



Northern Ireland
Assembly

Audit Committee

Report on the Estimates of the Northern Ireland Audit Office and the Northern Ireland Public Services Ombudsman 2024-25

Together with related correspondence considered by the Committee.

Ordered by the Audit Committee to be printed on 5 June 2024

Report: NIA 30/22-27 Audit Committee

Committee Powers and Membership

1. The Audit Committee is a Standing Committee of the Northern Ireland Assembly established in accordance with Section 66 of the Northern Ireland Act 1998 and Assembly Standing Order No. 58. The Committee has 5 members including a Chairperson and Deputy Chairperson and a quorum of 2.
2. The Committee:
 - Exercises the functions mentioned in Section 66(1) of the Northern Ireland Act 1998. The Committee therefore agrees, in place of the Department of Finance (DoF), the estimates of the Northern Ireland Audit Office (NIAO) and lays them before the Assembly;
 - Is responsible for tabling a motion for a resolution of the Assembly relating to the salary payable under Article 4(1) of the Audit (Northern Ireland) Order 1987 to the holder of the office of the Comptroller and Auditor General (C&AG);
 - Exercises the functions mentioned in sub-paragraphs 18(2) and (4) of Schedule 1 to the Public Services Ombudsman Act (Northern Ireland) 2016 in respect of the Northern Ireland Public Services Ombudsman (NIPSO); and
 - May exercise the power in Section 44(1) of the Northern Ireland Act 1998.
3. The Chairperson of the Audit Committee also has a lead role in the recruitment of the C&AG.
4. In 2016, the Northern Ireland Assembly Commission (NIAC) and the DoF sought to reflect the constitutional independence of the Assembly from the Executive. This led to the development of a draft methodology/protocol for setting the Commission's budget. The methodology sets out an approach that is akin to the approach adopted for the NIAO and NIPSO, whereby the Audit Committee provides scrutiny and challenge to the Commission's expenditure plans and reports accordingly, in recognition of the independence of the Commission. The Committee fulfils this role in place of the DoF.
5. The membership of the Committee is as follows:

Mr Alan Chambers (Chairperson)

Ms Diane Forsyth (Deputy Chairperson)¹

Mr John Blair

Ms Ciara Ferguson

Mr Nick Mathieson

¹ Mr Keith Buchanan left the Committee on 5 April 2024. Ms Diane Forsyth replaced Mr Buchanan as Deputy Chairperson

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Introduction

1. Article 6(2) of the Audit (Northern Ireland) Order 1987 provides for the C&AG to prepare for each financial year an estimate of the use of resources by the NIAO.
2. Section 66 of the Northern Ireland Act 1998, and Standing Order 58(1), provide for the Assembly's Audit Committee (in place of the DoF) to lay that estimate before the Assembly. The Committee may agree modifications to the estimate with the C&AG before laying the estimate in the Assembly. In carrying out this function the Committee has regard to the advice of the Assembly's Public Accounts Committee (PAC) and the DoF.
3. Paragraph 18 of Schedule 1 to the Public Services Ombudsman Act (Northern Ireland) 2016 provides for the Ombudsman to prepare for each financial year, other than the first, an estimate of the use of resources by the office of the Ombudsman. That estimate must be submitted to the Assembly's Audit Committee (in place of the DoF). The Committee in considering that estimate must have regard to the advice of the DoF. The estimate is, subject to any modification agreed between the Audit Committee and the Ombudsman, laid before the Assembly by the Committee.
4. This report sets out, at Appendix 1 and 2, the agreed estimates for both the NIAO and NIPSO for 2024-25.
5. The Audit Committee does not have a statutory function to lay the NIAC estimate in the Assembly. However, the Committee noted that the NIAC estimate, which is included in the advice received from the DoF on 20 May 2024 (Appendix 3), is consistent with the NIAC draft budget previously agreed by the Committee. It is intended that the Committee's functions in respect of agreeing the NIAC budgets and estimates will be codified in statute or in Assembly Standing Orders before the end of the current mandate.

Background to the current estimates

6. The Committee began its scrutiny of the draft Budgets 2024-25 for the NIAO and NIPSO at its meeting on 9 April 2024. The Committee fulfils this role in place of the DoF in recognition of the independence of the non-Ministerial bodies.
7. The Committee received written submissions and took oral evidence from both the NIAO and NIPSO on their preparation for draft Budgetary plans for 2024-25. The Committee wish to note that this was not the usual scrutiny process, with the timescales curtailed severely as a result of the establishment of a new Executive in February 2024.
8. On 6 April 2024, the Committee agreed its position on the draft Budget 2024-25 position for the NIAO, NIPSO and NIAC. The position document, in form of a letter, which was laid in the Assembly Business Office, circulated to all

Assembly Members and sent to the DoF, confirmed that the Committee had agreed that the Executive's budget should make provision for the figures as set out in its position document. A copy of the position document can be found at [Audit Committee position to the Finance Minister on the draft Budgets for the Northern Ireland Audit Office, Northern Ireland Public Services Ombudsman and Northern Ireland Assembly Commission 2024-25 \(niassembly.gov.uk\)](https://niassembly.gov.uk/audit-committee-position-to-the-finance-minister-on-the-draft-budgets-for-the-northern-ireland-audit-office-northern-ireland-public-services-ombudsman-and-northern-ireland-assembly-commission-2024-25)

9. Arising from its scrutiny of the NIAO draft budget plan for 2024-25, the Audit Committee agreed that the Executive's Budget document should make provision for NIAO having a Resource DEL Budget of £10,486K and Capital DEL Budget of £40K. The Resource DEL broken down as follows: £10,211K of Non-Ring-Fenced DEL and £275K of Ring-fenced DEL.
10. Arising from its scrutiny of the NIPSO draft budget plan for 2024-25, the Audit Committee agreed that the Executive's Budget document should make provision for NIPSO having a Resource DEL Budget of £4,665K and Capital DEL Budget of £30K. The Resource DEL broken down as follows: £4,428K of Non Ring-Fenced DEL and £237K of Ring-fenced DEL.
11. The figures agreed by the Audit Committee for the NIAO and NIPSO were subsequently included in the Executive's final Budget 2024-25 which was published by the Minister of Finance on 20 May 2024. This can be found at [Publications | Department of Finance \(finance-ni.gov.uk\)](https://finance-ni.gov.uk/publications)

NIAO Estimate 2024-25

12. The C&AG has prepared an estimate of the use of resources by the NIAO for 2024-25 and this was submitted to the Committee on 28 May 2024. *The estimate includes a request for resources by the NIAO for 'audit and assurance services; promoting economy, efficiency and effectiveness in the use of public funds and resources; conducting exercises to assist in fraud prevention and detection; severance payments; expenditure on activities that are required as a result of the United Kingdom's exit from the European Union; Governmental response to the coronavirus Covid-19 pandemic; administration and related services and associated non-cash items'.*
13. The estimate is attached at Appendix 1 and is consistent with the figures set out in the Executive's Budget document.

NIPSO Estimate 2024-25

14. The Ombudsman has prepared an estimate of the use of resources by the NIPSO for 2024-25. The estimate provides for expenditure by the NIPSO on 'investigating complaints of injustice suffered through maladministration by government departments, statutory agencies, public bodies, local government and health and social care bodies, general and independent health care providers, colleges, universities and boards of governors of grant aided schools; undertaking own initiative investigations of systemic maladministration; fulfilling a statutory complaint standards function in respect of Northern Ireland public authorities, investigating and adjudicating on

complaints on local government ethical standards against councillors and return of unspent funding; severance payments; expenditure in response to the coronavirus COVID-19 pandemic; expenditure on activities that are required as a result of the United Kingdom's exit from the European Union; administration; backdated holiday compensation payments; related services; associated non-cash items'.

15. The estimate, which was provided by the NIPSO on 28 May 2024, is attached at Appendix 2 and is consistent with the figures set out in the Executive's Budget document.

Committee consideration

16. The Audit Committee has therefore considered the draft estimates 2024-25 from the NIAO and NIPSO alongside advice from the DoF, and in the case of the NIAO, advice from the PAC also. The Committee noted that the figures in the estimates reflect the position agreed by the Audit Committee at its meeting on 6 April 2024 (paragraph 11 refers).
17. While the figures contained within the estimates were agreed by the Committee at the budget planning stage, in pursuance of its statutory functions, the Committee is still required to complete the process of agreeing and laying the estimates.
18. At its meeting on 5 June 2024, the Audit Committee received submissions from both the NIAO and NIPSO on the estimates for 2024-25. Following the evidence sessions, the Committee agreed the estimates. The Committee subsequently agreed this report for publication and laying in the Assembly.

Conclusion

19. The publication of this report therefore gives effect to the Committee's function of laying the estimates of the NIAO and NIPSO before the Assembly. The Audit Committee will forward the estimates to the DoF for inclusion within the Main Estimates 2024-25.

[Link to Appendices](#)