

Report on	Performance Improvement: Local Government Auditor's Audit and Assessment (Section 95) Report 2023-24.
Date of Meeting	Thursday 7 th March 2024
Reporting Officer	J Mc Guckin, Head of Strategic Services and Engagement
Contact Officer	L Jenkins, Corporate Performance & Quality Officer

Is this report restricted for confidential business? If 'Yes', confirm below the exempt information category relied upon	Yes	
	No	X

1.0	Purpose of Report
1.1	To update the committee and members of the key findings of the Local Government Auditor's Audit and Assessment (Section 95) Report 2023-24.
2.0	Background
	Local government Auditor's Improvement Audit and Assessment Report 2023-24
2.1	Part 12 of the Local Government Act (NI) 2014 ('the Act') places a duty on Councils' to make arrangements to secure continuous improvement in the exercise of their functions. This includes setting improvement objectives for each financial year and putting in place arrangements to achieve those objectives, as well as publishing annual progress reports.
2.2	The Act places a statutory duty on the Local Government Auditor (LGA) to: <ul style="list-style-type: none"> a) Report (via the Improvement Audit) 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. During the course of this work the LGA may make statutory recommendations under section 95 of the Act. b) Assess annually (via the Improvement Assessment) whether a Council is likely to make the required arrangements to secure continuous improvement in that year. The Local Government Auditor also has the discretion to assess and report whether a Council is likely to comply with these arrangements in future years.
3.0	Main Report
	Audit and Assessment (Section 95) Report 2023 to 2024 and Certificate of Compliance
3.1	Northern Ireland Audit Office (NIAO) issued correspondence on the 22 nd of November 2023, which included a letter to the Chief Executive (Appendix One), which clarified that the Local Government Auditor had not certified the improvement audit for Council with an unqualified opinion. The correspondence also highlighted, in terms of the audit assessment, that the LGA concluded that the Council is likely to comply with Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) during 2022 to 2023. No Statutory

recommendations were made in respect of the Council nor was there a requirement for a special inspection. The LGA made one proposal for improvement

3.2 Accompanying the letter was a copy the final Audit and Assessment (Section 95) 2023-24 Report (refer to Appendix Two), this document also contains the original Audit and Assessment Certificate of Compliance (refer to page 8 in report - Annex A).

3.3 The Local Government Auditor had also forwarded the Council's letter and Audit and Assessment Report to the Department of the Communities (DfC). By 31st of March 2024 the LGA will publish an Annual Improvement Report on the Council on the NIAO website, making it publicly available. This will summarise the key outcomes in this report.

Certificate of Compliance – Council's Performance Improvement Arrangements

3.4 Audit Opinion – Improvement Audit

The LGA has certified the performance arrangements with unqualified opinion, without modification. She certifies an improvement audit and improvement assessment has been conducted. The LGA states that as a result, she believes that Mid Ulster District Council has discharged its performance improvement and reporting duties, including its assessment of performance for 2022-2023 and its improvement plan for 2023-2024, and has acted in accordance with the Guidance.

3.5 Improvement Assessment

The LGA has assessed whether the Council is likely to comply with its performance improvement responsibilities under Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act). This is called the 'improvement assessment'. In her opinion, the Council is likely to discharge its duties in respect of Part 12 of the Act during 2023-24 and has demonstrated a track record of improvement.

3.6 The LGA did not exercise her discretion to assess and report whether the Council is likely to comply with these arrangements in future years.

Audit Findings and Status of the Audit

3.7 During the audit and assessment the LGA identified no issues requiring a formal statutory recommendation under the Act. The LGA made one proposal for improvement (refer to Appendix Two - page 6). Proposals for improvement represent good practice which should assist the Council meeting its responsibilities for performance improvement. The LGA is not minded to carry out a special inspection under section 95(2) of the Act.

LGA Proposal for Improvement

3.8 Following significant engagement with relevant council officers throughout September to October 2023, no formal recommendations were issued to the Council as a result of the audit. One proposal for improvement was introduced, as outlined under the thematic area of, "Governance Arrangements" (refer to page 6 in Appendix Two).

Thematic Area	LGA Issue	Proposal For Improvement	Management Response
<p>2. Governance Arrangements</p>	<p>The last internal audit review of Performance Improvement was completed in 2019-20. Performance improvement does not form part of the 2022-23 internal audit plan.</p>	<p>The Council should consider the benefit of using Internal Audit periodically to provide assurance on the integrity and operation of the Council's performance improvement framework.</p>	<p>Council's Internal Audit Team are currently undertaking an audit of Council's "Corporate and Business Planning" (February 2024, with audit findings to follow)</p> <p>The audit will go some way in looking at performance improvement as it will consider if there is a joined-up approach which incorporates and links the Corporate Plan, annual Business Plans at the Operational level, Community Planning, Performance Improvement Plan (PIP), and any other relevant plans (i.e. *performance management)</p> <p>The objectives of the audit are: To ensure that:</p> <ul style="list-style-type: none"> • There are adequate and efficient arrangements in place to ensure a joined-up approach to performance management. • Performance at a corporate and operational level is effectively planned, monitored, and reported. <p>On receipt of any audit findings an action plan will be developed to ensure arrangements are put in place to reduce audit risks and enhance controls.</p> <p><i>*Performance Management is referring to the processes and systems used to plan, monitor, and manage the overall success of the</i></p>

			<i>Council. In Council this includes the Corporate Plan, annual Business Plans at the Operational level, Community Planning, Performance Improvement Plan, and any other relevant plans.</i>
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LGA Detailed Observations

The LGA Section95 report also includes an annex of detailed observations made during the actual LG audit (Refer to Appendix Two pages 11-18). While not a proposal for improvement Council views the LGA observations with associated references as 'points of good practice' and have also included them in the table below with a management response.

Thematic Area	LGA Observations	Management Response
2. Governance Arrangements	<p>The Council has assigned responsibility for scrutiny of its performance improvement framework to the Policy and Resources Committee. The Audit Committee oversight role has developed to include quarterly monitoring of the activity of the Policy and Resources Committee, specifically in respect of the scrutiny of the Council's Performance Improvement Plans and Reports, and this is a standing item on the agenda for reporting. The Policy and Resources Committee Terms of Reference (TOR) has been updated to reflect performance improvement responsibilities. However it is noted that the Terms of Reference does not specifically outline the duties of the Performance Improvement service area within the Council.</p> <p>It is recommended as best practice going forward that the duties are detailed within this document.</p>	An updated outline of the duties of the Council's Performance Improvement Service area has been developed and the terms of reference of Policy and Resources Committee will be amended to include same.
7. Collection Use and Publication of	It was noted in last year's Section95 report as a proposal for improvement, that an electronic performance management system	Council Officers have undertaken broad research into current data performance/business

	<p>Performance Information</p>	<p>would be a more efficient way of capturing the growing central repository of performance information. The Council currently use Microsoft Excel templates to track performance of statutory and self-imposed indicators on a quarterly basis. This, however, is a very labour intensive method of collecting performance information, and is susceptible to human error in terms of the robustness and accuracy of content and the Council should consider whether an electronic performance management system should be procured</p>	<p>intelligence electronic platforms, which would capture Council's hierarchy of plans (Strategic and Operational Performance Management and associated 'Business Intelligence') and briefing overviews of system outline and potential implementation have been completed. to progress same. An Options Paper/ Business Case will be presented to SMT for approval and or consideration.</p>
4.0	Other Considerations		
4.1	Financial, Human Resources & Risk Implications		
	Financial: not applicable, arrangements being delivered within existing resource		
	Human: not applicable, arrangements currently being delivered within existing resource		
	Risk Management: Will assist in council's compliance with Part 12 of the Local Government (NI) Act 2014		
4.2	<u>Screening & Impact Statements</u>		
	Equality & Good Relations Implications: Not applicable No specific implications neutral impact on S75 groups and neutral impact on promotion of good relations		
	Rural Needs Implications: not applicable		
5.0	Recommendation(s)		
5.1	That the committee notes the findings of Audit and Assessment (Section 95) Report 2023-24 presented by the Northern Ireland Audit Office.		
6.0	Documents Attached & References		
	Appendix One: NIAO Correspondence dated 27 th of November 2023		
	Appendix Two: Audit and Assessment (Section. 95) Report 2023-24.		