, 52.2% female and for community background are 52.1% protestant and 47.9% Roman Catholic. The profile of staff in the Office is close to the NI monitored statistics for both gender and community background which demonstrates that the Office has a representative workforce.

### **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.

## 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 2017, none for the year ended 31 March 2016.

### Fees and Charges

(This section is subject to audit)

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

### Remote Contingent Liabilities

(This section is subject to audit)

In addition to contingent liabilities which are reported in note 15 to the accounts on page 86 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 2017, none for the year ended 31 March 2016.



**Adrian McAllister**

**Chief Executive**

13 June 2017



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

I certify that I have audited the financial statements of the Police Ombudsman for Northern Ireland for the year ended 31 March 2017 under the Police (Northern Ireland) Act 1998 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Assembly Accountability disclosures that are described in that report as having been audited.

### Respective responsibilities of the Police Ombudsman for Northern Ireland, the Chief Executive and auditor

As explained more fully in the Statement of the Police Ombudsman for Northern Ireland and Chief Executive's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Police (Northern Ireland) Act 1998 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Police Ombudsman for Northern Ireland's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Police Ombudsman for Northern Ireland; and the overall presentation of the financial statements. In addition I read all the financial and non financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported 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.

## 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.

## Opinion on the Financial Statements

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 2017 and of the net operating expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements 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 other matters

In my opinion:

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

## Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration and Staff Report and the Assembly Accountability disclosures to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance's guidance.

## Report

I have no observations to make on these financial statements.



### KJ Donnelly

Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

22 June 2017

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2017

	Note	2016-17 £	2015-16 £
<b>Expenditure</b>			
Staff costs	4	6,576,282	6,532,185
Depreciation/amortisation	5	274,279	348,266
Provision expense	5	60,828	70,109
Other operating expenditure	5	1,864,312	1,813,708
<b>Net operating expenditure</b>		<b>8,775,701</b>	<b>8,764,268</b>
<b>Other Comprehensive Net Expenditure</b>			
Items that will not be reclassified to net operating costs:			
Net (gain) on revaluation of Property Plant and Equipment	6	(53,132)	(36,466)
Net (gain)/loss on revaluation of Intangibles Assets	7	(37,446)	4,296
<b>Total Comprehensive Net Expenditure for the year</b>		<b>8,685,123</b>	<b>8,732,098</b>

The notes on the pages 69 to 87 form part of these accounts

## Statement of Financial Position as at 31 March 2017

	Note	As at 31 March 2017 £	As at 31 March 2016 £
<b>Non-current assets:</b>			
Property, plant & equipment	6	641,607	614,528
Intangible assets	7	527,612	446,053
Trade and other receivables	8	13,002	4,243
<b>Total non-current assets</b>		<b>1,182,221</b>	<b>1,064,824</b>
<b>Current assets:</b>			
Trade and other receivables	8	233,323	219,993
Cash and cash equivalents	9	55,438	153,428
<b>Total current assets</b>		<b>288,761</b>	<b>373,421</b>
<b>Total assets</b>		<b>1,470,982</b>	<b>1,438,245</b>
<b>Current liabilities:</b>			
Trade and other payables	10	(408,691)	(478,301)
<b>Total current liabilities</b>		<b>(408,691)</b>	<b>(478,301)</b>
<b>Total assets less current liabilities</b>		<b>1,062,291</b>	<b>959,944</b>
<b>Non current liabilities:</b>			
Provisions	11	(57,970)	(36,500)
<b>Total non-current liabilities</b>		<b>(57,970)</b>	<b>(36,500)</b>
<b>Total assets less liabilities</b>		<b>1,004,321</b>	<b>923,444</b>
<b>Taxpayers' equity and other reserves:</b>			
General reserve		158,872	168,573
Revaluation reserve		845,449	754,871
<b>Total equity</b>		<b>1,004,321</b>	<b>923,444</b>

The notes on pages 69 to 87 form part of these accounts

The financial statements on pages 65 to 87 were approved and authorised for issue by:



Adrian McAllister  
Chief Executive  
13 June 2017

## Statement of Cash Flows for the year ended 31 March 2017

	Note	2016-17 £	2015-16 £
<b>Cash flows from operating activities</b>			
Net Operating Expenditure for the year		(8,775,701)	(8,764,268)
Adjustments for non-cash transactions	5	306,961	424,176
(Increase)/decrease in trade and other receivables	8	(22,089)	6,200
(Decrease) in trade and other payables	10	(69,610)	(186,772)
Movements in payables relating to items not passing through the Net Expenditure Account	6,7	-	28,081
Use of provisions	11	(39,358)	(100,109)
<b>Net cash outflow from operating activities</b>		<b>(8,599,797)</b>	<b>(8,592,692)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(108,474)	(60,562)
Purchase of intangible assets	7	(155,719)	(26,607)
<b>Net cash outflow from investing activities</b>		<b>(264,193)</b>	<b>(87,169)</b>
<b>Cash flows from financing activities</b>			
Grant-in-Aid to fund resource expenditure		8,502,000	8,585,000
Grant-in-Aid to fund capital expenditure		264,000	60,000
<b>Net financing</b>		<b>8,766,000</b>	<b>8,645,000</b>
<b>Net (decrease) in cash and cash equivalents in the period</b>	9	<b>(97,990)</b>	<b>(34,861)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	9	<b>153,428</b>	<b>188,289</b>
<b>Cash and cash equivalents at the end of the period</b>	9	<b>55,438</b>	<b>153,428</b>

The notes on pages 69 to 87 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2017

	Note	General Reserve £	Revaluation Reserve £	Taxpayers' Equity £
<b>Balance at 1 April 2015</b>		<b>287,841</b>	<b>722,701</b>	<b>1,010,542</b>
<b>Changes in Taxpayers' Equity for 2015-16</b>				
Grant-in-Aid to fund resource expenditure		8,585,000	-	8,585,000
Grant-in-Aid to fund capital expenditure		60,000	-	60,000
Comprehensive net expenditure for the year		(8,764,268)	32,170	(8,732,098)
<b>Balance at 31 March 2016</b>		<b>168,573</b>	<b>754,871</b>	<b>923,444</b>
<b>Changes in Taxpayers' Equity for 2016-17</b>				
Grant-in-Aid to fund resource expenditure		8,502,000	-	8,502,000
Grant-in-Aid to fund capital expenditure		264,000	-	264,000
Comprehensive net expenditure for the year		(8,775,701)	90,578	(8,685,123)
<b>Balance at 31 March 2017</b>		<b>158,872</b>	<b>845,449</b>	<b>1,004,321</b>

The notes on pages 69 to 87 form part of these accounts.

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

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

## Notes to the Accounts

---

### 1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the Accounts Direction issued by the Department of Justice and in line with the 2016-17 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Office of the Police Ombudsman for Northern Ireland for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Office (for the reportable activity) are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### 1.1 Accounting convention

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

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

#### 1.2 Grant-in-Aid and capital grants

The Office of the Police Ombudsman for Northern Ireland was funded during the year to 31 March 2017 by Grant-in-Aid from the Department of Justice, request for resources A. All Grant-in-Aid received, which is used to finance activities and expenditure that support the statutory and other objectives of the Office, is treated as financing credited to the General Reserve, because it is regarded as contributions from a controlling party. Grant-in-Aid received towards the purchase of items of property, plant and equipment or intangible assets is also credited directly to the General Reserve.

#### 1.3 Value Added Tax

The Office of the Police Ombudsman for Northern Ireland became registered for Value Added Tax (VAT) during 2016/17. The Office pays output VAT to HMRC for invoices raised in relation to staff on secondment. The Office cannot reclaim any input VAT. Therefore all transactions are stated inclusive of input VAT.

#### 1.4 Property, plant and equipment

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

Items of property, plant and equipment are capitalised if they are intended for use on a continuous basis and

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

Leasehold improvement expenditure has been capitalised and is restated at current cost 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. The initial lease term expired on 16 March 2015. Approval has been received from DFP to extend the lease until 30 June 2020.

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

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

Property, plant and equipment is reviewed annually for impairment.

## 1.5 Depreciation

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

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

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



## 1.6 Intangible assets

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

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

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

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

## 1.7 Pension costs

Past and present employees are covered by the Northern Ireland Civil Service (NICS) Pension arrangements which are described in the Remuneration and Staff Report on pages 48 to 61. The defined benefit elements of the schemes are unfunded. The organisation recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Northern Ireland Civil Service Pension of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the Northern Ireland Civil Service Pension. In respect of the defined contribution elements of the schemes, the organisation recognises the contributions payable for the year.

## 1.8 Leases

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

## 1.9 Insurance

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

---

## 1.10 Provisions

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

## 1.11 Financial instruments

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

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

### 1.11.1 Financial assets

#### Trade and other receivables

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

#### Cash and cash equivalents

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

#### Impairment of financial assets

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

### 1.11.2 Financial liabilities

#### Trade and other payables

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

## 1.12 Employee benefits

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

## 1.13 Critical accounting estimates and key judgements

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

### 1. Depreciation of plant, property and equipment

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

### 2. Amortisation of intangible assets

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

### 3. Provisions

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

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

### Update on 2015-16 position:

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

### Issued and effective in 2016-17 for the first time:

The Office of the Police Ombudsman has considered the accounting initiatives identified by HM Treasury effective in 2016-17 for the first time and considers that these changes are not relevant or material to its operations.

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

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Office's accounting periods beginning on or after 1 April 2017 or later periods, but which the Office has not adopted early. Other than as outlined below, the Department considers that these standards are not relevant or material to its operations.

<b>Standard</b>	IFRS 15 - <i>Revenue from Contracts with Customers</i> (IAS 18 <i>Revenue</i> replacement) (new)
<b>Effective date</b>	1 January 2018 (not yet EU adopted) - with a view to include in the 2018-19 <i>FReM</i> .
<b>Description of revision</b>	<p>The core principle recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled, in exchange for those goods or services. The Standard sets out five steps to recognise revenue and also includes requirements for accounting for contract costs.</p> <p>The disclosure objective of the new Standard is to establish the application principles required for entities to report useful information to the users of financial statements to better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customer s.</p>
<b>Comments</b>	The introduction of IFRS 15 is subject to analysis and review by HM Treasury and the other Relevant Authorities. HM Treasury issued an Exposure Draft on IFRS 15 over the Summer of 2016. Feedback from this consultation process has been considered and will inform updates to the <i>FReM</i> . No adaptations to IFRS 15 have been proposed.

<b>Standard</b>	IFRS 16 - <i>Leases</i> (IAS 17 <i>Leases</i> replacement) (new)
<b>Effective date</b>	1 January 2019 (not yet EU adopted) - with a view to include in the 2019-20 <i>FReM</i> .
<b>Description of revision</b>	<p>IFRS 16 has been developed by the IASB with the aim of improving the financial reporting of leasing activities in light of criticisms that the previous accounting model for leases failed to meet the needs of users of financial statements.</p> <p>IFRS 16 largely removes the distinction between operating and finance leases for lessees by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This is a significant change in lessee accounting.</p>
<b>Comments</b>	The introduction of IFRS 16 is subject to analysis and review by HM Treasury and the other Relevant Authorities. HM Treasury will issue an Exposure Draft on IFRS 16 in early 2018.

### 1.16 Financial reporting - future developments

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

## 2. Financial Targets

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

## 3. Analysis of Net Operating Expenditure by Segment

	Core Investigations £	Historic Investigations £	Total £
<b>Operating expenditure 2016-17</b>	<b>6,838,317</b>	<b>1,937,384</b>	<b>8,775,701</b>
Operating expenditure 2015-16	6,965,819	1,798,449	8,764,268

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

## 4. Staff Costs

	2016-17 £	2015-16 £
<b>Amounts payable in respect of directly employed staff</b>		
Wages and salaries	3,877,820	3,998,233
Social security costs	414,242	311,755
Employer's pension contributions	863,551	876,476
<b>Total direct employee staff costs</b>	<b>5,155,613</b>	<b>5,186,464</b>
Less recoveries in respect of outward secondments	113,261	(41,972)
<b>Total staff costs</b>	<b>5,042,352</b>	<b>5,144,492</b>
<b>Amounts payable in respect of staff on secondment, agency/temporary staff and contract staff</b>	<b>1,533,930</b>	<b>1,387,693</b>
<b>Total staff costs</b>	<b>6,576,282</b>	<b>6,532,185</b>

Further details on staff costs can be found in the Remuneration and Staff Report on pages 48 - 61.

## 5. Other Expenditure

	Note	2016-17		2015-16	
		£	£	£	£
Travel and subsistence		99,582		94,709	
Training, recruitment and other personnel costs		380,530		340,926	
Rates, maintenance, electricity and other accommodation costs		436,942		407,168	
Consultancy		-		9,900	
Legal costs & internal audit		12,755		13,397	
Information and media		63,230		64,996	
Printing, stationery, postage and office equipment		78,966		84,676	
Direct case investigation costs		76,013		61,742	
Computer support including maintenance and telecommunications		378,691		378,004	
Other costs		53,528		42,121	
Operating leases - buildings		282,000		282,000	
Operating leases - other		18,721		16,768	
Auditors remuneration and expenses		11,500		11,500	
			1,892,458		1,807,907
<b>Non cash items:</b>					
Provisions - provided in year	11	62,594		84,486	
Provisions - released in year not required	11	(1,766)		(14,377)	
Depreciation and amortisation of assets:					
Property, plant and equipment	6	149,715		151,699	
Intangible assets	7	124,564		196,567	
Revaluation of assets - (gains)/losses:					
Property, plant and equipment	6	(15,188)		1,681	
Intangible assets	7	(15,723)		1,455	
Disposals of assets - write-off:					
Intangible assets - software licences	7	2,765		2,665	
			306,961		424,176
<b>Total expenditure</b>			<b>2,199,419</b>		<b>2,232,083</b>

## 6. Property, Plant and Equipment

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



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

2015-16	Buildings, leasehold improvements £	Furniture & fittings £	Information technology £	Total £
<b>Cost or valuation</b>				
At 1 April 2015	302,000	478,377	942,400	<b>1,722,777</b>
Additions	-	24,928	14,414	<b>39,342</b>
Revaluations	(22,000)	3,519	(5,767)	<b>(24,248)</b>
Disposals	-	(1,613)	(163,331)	<b>(164,944)</b>
<b>At 31 March 2016</b>	<b>280,000</b>	<b>505,211</b>	<b>787,716</b>	<b>1,572,927</b>
<b>Depreciation</b>				
At 1 April 2015	-	364,716	665,961	<b>1,030,677</b>
Charged in year	57,524	22,095	72,080	<b>151,699</b>
Revaluations/Back log	(57,524)	2,577	(4,086)	<b>(59,033)</b>
Disposals	-	(1,613)	(163,331)	<b>(164,944)</b>
<b>At 31 March 2016</b>	<b>-</b>	<b>387,775</b>	<b>570,624</b>	<b>958,399</b>
<b>Net book value at 31 March 2016</b>	<b>280,000</b>	<b>117,436</b>	<b>217,092</b>	<b>614,528</b>
Net book value at 31 March 2015	302,000	113,661	276,439	692,100

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 £265,000 as at 31 March 2017 (£280,000 as at 31 March 2016). The open market valuation at that date was £nil (£nil at 31 March 2016).

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

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

Analysis of property, plant and equipment revaluations	2016-17		2015-16	
	Revaluation Reserve	Comprehensive Expenditure Account	Revaluation Reserve	Comprehensive Expenditure Account
	£	£	£	£
Buildings - leasehold improvements	50,882	-	35,524	-
Fixtures & fittings	2,250	-	942	-
Information technology	-	15,188	-	(1,681)
	<b>53,132</b>	<b>15,188</b>	<b>36,466</b>	<b>(1,681)</b>

Analysis of property, plant and equipment payments	Note	2016-17 £	2015-16 £
Property, plant and equipment additions		108,474	39,342
Decrease/(Increase) in accruals related to property, plant & equipment	10	-	21,220
Total cash payments for property, plant and equipment		<b>108,474</b>	<b>60,562</b>

## 7. Intangible Assets

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

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

2015-16	Information technology, case handling system £	Software licences £	Total £
<b>Cost or valuation</b>			
At 1 April 2015	1,547,261	529,861	2,077,122
Additions	3,990	15,756	19,746
Revaluations	(9,443)	(3,240)	(12,683)
Disposals	-	(20,095)	(20,095)
<b>At 31 March 2016</b>	<b>1,541,808</b>	<b>522,282</b>	<b>2,064,090</b>
<b>Amortisation</b>			
At 1 April 2015	1,154,953	290,879	1,445,832
Charged in year	147,088	49,479	196,567
Revaluation/Back log	(5,147)	(1,785)	(6,932)
Disposals	-	(17,430)	(17,430)
<b>At 31 March 2016</b>	<b>1,296,894</b>	<b>321,143</b>	<b>1,618,037</b>
<b>Net book value at 31 March 2016</b>	<b>244,914</b>	<b>201,139</b>	<b>446,053</b>
Net book value at 31 March 2015	392,308	238,982	631,290

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 2017. This has resulted in a increase in valuation of £53,169 at 31 March 2017, which has been analysed below.

Analysis of intangible revaluations	2016-17		2015-16	
	Revaluation Reserve	Comprehensive Expenditure Account	Revaluation Reserve	Comprehensive Expenditure Account
	£	£	£	£
Information technology (case handling system)	37,446	-	(4,296)	-
Software licences	-	15,723	-	(1,455)
	37,446	15,723	(4,296)	(1,455)

Analysis of intangibles payments	Note	2016-17	2015-16
		£	£
Intangibles additions		155,719	19,746
Decrease/(Increase) in accruals related to intangibles	10	-	6,861
Total cash payments for intangibles		155,719	26,607

## 8. Trade Receivables and Other Current Assets

	2016-17	2015-16
	£	£
<b>Amounts falling due within one year:</b>		
Deposits and advances	2,622	1,379
Prepayments and accrued income	230,701	218,614
	233,323	219,993
<b>Amounts falling due after more than one year:</b>		
Prepayments and accrued income	13,002	4,243
<b>Total</b>	<b>246,325</b>	<b>224,236</b>

## 9. Cash and cash Equivalents

	2016-17	2015-16
	£	£
Balance as at 1 April	153,428	188,289
Net changes in cash and cash equivalents	(97,990)	(34,861)
<b>Balance at 31 March</b>	<b>55,438</b>	<b>153,428</b>
The following balances were held at:		
Commercial banks and cash in hand	55,438	153,428
<b>Balance at 31 March</b>	<b>55,438</b>	<b>153,428</b>

## 10. Trade Payables and Other Current Liabilities

	2016-17	2015-16
	£	£
<b>Amounts falling due within one year:</b>		
Trade payables	-	-
Other taxation and social security	4,158	-
Employee benefit accrual	164,619	148,376
Accruals and deferred income	239,914	329,925
<b>Total</b>	<b>408,691</b>	<b>478,301</b>

Trade payables include a nil amount for capital creditors/accruals (nil 2015-16)

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

## 11. Provisions for Liabilities and Charges

	2016-17 £	2015-16 £
Balance at 1 April	36,500	66,500
Provided in the year	62,594	84,486
Provisions not required written back	(1,766)	(14,377)
Provisions utilised in the year	(39,358)	(100,109)
<b>Balance at 31 March</b>	<b>57,970</b>	<b>36,500</b>

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.

At 31 March 2017 the Office had ten ongoing cases with an overall provision of £57,970. The provision which has been calculated in respect of these matters is £25,470 for six Judicial Reviews, £12,500 for three civil actions and £20,000 in relation to an inquest. For all of these cases the provision relates to the legal costs to be incurred in defending these matters. At 31 March 2016 the provision of £36,500 was in respect of four Judicial Review, three Civil Actions and two employment matters.

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

## 12. Capital Commitments

As at 31 March 2017 the Office of the Police Ombudsman for Northern Ireland had no contracted capital commitments (nil as at 31 March 2016).

### 13. Commitments Under Leases

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

	2016-17	2015-16
	£	£
<b>Obligations under operating leases comprise:</b>		
<i><b>Buildings</b></i>		
Not later than one year	282,000	282,000
Later than one year and not later than five years	634,500	916,500
Later than five years	-	-
<i><b>Other:</b></i>		
Not later than one year	12,630	12,841
Later than one year and not later than five years	197	12,630
Later than five years	-	-
<b>Total</b>	<b>929,327</b>	<b>1,223,971</b>

The Office leases its current office accommodation under a lease whose initial period expired on 16 March 2015. The Office has exercised an option to extend this lease and an extension for a further 5 years was approved by DOF in June 2015. The extended lease is due to expire on 30 June 2020.

### 14 Other Financial Commitments

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

### 15. Contingent liabilities disclosed under IAS 37

At 31 March 2017 the Office of the Police Ombudsman for Northern Ireland had ten cases which it has provided for. In the unlikely event that the Office should lose the cases currently provided for, and an additional eleven cases for which no provision has been made, the estimate of maximum damages and further legal costs that could arise is £288,000 (31 March 2016: £548,500 estimate of maximum damages/legal fees in respect of three cases).



---

## 16. 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 2017.

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

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

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

## 17. 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.

## 18. Events after the Reporting Period

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

The financial statements were authorised for issue by the Accounting Officer on 22 June 2017.







**Police Ombudsman for Northern Ireland**

New Cathedral Buildings  
11 Church Street  
BELFAST BT1 1PG

**Tel:** 028 9082 8600

**Fax:** 028 9082 8659

**Textphone:** 028 9082 8756

**Email:** [info@policeombudsman.org](mailto:info@policeombudsman.org)

**Web:** [www.policeombudsman.org](http://www.policeombudsman.org)



Published by Corporate Document Services  
and available from:

**CDS Belfast**

4D Weavers Court  
Linfield Road  
Belfast  
BT12 5GH

**Tel:** 028 9034 7500

**Email:** [cds-ni@cds.co.uk](mailto:cds-ni@cds.co.uk)



ISBN 978-1-911003-73-1



9 781911 003731