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| Report on | Performance Improvement - Local Government Auditor's Audit and Assessment (Section 95) Report 2021-22 |
| Date of Meeting | Wednesday 4 th May 2022 |
| Reporting Officer | P Moffett, Assistant Director OD, Strategy & Performance |
| Contact Officer | L Jenkins, Performance & Quality Officer |

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

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| 1.0 | Purpose of Report |
| 1.1 | To update the committee and members of the findings of the Local Government Auditor's Audit and Assessment Report 2021-22. |
| 2.0 | Background |
| | Local government Auditor's Improvement Audit and Assessment Report 2021-22 |
| 2.1 | 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. 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 | <p>The Act places a statutory duty on the Local Government Auditor to:</p> <p>a) Report (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 (LG Circular 21/2016 - <i>Guidance for Local Government Performance Improvement 2016 onwards</i> – the Guidance). During the course of this work, the LG Auditor may make statutory recommendations</p> <p>b) Assess (the Improvement Assessment) whether a Council is likely to make the required arrangements to secure continuous improvement in that year. This is called the "improvement assessment". 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.</p> |
| 3.0 | Main Report |
| | Audit and Assessment (Section 95) Report 2021 to 2022 and Certificate of Compliance |
| 3.1 | NI Audit Office issued correspondence on 25 th February 2022, which included a letter to the Chief Executive (Appendix One), which clarified that the Local Government Auditor had now 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 she was unable to assess whether Council is likely to comply with Part 12 |

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| | of the Local Government Act (Northern Ireland) 2014 (the Act) during 2021-22, due to the impact of the COVID-19 pandemic on Council services, similar to other Councils. No statutory recommendations have been made to the Department this year in respect of the Council nor is there a requirement for a special inspection. |
| 3.2 | Accompanying the letter was a copy of the Audit and Assessment Certificate of Compliance (Appendix Two) and the final Audit and Assessment Section 95 Report 2021-22 (Appendix Three). The Local Government Auditor had also forwarded the Council's letter and attachments to the Department of the Communities (DfC). |
| 3.3 | It is noted that due to the impact of COVID-19, legislation was amended so that Councils were not required to produce a Performance Improvement Plan (PIP) for 2020-21, and thus there was no requirement to set self-imposed objectives for that year. As a result, Council did not have to perform a self-assessment of self-imposed objectives in their 2020-21 self-assessment report, nonetheless the report still required to note outturn performance on the statutory indicators and how the general duty to improve was taken forward during the year |
| | Certificate of Compliance – Council's Performance Improvement Arrangements |
| 3.4 | Improvement Audit - The LGA has certified the performance arrangements with unqualified opinion. 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 (the Council) has discharged its performance improvement and reporting duties, including its assessment of performance for 2020-2021 and its improvement plan for 2021-2022, and has acted in accordance with the Guidance. |
| 3.5 | Improvement Assessment - The LGA has assessed whether Mid Ulster District Council is likely to comply with its performance improvement responsibilities under Part 12 of the Act. This is called the "Improvement Assessment". In normal circumstances this work would have been undertaken at the time of the report being issued by November 2021. However, this was impacted in delays completing the previous period's report when legislative changes were required to clarify the performance improvement arrangements before work could be concluded. In light of the impact of COVID-19 pandemic on Council services, the LGA concluded that she is unable to reach an opinion on whether the Council was likely to have complied with its performance responsibilities for 2021-2022. |
| 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. |
| 3.7 | Audit Findings - During the audit and assessment the LGA identified no issues requiring a formal recommendation. The LGA made one proposal for improvement. Proposals for improvement represent good practice which should assist the Council in meeting its responsibilities for improvement. |
| 3.8 | Audit & Assessment (Section 95) Report 2021-22 – Proposal for Improvement Following significant engagement with relevant council officers throughout December 2021 and January 2022, 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, <i>"Collection, use and publication of performance information"</i> . |

| | Thematic Area | Proposal For Improvement (Assessment from Auditor) | Management Response |
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| | 1. Collection, use and publication of performance information | <p>Appropriate validation procedures should be in place for all information reported.</p> <p>The Council continues to use Microsoft Excel for all performance improvement data recording, from identification to measurement and monitoring. This is however, a very labour intensive method of collating performance information, and is more susceptible to human error in terms of its robustness and accuracy.</p> <p>An electronic performance management system would be more efficient way of capturing the growing central repository of performance information. It would also provide a platform to demonstrate the alignment and interdependencies across the Business Planning and Performance Management Framework, create capacity for further analysis of the information and focus on key improvement areas across the organisation.</p> <p>Pending the implementation of any such system, data input to or extracted from excel (or other sources) should be checked for accuracy prior to publication.</p> | <p>Officers will research benchmark (good practice in other Councils) and introduce a validation procedure.</p> <p>Officers will undertake a business process improvement tool (BPI) to establish the "as is" process with view to determining /analysing/improvements/efficiencies for utilisation in moving to an electronic platform (business intelligence/data platform).</p> <p>Officers have commenced research into current data performance/business intelligence electronic platforms, which would capture Council's hierarchy of plans (Strategic and Operational Performance Management) and cross checks will be utilised for accuracy of data prior to publication</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 | | |
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| 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 2021-22 presented by the Northern Ireland Audit Office |
| 6.0 | Documents Attached & References |
| | Appendix One: NIAO Correspondence dated 25 th February 2022 Appendix Two: Audit & Assessment Certificate of Compliance Appendix Three: Audit and Assessment (Section. 95) Report 2021-22 |