



## Northern Ireland Audit Office

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Promoting better use of public money, through independent professional scrutiny, underpinned by our commitment to:

- Integrity
- Equality
- Openness
- Innovation

To make a difference for the people of Northern Ireland.

The Department for Communities, with the consent of the Comptroller and Auditor General for Northern Ireland, has designated Mrs Louise Mason as the Local Government Auditor. She, and the Northern Ireland Audit Office, are totally independent of Local Government. She certifies the accounts of all Local Government bodies in Northern Ireland and is also responsible for councils' performance improvement audits and assessments.

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### NEWRY, MOURNE AND DOWN DISTRICT COUNCIL

### AUDIT AND ASSESSMENT REPORT 2017-18

### A REPORT TO THE COUNCIL AND THE DEPARTMENT FOR COMMUNITIES UNDER SECTION 95 OF THE LOCAL GOVERNMENT (NORTHERN IRELAND) ACT 2014

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## **Section 1**

### **Introduction and status of this report**

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#### **Introduction**

- 1.1 Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) sets out that all councils are under 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. It also sets out key responsibilities for the Local Government Auditor. The Department for Communities (the Department) has published '*Guidance for Local Government Performance Improvement 2016*' (the Guidance) which councils and the Local Government Auditor have to follow.

#### *The improvement audit*

- 1.2 Each year the Local Government Auditor 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. The Local Government Auditor's procedures to do so are called "improvement audits".

#### *The improvement assessment*

- 1.3 The Local Government Auditor also has to assess annually 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 (see paragraph 2.5).
- 1.4 Improvement audits and improvement assessments are undertaken in accordance with the Local Government Auditor's statutory responsibilities<sup>1</sup> and the Department's Guidance. They are planned and conducted in accordance with the performance improvement Audit Strategy issued by the Local Government Auditor to councils, her Code of Audit Practice for Local Government Bodies in Northern Ireland and the Statement of Responsibilities.

#### **Status of this report**

- 1.5 This report has been produced by staff of the Northern Ireland Audit Office (the NIAO) on behalf of the Local Government Auditor in discharging her duties under section 95 of the Act. It certifies that she has carried out an improvement audit and improvement assessment for 2017-18 and states whether, as a result, she believes that the Newry, Mourne and Down District Council (the Council) has discharged its performance improvement duties.
- 1.6 This report has been prepared for the sole use of the Department and the Council. The Local Government Auditor and NIAO do not accept responsibility to any third party for losses arising from reliance being placed on this report.

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<sup>1</sup> Sections 93 and 94 of the Local Government Act (Northern Ireland) 2014

## **Section 1**

### **Introduction and status of this report**

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#### **Other performance improvement reports by the Local Government Auditor**

##### *The Annual Improvement Report on the Council*

- 1.7 The Act requires the Local Government Auditor to summarise all of her work carried out (in relation to her responsibilities under the Act) at the Council, in an “annual improvement report”. This will be published on the NIAO website in due course, making it publicly available.

##### *Special inspections and statutory recommendations*

- 1.8 The Local Government Auditor may also, in some circumstances, carry out special inspections which will be reported to the Council and the Department, and which she may publish, or make statutory recommendations.

## **Section 2**

### **Matters required to be reported on**

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#### **Matters required to be reported on**

##### *Improvement audit and improvement assessment*

- 2.1 The Local Government Auditor's audit opinions in relation to the improvement audit and her improvement assessment are in the Annex to this report.
- 2.2 In the Annex, the Local Government Auditor certifies that she has performed the improvement audit and improvement assessment for the Council and that, as a result of this work, she is satisfied that the Council has discharged its statutory performance improvement and reporting duties and that it acted in accordance with the Guidance.
- 2.3 She also reports that, as 2017-18 was the second year in which councils were required to implement the new performance improvement framework, the Council's arrangements to secure continuous improvement are, as is to be expected, still in various stages of development and implementation. The Council is strengthening its arrangements to secure continuous improvement, and delivered measurable improvements to its services in 2016-17. However, until the Council's arrangements mature and it can demonstrate a track record of continuous improvement the Local Government Auditor is unable to determine, the extent to which improvements will be made.
- 2.4 The Local Government Auditor anticipates that the Council should be able to demonstrate that it is meeting its responsibility to continuously improve over the next couple of years, with the benefit of mature performance improvement arrangements, particularly in relation to the collection and use of data.
- 2.5 The Local Government Auditor has decided at present not to perform the discretionary assessments of whether councils in Northern Ireland are likely to comply with the requirements in future years. She will keep this decision under review as the new framework establishes itself and the track records of councils accumulate.

##### *Special inspections and statutory recommendations*

- 2.6 No special inspections or statutory recommendations were required at the Council this year.

##### *Other matters*

- 2.7 Whilst the Local Government Auditor has no statutory recommendations to make and there is no requirement for a special inspection this year there are some areas which could be developed. These are set out under Section 3 'Key audit and assessment findings' of this report.

## **Section 3**

### **Key audit and assessment findings**

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#### **Key audit and assessment findings**

- 3.1 This section outlines observations arising from the thematic areas of the Council's audit and assessment. Some findings, where relevant, give rise to proposals for improvement. 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.
- 3.2 Proposals for improvement include matters which, if accepted, will assist the Council to meet its performance improvement responsibilities. The Local Government Auditor believes that agreed proposals to the Council, should be implemented and will follow them up in subsequent years.
- 3.3 Our procedures were limited to those considered necessary for the effective performance of the audit and assessment. Therefore, the Local Government Auditor's observations should not be regarded as a comprehensive statement of all weaknesses which exist, or all improvements which could be made.
- 3.4 Each year we review progress the Council has made on these findings and it is recommended that the Council's Audit Committee should monitor and track their progress.

#### **Index of key findings**

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## **Section 3**

### **Key audit and assessment findings**

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#### **1. General duty to improve**

The Council is required to make arrangements to secure continuous improvement in the exercise of all of its functions. These arrangements should enable the Council to understand local needs and priorities, collect performance data and, as a result, use this information to identify and prioritise those functions which will benefit most from improvement. This will enable it to select its improvement objectives and in turn, make best use of its resources and capacity to deliver outcomes.

The Council's arrangements were constructed within the seven relevant criteria set out in legislation and the current functions prioritised and selected for improvement are aligned to its strategic corporate objectives and its recently published Community Plan. The prioritised functions are Leisure, Health and Wellbeing; Economic Development; Tourism and Culture; Urban and Rural Regeneration; Waste Management and Planning and Community Engagement.

The Council engaged with the public through its community planning process, using a variety of meeting formats to strengthen its understanding of community needs. This process fed into its arrangements to secure continuous improvement and has enabled the Council to build and develop its arrangements. The Council's general duty to improve is therefore linked clearly to its community planning outcomes.

The Council's arrangements to secure continuous improvement are becoming more established and continue to be developed. For example, the Council is rolling out and implementing its 'Business Planning and Performance Management Framework' across the organisation, which will be supported by a performance improvement policy and a performance management system. The process by which functions are prioritised and selected continues to develop. Continued consultation and engagement with all stakeholders, together with increased collection and use of a range of performance information and measures, will help inform which functions could benefit most from improvement. In turn, this should assist in delivering measurable and visible outcomes for its citizens.

As the Council's arrangements to meet its general duty develop and mature it is important that in the interests of greater openness and transparency, there is a logical evidence base and documented process to support the general duty to improve and its selection of priority areas for improvement.

The Council has taken action to address a number of issues raised by the Local Government Auditor in last year's report. These have either been implemented or, given their nature, are still being progressed towards full implementation.

To assist the Council we recommend the following proposals for improvement:

- the Council should prioritise the development of its performance management system to enable the performance of all its functions and services to be measured, to support the identification of those areas which would benefit most from improvement; and
- the Council should take steps to further develop establish and embed all elements which underpin its Business Planning and Performance Management Framework more fully across the organisation and each of its Directorates. This should ensure that corporate priorities and performance improvement objectives are effectively cascaded to all employees.

## **Section 3**

### **Key audit and assessment findings**

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#### **2. Governance Arrangements**

It is important the Council's governance arrangements support robust and effective decision-making and oversight in relation to its statutory responsibility to have arrangements in place to secure continuous improvement in its functions. Last year, the Council established governance arrangements to assist it in meeting its performance improvement responsibilities. Whilst these are continuing to develop, there is still room for further enhancement, particularly in relation to the level of scrutiny performed by the Strategy, Policy and Resources Committee and the oversight and monitoring role of the Audit Committee.

The Council assigned overall responsibility for oversight of its performance improvement framework to the Strategy, Policy and Resources Committee. Whilst there is evidence to show that performance is scrutinised at a strategic level by this Committee, the focus has been on key milestone approvals, such as performance improvement objectives, the Performance Improvement Plan, and the outcomes against the Council's statutory and self-imposed performance indicators. Performance improvement is also scrutinised at the operational level, being routinely reported through functional Committees.

The Council's Audit Committee has responsibility to ensure that arrangements for good governance are in place and operating effectively. The extent of oversight and monitoring of Council performance by the Audit Committee during the year could be developed further. Last year the Local Government Auditor indicated the oversight role of the Council's Audit Committee on the Council's statutory responsibility to have arrangements in place to secure continuous improvement in its functions. The Audit Committee needs to be assured that the Strategy, Policy and Resources Committee and the Senior Management Team are subjecting the Council's priorities, improvement objectives, projects, risks and performance to appropriate scrutiny, challenge and evaluation.

Whilst the Council has taken action to address a number of issues raised by the Local Government Auditor in last year's report, not all of these have been fully implemented. For example, full roles and responsibilities relating to performance improvement are not included in Audit Committee terms of reference, nor is performance improvement a more regular item on the Strategy, Policy and Resources Committee's agenda.

To assist the Council we recommend the following proposal for improvement:

- The Council needs to ensure that its Strategy, Policy and Resources Committee is subjecting the Council's priorities, improvement objectives, activities, projects, risks and performance to appropriate scrutiny, challenge and evaluation, and that this is monitored by the Audit Committee. To this end, officers must provide the relevant committees with appropriate and timely information in relation to the delivery of the improvement objectives.

## **Section 3**

### **Key audit and assessment findings**

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#### **3. Improvement Objectives**

The Council is required to establish improvement objectives each year and we assess these in line with legislation and supporting statutory guidance. Councils are expected to determine their own priorities for improvement based on a thorough understanding of the communities they serve. Improvement, in the context of the legislation, means more than just quantifiable gains in service output or efficiency, or the internal effectiveness of an organisation. It should mean activity that enhances the sustainable quality of life and environment for ratepayers and communities. It also requires improvement objectives to be legitimate, clear, robust and deliverable.

The Council has selected five improvement objectives, with details of these published in its Performance Improvement Plan. These objectives are closely aligned to the functions the Council has chosen to improve and, in turn, to the strategic community objectives set out in the '*Community Plan for Newry, Mourne and Down to 2030*'. The objectives cover a broad range of projects, recognising the need to improve internal arrangements, as well as to ensure positive outcomes for citizens. In this respect, we consider that they are legitimate and clear.

The objectives are supported with high-level underlying information setting out how each one is to be achieved in the form of an overview of the 'supporting actions' and 'measures of success', alongside the intended 'outcomes for local communities and stakeholders'. In some cases, objectives have been set at a strategic level, which will require a number of years to deliver. This is acceptable, given that interim targets have also been incorporated within the 'measures of success' to allow for the achievement of any demonstrable improvements arising from supporting projects which can be measured in the short-term.

Three years into the performance improvement framework, there is clear recognition by the Council, in the formulation of its improvement objectives, of the importance of obtaining baseline performance data and information, against which future improvement can be demonstrated or measured. Appropriate use of its data management system and fully embedding this approach within its service provision will be critical to the Council measuring future improvements.

Last year's improvement objectives were reconfigured and/or realigned within the 2017-18 Performance Improvement Plan to strategically fit with the Council's Community Plan, which was a new requirement for this year. This is acceptable in what is the final phased year of the framework.

The Council has taken action to address a number of issues raised by the Local Government Auditor in last year's report. These have either been implemented or, given their nature, are still being progressed towards full implementation.

To assist the Council, we recommend the following proposals for improvement:

- the Council should further enhance staff awareness of performance improvement across each Council Directorate, with a view to ensuring that all aspects of the performance improvement objectives set become embedded within day-to-day service provision; and
- the Council should continue to focus on the development and appropriate use of baseline performance data and information within the existing data management system going forward, and set standards for achievement which are both challenging and realistic.

## **Section 3**

### **Key audit and assessment findings**

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#### **4. Consultation**

We looked at how well the Council involved local people and those that work with and for it, in deciding its priorities for improvement. The Council conducted extensive consultation during its community planning and corporate planning processes to identify and understand community needs. This consultation and engagement activity, along with other previous research undertaken, then informed the development of the 2017-18 improvement objectives.

An eight week consultation and engagement process facilitated by the Council was undertaken, during which meetings were held with staff; elected representatives; Community and Voluntary Groups; local businesses; representative business organisations, along with Section 75 and statutory consultees, using a variety of settings. The Council also placed advertisements in local newspapers; consultation details were available on its website; hard copy documentation and the survey document was made available in the public reception area of the Council's offices and the Ethnic Minority Support Centre, and social media channels were also utilised.

Most issues of importance to people were covered in the Council's draft improvement objectives. A Consultation and Engagement Report prepared following the consultation exercise noted that almost all respondents agreed with the objectives as originally proposed. Other methods of engagement included:

- The council providing its citizens and stakeholders with an opportunity to propose new improvement objectives during the year via its Plan and its website;
- Briefings by the Chief Executive to staff about the Council's future performance improvement plans to promote understanding; and
- Staff with performance improvement responsibilities meeting with colleagues throughout the organisation to emphasise the general duty to improve, and to engage with them in the development of improvement objectives going forward.

The Council has met its statutory duty to consult on its improvement objectives.

Areas currently under development include a consultee database to facilitate further two-way dialogue which will operate alongside existing communication mechanisms with the different stakeholder groups, and a Consultation and Engagement Framework which will be used with key stakeholders to facilitate future discussions.

It is the Council's responsibility to promote and encourage its citizens and stakeholders to engage with it. In last year's report we shared a number of good practice methods for raising the public profile of the concept of performance improvement along with ways to improve the consultation process, which if adopted, should encourage more citizens and stakeholders to participate in future consultations. The Council has taken action to implement these proposals.

## **Section 3**

### **Key audit and assessment findings**

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#### **5. Improvement Plan**

The Council published its '*2017-18 Performance Improvement Plan*' in June 2017, and this is available in electronic format on the Council's website in both full and summary formats. The Plan contains a high-level description of the Council's plan for discharging its general duty to deliver continuous improvement and includes its five improvement objectives. It highlights the high-level key actions which the Council intends to carry out in order to achieve each of its objectives, alongside supporting actions, and measures of success and intended outcomes for local communities and stakeholders. The Plan also sets out how and why the improvement objectives were selected; a statement on the consultation process used and the ways in which citizens and other stakeholders may propose new objectives during the year. In addition, a summary version of the Plan was developed, emailed to consultees and other stakeholders, placed on the website and advertised through social media. This level of detail has enhanced the transparency and meaningfulness of the Council's commitment to continuously improve its functions.

Whilst the Council has selected and published a number of local (non-statutory) indicators and standards to measure the success of its improvement objectives, it has not yet published any local indicators and standards in relation to its wider general duty. This is necessary so that it can demonstrate to citizens and stakeholders its commitment to continuously improving all of its functions, and facilitate wider comparisons with other councils. It is hoped that with the development of a performance management system the Council will develop and publish a suite of local indicators reflective of all functions and its general duty to improve.

Good practice suggests that the Council should provide a rationale within its improvement plan for any prior year improvement objectives which have not been brought forward. The Council should also continue to monitor any ongoing improvement delivered by prior year short term improvement objectives and projects (that is, those lasting only one year) as part of its duty to continuously improve. This may be done corporately through the performance management framework and does not necessarily require publication in the Improvement Plan or the Annual Report.

Last year the Local Government Auditor raised a concern about ease of access to the Council's plan from its website. This matter has not yet been addressed and whilst the plan is available in other formats, including social media, the ongoing absence of a search function on the website continues to potentially limit access to the Plan by citizens and other stakeholders.

## **Section 3**

### **Key audit and assessment findings**

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#### **6. Arrangements to improve**

The Council is required to establish arrangements to deliver on its improvement objectives each year. The Department for Communities' guidance states that the Council should be able to understand and demonstrate the impact of its arrangements for continuous improvement on the outcomes for citizens.

Each improvement objective is supported by a project development plan led at Director level and supported by a team. Each plan contains a number of underlying projects, which are further supported by key project management documentation, including delivery plans and resourced budgets. Whilst arrangements are in place to deliver its improvement objectives, it is too early in the annual performance improvement cycle to determine the likelihood or extent of any improvement which will be delivered for two key reasons:

- improvement objectives are in the early stages of delivery; and
- the Council does not yet have an audited track record of improvement, which covers more than one year.

## **Section 3**

### **Key audit and assessment findings**

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#### **7. Collection, use and publication of performance information**

The collection, use and publication of performance information is critical within the performance improvement framework. It enables the Council to measure and evaluate improvement, assists in the identification of priority areas, facilitates comparison and benchmarking and supports the communication of outcomes and progress with its citizens and other stakeholders.

The Council had additional responsibilities this year specifically, in relation to carrying out a self-assessment of its performance in 2016-17 and reporting this by 30 September 2017.

The type of information required to be collected, used and reported falls under three key areas:

- the general duty to improve – reflected by local, non-statutory performance indicators and standards;
- the improvement objectives – with specific associated performance measures and indicators; and
- statutory indicators and standards.

In relation to local performance indicators and standards, the Council is now also required to make year on year internal comparisons to measure its performance and demonstrate the extent of any improvement, both in relation to its general duty for continuous improvement across all of its functions, and any standards and indicators in relation to its individual improvement objectives. In relation to those local performance indicators and standards associated with the general duty, councils should make comparisons with other councils, where it is reasonably practicable to do so.

Some councils have told us that they are unclear as to the purpose or extent of the collection, use and reporting of local performance information. Clearly, some aspects of this responsibility would benefit from additional clarity and formal guidance from the Department for Communities. This would enhance councils' current understanding of the legislation's requirements and also the Department for Communities' expectations of councils.

The Local Government Auditor's interpretation of this part of the legislation currently is that:

- a council is expected to select a small range of local indicators and to set associated standards across its functions, with baselines and targets established for improvement. This will help to identify its improvement priorities and objectives, and will be required to fully meet its responsibility to collect and use information in relation to the general duty to improve across all of its functions;
- in relation to local performance indicators and standards, a council must publish the results of its performance and provide a year on year comparison within its annual self-assessment report; and
- in relation to comparisons with other councils, the Council must continue to work with the Department for Communities and the other councils to agree a suite of local indicators to facilitate comparison. Until this is agreed and implemented, it will not be practicable to publish meaningful comparisons.

## **Section 3**

### **Key audit and assessment findings**

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This was the first year that councils have been required to meet this responsibility. The Local Government Auditor's current view is that, to encourage councils to comply fully and to allow more time for the framework to mature, she will not issue any statutory recommendations in relation to this matter this year. Instead 'proposals for improvement' will be used to highlight any matters of non-compliance. If not addressed by councils, these may then become statutory recommendations next year.

#### **Performance information**

The Council does not yet have a comprehensive performance management system aligned to its Business Planning and Performance Management Framework, which is fully embedded across all of its functions. Development work is, however, underway to address this.

In relation to the collection and use of information the Council has a number of statutory and local indicators and standards in place, along with a range of corporate indicators across a range of functions and at individual project delivery level. This has facilitated the monitoring of performance in a number of ways, for example tracking against targets; highlighting trends over time and, where possible, drawing out comparisons with other Councils' performance. The data and information sources drawn on by the Council are broad-ranging, qualitative and quantitative in nature.

As the performance management framework becomes more fully embedded within the Council and a performance management system is put in place, we would expect these to further enhance scrutiny and inform its decision-making on performance improvement and the ongoing development of improvement objectives.

The Council is liaising with other councils and the Department for Communities to agree a range of local performance indicators to facilitate effective comparison. However, this collaborative work is at a very early stage of development and it is too early to draw any conclusions about the extent to which this will benefit the Council.

The Local Government Auditor is encouraging all councils and the Department to agree a suite of local performance indicators to facilitate effective comparisons as soon as practicable.

The Local Government Auditor makes the following proposals for improvement to enhance the collection and use of information:

- the Council should continue to develop and embed its performance management framework and establish a performance management system as a priority; and
- the Council should continue working with other councils and the Department to agree a suite of self-imposed indicators and standards. This will enable meaningful comparisons to be made and published in line with its statutory responsibility.

## **Section 3**

### **Key audit and assessment findings**

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#### **Publication of performance information**

The Council is required each year to publish a report, or reports, which includes a self-assessment of its performance during a financial year:

- in discharging its general duty to improve;
- in meeting its improvement objectives for that year;
- by reference to its local and statutory performance indicators; and
- meeting its local and statutory performance standards.

In addition, the Council's assessment of its performance and its published report should include a comparison of its performance with previous years and, where reasonably practicable, with other councils.

The key purpose of the report is to show citizens, and other stakeholders how the Council is discharging its duty under legislation to secure continuous improvement as set out in its 2016-17 Improvement Plan. It enables the Council to communicate progress against its improvement objectives and to highlight what visible improvements it has made to its functions and services.

In September 2017, the Council published its 'Assessment of Performance 2016-17' report. It focused on performance on projects which supported the Council's 2016-17 improvement objectives and includes a section on its performance in relation to the statutory indicators, as well as comparisons against other councils in Northern Ireland. The report was further promoted through, for example, a press release and interview.

The Council's approach to its 2016-17 self-assessment reporting is transparent and its report sets out its improvement objectives and detailed progress with associated 'key actions' and 'measures of success' (targets); wide-ranging comparators and further supporting evidence. Also included are high-level summaries around overall performance and the general duty to improve. Taking the self-assessment report as a whole, citizens and other stakeholders have the benefit of increased transparency from the Council's reporting of outcomes around performance improvement for 2016-17.

The Local Government Auditor has made a number of observations and good practice suggestions for consideration in future self-assessment reports which will be shared with councils as a separate publication later in the year. If adopted, these might further enhance the transparency of councils' performance improvement to citizens and stakeholders.

The Local Government Auditor makes a proposal for improvement to enhance the transparency of future self-assessments, that these, along with other Council performance improvement information, should be clearly signposted and easily accessible on its website.

## **Section 4**

### **Other matters**

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#### **Statement on personal data**

- 4.1 During the course of the audit and assessment we may 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 Data Protection Act 1998.

#### **Independence, integrity and objectivity of auditors**

- 4.2 The NIAO's policy to ensure independence, integrity and objectivity of our auditors was set out in our Audit Strategy. Overall, the threat to the audit arising from issues affecting our independence, integrity and objectivity is low, and the safeguards in place ensure that the likelihood of any impact is low.
- 4.3 We have complied with APB Ethical Standards and, in our professional judgement, we are independent and our objectivity is not compromised. There are no relationships between NIAO and the Council that we consider to bear on our objectivity and independence.

#### **Complaints procedure**

- 4.4 NIAO seeks to ensure that, when carrying out its audit work, it complies with the principles developed by the Public Audit Forum in its paper "What Public Sector Bodies can expect from their Auditors".
- 4.5 NIAO also wishes to gauge public sector bodies' perceptions of its audit processes in order to promote continuous improvement. In particular, it undertakes to act quickly on any complaint and ensure that the underlying causes of problems are addressed to prevent them recurring. In the first instance, complaints can be addressed to the member of the Directorate responsible for the audit within which the concern has been raised.
- 4.6 Failing resolution of the problem to the satisfaction of the complainant, the Chief Executive of the Council can then write directly to the Local Government Auditor who will ensure that a further review of the case will be undertaken.

## **ANNEX**

### **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 2016-17 and its 2017-18 improvement plan 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 2017-18 at the Council in accordance with section 94 of the Act and the Code of Audit Practice.

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 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 requirement to make arrangements to secure continuous improvement in the exercise of its duties.

#### **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 audits of the Council's improvement plan and assessment of performance, therefore, comprised a review of the Council's publications to ascertain whether they included elements prescribed in legislation. I also assessed whether the arrangements for publishing the documents 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. 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.

## **ANNEX**

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**

#### **Improvement planning and publication of improvement information**

As a result of my audit, I believe the Council has discharged its duties in connection with (1) improvement planning and (2) publication of improvement information in accordance with section 92 the Act and has acted in accordance with the Department for Communities' guidance sufficiently.

#### **Improvement assessment**

As a result of my assessment, I believe the Council has as far as possible discharged its duties under Part 12 of the Act and has acted in accordance with the Department for Communities' guidance sufficiently.

2017-18 was the second year in which councils were required to implement the new performance improvement framework. The Council's arrangements to secure continuous improvement, as is to be expected, are still in various stages of development and implementation. The Council is strengthening its arrangements to secure continuous improvement, and has delivered some measurable improvements to its services in 2016-17. However, until the Council's arrangements further develop and begin to mature and it can demonstrate a track record of ongoing improvement in relation to the framework, I am unable to determine, the extent to which improvements will be made.

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 financial 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.

#### **Louise Mason**

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30 November 2017