

Audit and Assessment Report 2023-24

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



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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 (LGA) has concluded that the Council is likely to comply with Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) during 2023-24.
Statutory recommendations	The LGA has made no statutory recommendations.
Proposals for improvement	The LGA has made one new proposal for improvement.

This report summarises the work of the LGA on the 2023-24 performance improvement audit and assessment undertaken on Armagh City, Banbridge and Craigavon Borough Council (the Council). We would like to thank the Chief Executive and his staff, particularly the Performance Improvement team, 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 the Council has discharged its performance improvement and reporting duties, including its assessment of performance for 2022-23 and its 2023-24 improvement plan, and has acted in accordance with the Guidance.

Audit Assessment

The LGA has assessed whether the Council is likely to comply with its performance improvement responsibilities under Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act). This is called the 'improvement assessment'.

In her opinion, the Council is likely to discharge its duties in respect of Part 12 of the Act during 2023-24 and has demonstrated a track record of improvement. 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 statutory recommendation under the Act. We have 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. By 31 March 2024 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.

Armagh City, Banbridge and Craigavon Council have a performance improvement objective (PIO) on sustainability and climate change; 'PIO 3: We will develop a Net Zero Roadmap Analysis and agree recommendations to begin to reduce the Council's emissions in a cost and carbon effective way'.

Benchmarking

The issue of benchmarking with other councils has been part of the work plan for the Performance Improvement Working Group (PIWG) for several years and limited progress has been made on this matter. Progress on this issue would allow a broader range of functions to be compared to support councils with their General Duty to Improve, in accordance with section 84 of the Local Government (Northern Ireland) Act 2014. We acknowledge that delays to this process were faced because of the COVID-19 pandemic.

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 2024, 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
Governance Arrangements	The Performance Improvement function was previously reviewed by Internal Audit in the 2019- 20 financial year. The area is currently not within the Internal Audit plan for the 2023-24 year meaning that it will be at least four years between audits of the Performance Improvement function.	The Council should consider the benefit of using Internal Audit periodically to provide assurance on the integrity and operation of the Council's performance improvement framework. A possible approach going forward could be to include Performance Improvement as an incorporated element in the Internal Audit of each individual service area.

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 2022-23 and its improvement plan for 2023-24 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 2023-24 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

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

In my opinion, the Council has demonstrated a track record of ongoing improvement and I believe that the Council is likely to comply with Part 12 of the Act during 2023-24.

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.

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.

Colette Kane

Colette Kane Local Government Auditor Northern Ireland Audit Office 106 University Street BELFAST BT7 1EU

29 November 2023

Annex B – Detailed observations

Thematic area	Observations
General duty to improve	Armagh City, Banbridge and Craigavon Borough Council (the Council) has demonstrated that it has adequately put in place arrangements to secure continuous improvement in exercising its functions. A description of how the Council will discharge its duty as outlined in the Local Government Act (NI) 2014 (the Act) [section 84 (1)] has been included in the published Performance Improvement Plan (PIP) for the 2023-24 period. The Council has further provided evidence within the PIP of the arrangements in practice through both the statutory performance indicators (pages 17-18) and self-imposed performance indicators (page 19).
	The Council has selected performance improvement objectives which link to the seven aspects of improvement laid out within the Act. Each of the four selected performance improvement objectives for the 2023-24 PIP have been linked to the corresponding improvement areas in Appendix 4 (pages 30-35) and all seven aspects have been covered.
	The key strategic themes from the Community and Corporate Plans are also linked to each performance improvement objective in Appendix 4 (pages 30-35) including committed council; healthy community; enhanced place; revitalised place and customer care.
	The Council uses its Performance Management Framework (last reviewed 2019) to ensure a wide ranging focus for improvement with an emphasis on creating sustainable objectives with a benefit to citizens. There is an established process for selecting functions for improvement which we have assessed as reasonable. There has been a

Thematic area	Observations
	reduction of performance improvement objectives (PIOs) from the previous six down to four, but there is a balance between internal facing objectives (PIO1 and PIO2) and externally facing objectives (PIO3 and PIO4).
	There are however two PIOs that are directly related to a statutory indicator (PIO2) and self-imposed indicator (PIO1). As per the Department for Communities guidance (Local Government circular 21/2016, para 38) "Councils should avoid using performance indicators, targets and standards as an objective in themselves. In almost all cases they will be too narrow and too far removed from public understanding and need. Consequently, they should be seen as only one of the tools to help demonstrate improvement." We recognise that these areas of performance have been effected by the pandemic and the inclusion of them as objectives is intended to strengthen the service areas in the post Covid environment. Going forward and following achievement of these PIOs, the Council should consider choosing more varied areas of focus.
	The introduction of a suite of service standards against which Council plans to measure improvements in a range of service areas (see Appendix 5 of PIP) is an innovative way to select future PIOs. We look forward to seeing this develop into an effective form of data collection to identify areas for future improvement.
	The Self Assessment Report (SAR) for 2022-23 fulfils the Council's general duty to improve in relation to improvement arrangements and provides an overview of performance against all objectives - statutory, self-imposed and performance improvement objectives. The overview of the SAR (section 2.0) reviews performance over the period.
	The Department for Communities issued guidance that the PIP did not need to be published to the usual timetable (30 June) as a result of the election process however

Thematic area	Observations
	the Council complied with the original timetable for publication and published on 27 June 2023.
Governance arrangements	The Council has in place a Strategy and Performance directorate which is responsible for overseeing the development, monitoring and reporting of the performance improvement objectives. We have determined that there are adequate governance arrangements and these arrangements continued to operate effectively in year.
	There is a Performance Policy (approved in 2019) and a Performance Management Framework (presented to the Performance and Audit Committee in 2019) which are embedded in the Council's performance management function. The overall responsibility for performance improvement and requisite scrutiny is held by the Performance and Audit Committee.
	The Performance and Audit Committee has its responsibilities in respect of performance improvement set out in the Terms of Reference for the committee. The committee meets quarterly and performance improvement is a standing agenda item at each meeting, with reports on the progress of each performance improvement objective provided biannually.
	Performance improvement functions are further reported to the Governance, Resources and Strategy Committee via the reporting of progress in departmental business plans. The PIP is submitted to full Council in draft prior to acceptance for the year. Full Council also has oversight of the function through the acceptance of minutes from both the Performance and Audit Committee and the Governance, Resources and Strategy Committee.
	The Internal Audit function of the Council review governance arrangements and other aspects of performance management on a four year rolling audit plan. We have noted that there are no plans to review performance improvement in 2023-24 and the last

Thematic area	Observations
	Internal Audit review in this area was conducted in 2019-20. A proposal for improvement in relation to this has been included in section three of this report.
	During our audit fieldwork we selected a sample of three (of the four) performance improvement objectives from the PIP 2023-24. In all of the projects sampled, the Council has demonstrated the targets necessary for objective achievement, created a realistic service plan, timetable and budget and provided a clear line of accountability for the success of the project.
	The 'Management, Reporting and Governance Arrangements' are clearly laid out in the PIP (page 20-21) and are considered sufficient to ensure adequate oversight and accountability.
Improvement objectives	The Council has identified four performance objectives in the PIP for 2023-24. For each of these objectives, the Council has demonstrated that they are legitimate, clear, robust, deliverable and demonstrable. The objectives cover several Council service areas and are notably influenced by the post pandemic environment (PIO1 and PIO2). The objectives are clearly presented in the PIP in a format that answers key questions for a stakeholder; why?/ what action we will take?/ how we will measure progress?/ benefits to you/ who is responsible?
	The PIP links each of the performance improvement objectives to the seven key improvement areas in the Local Government Act (NI) 2014 (The Act) [section 85 (3)] in the Appendix 1 table. The objectives are further aligned to the Council's Corporate plan, Community plan and Medium Term Recovery plan. Each objective has a Senior Responsible Officer, whose role includes management and reporting of the progress of the objective.

Thematic area	Observations
	The proposed objectives were released for public consultation and all objectives were endorsed by stakeholders (83%-90% approval rating). The PIP was then endorsed and approved by full Council on 14 June 2023.
	Of the four performance improvement objectives contained within the PIP for 2023-24, three objectives have been continued from 2022-23 (albeit slightly modified) and there is one new objective. The rationale for the retention of these objectives from the prior year has been presented in the PIP (page 7-11) and is considered reasonable. The Council is aiming to fully deliver these objectives in 2023-24. Whilst the performance improvement objectives have decreased from six in prior year to four objectives in 2023-24, the number of objectives should increase going forward, both in response to the newly collected data from a range of service areas (Appendix 5 PIP) and to ensure the performance improvement objectives cover as many achievable goals as possible.
Consultation	The Council has complied with its statutory duty to consult on its general duty to improve and the proposed improvement objectives for inclusion in the 2023-24 PIP. The consultation was transparent and the Council has provided evidence of the process for audit fieldwork. The Council applied a wide range of methods to engage potential respondees and the considerable effort has been successful with an increase in respondents from prior year.
	 Public consultation was undertaken between 1 March 2023 and 26 April 2023 (8 weeks) which is in compliance with the Council's Public Consultation Policy. The consultation was promoted through a variety of methods, including: advertisement via the Council website, with electronic access on the communication hub; advertisement on the staff newsletter and promotion via the intranet; emails promoting the consultation issued to elected members, neighbouring Councils, community partners, local businesses and trade unions;

Thematic area	Observations
	 hard copies available at Council reception sites; and promotion via social media including Twitter (X) and Facebook.
	The Council made an active decision not to advertise via the press, the reasons for doing so have been documented. As the number of respondents has increased this decision has not had a negative effect on the process.
	The public consultation received 70 responses, an improvement from the 57 responses received in the previous year. The final consultation report which was submitted and approved by full Council has been reviewed. As the report states, the four proposed performance improvement objectives received overwhelming support from respondents with all achieving agreement of 83% or over.
Improvement plan	The published Performance Improvement Plan (PIP) for 2023-24 is compliant with the Local Government Act (NI) 2014 (the Act) and subsequent Department for Communities guidance.
	The PIP was approved by full Council on 14 June 2023 and published on the Council website on 27 June 2023. The plan outlines the four performance improvement objectives in a clear and concise way, breaking each one down into why?/ what? /how? /benefits/who is responsible terms? The document is available on the Council website and other formats are available upon request, a fact that is stated on the website page and within the PIP itself (page 22). Details of the Strategy and Performance department including address, email address and telephone number are supplied on both the website page and in the PIP (page 22), alongside a request for any feedback.
	Performance improvement objectives are linked to key aspects of improvement from the Act as well as the Community Plan, Corporate Plan and Medium Term Recovery Plan.

Thematic area	Observations
	This provides a demonstrable contribution by the Council to improving the quality of life for all citizens.
	The PIP is a transparent and understandable document which contains sufficient detail for the stakeholder - including targets, timetables and predicted benefits. This is presented on pages 7-11 and in more detail in Appendix 4 (pages 30-35).
	The PIP further provides detail on the statutory indicators and standards with sufficient description of these and disclosure of the targets set.
Arrangements to improve	The arrangements the Council has in place to secure the achievement of improvement objectives, statutory indicators and ensure the general duty to improve as per legislation are adequate.
	DfC guidance states that the Council should be able to understand and demonstrate the impact of its arrangements for continuous improvement on the outcome for citizens. The published Performance Improvement Plan (PIP) contains a 'benefits to you' section in the description of each performance improvement objective (pages 13-16) that outlines the improvement that citizens can hope to benefit from. Appendix 4 (pages 30-35) of the PIP goes further and links each performance improvement objective to other key Council strategies in the Corporate Plan, Community Plan and Medium Term Recovery Plan.
	From information provided by the Council during the course of the performance improvement audit, we can see that each of the identified performance improvement objectives have a Senior Responsible Officer, timelines and budgets which are considered realistic and associated risks have been assessed and mitigated when necessary.
	The performance improvement objectives are being managed in an effective way. The performance improvement objectives are being reported to the Council via inclusion in

Thematic area	Observations
	the departmental business plans of each appropriate area. These plans are also reported on a six monthly basis to the Performance and Audit Committee. Management scrutiny is evident in the monthly meetings of the executive management team of the Council.
Collection, use and publication of performance information	The arrangements in place for the Council to assess performance and publish the results are sufficient. The published Self Assessment Report (SAR) contained several errors in the prompt payments and abseenteism figures. The Council have corrected these at our request and republished the SAR on its website.
	The SAR for 2022-23 was published by Council by the statutory deadline of 30 September 2023. It is transparent and understandable, containing a suitable evaluation of the performance improvement objectives identified in the PIP for 2022-23. The SAR contains details on the progression and achievement of outcomes via a red-amber-green system (pages 21-34), looks at its own performance from as far back where figures are available and benchmarks against other Councils where possible (Appendices B-E).
	The collection and use of information that is both timely and relevant is essential to ensure the operation of an effective performance management framework. This will enable Council to measure and evaluate improvement, assist in identifying areas of need, facilitate benchmarking and support communication of outcomes. Council have engaged in some meaningful work involving the tracking of service standards (further detail is provided below).
	Benchmarking against other Councils has been carried out where possible.
	 There are three types of information to be collected: 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 Indicators and Standards) Order (NI) 2015.

Thematic area	Observations
	 The SAR 2022-23 fulfils its legislative requirements by: discharging its general duty to improve; discussing the progress in attaining improvement objectives for the year alongside any issues or reasons where not fully attained; referencing self-imposed and statutory performance indicators; and meeting self-imposed and statutory indicators (some have not met and reasons have been outlined along with measures being taken to improve).
	The SAR serves its key purpose of demonstrating to stakeholders and citizens how Council discharges its legislative duties and communicates the progress and improvements made to functions and services.
	Council have for the first year published data they have collected as part of a newly established suite of service standards (Appendix G). This is a set of data that has been developed as the result of a previous performance improvement objective. It is envisioned that when more data on these service standards has been collected, it will be used to inform performance improvement objective selection and allow management to identify areas where improvement would be most beneficial. This is encouraging, forward looking work and will be a useful tool in the Council's performance management function.
Demonstrating a track record of improvement	The Council has reported on the achievement of outcomes in the Self Assessment Report.
	Outcomes (Performance Improvement Plan 2022-23) (pages 20-34) There were 6 performance improvement objectives identified in 2022-23. Of the six objectives, three were rated as 'green' and three as 'amber'. Those objectives marked as green are considered achieved and do not carry forward onto the Performance

Thematic area	Observations
	Improvement Plan for 2023-24. All objectives have a reflective 'how did we perform?' narrative attached. The three 'amber' objectives have been carried through to 2023-24, some with slight changes to the action to be taken.
	Indicators (Statutory) (pages 13-19)
	There are seven statutory indicators across three service areas (economic development, planning and waste management), of these
	 four indicators have been rated as green (ED1, W1, W2, W3); two indicators have been rated as red (P1, P2); and
	 one indicator has no RAG rating due to statistics not being available from the Department for Infrastructure, although Council's own records show this as achieved.
	Indicators (Self-imposed)(page 4) These standards are set out within the overall corporate performance of the Council which indicates a total of 424 performance measures (indicators and standards/targets) with ratings:
	 76 per cent green (met/ exceeded); 14 per cent amber (slightly short/ behind schedule); and 10 per cent red (missed/ not achieved).
	Comparing corporate performance with the prior year, there is a slight increase in green standards/targets, a slight decrease in amber standards/ targets and a slight increase in red standards/targets. There was a total of 363 performance measures so there has been more actions added which is a furtherance in the range of measures being reported.
	As well as achievement information for the 2022-23 year, the Council includes trend information in the SAR where available as far back as 2016-17 (for statutory indicators

Thematic area	Observations
	on pages 38-40, prompt payments on pages 42-43 and abseenteism pages 47-48 [goes back to 2019-20]). The use of a graphical format for statutory indicators in particular is clear in showing a progression which, excluding a slight deviation during pandemic periods, demonstrates a trend of ongoing improvement.
	The Council has been proactive in including as much data as is available to allow benchmarking and trend analysis to be as complete as it can be. This demonstrates Council performance in a wide context with clear comparables. The Council continues to demonstrate improvement, meeting outcomes and indicators and where not, offering explanation and amending working practices with the aim of future achievement.