

<b>Report on</b>	Improvement Audit and Assessment Report 2017-18: Northern Ireland Audit Office
<b>Reporting Officer</b>	P Moffett, Head of Democratic Services
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<b>Is this report restricted for confidential business?</b>	Yes	
If 'Yes', confirm below the exempt information category relied upon	No	X

<b>1.0</b>	<b>Purpose of Report</b>
1.1	To inform and update members on the Northern Ireland Audit Office Improvement Audit & Assessment Report 2017-18.
<b>2.0</b>	<b>Background</b>
2.1	<p><b>Part 12 of Local Government Act (NI) 2014 &amp; Guidance for Local Govt Performance Improvement 2016</b></p> <p>Part 12 of the Local Government Act (NI) 2014 places a duty on Councils to make arrangements to secure continuous improvement in the exercise of their functions. It sets a series of responsibilities under a performance framework as well as key responsibilities of the Northern Ireland Audit Office (NIAO). The Department of Communities has published "Guidance for Local Government Performance Improvement 2016", which councils and the Local Government Auditor (the Auditor) must follow.</p> <p>Each year the Auditor reports on whether each Council has discharged its duties in relation to improvement planning, the publication of improvement information and the extent to which each council has acted in accordance with the Department's Guidance. This is called their "Improvement Audit".</p> <p>The Auditor annually assesses whether a Council is likely to make the required arrangements to secure continuous Improvement in that year and is known as called the "Improvement Assessment". The Auditor also has the discretion to assess and report whether a council is likely to comply with these arrangements in future years.</p>
<b>3.0</b>	<b>Main Report</b>
3.1	<p><b>Audit Office Improvement Audit &amp; Assessment Report</b></p> <p>The Audit Office conducted an improvement assessment as per their audit strategy, (and respective programme of work) as issued to the Audit Committee on the 18<sup>th</sup> of May 2017. On 30<sup>th</sup> of November 2017, the Audit Office issued a letter to the Chief Executive with their Audit and Assessment Report (Appendix One), setting out their findings and conclusions from their assessment. The Audit Office has also issued Council with a Certificate of Compliance, included as appendix one.</p>

3.2

## Local Government Auditor - Opinion and Assessment Findings

The Auditor has confirmed an unqualified audit and assessment opinion and this is set out in the Annex of the report (refer to Appendix One, pages 15 – 16). A certificate of compliance is also included, advising that the auditor believes that the Council has discharged its duties in connection with:

(1) Improvement planning

(2) Publication of improvement information in accordance with section 92 of the Act and has acted in accordance with the Department of Communities' guidance sufficiently, and as a result of their assessment

(3) the Council has as far as possible discharged its duties under Part 12 of the Act.

The report notes that no statutory recommendations will be made to the Department this year in respect of the Council nor is there a requirement for a Special Inspection. It further notes that Council's arrangements to secure continuous improvement is still at stages of development and implementation (in its second year of implementing the performance improvement framework), and that it is;

*"...strengthening its arrangements to secure continuous improvement and has delivered some measurable improvements to its services in 2016-17".*

The Auditor explains that until Council's arrangement further develop and begin to mature and it can demonstrate a track record of ongoing improvement in relation to the framework, they are unable to determine, the extent to which improvements will be made. The Auditor has not conducted an assessment to determine whether the Council is likely to comply with the requirements of Part 12 of the Act in subsequent financial years, but will keep this under review as arrangements become more fully established.

Section three of the report sets out the LGA's key audit and assessment findings (pages 4-14). They include some "proposals for improvement", which are not formal recommendations, *"but lower priority matters which we think may assist the council in meeting its performance improvement responsibilities in future years"* to be considered for acceptance.

3.3

The four audit proposals for improvement are:

<b>General Duty to Improve</b>	The Council needs to prioritise the development of its Performance Improvement Policy and performance management system and processes to support the general duty to improve. This will enable the performance management data across all its functions and services to be measured, benchmarked, and reported to ensure the process of identification and selection of those areas which would benefit most from improvement is robust, transparent, well documented and subject to appropriate levels of scrutiny.
<b>Improvement Objectives</b>	Additional clarity over the level of improvement for each objective and how it will be measured would improve the objectives. This could be achieved by establishing baselines, and setting challenging and

		realistic standards at the objective level, against which the associated key performance indicators and measures would be used to measure improvement in terms of outcomes.
	<b>Performance Information</b>	The Council should continue working with other councils and the Department to agree a suite of self-imposed indicators and standards as soon as practicable. This will enable meaningful comparisons to be made and published in line with its statutory responsibility as well as to demonstrate its general duty for continuous improvement across all its functions and services.
	<b>Publication of Performance Information</b>	<p>The Local Government auditor makes the following proposals for improvement to enhance the transparency and clarity of future self-assessments:</p> <ul style="list-style-type: none"> <li>• Self-assessment reports must include a self-assessment of performance in relation to the general duty to improve as required under the legislation; and</li> <li>• Self-assessments should not focus solely on the underlying projects, but also have an assessment of the Council's progress in delivering outcomes against its improvement objectives.</li> </ul>
<p>No proposals for improvement were made under the improvement audit themes of:</p> <ul style="list-style-type: none"> <li>• Governance Arrangements</li> <li>• Consultation</li> <li>• Improvement Plan</li> <li>• Collection, use and publication of performance information</li> </ul>		
<b>4.0</b>	<b>Other Considerations</b>	
<b>4.1</b>	<p><b><u>Financial &amp; Human Resources Implications</u></b></p> <p>Financial: Any financial implications identified in terms of implementing proposals will be included via the budgetary process</p> <p>Human: none identified</p>	
<b>4.2</b>	<b><u>Equality and Good Relations Implications</u></b> - None identified	
<b>4.3</b>	<b><u>Risk Management Implications</u></b> - None identified.	

<b>5.0</b>	<b>Recommendation(s)</b>
5.1	That members take account of the Council's Improvement Audit and Assessment Report 2017-18 and the Local Government Auditors improvement proposals.
<b>6.0</b>	<b>Documents Attached &amp; References</b>
	<b>Appendix One:</b> Mid Ulster District Council's Improvement Audit & Assessment Report 2017-18, including the Certificate of Compliance