

Armagh City, Banbridge and Craigavon Borough Council Audit and Assessment Report 2021-22

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



05 April 2022

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We have prepared this report for sole use of the Armagh City, Banbridge and Craigavon Borough 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 the Council is unlikely to comply with Part 12 of the Local Government Act (Northern Ireland) 2014 during 2021-22 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 one new proposal for improvement

This report summaries the work of the Local Government Auditor (LGA) on the 2021-22 performance improvement audit and assessment undertaken on Armagh City, Banbridge and Craigavon Borough Council. We would like to thank the Chief Executive and his 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. She certifies an improvement audit and improvement assessment has been conducted. The LGA also states that, as a result, she believes that Armagh City, Banbridge and Craigavon Borough Council (the Council) has discharged its performance improvement and reporting duties, including its assessment of performance for 2020-21 and its 2021-22 improvement plan, and has acted in accordance with the Guidance.

Audit Assessment

The LGA has assessed whether Armagh City, Banbridge and Craigavon (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 normal circumstances this work would have been undertaken in time for this report to be issued by 30 November 2021. However, this was impacted in delays in 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 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 2021-22.

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 made one proposal for improvement (see Section 3). This represents good practice which should assist the Council in meeting its responsibilities for performance improvement. Detailed observations on thematic areas 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. In 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 the report she issued on 30 November 2021. The findings in this report will be published in her Annual Improvement Report in March 2023.

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

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 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. 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.

Due to the impact of COVID-19, legislation was amended so that councils were not required to produce a Performance Improvement Plan for 2020-21, and thus there was no requirement to set self-imposed objectives for that year. As a result of this councils did not have to perform a self-assessment of self-imposed objectives in their 2020-21 self-assessment report, nonetheless the report was still required to note outturn performance on the statutory indicators and how the general duty to improve was taken forward during the year.

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 in 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 following thematic areas of the Council’s audit and assessment:

- General duty to improve;
- Governance arrangements;
- Improvement objectives;
- Consultation;
- Improvement plan;
- Arrangements to improve;
- Collection, use and publication of performance information; and
- Demonstrating a track record of 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. 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 Performance and 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 for the thematic areas can be found at Annex B.

Thematic area	Issue	Proposal for improvement
Improvement Plan	<p>An objective from the Performance Improvement Plan (PIP) in 2019-20 was not carried forward into the PIP for 2021-22. When the objective was last evaluated in the Self-Assessment Report for 2019-20 it was noted to be 75 per cent complete at the end of March 2020.</p> <p>There is no update provided in the current PIP on whether this objective was completed or no longer considered to be viable for the Council.</p>	<p>When an objective is not carried forward into the next Performance Improvement Plan the Council should provide narrative that explains the reasons behind this. A ‘Progress’ section within the PIP would allow the Council to clearly demonstrate why some objectives are no longer active and what, if any, effect this will have on target setting going forward.</p>

4. Annexes



Annex A – Audit and Assessment Certificate

Audit and assessment of Armagh City, Banbridge and Craigavon Borough Council’s performance improvement arrangements

Certificate of Compliance

I certify that I have audited Armagh City, Banbridge and Craigavon Borough Council’s (the Council) assessment of its performance for 2020-21 and its improvement plan for 2021-22 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 2021-22 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 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 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, 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

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 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 2021-22.

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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05 April 2022

Annex B – Detailed observations

Thematic area	Observations
General duty to improve	<p>The Council has been able to demonstrate that it has in place arrangements to secure continuous improvement in the exercise of its functions. A description of how the Council will discharge its duty under [section 84 (1) - Part 12] of the Act has been included within the biennial Performance Improvement Plan (PIP) 2021-22/2022-23. The Council has provided further evidence of the arrangements in practice in its description of the performance indicators, both self-imposed and statutory, contained within the PIP.</p> <p>The seven key aspects of improvement as laid out within the Act [section 84(2) – Part 12] are incorporated into the Council’s arrangements to secure continuous improvement, cross cutting the Community Plan and Corporate Plan as well as the Council’s Performance Improvement Framework and Performance Policy. The link to the Community Plan and others is explored in the PIP (Appendix 3) and this outlines the four main themes on which the Council aim to deliver; Committed Council; Economy; Community and Place.</p> <p>The Council have engaged with stakeholders through the consultation process for the Performance Improvement Plan in order to strengthen the understanding of community need and what citizens want. This feeds into the Council’s arrangements to secure continuous improvement and enables the Council to evaluate, build and develop these suitably.</p> <p>The Council have shown continuous development and evaluation of the impact and effectiveness of functions and services. There is a Performance Management Framework in place, which was agreed by full council in 2019. There is managerial and political scrutiny through reporting structures including from the Executive Management team, the Governance, Resource and Strategy committee and the Performance and Audit committee. There is additional staff engagement via the Performance sub group which includes members of staff from all directorates to facilitate engagement across the organisation and a corresponding wide distribution of performance aims and objectives.</p> <p>COVID-19 resulted in changes to the traditional arrangements and we can see from the latest minutes that the Council is allowing for hybrid style meetings where councillors and staff members are able to join and contribute remotely.</p>

Thematic area	Observations
Governance arrangements	<p>The day to day delivery of the performance improvement objectives is facilitated by the Strategy and Performance Department. The fieldwork we have conducted indicates there are adequate governance arrangements that continue to operate effectively.</p> <p>There is a Performance Management Framework which has been approved by full council and underpins the work carried out in relation to performance improvement. There are two committees with responsibility for performance matters within the Council; the Governance, Resource and Strategy Committee and the Performance and Audit Committee.</p> <p>The Governance, Resource and Strategy Committee has oversight of the development, review, monitoring and effective use of Council resources. It meets on a monthly basis.</p> <p>The Performance and Audit Committee has responsibility to advise the Council and executive management on performance and arrangements for continuous improvement. Its meets quarterly.</p> <p>Internal Audit within the Council have provided a plan of Internal Audit work. Governance and Risk management is a category that is tested on an annual basis and the Performance Improvement function is scheduled to be tested once in each three year plan. Performance Improvement was audited in the 2019-2020 period and it is anticipated this will be audited again in the 2023-24 Internal Audit programme.</p> <p>The management and governance arrangements that the Council have in place to ensure adequate oversight and accountability have been detailed in the Performance Improvement Plan (Section 6).</p>
Improvement objectives	<p>The Council has identified six performance indicators which have been published in the Performance Improvement Plan (PIP), covering 2021-22 and 2022-23. The Council has demonstrated in the PIP that each of these objectives are legitimate, clear, robust, deliverable and demonstrable. The objectives cover a range of Council services and have been shown to relate to improving these services for the community and citizens.</p> <p>The improvement objectives are heavily operationally focussed. We have noted from our communication with the Council that the move to more internally focussed objectives was made from feedback provided in prior performance improvement audits. Whilst encouraging to see prior audit work has had a visible impact on performance improvement processes we emphasise the need for a balanced approach to objective setting. Consideration of more outward facing</p>

Thematic area	Observations
	<p>services in performance objectives helps ensure the Council is fulfilling the DfC definition of improvement to “[enhance] the sustainable quality of life and environment for ratepayers and communities”.</p> <p>The PIP is able to show how each of the selected improvement objectives relates to the seven key improvement aspects set out in legislation (Section 4). The objectives are aligned to the Community Plan, Corporate Plan and the Programme for Government (Appendix 4). The objectives have been clearly laid out in the PIP to explain the link to these documents as well as why the objective has been chosen, what actions will be taken, the performance indicators as well as the targets and how citizens will benefit.</p> <p>Prior to adoption within the PIP the objectives are developed by a Performance Sub-Group (made up of members of staff from across the departments within the Council), agreed with Heads of Department & Executive Management Team. They are then put forward for public consultation after endorsement by the GRS Committee and Council.</p> <p>The Council has published a PIP that covers two years; 2021-22 and 2022-23. This is in line with the Medium Term Recovery Plan developed by the Council covering the period through to 2023. The PIP, although a two year document, continues to be reviewed annually through the Self-Assessment Report and performance objectives are reviewed on a six monthly basis to ensure relevance.</p>
Consultation	<p>The Council has complied with its statutory duty to consult on its general duty to improve and proposed improvement objectives for the 2021-22 period. The consultation was transparent and evidence has been provided for the purpose of audit fieldwork.</p> <p>It is noted that due to COVID-19 uncertainty over the performance improvement process for 2021-22 the consultation period for the Council was reduced from the usual 8 weeks to 2½ weeks. The reason for this is outlined in the Performance Improvement Plan, which is in line with the Council’s Public Consultation Policy. Despite the reduced consultation period the number of respondents increased (35 compared to 9 in 2019-20). The Council should be commended for such effective marketing of the consultation and it is hoped that in the coming year, when the consultation period is longer, the same successful marketing should lead to an even more increased response rate.</p> <p>Public consultation was undertaken between 5 May 2021 and 25 May 2021 (2½ weeks) and was promoted through:</p> <ul style="list-style-type: none"> ▪ the Council staff intranet; ▪ emails to community planning partners, elected members and section 75 groups;

Thematic area	Observations
	<ul style="list-style-type: none"> ▪ promotion via Council social media on twitter and Facebook; ▪ local press coverage; and ▪ via the Council website. <p>Following consultation considerable support was indicated for the proposed improvement objectives and no changes were deemed necessary to the draft Performance Improvement Plan that was presented for Council approval.</p>
Improvement plan	<p>The Council's 2021-22 Performance Improvement Plan (PIP) covers both 2021-22 and 2022-23 and is compliant with the Act and subsequent Department for Communities (DfC) guidance. The reasons for a biennial plan have been outlined in the foreword by the Chief Executive. The PIP continues to be evaluated on a six monthly basis and through the annual Self-Assessment report.</p> <p>The PIP was approved by full Council on 27 September 2021 and published on the website soon after. The plan contains six self-imposed performance improvement objectives which are clearly laid out in a why/what/how/benefits/who format for information. It is available as a document on the Council website and other formats are available by request. Details of how to contact the Council to provide feedback, comments or suggestions are provided within the PIP.</p> <p>Objectives have been aligned to themes from the Community Plan, Corporate Plan and Medium Term Recovery Plan. The objectives are also identified in terms of how they meet the aspects of improvement as defined in legislation.</p> <p>The PIP is transparent, however it is noted from a review of the previously published PIP (2019-20) that some objectives from this plan were not rolled forward. In particular, the objective to <i>improve the physical appearance and maintain above average levels of cleanliness for our urban and rural areas</i>, has not been included in the list of objectives for 2021-22 despite not having achieved all targets (75% met as per Self-Assessment Report for 2019-20). There is no indication if this objective has now been achieved or is no longer considered viable. Particularly in the 2021-22 year, when there was no PIP published in respect of 2020-21, a detail of progress made from the prior PIP would have been useful for stakeholder understanding.</p> <p>The PIP also includes details on the statutory indicators of the Council with sufficient description and disclosure of these.</p>

Thematic area	Observations
Arrangements to improve	<p>The Council's arrangements to achieve improvement objectives, statutory indicators and as a result comply with the general duty to improve, are adequate.</p> <p>DfC 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. There is evidence of this in the published Performance Improvement Plan (PIP) - in the <i>Duty to Improve & Continuous Improvement</i> section (section 3). There is also a table demonstrating the alignment of the performance improvement objectives with other key Council documents including the Community Plan, Corporate Plan and Medium Term Recovery Plan.</p> <p>The responsibility for each performance objective is assigned to a member of staff, detailed on the PIP in the column of each improvement objective titled <i>Who is Responsible</i>. There is a document that outlines the progress of each performance indicator (based on a RAG system of target achievement) that is used as a six monthly review by the Performance and Audit Committee. The Heads of Department and Executive Management Team will also discuss performance improvement objective progress at their meetings, where necessary.</p>
Collection, use and publication of performance information	<p>The Council's arrangements to assess performance and publish the results are sufficient. The Self-Assessment Report published by Council following the evaluation of improvement objectives from the prior year Performance Improvement Plan is transparent and understandable. The Council makes reference to its own performance figures over the past five years to demonstrate trends (2016-17 onward). It also benchmarks against other Councils where the information is publicly available to do so. The issue of benchmarking with other councils is part of the work plan for the Performance Improvement Working Group and it is expected that progress on this issue will continue to be made to allow a broader range of functions to be compared. However we note that delays to this process were faced as a result of COVID -19.</p> <p>The collection and use of information that is timely and relevant is essential to ensure the operation of an effective performance management framework. This enables Council to measure and evaluate improvement, assists in identifying areas in need of attention, facilitates comparison and benchmarking and supports external communication of outcomes.</p> <p>There are three types of required information to be collected:</p> <ul style="list-style-type: none"> ▪ general duty to improve - self-imposed indicators and standards; ▪ improvement objectives - specific performance targets and measures; and ▪ statutory indicators - prescribed by The Local Government (Performance and Standards) Order (NI) 2015.

Thematic area	Observations
	<p>We have reviewed the Self-Assessment Report for 2020-21 as part of our audit fieldwork. This document meets its legislative requirements in:</p> <ul style="list-style-type: none"> ▪ discharging its general duty to improve; ▪ discussing the progress in meeting improvement objectives for the year and any issues encountered; ▪ referencing self-imposed and statutory performance indicators; and ▪ meeting self-imposed and statutory indicators (note three statutory indicators were not met). <p>The Report fulfils the key purpose of demonstrating to citizens and stakeholders how the Council discharges its legislative duties and enables the communication of progress and improvements to functions and services.</p>
<p>Demonstrating a track record of improvement</p>	<p>The Council reported in the Self-Assessment Report for 2020-21 using a high level corporate performance summary. Across 15 departments there were 316 performance indicators set against 212 actions, of these:</p> <ul style="list-style-type: none"> ▪ 62% were met or exceeded ▪ 21% fell slightly short/ behind schedule ▪ 17% were not achieved. <p>This is compared to a prior year performance where:</p> <ul style="list-style-type: none"> ▪ 66% of targets were met or exceeded ▪ 25% of targets fell slightly short/ behind schedule ▪ 9% of targets were not achieved. <p>Although there was some evidence of a track record of improvement, in light of the impact of COVID-19 on Council services we have been unable to place reliance on this trend information, in forming an assessment of whether the Council has discharged its duties under part 12 of the Act and acted in accordance with the Department for Communities' guidance sufficiently during 2021-22.</p>