House of Commons

Northern Ireland Affairs Committee

Oral evidence: The funding and delivery of public services in Northern Ireland, HC 1165

Wednesday 21 June 2023

Ordered by the House of Commons to be published on 21 June 2023.

Watch the meeting

Members present: Sir Robert Goodwill (Chair); Sir Robert Buckland; Stephen Farry; Mary Kelly Foy; Claire Hanna; Jim Shannon; Mr Robin Walker.

Questions 175 - 201

Witnesses

II: Dorinnia Carville, Comptroller and Auditor General, Northern Ireland Audit Office; Rodney Allen, Chief Operating Officer, Northern Ireland Audit Office; Margaret Kelly, Northern Ireland Public Services Ombudsman; Sean Martin, Northern Ireland Public Services Deputy Ombudsman.

Written evidence from witnesses:

Correspondence from the Comptroller and Auditor General, Northern Ireland Audit Office, relating to allocation of budget to the Northern Ireland Audit Office 2023-24, 26 May 2023

Examination of witnesses

Witnesses: Dorinnia Carville, Rodney Allen, Margaret Kelly and Sean Martin.

Q175 **Chair:** Welcome. We are doing rather well keeping to time because we have Northern Ireland questions in the Chamber at 11.30 am. We are going to have to finish bang on time. Could I ask our witnesses to introduce themselves briefly?

Sean Martin: I am Sean Martin, the deputy Northern Ireland Public Services Ombudsman.

Margaret Kelly: I am Margaret Kelly, the Northern Ireland Public Services Ombudsman.

Dorinnia Carville: I am Dorinnia Carville, Comptroller and Auditor General for Northern Ireland.

Rodney Allen: I am Rodney Allen, the chief operating officer for the Northern Ireland Audit Office.

Q176 **Chair:** Starting off, the big question is how the 2023-24 budget for each of your organisations differs from previous years, and how that will impact on the service you are able to provide and some of the decisions you are being forced to make.

Margaret Kelly: If I can begin by saying a tiny little bit about my office, I actually hold three statutory offices in Northern Ireland. I am the Public Services Ombudsman, the commissioner for local government ethical standards and the Northern Ireland Judicial Appointments Ombudsman. My office delivers to all those functions with 47 full-time staff and a budget under £4 million.

In my view, we deliver very effectively across a range of really significant functions. Just to give you a sense of that, we deal with around 1,100 complaints a year. We have in the Northern Ireland Public Services Ombudsman the statutory role of undertaking systemic investigations, looking at systemic maladministration and driving improvement. We have just completed one on communication and waiting lists in Northern Ireland, which you will know are the worst in the UK.

We also have a statutory complaints standards function, which seeks to put in place standardised complaints standards across all public services and to use that in terms of an early warning system of complaints. If you look at us as a jurisdiction, we have had in the last five years many public health inquiries costing millions more than any other jurisdiction in the UK has had to bear.

As the commissioner for local government ethical standards, we investigate and adjudicate where local councillors may have breached the code of conduct. We also deal with judicial appointment complaints.

The key to the delivery of all those offices is their independence—not just the independence as it is enshrined in statute for each of those, but the perceived independence by members of the public and the community who put their trust in what my office does. The public, when they bring complaints to my office, often ask me how we are funded, because they have a concern that, if they come with a very significant health complaint about a hospital, I am funded in such a way that will preclude me taking a very fair view of that complaint, and making and communicating my decision on the evidence. It is really important. It is not an issue that nobody mentions to me. It is a very central issue that people ask me about.

That is why the 2016 ombudsman legislation enshrined that independence and a separate budget-setting process that did not have a role for the Executive or Ministers in setting that for me. That is key to what has happened this year. That budget was previously agreed by the Northern Ireland Assembly audit committee, in February 2022, for three years. That budget has now been cut, without any discussion, consultation or engagement with me and my office.

Q177 **Chair:** Was that by the Secretary of State for Northern Ireland?

Margaret Kelly: Yes, by public announcement. The first that I realised that my budget had been cut was the Secretary of State's public announcement. I had to check the figure, because I looked at it and thought, "That does not look quite right."

I understand that we are in a really difficult context in Northern Ireland both in terms of not having an Executive or an Assembly in place, and in terms of the pressure. What we do have is a significant scrutiny gap, and we and the Audit Office are the two statutory-based organisations that assist in helping to cover that scrutiny gap.

Q178 **Chair:** How big was that cut and how will that affect your headcount?

Margaret Kelly: That cut was 1.5%. Mine is a really small office. That means I lose a member of staff. I have already had several posts that I could not recruit because of the pressures, and we are facing additional pressure of about 10%. It means that we will not be able to take forward our work on public improvement and on complaint standards in the same way.

There was a very significant inquiry into the Dunmurry Manor care home, which found a very significant level of abuse of older people living in the home. The work on complaint standards came from that, where we were specifically asked, as an office, to drive that improvement and to work with the 452 care homes in Northern Ireland to really address how they deal with complaints. I cannot deliver on that work. It is not possible for my office to deliver on that work without that budget.

The cut to my budget in terms of the Northern Ireland block grant is minuscule. It is 0.0003%. I fail to understand precisely what that really contributes in terms of addressing the budget deficit that we face, but it is significant to public trust in my office, to scrutiny, to the perception of my independence and to how I deliver.

Q179 **Chair:** That is understood. I have the same question for the Audit Office.

Dorinnia Carville: Thank you for inviting me to give evidence to the Committee today. By way of background, as Comptroller and Auditor General for Northern Ireland, I am an officer of the Northern Ireland Assembly, totally independent of Ministers of the Government Departments that I audit and all of the public bodies.

Like Margaret has said, that independence is fundamental to allowing me to carry out my work without any undue influence or unobstructed. That provides assurance back to the Northern Ireland Assembly as well as to our local taxpayer, and gives them trust and confidence in my findings.

We are an office of around 115 staff presently, with an annual budget in the region of £9 million, so we are very small in the context of Northern Ireland public spend. About 0.06% of the block grant goes towards our office, but our scrutiny has quite a significant impact. It is within that context that you have received correspondence from me setting out the process that has gone on this year to set my budget.

The budget for this year, compared to that previously agreed by the Northern Ireland Assembly's audit committee, has been reduced by £515,000, without any meaningful consultation and without agreement with me, which is required. Half a million pounds is not substantial in the context of the budgetary deficit that is facing Northern Ireland, but it is substantial in terms of the impact that it will have on the work of my office.

In my role, I am acutely aware, as you would expect, of the fiscal pressures facing Northern Ireland and facing public services, but, again as you might expect, I am firmly of the view that, at a time when we have no local Assembly, the objective and independent scrutiny of my office is more important than ever.

Professor David Heald, who is quite a prominent researcher into public sector governance, made this very point to the Northern Ireland Assembly's finance committee 10 years ago, when he said, "The protection of audit and the protection of the budget of the Northern Ireland Audit Office are really very important, because scrutiny and value for money should attract more attention during periods of financial difficulty." That finance committee went on to conclude that, in lean times, we require stronger and not weaker scrutiny. It would be a false economy otherwise.

Your Committee has received a pack of correspondence from me in advance—correspondence between Rodney, me and the Secretary of State—and you will note my offers and my willingness to engage in discussions around setting an appropriate budget for my office. We have had no engagement with the Secretary of State or the NIO in arriving at a budget.

The Department of Finance, however, has engaged with the Secretary of State and the NIO, and it provided options to the Secretary of State around a budget for my office, acknowledging that it had no direct engagement with us on those options.

I should point out that, if political representatives wish me to undertake less scrutiny, I will, of course, respect that, absolutely. However, I hope that you will appreciate my concerns around the budget for this year.

The importance of the work of my office is that it not only ensures those basic standards of public accountability at a time when we have no local Assembly, but is focused on recommending improvements, supporting efficiencies in public service and helping the public have trust in Government and in public spending. This will be critically important for Northern Ireland under a restored Assembly.

Q180 **Chair:** In essence, you are saying that, with less scrutiny, it is likely that more money could be wasted in the public sector and, in effect, money coming to your services is a saving overall.

Dorinnia Carville: Absolutely, yes, and we have seen that demonstrated by the situation here in England within the local government sector. With delays to timely production of accounts and delays to audit, we have seen increases in fraud and increased waste of public money. I do not want to see that happen in Northern Ireland. It is important to say that, within the Northern Ireland Audit Office, we audit not only all of central Government accounts but all of local government, across our district and city councils.

Q181 **Mary Kelly Foy:** I was going to ask for a bit of clarity there. There is a lot less scrutiny now. Without the Ministers and the Executive scrutinising, who is providing that scrutiny then?

Dorinnia Carville: We are, essentially.

Margaret Kelly: Our two bodies.

Q182 **Jim Shannon:** Thank you, ladies and gentlemen, for coming along. From listening to your presentation, Margaret and Dorinnia, my impression is that we are getting value for money. Quite clearly, if the moneys are reduced, the staff is reduced and your impact is reduced.

I say this very respectfully to the Department of Finance. The role of the Department of Finance and the outworking of that, with a reduced budget, means that you will be doing less scrutiny and contributing less to accountability and good governance, which is quite clear.

Being a cynic—maybe age increases cynicism, at least it has with me—and possibly influenced by my experience, as I did sit in the Northern Ireland Assembly and on the Public Accounts Committee, I might see that as your voice being silenced, which would concern me, and certainly made a bit quieter. Is that perhaps a fair observation?

Dorinnia Carville: I have no evidence to suggest that the Department of Finance is trying to silence us. That said, it is a well-established and fundamental principle that an Executive should not control or direct an audit institution’s access to resources. Given the process that has happened this year, there could be that perception, which would worry me, because the trust and confidence in my role is part and parcel of that independence. The public and the Northern Ireland Assembly need that trust and confidence in my role, and it is that independence that brings that trust and confidence.

Margaret Kelly: Likewise, my real concern is about that perception. Sometimes when I undertake my systemic reports, for example, they can, as the most recent one was, be quite critical. They will also make real recommendations for improvement, and we will be working over the next year with the Department of Health to see those put in place, so we do not do a report and walk away.

The difficulty of the process this year is that my legislation, like Dorinnia's, is very clear. Given that Departments are within my jurisdiction, they should not have a role in controlling my budget that is in place, because the perception of the ombudsman's office being put under pressure by budgets, even if that was not what was intended, is a dangerous one and runs the risk of undermining public trust that I will make those fair and difficult decisions without any consideration of those issues.

Q183 **Jim Shannon:** Thank you, Margaret. Very clearly, the groups would say to me that that independence should be enshrined and retained, and be above any question whatsoever.

As elected representatives, whether here in the House of Commons, in the Assembly, or even at council level, we always look for value for money. That is the Ulster Scot in me. It tells me that I want to see good value. Elected representatives should be doing that anyway.

Maybe just for clarity and for helpfulness as well, it might be a good idea, if you do not mind, to tell us about what you do and the value for money that that brings. If we are going to look towards the future, we need to ensure that we are seeing value for money. I am not doing that in an objective way; I am just asking for information.

The other thing, just to perhaps tie the two questions together, is that you have, I understand, significant income from audit fees being charged to audited bodies. It is not a difficult question, but it helps the Committee to understand it better. Could you not just increase your fees?

Dorinnia Carville: In terms of value for money, my office undertakes a series of in-depth studies in the value for money sphere. It is really important to think about the context of Northern Ireland's difficult fiscal position at the minute and some of the earlier messages that you heard from the previous witnesses.

We have quite a distinct history of trying to help improve public services and to focus our value for money work and our recommendations on things that are very important in the current climate. In the efficiency space, for example, we have reports in 2020 on reducing costs in the PSNI and on managing the central Government office estate. In regard to transformation, we have reports, again in 2020, around workforce planning for nurses and midwives, and on helping deliver digital transformation through the management of NI Direct. We also have a report on speeding up justice and improving the criminal justice system.

This year, our correspondence from the Secretary of State highlighted that the budget allocation was around protecting the most vulnerable in society. That is a real key area of work for my office, in the past, currently and going forward. We have numerous reports on special educational needs and how those systems can be improved. We had a report in 2017 on homelessness. Just in recent weeks, we have published a report on mental health services in Northern Ireland and on reducing adult reoffending. In the next couple of weeks, we have a report out on waiting lists and, towards the end of the year, we will be looking at smoking cessation, for example, and the health inequalities that are a part of that. We are doing a review of the child poverty strategy. The work of our office is very much focused on protecting the most vulnerable in society and trying to help Departments make improvements in those areas.

To answer your second question, Jim, around audit fees, whether or not we charge audit fees is set out in legislation—I am not in control of that—and it is a bit of a mixed bag. I should say that we audit over 150 public bodies, and we charge a hard fee, if you like, to just over 50% of those. We are under a cost recovery model, under Managing Public Money. Could we simply increase those fees? Arguably, yes, we could, but by doing so I am then placing an additional burden on those very public bodies that I believe this budget is trying to protect, so we are just placing the burden elsewhere.

Margaret Kelly: If I can just speak briefly to value for money, we and the Audit Office co-ordinate. If I am undertaking a systemic report, we will co-ordinate with the Audit Office. "Are they doing work in that area? Should we leave it to them? Is there something that we are looking at that they are not?" We looked specifically at how those 400,000 people in Northern Ireland on a waiting list were kept informed and how that helped in terms of managing those waiting lists, so we do bring that value for money.

If you look at something really very simple, such as the Belfast trust and the cost of the neurology recall of patients, that is estimated to have cost £8.4 million. The inquiry into that highlighted that, over a significant number of years, there were clear complaints about that service that were raising red flags. The inquiry concluded that, had those complaints been listened to, they could have been addressed several years earlier.

My office works with those complaints, so my office is part of transforming public services, helping them to improve and learn, and stopping us being a jurisdiction where we have so many really costly inquiries. In the last five years, we have had five really significant public healthcare inquiries, three of which are ongoing, so it is value for money when we work with public services in that way, and we are the smallest ombudsman's office in the UK.

Jim Shannon: I recognise that. Thanks very much.

Q184 **Claire Hanna:** The points are very well made about the need for independent scrutiny at any time, but particularly in the democratic deficit that we have at the moment, where there are no MLAs or anybody else marking homework. In particular, the Audit Office has given tremendous public service for many years. Kieran Donnelly was the opposition, and I say that as the daughter and sister of accountants. I, unfortunately, did not get the gene, but I am glad that the Audit Office was there and has done a lot of that review.

As well as in the absence of the Assembly, there is clearly a need for a lot of transformation and change in Northern Ireland, if and when we get back in there. Particularly in the context of the ombudsman's office, what would the impact of a financially straitened office be on that oversight in the next few years?

Margaret Kelly: We have had this 1.5% cut. That means a person for me and, while that may not sound significant, it means me not being able to work with care homes on complaint standards. There is a financial cost to that. There is also a very human cost about people's experience of care homes and how important it is for us to work to enable that to be better.

If we were not to get an Assembly back, and if this process of undertaking cuts to our budget in this manner were to continue, it would absolutely erode public trust. My office is small and it would very quickly get to the point where we were saying, "We cannot respond to your complaint," or, "You are on a waiting list for a complaint." I have a really hardworking team. Unlike the other ombudsman's offices, we did not develop a backlog during Covid. Those teams kept working, but, if I was to face these kinds of cuts year on year, I could be looking at that kind of backlog, which means people not getting redress or getting access to justice, and services not learning and improving when they should be.

Q185 **Claire Hanna:** You had a very high-profile report last week on exactly that: waiting times. Would things like that ultimately be under-resourced in this context?

Margaret Kelly: Absolutely, we would not be able to deliver. It is a tiny team of four people. We try to deliver about one systemic investigation per year. I have been ombudsman for three years—I came in during Covid—and we have got two of those out already. That is a year-long investigation. If we were to face those kinds of cuts, we quite simply could not provide at that level.

Sean Martin: One of the benefits of the process that we entered into with the Assembly audit committee was that we had an indicative three-year budget that allowed us to plan. The committee had supported us in improving our complaint standards team and in looking at our communications, so that we can have more impact from the work that we do to meet the other pressures that we have, regardless of the cut. We have lost staff in both of those teams. How we are managing our

£350,000 of pressures is just by that natural attrition that was referred to in evidence earlier. While the cut this year is small, we are also facing those pressures in a very small team, and Margaret has outlined the range of statutory functions that we deliver.

Q186 **Stephen Farry:** I just want to ask both of you to come back to the issue of independence and the importance of the budget-setting process being independent as well. Could you just outline how that should work in reality, how it has diverged this year, and how you can see that being better entrenched in the future to ensure that we do not have a repeat and that your independence is protected through the budget-setting process, among other things?

Dorinnia Carville: The mechanism that is in place is laid out in legislation and is written for the Northern Ireland Assembly's audit committee to play the primary role. In a normal year, if I can use that terminology—

Stephen Farry: The good old days of normal.

Dorinnia Carville: —the Comptroller and Auditor General comes forward to that committee and submits an estimate of the resources required to undertake our functions for the next year. The committee will then have regard to advice from the Department of Finance, and any adjustment that the committee would wish to make to my budget is then agreed with me before it is laid before an Assembly.

This year, in the absence of a Northern Ireland Assembly audit committee, the Secretary of State stepped into that role. That said, it is important to note that a three-year budget, which would include this year, had previously been agreed by the Northern Ireland Assembly. The Secretary of State engaged directly with the Department of Finance. There was no engagement with my office. Like Margaret, I learned of my budget through publication.

Prior to that, we had an indicative sense and I wrote to the Secretary of State asking for engagement. Rodney also wrote, but we had no direct engagement. We have had engagement after the publication of that budget. The Department of Finance had engagement. It had asked us to model cuts and what that would mean. It then put forward a series of three options to the Secretary of State that did not reflect what we had been asked to model and there was no engagement with us. The options that were put forward had not been discussed with us, and the impact of any cuts in our office certainly have not been discussed with us.

Margaret Kelly: It has been exactly and precisely the same process for us. I would just add two things to that. First, there was no Northern Ireland Assembly last year. There was no budget Bill for last year. My budget, as agreed by the Assembly audit committee, was left in place. On a number of occasions, I was advised by Department of Finance staff that, despite the fact that there had been no budget Bill, because that was in place, my budget was different. As it had been agreed by the Assembly audit committee and is then just inserted into the budget Bill, they did not have the authority to change it. When we got to this year, having been given no indication that anything had changed, I presumed that that would be the same. Unfortunately, it was not and, likewise, they have not spoken to me about the impact.

Secondly, in written communication with both the Secretary of State and the Department of Finance to attempt to understand why this change has been put in place and why no one has spoken to me about it, the Department of Finance has expressed that, in its view, it would be inconceivable, if the Assembly audit committee were in place, that it would not have cut my budget and, therefore, felt it was appropriate to do so.

For me, that goes to the heart of my independence. The Department of Finance is a Department in jurisdiction of my office, so it is key and important for public trust and for scrutiny that these matters get some resolution.

Q187 **Stephen Farry:** This is a breach of the normal expectation of good governance in relation to this.

Margaret Kelly: It absolutely is.

Q188 **Mr Walker:** Can you just talk a little about the wider impact of the absence of the Executive and the Assembly on the way in which your organisations work and what pressures that puts on you as organisations?

Margaret Kelly: We have the financial bit, and the Assembly audit committee also scrutinises my performance, because I am also an officer of the Assembly. That is a really important role and function, because it is very important that there are those mechanisms for our accountability as well.

Over and above that, we would work very closely with the Assembly committees. I would have expected to bring my really significant report last week on healthcare waiting lists to them. We have worked on restraint and seclusion of children in school with the Committee for Education. There is a huge gap for us in terms of that ability to work with our elected members. Over and above that, the committees in the Assembly and our Ministers have often been at the forefront of using what the office learns to drive that improvement and transformation.

It is a very difficult scenario in Northern Ireland to have the same level of impact that you could expect to have from our work. Not having that available to us is a huge gap for us.

Dorinnia Carville: Similarly, in terms of the work of the Northern Ireland Audit Office, the absence of the Assembly means that, in my view, the work of my office is now more important than ever, because no Assembly means no scrutiny committees and no Public Accounts Committee. We are still publishing reports. We are still holding Government to account in that way. It places somewhat more reliance and perhaps more pressure on the work of the Audit Office during periods of suspension. There are key accountability gaps in that regard.

The outgoing Public Accounts Committee held five inquiries in the last few weeks. The mechanism then is for a memorandum of reply to come back, which states how recommendations are going to be adhered to. There are five outstanding memorandums of reply that have never been laid before the House. They have not even been shared with my office, so there is no accountability as to how those inquiries are progressing.

We have a huge body of financial audit work as well. It is about 65% of the work of our office, and that is the core backbone of accountability, as I see it. We continue to audit all of those accounts and to lay those accounts in the Assembly, but there are no committees to scrutinise those.

I do have a role in bringing the public's attention to any matters that I find. Of course, one of the impacts for me in not having a Public Accounts Committee is that there is a slight lessening of the work that our office is doing in that regard in terms of preparing for public accounts. One of the concerns I have around my budget cut for this year is that, if, hopefully, we get a restored Assembly, I might not be able to fully service a new Public Accounts Committee to the manner and the appetite that they will have.

Q189 **Mr Walker:** I was going to ask about exactly that. It makes sense that there is slightly less demand on your services while that committee is not sitting, but, of course, we all want it to be in a position where it can resume its work and be doing that.

In terms of removing to some extent the committees' roles as intermediaries between you and the public, that must put greater pressure on you to be out there talking about your reports, projecting, respectively, the organisations to the public and being able to answer questions. Has that meant that you have had to do more on the comms side as a result of that?

Dorinnia Carville: Absolutely, there has been much more interface with the media and direct engagement in trying to get those key messages around our findings out to the public. It is as much about scrutiny as about building trust in public spending from the public's perspective, because there is that gap at present. There is much more work going out in the name of the Northern Ireland Audit Office, where perhaps a Public Accounts Committee would be taking a lead role.

Margaret Kelly: We have had a huge amount of work recently. There have been some really significant and worrying concerns about the adult safeguarding system in Northern Ireland, with a huge increase in the number of serious adverse incidents. While, normally, I could have taken those issues to the Committee for Health and they would have been asking those questions and calling witnesses, we have, over the last number of weeks, done a huge amount of media work, interviews and television to say, "Look, this is a really significant issue and we need to take that forward."

It is also the scrutiny pressure that politicians bring, where they can request that the trusts and the Department come and speak to them about serious adverse incidents or about adult safeguarding. Those are issues with financial and human costs. While my office can front those and provide the evidence that we have, we cannot have the same scrutiny and level of impact as those committees will have.

Q190 **Mr Walker:** Has the Audit Office been able to look at the impact on public services of the Secretary of State's decision to commit future in-year Barnett consequentials to paying back the £297 million funding gap?

Dorinnia Carville: I am aware through the media that the Secretary of State is looking and has asked civil servants to look at various revenue raising mechanisms. Each of those will require a policy decision, and it is not within my remit to comment on policy.

That said, in times of fiscal pressure, there are broadly two ways to look at bridging a gap—raise more money or cut costs. It is important that we do not forget about the second element either of looking at areas for cost cutting, for more efficient working or for transformation of services. That is an area where the work of my office is key. Certainly, we have a history in that area and it is definitely something that I want to continue doing. We have a real role to help improve public services in Northern Ireland going forward through the work of our office.

Q191 **Mr Walker:** I absolutely get that. We are talking hypotheticals here, but, if there were a Public Accounts Committee sitting, one of the things that it could task you with doing as auditors is to look at the longer-term implications of that decision to allocate Barnett consequentials. It is not there, so it cannot. Is that something that you can do off your own bat?

Dorinnia Carville: It is something that the Fiscal Council is looking at, and that would probably be the organisation taking a front role in that. Once any new revenue-raising streams come into place, it will have a corresponding impact on our work, with new controls and new processes. Revenue raising brings inherent risk with it as well, and that will then have a knock-on impact on the work of our office going forward.

Q192 **Mr Walker:** What communication, if any, is there between your organisation and the Fiscal Council? Has the nature of that changed?

Dorinnia Carville: As Margaret has already outlined, there are a number of regulatory bodies in Northern Ireland, and we meet regularly to make sure that our work is complementary and that we are not in the same space, for example. From my perspective, we are trying to deliver value for money to the public in the work that we do as well, so we do not want duplication of effort.

I have met with the Fiscal Council twice since coming in to post, and we regularly share forthcoming reports with the council. We look at areas that are of interest to us and, similarly, it shares with us areas that are of interest to it, so that we can be complementary but not duplicate.

Q193 **Mr Walker:** All of us on this Committee would want to see the Assembly in place as soon as possible and not to have any delay in that. Do you feel that, in its absence, there is more of a role for Parliament or this Committee to make sure that the scrutiny continues? Is there more that we could be doing to publicise and look at your respective reports as organisations, for instance?

Margaret Kelly: We would certainly welcome that. In that absence, I would certainly welcome the Committee looking at some of that work.

Dorinnia Carville: I echo your sentiment and would love to see a restored Assembly. We have recently had the Northern Ireland (Interim Arrangements) Act brought in and, certainly, from the point of that Act, all of the accounts that I lay will also be laid in Parliament. Therefore, it gives the parliamentary committees scope to ask me to come and give evidence.

At the minute, our reading of that Act does not necessarily require us to lay our reports before Westminster, but we are actively engaged with the NIO at present to see if it has that desire, and we would be willing to do so if we were asked.

Q194 **Mary Kelly Foy:** Dorinnia and Rodney, we understand that your office is undertaking a piece of work looking at how the budgets have been allocated across Departments. You are currently engaging with stakeholders and hoping to publish something in September. Can you just share an outline of the piece of work and what it aims to achieve?

Dorinnia Carville: The office did a report on a Public Accounts Committee inquiry last year—it is one of the outstanding memorandums of reply—around the budgeting process and looking at it set against the guiding principles of the OECD. One of the things that we will do is follow up on that.

The scope of the report that we are currently looking at is really around the budgeting processes and the accountability mechanisms within them. One of the reasons why it came about is that, in my early days in post, I was hearing from a lot of Departments and arm's length bodies that, over the past number of years in Northern Ireland, they were starting the year with budgets allocated that they knew were insufficient to meet their needs, and they were relying on in-year monitoring and reallocation of funding to deliver those services. When you are trying to achieve long-term objectives, only getting your money six or nine months into the year is very inefficient and you often just cannot deliver on those services.

Quite often, the reality is and has been, as I understand it, that the in-year monitoring and reallocation has maybe helped those bodies, but, to me, there is something fundamentally wrong there. If we are starting the year with some Departments clearly not resourced properly, but the resource comes partway through the year, there is something better that we can do with that process. We are hoping to look at that study and to really delve down into what has happened over the past five years, what the allocations have been like at the start of the year, what the in-year monitoring rounds have looked like, and whether there is a way that we can do it better.

Q195 **Mary Kelly Foy:** Who will that report go to?

Dorinnia Carville: That report is being led by our office. We aim to publish that in the autumn of this year. It will go into the public domain at that point and, if we have a Public Accounts Committee then, it would be for the committee to decide if it wanted to hold an evidence session on that.

Rodney Allen: If I can come in very quickly on that point, you made me think of something and I was looking there. We wrote to the head of the Civil Service just at the end of April on this piece, because Dorinnia, in her first year as auditor general, was very keen to get it up and running. It was not in our forward work programme. In my language loosely at home, that is a rapid response piece for us that we are doing very quickly, with the intention to publish in the autumn. I can say that, with budgetary pressures, that is the type of workstream that is under pressure in the future.

Q196 **Chair:** Just following on from that, would it be part of the Audit Office's remit to say, "This service is not funded enough. The money is being spent properly, but, to deliver on the key objectives, this budget is deficient"? Could you ever have a situation where another budget is cut back and you make that recommendation?

Dorinnia Carville: We do say, "This budget is not sufficient." In our recent reports on mental health services and on reducing adult reoffending, we point to areas where there are impacts and, with more investment, there could be bigger impacts in terms of achieving policy objectives. We do say that more money would be needed in that area.

Where that money would then come from goes back to that original policy allocation at the outset. Unfortunately, that is an area that goes beyond my remit, but we certainly do point to areas where more investment would achieve better outcomes.

Q197 **Sir Robert Buckland:** Thank you very much for those answers. Just building on the work of your 2021 report, I note that, quite rightly, you have looked at the OECD's 10 principles of budgetary management. You have identified that Northern Ireland is compliant with just one of them, namely managing budgets within clear, credible and predictable limits for fiscal policy. That means that there are nine to go; that is a lot of work. What should be the priority of governance in Northern Ireland? What would be the most important next step to make in order to be compliant with the OECD principles?

Dorinnia Carville: To be compliant with all 10, there is an awful lot of work. In terms of the next steps, one of the principles is around aligning budget to the strategic priorities of Government. That is one area where, in my short time in post, I am hearing time and time again that the lack of multiyear planning is really having a significant impact. You heard from the previous panel around that. In terms of the next step that would help alleviate pressures on the Northern Ireland Civil Service in that way, it would be to look at a multiyear funding mechanism, if that was at all possible.

Q198 **Sir Robert Buckland:** That would be a start, would it not? Just to develop on that point, without an Executive and an Assembly at the moment, it is not happening at all, but, even when they are sitting, is there enough opportunity for the Assembly and its committees to debate the draft budget and the in-year reallocations in a meaningful way?

Rodney Allen: We commented on that in the report at the time, and we have concerns that there is not. If I was going to raise comments on multiyear budgets, that is probably the other area where you are asking how promptly we could make progress with the OECD recommendations and principles. That would be the one.

Q199 **Chair:** Margaret, you mentioned this excellent piece of work that you did regarding communication with patients on waiting lists. Correct me if I am wrong, but the answer that you got was, "Well, we cannot afford to communicate with people on waiting lists." How often are you finding that—while you pick up on shortcomings and the way in which people have been let down, the powers that be, such as the health service, the police or education, are basically saying, "Yes, we know that we are not doing this properly, but we just cannot afford to"? Do you take that as a good enough excuse?

Margaret Kelly: It will be no surprise to you that that is an excuse that we hear quite often. Last year, we published a systemic investigation report into PIP and the use of further evidence in the PIP process, which our Department for Communities provides.

Earlier in the month, we published a follow-up report to that, looking at the progress that they had made over the last year. For a significant part of where they had not met those recommendations, the reason that they gave was that it was too costly to put in place those changes. Later on today, in fact, we are meeting with the chair of the Work and Pensions Committee here to talk about that follow-up report and some of those lessons for the whole PIP system, and so we do hear that.

What I said back to our Department of Health on the waiting list communications was that there is a huge cost to not providing people with the information that they need to start with. Trusts, hospitals and GPs are taking numerous phone calls from patients wanting to know, "When will I hear? Have you heard? Where am I? Who do I get in contact with?" It is not like not doing it well is cost neutral. There is a real cost to not doing it well.

Between GPs and members of the public, we had over 1,000 people respond to us on communication on waiting lists in Northern Ireland, which is a significant number for us in that size of jurisdiction. They were all saying the same thing, which is, "If we had the information we need, we might choose to make other options. Some people who could afford to might choose to look at independent providers. We need somewhere where we can tell people if our situation gets worse. If we just knew and were kept updated, we would not keep bothering our GPs. We would not keep phoning hospitals”.

For me, there is a real issue about where you put your money and investment. It is saying to me—and this was part of the reply, “We have 400,000 people on a waiting list and it is going to take five years to fix it. We do not have the money to fix giving them communication at the same time”, but it is not an either/or. Communicating with people about their care is part of their care, and it was really clear from the work we did that it had a huge impact on people’s anxiety and wellbeing. That idea of being able to wait well, so that you are looking after yourself and you have the information, also has a financial impact.

We will be working with the Department and the trusts over the next year. There are some really simple recommendations. When you get referred to a specialty, you should get an acknowledgement letter that tells you, “This is where you have been referred to. Here is your clinical priority. Here is when, on average, you can expect treatment. Here is who to contact if something changes”. That is not rocket science or a difficult ask, so we will be working over the next year with them to try to get that in place. Again, subject to budget, it is a tiny team of four people I have for those systemic investigations, and we would be more effective if we had our local Assembly members to help us deliver on that.

Q200 **Chair:** If they knew exactly when they might get the operation, some people might choose to go private and, therefore, reduce the waiting list. It is not something that we would want to be proud of, but it is an option that people would have.

Margaret Kelly: People did say that. Some people who came back to my office said, “Yes, we might choose to do that.” Others also said that their experience was that they had waited five years, their condition had got worse, and then they decided, “I am never going to get this, so I am going to go private,” which was even more costly for that person.

I also had people with significant conditions—people with cancer—who were missed on those waiting lists, because there was no communication. The GP did not know that they had been downgraded, because the person did not know that they had been downgraded. Unfortunately, that had a catastrophic impact for that person, because they did not survive.

Those are the things that I see coming through my office, which is why we decided to do that piece on communication. They might say, “No, there are 400,000 people on the waiting list and it is too costly,” but there is a cost to not addressing this.

Q201 **Chair:** If you had more resources, what other areas would you like to do similar work on?

Margaret Kelly: We have a significant range of work that we are looking at. We are looking at issues around adult safeguarding and serious adverse incidents. The process for those in Northern Ireland is clearly not working. We are looking at some work around children’s special educational needs and how they are accessing services, which is an area that has been hugely cut in this most recent budget round. We are looking at some issues around mental health and at some work around supporting schools to do better.

My office covers all Departments and public bodies, so we get a huge range of issues. To do that investigation, I need to have a reasonable suspicion of systemic maladministration, so we are also producing some very short inquiries, where we begin to look at it and go, "Actually, that is not such an ingrained issue". We are just about to do one on tree preservation orders in Northern Ireland and the importance of local councils putting those in place. We have done that as a short mini-inquiry, because there were not the same ingrained issues.

There is no shortage of issues where looking through that maladministration lens can deliver in terms of public service improvement and on costs, but, if I am subject to budget cuts, that reduces.

Chair: We are nicely in time for Northern Ireland questions in the Chamber. Thank you very much indeed for coming and giving us such useful evidence. We really appreciate your time.