

Audit and Assessment Report 2022-23

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

**Armagh City, Banbridge and Craigavon Borough
Council**

24 November 2022

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We have prepared this report for Armagh City, Banbridge and Craigavon Borough Council's sole use. 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 Local Government Auditor has concluded that she is unable to assess whether Council is likely to comply with Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) during 2022-23
Statutory recommendations	The Local Government Auditor made no statutory recommendations
Proposals for improvement	The Local Government Auditor made one new proposal for improvement

This report summarises the work of the Local Government Auditor (LGA) on the 2022-23 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 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 that 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 2021-22 and its 2022-23 improvement plan, and has acted in accordance with the Guidance.

Audit Assessment

The LGA is required to assess whether Armagh City, Banbridge and Craigavon Borough Council (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'.

Councils continue to operate in a challenging environment with focus on recovery from the Covid-19 pandemic and the ongoing cost of living crisis, impacting both on performance and the way in which services are delivered. This changing landscape and refocusing of priorities has impacted on the ability to rely on past trends in councils' performance to assess the likelihood of future compliance with Part 12 of the Act. In light of this, the LGA has concluded that she is unable to reach an opinion on whether the Council is likely to have complied with its performance improvement responsibilities for 2022-23.

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 did not identify any issues requiring a formal recommendation under the Act. We made one proposal for improvement (see Section 3). This proposal 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. By 31 March 2023 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.

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.

Other matters

Sustainability and Climate Change

Councils have begun to address the issue of climate change and sustainability, with individual councils at varying stages of progress. If councils are to link climate change and sustainable action to their performance objectives or even as part of their wider continuous improvement arrangements in future years, it will be necessary to consider arrangements to improve, including ensuring adequate resourcing and gathering of accurate data.

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. 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 31 March 2023, 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 Objectives	<p>One of the Council’s performance improvement objectives and its underlying projects is focused on outputs rather than outcomes for citizens.</p> <p>The objective relating to developing a Sustainable Development and Climate Change Strategy, is an output and improvement can only be achieved dependant on future actions and decisions in relation to the strategy.</p>	<p>The Council should ensure in future that each improvement objective and its underlying projects are focused on outcomes for citizens and achievement of the objective can clearly demonstrate improvement.</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 2021-22 and its improvement plan for 2022-23 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 2022-23 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

Councils continue to operate in a challenging environment with focus on recovery from the Covid-19 pandemic and the ongoing cost of living crisis, impacting both on performance and the way in which services are delivered. This changing landscape and refocusing of priorities has impacted my ability to rely on past trends in councils' performance to assess the likelihood of future compliance with Part 12 of the Act. In light of this, I am unable to reach an opinion on whether the Council is likely to discharge its duties under Part 12 of the Act and act in accordance with the Department for Communities' guidance sufficiently during 2022-23.

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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24 November 2022

Annex B – Detailed observations

Thematic area	Observations
<p>General duty to improve</p>	<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 2022-23 Performance Improvement Plan (PIP). 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 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 Corporate Plan is explored in the PIP (Appendix 4).</p> <p>The Council have engaged with stakeholders through the consultation process for the PIP 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 and is due to be reviewed and updated during 2022-23. 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 subgroup 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>

Thematic area	Observations
	<p>Council continues to evidence commitment to continuous improvement of arrangements particularly with the development of service standards with a series of these approved in March 2022. These are included within Appendix 5 of the PIP.</p>
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. There is a performance management framework which has been approved by full council and underpins the work carried out in relation to performance improvement.</p> <p>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 meets on a monthly basis and has oversight of the development, review, monitoring and effective use of Council resources. The Performance and Audit Committee which meets quarterly has responsibility to advise the Council and executive management on performance and arrangements for continuous improvement.</p> <p>The management and governance arrangements that the Council have in place to ensure adequate oversight and accountability have been detailed in the PIP (Section 6).</p>
Improvement objectives	<p>The Council has identified six performance indicators which have been published in the 2022-23 PIP. In the most part Council has demonstrated that the objectives are legitimate, clear, robust, deliverable and demonstrable.</p> <p>The objectives are aligned to the Community Plan and Corporate Plan. The objectives have been clearly laid out in the PIP to explain the link to these documents and why the</p>

Thematic area	Observations
	<p>objective has been chosen, what actions will be taken, the performance indicators as well as the targets to be achieved. A proposal for improvement has however been included within section three in relation to ensuring objectives clearly link to outcomes for citizens.</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 the Heads of Department and the Executive Management Team. Objectives are then put forward for public consultation after endorsement by the Governance, Resources and Strategy Committee and Council. The PIP 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 2022-23 period. An eight-week public consultation exercise was undertaken from 8 February 2022 to 8 April 2022. The consultation was promoted through a variety of means including;</p> <ul style="list-style-type: none"> • the Council’s staff intranet; • emails to community planning partners, elected members and section 75 groups; • promotion via Council social media on Twitter and Facebook; • local press coverage; and • via the Council’s website. <p>There was a total of 57 respondents to the exercise and overall strong support was given for the draft performance improvement objectives. Council also shared feedback and comments internally with relevant departments and some general feedback to the comments and issues raised in the consultation has been provided on the Council’s consultation hub.</p>

Thematic area	Observations
Improvement plan	<p>Council produced a two-year PIP covering the period 2021-2023. During 2022 Council has evidenced that it conducted a review of the PIP to ensure it remained relevant and appropriate. Following the review and consultation period, Council produced an updated PIP for 2022-23. This was approved by the Governance, Resources and Strategy Committee on 9 June 2022 and ratified by the full Council on 27 June 2022. The plan was published by the statutory deadline of 30 June 2022.</p> <p>The plan contains six 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>Council has provided details of progress with performance improvement objectives from the prior year within section three of the 2022-23 PIP. This clearly sets out if an objective has been carried forward, not retained or retained with amendments. This is considered to be best practice and enhances transparency of the report.</p> <p>The PIP also includes details on the statutory indicators of the Council with sufficient description and disclosure.</p>
Arrangements to improve	<p>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. The underlying projects in relation to the improvement objectives are supported in some degree by delivery plans</p>

Thematic area	Observations
	<p>and budgets and are being project managed and have lines of accountability to senior management and members.</p> <p>The Council’s arrangements to achieve improvement objectives, statutory indicators and as a result comply with the general duty to improve, are adequate. The “Duty to Improve & Continuous Improvement” section in the PIP demonstrates the impact for citizens. Additionally, there is information contained within Appendix 4 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>Responsibility for each performance improvement objective is assigned to a Senior Responsible Officer (SRO) and this is detailed in the Performance Improvement Plan. Arrangements are detailed in departmental business plans, quarterly reports on business plans to Strategic Directors; mid-year and annual reports to Committees.</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 PIP is transparent and understandable. Some minor issues were however identified in relation to the reporting of statutory indicators and these have been communicated to Council.</p> <p>The Council benchmarks against other councils, where the information is publicly available. The issue of benchmarking with other Councils is part of the work plan for the Performance Improvement Working Group (PIWG) and it is expected that progress on this issue will be made to allow a broader range of activities to be compared. However, we note that delays to this process were faced because of the COVID-19 pandemic and while there was an intention to take this issue forward through the PIWG, limited progress has been made on this matter.</p>

Thematic area	Observations
	<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. <p>We have reviewed the Self-Assessment Report for 2021-22 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 two 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>
Demonstrating a track record of improvement	<p>The Council reported in the Self-Assessment Report for 2021-22 using a high level corporate performance summary. Across 15 departments there were 363 performance indicators set against 202 actions, and of these:</p> <ul style="list-style-type: none"> • 75% were met or exceeded

Thematic area	Observations
	<ul style="list-style-type: none"> • 17.5% fell slightly short/ behind schedule • 7% were not achieved. <p>This compares to the prior year where;</p> <ul style="list-style-type: none"> • 62% were met or exceeded • 21% fell slightly short/ behind schedule • 17% were not achieved. <p>In completing our fieldwork, it was evident that the effects of the pandemic has continued to impact on the achievement of some of the performance improvement objectives selected by the Council in 2021-22 and also several of the statutory indicators.</p> <p>Overall, although there was some evidence of improvement, the LGA has concluded that the changing landscape and refocusing of priorities has impacted on her ability to rely on past trends in councils' performance to assess the likelihood of future compliance with Part 12 of the Act. Services have been affected by the impact of COVID-19 and the cost of living crisis.</p>