

Newry, Mourne and Down District

Audit and Assessment Report 2020-21

Report to the Council and the Department for Communities under Section 95 of the Local Government (Northern Ireland) Act 2014



30 November 2021

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We have prepared this report for sole use of the Newry, Mourne and Down District Council and the Department for Communities. You must not disclose it to any third party, quote or refer to it, without our written consent and we assume no responsibility to any other person.

1. Key Messages

Summary of the audit

Audit outcome	Status
Audit opinion	Unqualified opinion
Audit assessment	The LGA has concluded that she is unable to assess whether Council was likely to comply with Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) during 2020-21 due to the impact of the COVID-19 pandemic on normal services.
Statutory recommendations	The LGA made no statutory recommendations
Proposals for improvement	The LGA made no new proposals for improvement

This report summaries the work of the Local Government Auditor (LGA) on the 2020-21 performance improvement audit and assessment undertaken on Newry, Mourne and Down District Council. We would like to thank the Chief Executive and her staff, particularly the Performance Improvement Manager, for their assistance during this work.

We consider that we comply with the Financial Reporting Council (FRC) ethical standards and that, in our professional judgment, we are independent and our objectivity is not compromised.

Audit Opinion

The LGA has certified the performance arrangements with an unqualified audit opinion, without modification and confirms that an improvement audit and improvement assessment has been conducted. In line with the Local Government (Meetings and Performance) (Northern Ireland) Act 2021, councils were not required to publish an improvement plan for 2020-21 and therefore no audit of a plan could be undertaken. The form audit opinion has been modified accordingly.

The LGA also states that, as a result, she believes that the Newry, Mourne and Down District Council (the Council) has discharged its performance improvement reporting duties, by publishing its assessment of performance for 2019-20, and has acted in accordance with the Guidance in this regard.

Audit 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) for 2020-21 (known as the improvement assessment). In normal circumstances this work would have been undertaken in time for this report to be issued by 30 November 2020. However, this was delayed whilst awaiting legislation to clarify the performance improvement arrangements for this period. In light of the impact of the COVID-19 pandemic on council services, the LGA has concluded that she is unable to reach an opinion on whether the Council was likely to have complied with its performance improvement responsibilities for 2020-21. 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

During the audit and assessment we identified no issues requiring a formal recommendation under the Act. We also identified no issues requiring a Proposal for Improvement, which represents good practice to assist the Council in meeting its responsibilities for performance improvement. In line with discussions with the Department for Communities and councils on the impact of COVID-19 on council resources it was agreed that consideration of performance improvement themes would be restricted for this year to considering the collection, use and publication of performance information in the self assessment report. Detailed observations on this theme are provided in Annex B.

Status of the Audit

The LGA's audit and assessment work on the Council's performance improvement arrangements is now concluded. By March 2022 she 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 and work conducted in 2021.

The LGA did not undertake any Special Inspections under the Act in the current year.

As a result of the changes made to performance improvement requirements in light of the pandemic, the extent of audit work undertaken reduced compared to that in previous years. This will be reflected in the audit fee for this work, which will be confirmed shortly.

Management of information and personal data

During the course of our audit we have access to personal data to support our audit testing. We have established processes to hold this data securely within encrypted files and to destroy it where relevant at the conclusion of our audit. We can confirm that we have discharged those responsibilities communicated to you in accordance with the requirements of the General Data Protection Regulations (GDPR) and the Data Protection Act 2018.

2. Audit Scope

Part 12 of the Act provides all councils with a general duty to make arrangements to secure continuous improvement in the exercise of their functions. It sets out:

- a number of council responsibilities under a performance framework; and
- key responsibilities for the LGA.

The Department for Communities (the Department) has published '*Guidance for Local Government Performance Improvement 2016*' (the Guidance) which the Act requires councils and the LGA to follow. Further guidance to clarify the requirements of the general duty to improve was issued by the Department during 2019.

The improvement audit and assessment work is planned and conducted in accordance with the Audit Strategy issued to the Council, the LGA's Code of Audit Practice for Local Government Bodies in Northern Ireland and the Statement of Responsibilities.

The improvement audit

Each year the LGA has to report 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. In line with the Local Government (Meetings and Performance) (Northern Ireland) Act 2021, councils were not required to publish an improvement plan for 2020-21. The procedures conducted in undertaking this work are referred to as an "improvement audit". During the course of this work the LGA may make statutory recommendations under section 95 of the Act.

The improvement assessment

The LGA also has to assess annually whether a council is likely to comply with the requirements of Part 12 of the Act, including consideration of the arrangements to secure continuous improvement in that year. This is called the 'improvement assessment'. She also has the discretion to assess and report whether a council is likely to comply with these arrangements in future years.

The annual improvement report on the Council

The Act requires the LGA to summarise all of her work (in relation to her responsibilities under the Act) at the Council, in an 'annual improvement report'. This will be published on the NIAO website by March 2022, making it publicly available.

Special inspections

The LGA may also, in some circumstances, carry out special inspections which will be reported to the Council and the Department, and which she may publish.

3. Audit Findings

This section outlines key observations in the form of proposals for improvement, arising from the audit of the Council's collection, use and publication of performance information.

These are not formal recommendations, which are more significant matters which require action to be taken by the Council in order to comply with the Act or Guidance. Proposals for improvement include matters which, if accepted, will assist the Council in meeting its performance improvement responsibilities. The LGA may follow up how key proposals have been addressed in subsequent years. We recommend however that the Council's Audit Committee track progress on all proposals for improvement.

Our procedures were limited to those considered necessary for the effective performance of the audit and assessment. Therefore, the LGA's observations should not be regarded as a comprehensive statement of all weaknesses which exist, or all improvements which could be made.

Detailed observations can be found at Annex B. No new Proposals for Improvement have been made.

4. Annexes



Annex A – Audit and Assessment Certificate

Audit and assessment of Newry, Mourne and Down District Council’s performance improvement arrangements

Certificate of Compliance

I certify that I have audited Newry, Mourne and Down District Council’s (the Council) assessment of its performance for 2019-20 in accordance with section 93 of the Local Government Act (Northern Ireland) 2014 (the Act) and the Code of Audit Practice for local government bodies.

I also certify that I have performed an improvement assessment for 2020-21 on whether the Council is likely to have complied with the requirements of Part 12 of the Act.

This is a report to comply with the requirement of section 95(2) of the Act.

Respective responsibilities of the Council and the Local Government Auditor

Under the Act, the Council has a general duty to make arrangements to secure continuous improvement in the exercise of its functions and to set improvement objectives for each financial year. The requirement to set improvement objectives and publish an improvement plan was not required for 2020-21 under the Local Government (Meetings and Performance) (Northern Ireland) Act 2021. The Council is required to gather information to assess improvements in its services and to issue a report annually on its performance against indicators and standards which it has set itself or which have been set for it by Government departments.

The Act requires the Council to publish a self-assessment before 30 September in the financial year following that to which the information relates, or by any other such date as the Department for Communities (the Department) may specify by order. The Act also requires that the Council has regard to any guidance issued by the Department in publishing its assessment.

As the Council’s auditor, I am required by the Act to determine and report each year on whether:

- The Council has discharged its duties in relation to improvement planning, published the required improvement information and the extent to which the Council has acted in accordance with the Department’s guidance in relation to those duties; and
- The Council is likely to comply with the requirements of Part 12 of the Act.

Scope of the audit and assessment

For the audit I am not required to form a view on the completeness or accuracy of information or whether the improvement plan published by the Council can be achieved. My audit of the Council’s assessment of performance, therefore, comprises a review of the Council’s publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the document complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing them.

For the improvement assessment I am required to form a view on whether the Council is likely to comply with the requirements of Part 12 of the Act, informed by:

- A forward looking assessment of the Council's likelihood to comply with its duty to make arrangements to secure continuous improvement; and
- A retrospective assessment of whether the Council has achieved its planned improvements to inform a view as to its track record of improvement.

My assessment of the Council's improvement responsibilities and arrangements, therefore, comprised a review of certain improvement arrangements within the Council, along with information gathered from my improvement audit.

The work I have carried out in order to report and make recommendations in accordance with sections 93 to 95 of the Act cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Audit opinion

Publication of improvement information

As a result of my audit, I believe the Council has discharged its duties in connection with the publication of improvement information in accordance with section 92 of the Act and has acted in accordance with the Department for Communities' guidance sufficiently.

Improvement assessment

In light of the impact of COVID-19 on Council services I have been unable to assess whether the Council has discharged its duties under Part 12 of the Act and has acted in accordance with the Department for Communities' guidance sufficiently during 2020-21.

I have not conducted an assessment to determine whether the Council is likely to comply with the requirements of Part 12 of the Act in subsequent years. I will keep the need for this under review as arrangements become more fully established.

Other matters

I have no recommendations to make under section 95(2) of the Local Government (Northern Ireland) Act 2014.

I am not minded to carry out a special inspection under section 95(2) of the Act.



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30 November 2021

Annex B – Detailed observations on the collection, use and publication of performance information

Observations
<p>The Council's arrangements to assess its performance and to publish the results met the requirements of Part 12 of the Act and DfC's Guidance. The self-assessment of the Council's performance in relation to the 2019-20 Performance Improvement Plan was transparent and meaningful. It contains explanations where improvement objectives and indicators have not been met and benchmarking information on the Council's performance over previous years.</p> <p>The Council developed internal "Performance Profiles" for each directorate during 2019-20. The profiles provide a range of information, including results of the residents' survey, trends in financial and other data relevant to the directorate. The profiles also demonstrate how service plans, directorate business plans, performance improvement objectives, corporate objectives and community planning outcomes align. These profiles provide useful summaries to inform future decision-making as well as identifying areas for improvement and provide a useful visual aid on how the directorate contributes to overall community planning outcomes.</p> <p>The Council continues to work as part of the Association for Public Service Excellence (APSE) Performance Networks NI benchmarking project. APSE results are analysed and reported to the Corporate Management Team and Senior Management Team through the APSE reports and Performance Profiles for each Department. Internal audit carried out a review of the APSE performance indicators in November 2018 and a number of recommendations were made in relation to the validation of performance indicators. All recommendations are now considered to be implemented. . The Council should also consider the use of internal audit to review the validation of other indicators.</p> <p>The Council continues to use a Microsoft Excel based system to identify, measure and monitor performance improvement at all levels of the Business Planning and Performance Management Framework. This is, however, a labour intensive method of collating performance information, and ensuring that it is robust and accurate. An electronic performance management system may be a more efficient way of capturing the growing central repository of performance information. An electronic system 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. Options to progress the implementation of an electronic performance management system are being considered by the Council.</p>