



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

Fermanagh and Omagh District Council
28th November 2022

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We have prepared this report for Fermanagh and Omagh District Council and the Department for Communities 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 LGA 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 LGA made no statutory recommendations
Proposals for improvement	The LGA made no proposals for improvement

This report summarises the work of the Local Government Auditor (LGA) on the 2022-23 performance improvement audit and assessment undertaken on Fermanagh and Omagh District 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 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 Fermanagh and Omagh District 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 has assessed whether Fermanagh and Omagh District 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 identified no issues requiring a formal recommendation under the Act. We made no proposals for improvement (see Section 3). 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 Audit Committee track progress on all proposals for improvement.

I have made no proposals for improvement this year however detailed observations and suggestions for the thematic areas can be found at Annex B.

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.

4. Annexes

Annex A – Audit and Assessment Certificate

Audit and assessment of Fermanagh and Omagh District Council’s performance improvement arrangements

Certificate of Compliance

I certify that I have audited Fermanagh and Omagh District 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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28th November 2022

Annex B – Detailed observations

Thematic area	Observations
General duty to improve	<p>The Council’s arrangements to secure continuous improvement (including community planning, corporate planning, Service Plans and its Performance Improvement Framework and processes within) incorporate the seven aspects of improvement into its assessments of functions and services. The Council uses a multi-faceted approach to identify its improvement objectives, taking into consideration the impact of the pandemic and its associated emerging needs coupled with the priorities identified in the Corporate Plan ‘Delivering Sustainable Change Together’ for the 2020-2024 period. In March 2020, due to the unforeseen and unprecedented limitations as a result of COVID-19, the Council developed a document ‘Covid 19 Corporate Business and Recovery Plan’ based on the reprioritisation highlighted by key data trends and emerging needs of communities, businesses, the economy and the environment.</p> <p>In line with guidance, the Council has established and implemented an improvement framework which allows it to understand effectively local needs and priorities and to make best use of their resources and capacity to meet them and to evaluate the impact of their actions.</p> <p>Project Teams have been established for each improvement objective, led by a Director, and supported by identified action leads. These teams report to the Programme Manager who manages reporting to the Senior Management Team, Regeneration and Community Committee, and the Audit Panel.</p> <p>The Council continues to make use of previous performance reports, service data (or other qualitative data) and in particular, baseline data, population indicators and</p>

Thematic area	Observations
	<p>performance measures, being developed both internally and as part of APSE in order to benchmark to help identify those functions/services which would benefit most from improvement.</p>
<p>Governance arrangements</p>	<p>The Council has established appropriate governance arrangements to assist it in securing continuous improvement and continues to develop these, where necessary, to assist in meeting its performance improvement responsibilities.</p> <p>Responsibility for managing Performance Improvement sits with the Head of Place Shaping and Regeneration and is supported by the Strategic Planning and Performance Team. It is managed by the Head of Service supported by a Performance Improvement Officer and Data & Research Officer. The team looks after the strategic planning, including community planning and performance.</p> <p>The Council's Regeneration and Community Committee has overall responsibility and decision-making authority, and the Council's Audit Panel provides independent scrutiny. The Terms of Reference for the Audit Panel were updated to reflect its respective performance improvement responsibilities and were agreed by Audit Panel at its meeting in March 2017.</p> <p>The Council has assigned the responsibility for oversight of the performance improvement responsibilities to the Regeneration and Community Committee. On a quarterly basis it receives progress reports on the Council's Improvement Plan 2022-2023. These show how each project and activity is contributing to the overall improvement objectives, as this information becomes available.</p> <p>The Council has not utilised its Internal Audit function in relation to Performance Improvement and confirmed no work in this area was envisaged in the current year 2022-23. The Council should consider whether the internal audit function could be used</p>

Thematic area	Observations
	<p>to provide assurance on the integrity and operation of the Council's performance framework and identify areas for improvement. It is acknowledged however that management believe that the Performance Improvement data is sufficiently validated by the Senior Management Team at Council meetings, and that the SMT scrutinise the PI work on a granular level. Management told us that they considered this to be a robust review with outcomes.</p>
Improvement objectives	<p>The Council updated its four improvement objectives from 2021-22 to align them with the Outcomes Based Accountability (OBA) framework and two additional objectives were included in the 2022-23 plan. The Council has clearly documented within the improvement plan that the data has shown that improvement has been achieved and provided a clear summary to evidence the achievement.</p> <p>The objectives were selected based on a range of factors and the four improvement objectives identified in 2021-22 were in line with the Council's Corporate Improvement Priorities as clearly documented in the plan. The Council approved its improvement objectives formally through the Regeneration and Community Committee prior to consultation on 20 April 2021 and then reviewed and approved the findings of the consultation report on 8 June 2021.</p> <p>Within the Plan, the council have included a section headed, What's the story behind the baseline? (or why has this improvement objective been retained, reconfigured or identified), which details the rationale. The improvement objectives set meet at least one of the seven criteria required by legislation and relate to the functions and services identified for improvement set out in the 10-year Community Plan and the Council's Corporate Plan Themes.</p> <p>For each improvement objective, the Council also sets out:</p> <ul style="list-style-type: none"> • What are we going to do in 2022/23 (actions)?

Thematic area	Observations
	<ul style="list-style-type: none"> • What difference will this make? • How will we measure success? (How will we measure Performance of our systems and processes?) <p>The outcomes of each objective are clearly documented within the performance improvement plan and each of the objectives are robust, deliverable, and demonstrable. Specific measurements and targets have been included for each activity which will allow the Council to determine if they have been achieved and therefore contribute to the overall performance of the objective. Where available, the Council has included prior year data which will allow the council to demonstrate if improvement has been achieved.</p>
Consultation	<p>The Council has consulted in respect to its improvement objectives through a number of methods and considered the responses received as part of developing its performance objectives.</p> <p>Consideration was given to the extent to which 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 process to identify and understand community needs. This helped to inform its improvement priorities and consideration was then given as to how these would align to the priorities and themes within the community plan.</p> <p>An internal process, involving Heads of Service and Directors, was undertaken to identify improvement projects for 2022-23. The Council then consulted on its improvement objectives with staff, elected representatives, community/voluntary groups, local businesses and representative business organisations. This consultation was in line with the Council’s Community Engagement and Involvement Strategy. The public consultation ran for a period of eight weeks in 2022.</p>

Thematic area	Observations
	<p>In order to help raise the profile and transparency of the performance improvement framework, a number of communication channels were used including social media postings. There were only 77 responses to the performance improvement consultation, but this was an increase of 57% on prior year. Consultation responses could be submitted in writing (either by email or letter), online survey or by contacting a council official to discuss. The Council should continue its efforts to find innovative ways to attain responses this in future years.</p> <p>The Council published a transparent synopsis of the consultation on its website. This explained the process of consultation, summarised the responses received, stated the number of responses received, and explained how these impacted the final improvement plan for 2022-23. The report clearly detailed how feedback from the consultation was incorporated into the final improvement objectives.</p>
Improvement plan	<p>The Council published its Performance Improvement Plan 2022-23 on 29 June 2022 after formal approval by the Regeneration and Community Committee and in accordance with the requirements of the legislation. It is available in electronic format on the Council's website and other formats upon request. Council promoted the finalised performance improvement plan through a variety of social media platforms.</p> <p>The impact of Covid-19 has been integrated throughout the 2022-23 Performance Improvement Plan.</p> <p>The improvement objectives outlined in the Plan are based around the themes set out in the Community Plan and the Council's Corporate Plan. It outlines a number of areas which the Council will focus on in the year ahead, with the aim of delivering improvements to benefit residents and service users.</p> <p>The Plan contains a high-level description of the Council's arrangements for discharging its performance improvement duties and includes its improvement framework,</p>

Thematic area	Observations
	<p>improvement objectives, as well as the related community and corporate plan outcome. A summary of the Council’s consultation process, together with information on how citizens and stakeholders may propose new objectives during the year, are included, as are the governance arrangements in place for the Improvement Plan.</p> <p>The Plan includes separate sections which outline the statutory and self-imposed performance indicators and standards and provides sufficient information on its arrangements to exercise its functions so that any applicable statutory performance standards are met.</p>
Arrangements to improve	<p>The Council is required to establish arrangements to deliver on its improvement objectives, statutory indicators and its general duty to improve each year.</p> <p>The projects underlying improvement objectives are supported by Project Plans and Project Management in place through utilisation of Outcomes Based Accountability Performance Report Cards. These projects have lines of accountability, including risk management, to senior management and members.</p> <p>In addition, Members with a strategy/policy and oversight focus receive regular updates on progress in full council and committee.</p>
Collection, use and publication of performance information	<p>On 30 September 2022, the Council published the ‘Annual Performance Report 2021/2022’ on the Council’s website, social media platforms and in its residents’ newsletter. The report was published following approval at the Regeneration and Community Committee on 13 September 2022.</p> <p>The published report includes:</p> <ul style="list-style-type: none"> • its performance in discharging the general duty to secure continuous improvement

Thematic area	Observations
	<p>in 2021-22;</p> <ul style="list-style-type: none"> • results of its 2021-22 statutory performance standards compared with the same standards in the prior year; and • results of its 2021-22 self-imposed performance standards and indicators relating to its general duty to improve, and where applicable comparisons with the same standards in the prior year. <p>The report gave an overview and self-assessment of the performance of the Council during the previous financial year in accordance with its legislative requirements. The Council have also integrated the main impact and challenges presented due to COVID-19 on the Council’s services throughout the assessment.</p> <p>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. 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.</p> <p>The Council have recognised in the Annual Self-Assessment the impact of the pandemic on many services means that the performance of statutory indicators in 2021-22 are not as comparable to previous years, however analysis over time has been added where possible (four years of data has been included). In future years, year-on-year trend analysis should continue. Detailed narrative has been included for those indicators impacted by COVID-19.</p> <p>The report includes a comparison of its performance statutory indicators against the ten Councils (with W1, W2 and W3 based on provisional figures as data is not provided by the Department in respect of Waste indicators until after 30 September 2022). 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</p>

Thematic area	Observations
	<p>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> <p>The Council achieved one out of seven targets set for the seven statutory performance standards in 2021-22 (all seven were not met in 2020-21). For each indicator, the Council included the plans it has to rectify this going forward in a section headed 'We will improve by'.</p>
<p>Demonstrating a track record of improvement</p>	<p>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 cost of living crisis. In its Annual Performance Report the Council has highlighted that as it progresses towards the end of the lifespan of the Corporate Business and Recovery Plan 2020-22, the priorities for the remaining years of the Corporate Plan 'Delivering Sustainable Change Together 2020-2024' will be identified following the review of the data and evidence and wider challenges, including the cost of living crisis. It stresses a continued need to work with regional Government, residents, partners, and businesses to lead economic recovery, ensure support for the most vulnerable during the cost-of-living epidemic, whilst delivering on commitments in the Climate Change and Sustainable Strategy.</p> <p>The Council established four new improvement objectives in 2021 for 2021-22 and 2022-23 which has allowed the Council to demonstrate a record of improvement across the two years and future years. The Council will continue to consult on the four improvement objectives each year to determine continued relevance.</p>

Thematic area	Observations
	<p>For each of the statutory indicators, the Council have reported results against 2020-21 and four years of results have been presented in bar charts to effectively communicate the improvements over time. The Council have also presented other Council results for the comparison against the current year. An analysis paragraph has been included for each indicator and the Council have included narrative where indicators have been impacted by Covid-19.</p> <p>Of the self-imposed indicators and standards, 15 out of 22 targets have seen improvement from the previous year which is positive, taking into consideration the impact of the pandemic.</p>