



Northern Ireland
Assembly

Audit Committee

OFFICIAL REPORT (Hansard)

Annual Report and Accounts 2019-2020:
Northern Ireland Public Services
Ombudsman

25 November 2020

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Daniel McCrossan (Chairperson)
Ms Joanne Bunting (Deputy Chairperson)
Mr Jim Allister
Mr Alan Chambers
Ms Emma Rogan

Witnesses:

Ms Margaret Kelly	Northern Ireland Public Services Ombudsman
Mr Paul McFadden	Office of the Northern Ireland Public Services Ombudsman
Mr John McGinnity	Office of the Northern Ireland Public Services Ombudsman

The Chairperson (Mr McCrossan): I remind members that the evidence session is being reported by Hansard. I refer members to the Northern Ireland Public Services Ombudsman (NIPSO) Annual Report and Accounts for 2019-2020 at pages 66-133 of your meeting pack. Has Joanne rejoined us? Yes, Joanne is now there.

I welcome our witnesses and thank them for attending today to represent NIPSO: Margaret Kelly, the Northern Ireland Public Services Ombudsman; Paul McFadden, the deputy ombudsman; and John McGinnity, the director of finance, who will be joining us via StarLeaf. It is good to see you again. If you keep your presentations as brief as possible, that will allow time for questions.

Ms Margaret Kelly (Northern Ireland Public Services Ombudsman): We will indeed.

The Chairperson (Mr McCrossan): Margaret, if you would like to kick off.

Ms Kelly: It is lovely to see everybody again, and thank you for the opportunity to allow the Committee to consider the annual report and accounts, which were laid in the Assembly on 4 November and which I am now happy to discuss with members. They have been prepared in line with guidance from the Department of Finance and in compliance with accounting principles and disclosure requirements.

The report is divided into three components: the performance report; the accountability report; and the financial statements. I will briefly outline elements of the first two components and then ask John to take you briefly through the financial elements, if that is OK. I have kept my presentation fairly brief.

The performance report provides an overview of what we do, our underpinning values and our overall strategic purpose, as well as reporting on how we have delivered to our KPIs. We have previously

discussed some of those areas with the Committee, so I will not go over them. I am, of course, happy to answer any questions.

We have continued to perform well, more than meeting KPI 1 and KPI 2. Our KPI 3 is below target, but I put that in the context of the 32% increase in the number of investigations for completion. Last year represented the highest number of cases closed at that investigation stage since NIPSO's inception. We are working very hard on that.

The accountability report covers our corporate governance report and governance statement. The Committee will see that it sets out in some detail, on pages 18-29, the governance structure and arrangements for NIPSO. I hope that that may be of some assistance to the Committee in its review.

In particular, I draw to the Committee's attention figure 1 on page 20, which represents diagrammatically the accountability arrangements, with the Assembly Audit Committee as the primary focus. We also included the membership of, and attendance at meetings by, the audit and risk committee (ARC), and the minutes of those meetings are on the website. In addition to considering a number of standard items around our performance, risk and accountability, the committee also considered the findings of assurance-based audit reports, which are prepared by an outsourced head of internal audit. Last year, those reports included a review of communications, a review of our compliance with the general data protection regulation (GDPR) and a review of the role and functions of the senior management team (SMT).

We also give some detail on our approach to the identification of risk and risk management. On pages 24-26, we identify the key challenges, the risks and our focus. We have quite a big focus on the impact of COVID, which has obviously been a significant challenge for everybody, including us. I am pleased to report to the Committee that no significant internal control weaknesses were identified in the office's systems of internal controls that affected the achievement of our strategic objectives or our good governance.

Our internal control system is designed to ensure that appropriate methodologies, principles and policies for the office, including a code of conduct, are in place. I am committed to addressing any governance weaknesses and to introducing any enhancements or improvements that can be identified. We considered all the recommendations made by internal audit and reviewed our criteria against 'Managing Public Money Northern Ireland', and no significant issues were identified. Good governance, risk management and robust internal controls remain really prominent on the ARC and SMT agendas. My personal commitment to deliver on those is also very prominent. I am happy to have that conversation with the Committee. I will now ask John to update the Committee on the financial elements.

The Chairperson (Mr McCrossan): John, you are very welcome.

Mr John McGinnity (Office of the Northern Ireland Public Services Ombudsman): Thank you very much, Margaret and the Committee. Following on from what Margaret said, the accountability report also includes our remuneration and staff report, which discloses pay and pension entitlement for each member of the senior management team, as well as payments to our audit and risk committee members. It also provides information on our overall staffing numbers and related expenditure. At the end of 2019-2020, we had 47 staff in terms of headcount, compared with 46 the previous year. In average whole-time equivalent terms, those numbers translate to 41 and 38 respectively. The accountability report further includes, on pages 46-49, the Comptroller and Auditor General's certificate and report. I am pleased to say that that reflects an unqualified opinion on our accounts. In other words, we were given a clean bill of health.

In the final section that Margaret mentioned, from page 49 onwards, we have the statutory financial statements setting out our income and expenditure for the year, stating our assets and liabilities and noting our cash flow and the movements in our financial reserves, together with the related accounting policies and the notes to those accounts. Of particular note here is the achievement in 2019-2020 of a low level of underspend — 1.5% — against our budget. That is well within the conventional target of a maximum of 2%. We think that that is indicative of strong financial management. It is particularly noteworthy given that, towards the end of the year in question, we were landed with COVID-19 and a lot of other events over the year that made accurate financial forecasting a bit more difficult.

That is a quick run through our annual report and accounts. We welcome any questions that the Committee may have. Thank you very much.

The Chairperson (Mr McCrossan): Thank you very much, John and Margaret. If you are agreed, we will open the meeting up to members for questions. We will start with Joanne Bunting. Can Broadcasting bring in Joanne Bunting, please? Joanne is gone. There is a bad signal. Can Broadcasting bring in Emma Rogan, please?

Ms Rogan: Thanks, Chair. Thank you both for your presentations. Has COVID had much of an impact on your ability to carry out your day-to-day functions?

Ms Kelly: Paul, do you want to give an update on that because you were there at the start?

Mr Paul McFadden (Office of the Northern Ireland Public Services Ombudsman): Sure. The short answer is that it has had an effect. As with most or all other organisations, there has been an impact in a number of ways. I will summarise those for us, as an ombudsman. The first was that, although there was a significant reduction in the number of complaints received at the height of the COVID lockdown, our productivity was affected to a similar degree. At the peak, it was down by somewhere in the region of 40%. There are a lot of justifiable reasons for that in relation to the pressures of homeworking, homeschooling, general well-being issues and, to be honest, just the office having to move very quickly to homeworking. Since then, we have had a period of recovery. Complaints in the door are getting back to the broad ballpark of where they were the previous year. Productivity across all three areas is also returning to that arena.

There is another thing, which I will highlight very quickly because I know that time is precious. One of the big concerns that we had early on, and that we continue to have, is about the impact on front-line services, particularly in Health and Social Care (HSC), and their ability to respond effectively and promptly to complaints at a local level. We have monitored that proactively and carefully and will continue to do so. Clearly, that has not only an impact on our operations but a huge impact on citizens and complainants in respect of speedy redress of their issues.

Ms Rogan: Thank you.

Mr Chambers: People probably have so many other things on their minds at the moment that they are not stepping up to make the usual level of complaints to the ombudsman. Does the office anticipate a surge in complaints as we come out of this virus — hopefully, we will come out soon — and people start to reflect on how they have been treated by various authorities during the pandemic?

Ms Kelly: Thanks, Alan. The office anticipates that that will happen. Just in the last little while, we have started to see a number of COVID-related complaints coming through. Obviously, there is a delay because people need to go through the complaints process before they get to us. Given everything that we know about the impact of COVID and people's experience of services during this time, that is a really strong likelihood for us. That is part of our being sure that we can respond to people on that and provide the redress that they seek.

Mr McFadden: We work closely with ombudsman colleagues across the UK and Ireland and further afield to monitor the impact there, and it is a similar picture. People are waiting for this to come and trying to anticipate in what areas it may come. There are obvious areas where we anticipate it coming, such as Health and Social Care. However, at the moment, it is a case of wait and see. I refer to my point about the local complaints process. It is important for us to continue to work closely with trusts to monitor their arrangements at a local level and to ensure that those are effective so that there is no blockage in people getting through that process and getting to the ombudsman at the appropriate time.

Mr Chambers: Thank you for that.

Mr Allister: I have to go to the Finance Committee, so I will be very brief. I want to ask about the level of sickness. It is reported as 6.3%, which is very good for the public sector. However, it is three times what it was last year. Why is that?

Mr McFadden: As I think is reflected, a very small number overall can have a huge impact. A very small number of long-term sickness absences can have a disproportionate-appearing effect on overall figure. When you look at not only the year before, which I know that you have, but the previous years, you see that we had a similarly low level. This is a spike related to a couple of instances in particular.

Ms Kelly: A couple of instances of long-term sickness.

Mr Allister: Has people working at home impacted on the sickness levels at all?

Mr McFadden: I would say that it has not, to be honest. The well-being of people working from home has been a very high priority for us because of the huge pressures that they were under. I cannot detect any real reported increase in sickness absence. As I said, my very clear impression of this spike is that it is related to a small number of long-term absences, which have now remedied themselves.

Mr Allister: Right. On the subject matter of an upward trend in the number of complaints, if COVID, for example, expands that further, what is your financial capability to deal with that?

Ms Kelly: I will ask Paul to come in too because he has been there but, if that were to happen, that would raise an issue for us. The office has been very effective at dealing with a rising number of complaints. It is important that we give a really good service to people. If complaints were to go up exponentially, we would need to come to the Committee to talk about that to ensure that we have adequate resource to enable us to deal with it.

Mr McFadden: We regard the long-term increase as something of a positive in respect of awareness of the office and people getting access to deal with issues. You will be aware from previous evidence sessions that we have built a lot of proportionality into our processes, systems and approach. We want to make sure that we are making the best and proportionate use of public funds to make sure that the right complaints get the right answer. There is also an increasing and strong focus on early resolution. I raise those as two examples of how we have responded. We will try to continue to respond. However, I also put in a note of caution that you cannot do that forever because you then get into very difficult areas where you are looking at the threshold of complaints and what can come in. As Margaret said, at that point, we would come back to the Committee to have a discussion.

Mr Allister: On the subject matter of how swiftly complaints can be dealt with, what does your report tell us about your output on that for the year in question?

Ms Kelly: It tells you a number of things. It tells you that we deal with the majority of complaints early, well and within the timescales. It is the bigger investigations that sometimes take longer than we would necessarily like.

Mr Allister: What is your average turnaround?

Ms Kelly: It is more difficult than that. We gave you the statistics and the breakdown of the different elements of how we deal with complaints. One of my questions when I took up post was, "What is our average turnaround?". It is not actually —

Mr Allister: That is not in your report.

Mr McFadden: Margaret mentioned the KPI figures. KPI 1 and KPI 2 are the early stages of initial assessment and assessment. We have a very strong performance there on a year-to-year basis, with most complaints closed, one way or another, within 10 weeks. For complex and serious investigations that require a degree of procedural fairness, reporting, checks and balances and evidence, the KPI performance last year, off the top of my head, is 60% against a figure of —

Ms Kelly: Against the target of 70%.

Mr McFadden: Against a target of 70%. That is the target for completion within 12 months of receipt and acceptance for investigation.

Mr Allister: So you have fallen a bit below the target.

Mr McFadden: Yes, we have. We continue to monitor that in a number of ways.

Mr Allister: How does that compare with previous years?

Mr McFadden: It is below where it was the previous year, but I do not have the figures to hand. I am happy to furnish the Committee with those. It fluctuates from year to year. It depends on a number of factors each year.

Ms Kelly: Last year, we issued the highest number of cases at that final stage than we have in any year since NIPSO's inception.

The Chairperson (Mr McCrossan): I have a few questions. On page 26 — it is page 106 of our meeting pack — there is mention of the considerable increase in the cost of temporary staff during 2019-2020. It went from £25,941 in 2018-19 to £108,123. What is NIPSO doing to minimise that in future years?

Ms Kelly: Sorry, Daniel, what page was that?

The Chairperson (Mr McCrossan): It is page 26 of the report.

The Assistant Committee Clerk: It is page 36.

The Chairperson (Mr McCrossan): Sorry, my mistake. It is page 36.

Ms Kelly: That is why I could not see it.

Mr McGinnity: I am happy to come in on that. I will go back to the narrative around that on page 36. During the year, we experienced higher than average instances of maternity leave. Also, as I said in our discussion on the level of sickness absence, two long-term sickness absences obliged us to engage some temporary agency resource. When someone is off sick, you cannot make a decision to commit to a long-term recruitment, so we very often find ourselves in a position where we need to bring in temporary resource. It is a combination of some additional instances of long-term sickness and one or two episodes of maternity, which, obviously, will happen every year. However, given our staff numbers, those types of phenomena can lead to an apparent increase from one year to the next.

The Chairperson (Mr McCrossan): Thank you, John. That is very helpful. Finally, NIPSO correspondence on the October monitoring round, which is on page 169 of our meeting pack, indicates that NIPSO will be making a return for the January monitoring round. The Committee will consider that in due course, but can you assure members that you are doing enough to minimise the possibility of such a return so late in the financial year?

Ms Kelly: John will pick up on that, and then I will talk a bit about the process.

Mr McGinnity: At each monitoring round, which have been in October and January in recent times, we look carefully at our forecast position. This year, in June, with the level of uncertainty, we saw absolutely no basis for making any alteration to our budgetary position. At October, we carefully considered it again, and there was no scope. We are now looking at it afresh as we approach two thirds to three quarters of the way through the year, and we now have a clearer view. In the times that we have been in this year, it is particularly difficult to make robust and accurate forecasts of our expenditure requirements. We are planning to use the December/January opportunity to get as close to the mark as we can. It is always a difficult exercise, and, this year, it has been made all the more difficult by the times that we are in.

The Chairperson (Mr McCrossan): That is understandable.

Ms Kelly: We have just done an entire review of where we are. We had a special SMT meeting and went through every element of that, partly to ensure that we used the financial resources that we had to meet the need and deliver the public service that we are tasked to deliver. That was another reason, and we have just completed that exercise.

The Chairperson (Mr McCrossan): OK. That is grand. That is entirely understandable. Those are all our questions. Thank you very much. Margaret, I hope that you are settling well into your role. I also want to publicly thank you, Paul, for the work that you did prior to Margaret stepping in and to wish you very well in the future in your new role. Hopefully, everything goes well. Thank you for all your work and efforts during my time on the Committee.

Mr McFadden: I appreciate it.

The Chairperson (Mr McCrossan): Thanks, John.

Mr McGinnity: Thank you.