

Memorandum of Understanding on the Governance and Accountability Arrangements of the Northern Ireland Public Services Ombudsman and the Northern Ireland Assembly Audit Committee

1. Introduction

1.1 This Memorandum of Understanding (MoU) sets out the understanding of the Northern Ireland Public Services Ombudsman (NIPSO) and the Northern Ireland Assembly Audit Committee (Audit Committee) of the framework for the corporate governance and accountability of NIPSO.

1.2 This Memorandum, once signed, replaces any previous memorandum between NIPSO and the Audit Committee.

1.3 NIPSO is independent of government, including all government departments and other public bodies in Northern Ireland.

1.4 NIPSO is headed by the Ombudsman, who is a corporation sole and the designated Accounting Officer for NIPSO. The Ombudsman reports to the Northern Ireland Assembly on the functions of their office and NIPSO carries out its functions in accordance with the Public Services Ombudsman Act (Northern Ireland) 2016.

1.5 NIPSO investigates complaints from the public about public services and seeks to ensure administrative accountability, improve public services and provide individuals with redress for injustice sustained. Further, NIPSO investigates alleged systemic maladministration in public bodies and, through establishing statutory complaints standards, aims to ensure that citizens may avail of a simplified, standardised and compassionate complaints process across the public sector, and that complaints will lead to improved public services.

1.6 The Ombudsman is also the Northern Ireland Local Government Commissioner for Standards (NILGCS) which investigates and, where appropriate, adjudicates on allegations that a councillor may have breached the Code of Conduct. The Ombudsman is the Northern Ireland Judicial Appointments Ombudsman (NIJAO) and may investigate complaints of maladministration from individuals who have applied for a judicial appointment.

1.7 NIPSO recognises the importance of best practice in carrying out its statutory functions and in retaining good standing with the Assembly, bodies within jurisdiction and other stakeholders. NIPSO is committed to adhering to the highest standards of good administration, corporate governance and accountability, underpinned by transparency, and promoting and securing value for money in the use of public funds.

1.8 The Audit Committee is a Standing Committee established in accordance with paragraph 10 of Strand One of the Belfast Agreement. Under Assembly Standing Order No. 58. The Audit Committee has the power to exercise the functions mentioned in paragraph 18 of Schedule 1 to the Public Services Ombudsman Act (Northern Ireland) 2016 (the 2016 Act) in respect of the Northern Ireland Public Services Ombudsman (NIPSO). It therefore agrees the annual Estimate of the use of resources of the Ombudsman, having regard to the views of the Department of Finance (DoF), and lays it before the Assembly.

1.9 This MoU therefore describes:

- the principles and standards NIPSO will apply in carrying out its functions;
- the commitment of the Ombudsman and NIPSO to the Audit Committee on the actions they will take to uphold transparency and manage their resources effectively, and in doing so to provide assurance to the Assembly and members of the public regarding the arrangements for the governance and accountability of NIPSO; and
- The Audit Committee's role in respect of NIPSO.

2. How the Ombudsman's Office will function

2.1 In support of the achievement of its aims and objectives the Ombudsman and NIPSO will maintain proportionate systems of governance, risk management, financial and internal controls consistent with best practice. They will monitor the effective operation of the systems, and report on them in the Governance Statement of NIPSO's Annual Report and Accounts. NIPSO will always endeavour to conduct business in an economic, efficient and effective manner.

2.2 The Ombudsman's Office is vote funded by the Assembly. The Ombudsman, as Accounting Officer for NIPSO, will fulfil the responsibilities assigned in Managing Public Money Northern Ireland, published by the DoF. The Accounting Officer is responsible for assuring the Assembly and the public of high standards of probity in the management of public funds.

2.3 NIPSO has its own Code of Conduct which is underpinned by the Nolan Principles and based on its values. The NIPSO Code of Conduct reinforces its core values and provides a reference point for the work and decisions of the office in carrying out its statutory responsibilities.

2.4 Further detail may be found on the [NIPSO website](#).

3. Governance arrangements

Role of the Ombudsman

3.1 The Ombudsman is head of NIPSO, and a Crown Appointment made on the nomination of the Northern Ireland Assembly. The Ombudsman is also the Northern Ireland Commissioner for Local Government Standards and the Northern Ireland Judicial Appointments Ombudsman. The powers and duties of the Ombudsman are set out in the 2016 Act. Part 9 of the Local Government Act 2014 sets out the role of the Ombudsman as NILGCS, and the Justice (NI) 2002 sets out the role of the Ombudsman as the Northern Ireland Judicial Appointments Ombudsman. Further information on the role of the Ombudsman is available on the NIPSO website.

NIPSO Senior Management Team

3.2 The Senior Management Team (SMT) comprises the Ombudsman (chair), Deputy Ombudsman and the Directors, each of whom leads an organisational function(s). The Director of Governance and Support Services holds the role of Finance Director in the Office.

3.3 The SMT is the principal mechanism for strategic planning and decision-making in NIPSO and assists the Ombudsman in the operational oversight and delivery of NIPSO's key statutory functions. SMT meets quarterly to a formal pre-set agenda to agree strategic matters and monthly to discuss operational issues arising. The SMT's responsibilities are set out in the Governance Statement in NIPSO's Annual Report and Accounts.

Audit and Risk Committee

3.4 The NIPSO Audit and Risk Committee supports the Ombudsman as Accounting Officer by providing additional assurance in-relation to issues of risk, control and governance. The Committee reviews the comprehensiveness of assurances in meeting the Accounting Officer's assurance needs and also the reliability and integrity of such assurances.

3.5 In compliance with best practice its membership comprises an independent Chair and three non- executives. The Ombudsman agrees the terms of reference for the Audit and Risk Committee and the detail of its roles and responsibilities are set out in the Governance Statement in NIPSO's Annual Report and Accounts.

3.6 NIPSO appoints an internal auditor by a competitive tender process. Under the Government Resources and Accounts Act (Northern Ireland) 2001 the external auditor is the Comptroller and Auditor General, Northern Ireland Audit Office.

3.7 Internal audit and external audit (the latter by statute) will have free and confidential access to all required performance, financial and governance related information and to the Chair of the Audit & Risk Committee. The Chair of the

Assembly Audit Committee may request the attendance of the Chair of NIPSO Audit and Risk Committee, should this be required.

4. Openness and Transparency

4.1 As a public funded statutory office, NIPSO must be open and transparent in its operations and outcomes. The Freedom of Information Act 2000 (FOIA) gives a general right of access to all recorded information held by public authorities, including NIPSO. NIPSO's publication scheme explains what information is proactively made available to the public. NIPSO is required, pursuant to section 19 of FOIA, to review and maintain its publication scheme.

4.2 NIPSO commits to publish on its website:

- minutes of quarterly SMT meetings;
- Audit and Risk Committee Terms of Reference and minutes of meetings;
- A Register of Interests for the Ombudsman, Deputy Ombudsman and SMT;
- A summary of information on the provision and receipt of any gifts or hospitality;
- Summary of internal audit recommendations;
- A summary of travel and subsistence expenditure for the Ombudsman, non-executive members and Senior Management Team;
- Annual report and accounts;
- All public interest and special reports;
- All own initiative reports;
- Adjudication reports in respect of the role of Northern Ireland Local Government Commissioner for Standards; and
- All policies and procedures relating to investigation.

5. Accountability

5.1 The Ombudsman has the legal status of a 'corporation sole'. While NIPSO staff assist in the discharge of the functions, all legal powers, rights and duties are vested in the Ombudsman. The 2016 Act provides that the Ombudsman is accountable to the Assembly and it details procedures for appointment, removal, salary and related matters.

5.2 In their role as Accounting Officer for NIPSO, the Ombudsman is responsible for preparing NIPSO's accounts and providing these to the external auditor (NIAO). The NIAO certifies the accounts, which are then laid before the Northern Ireland Assembly by DoF.

5.3 The Audit Committee is required to agree the Estimates of NIPSO and lay them before the Assembly. It also scrutinises the draft NIPSO budget. In undertaking these responsibilities, it will:

- consider the Estimate prepared by NIPSO of the use of resources for the next financial year. In doing so, it shall have regard to the advice of DoF;
- subject to any modifications agreed between the Committee and the Ombudsman, lay the annual Estimate before the Assembly;
- in advance of considering annual Estimates and budgets, be informed by the objectives outlined in the NIPSO Strategic Plan, the resources that are required by the Ombudsman's Office to fulfil the Plan and the key performance measures. The Audit Committee will have regard to the views of DoF in relation to proposed budget requirements;
- examine the Ombudsman's annual report and accounts, other statutory reports prepared by the Ombudsman and the external auditors certificate and opinions;
- advise on the commissioning of any value for money studies to be undertaken by the external auditor on NIPSO's use of resources;
- consider the external auditor's reports on any value for money studies;
- examine the Ombudsman's in-year financial monitoring bids;
- have the opportunity to meet with NIPSO Audit and Risk Committee Chair as and when required;
- examine any other matter relevant to NIPSO's financial performance; and
- publish its own reports as appropriate.

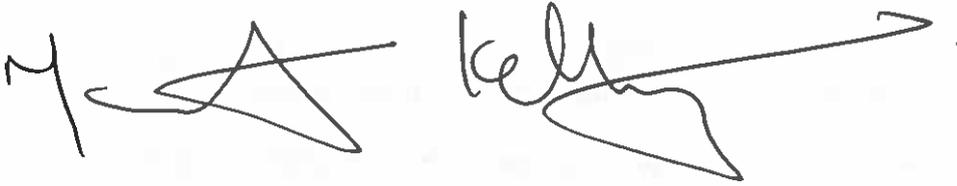
5.4 The Ombudsman commits to draw to the attention of the Audit Committee any particularly serious or significant operational, financial or governance risks or issues as soon as practicable.

5.5 The Ombudsman and appropriate NIPSO staff will give evidence at the Audit Committee on the Budget requirements to deliver its Strategic/Corporate Plan, on its Estimate and on its Annual Report and Accounts, and on any other matter that falls within the role and responsibilities of the Audit Committee.

6. Review

6.1 This MOU may be considered for review, by agreement between the two parties, at the beginning of each Assembly Mandate and at any other time if required.

Signed by

A handwritten signature in black ink, appearing to read 'M Kelly', with a long horizontal stroke extending to the right.

Ms Margaret Kelly, Northern Ireland Public Service Ombudsman

And

A handwritten signature in black ink, appearing to read 'Alan Chambers', with a horizontal line underneath.

Mr Alan Chambers MLA, Chair of the Audit Committee of the Northern Ireland Assembly, on 11 March 2026