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Media Release

Local Government Auditor's Report 2026

Local councils' income continues to exceed expenditure, and financial reserves have reached their highest level ever. However, it is important that councils ensure clear and robust plans are in place to deliver maximum value and benefit for ratepayers. That is among the conclusions of a report published today (Wednesday 9 September 2026) by Northern Ireland's Local Government Auditor.

Brian O'Neill's report summarises the findings from audits of local councils' 2024-25 financial statements. It notes that income across the 11 councils totalled £1.3 billion for the year, an increase of around 8 per cent from 2023-24. This was largely driven by a 3 per cent increase in District Rates, which account for more than 60 per cent (£818 million) of councils' total income. Meanwhile, expenditure for the year totalled £1.23 billion, of which more than 40 per cent (around £500 million) related to staff costs. 2024-25 is the second successive year that council income has exceeded expenditure.

The report also highlights other aspects of councils' financial position at the end of 2024-25. It notes that:

- councils held more than £2.5 billion of land and buildings; and
- total useable reserves have increased to £566 million, the highest levels recorded to date.

Commenting on these findings, Brian O'Neill said:

"Higher levels of usable reserves available to councils has helped strengthen their financial resilience in the short term. While this is welcome, it emphasises the need for councils to ensure they have clear and robust plans in place so that ratepayers are assured that funds will be managed and used to deliver maximum value and benefit.

Similarly, buildings represent the single largest category of assets held by councils. My report therefore highlights the need for clear capital asset plans, particularly to ensure the effective and efficient management of any surplus assets."

Today's report also considers actions taken in response to previous recommendations made by the Local Government Auditor. It welcomes actions taken by councils to strengthen governance and transparency around suspected and actual fraud.

However, the report notes a mixed picture in respect of councils' management of sickness absence. The average absence per council staff member during 2024-25 was 16.8 days, a slight improvement on the 17.1 days recorded in 2023-24. Despite this, five councils reported an increase in sickness absence during the year, with absence rates in local government continuing to considerably exceed those in central government.

Similarly, the report highlights that performance in processing local planning applications varies considerably between individual councils. The average processing time across councils was 19.8 weeks against a statutory target of 15 weeks. Only three of the 11 councils met the statutory target.

Commenting on the 2024-25 audits, Brian O'Neill said:

"This is my first annual report as Local Government Auditor, and I am encouraged to note that all 11 councils received an unqualified audit opinion on their financial statements for 2024-25. This means that the accounts give a true and fair view and were properly prepared. I am grateful to councils for the quality of their reporting, and to Northern Ireland Audit Office staff for their thorough and professional audit work.

The local government sector has a vital role to play in supporting local people, local economies and local services to develop and prosper. My report recognises the ongoing progress made by councils and the economic pressures facing them. There remains notable room for improvement, particularly around longstanding issues such as sickness absence and local planning applications. I welcome the ongoing collaboration between councils in tackling some of these issues. Sustaining and building on this collaboration will be vital for sharing good practice and ensuring better and more consistent performance. I look forward to continuing to engage with the sector to address the recommendations in this year's report and any outstanding actions from previous reports."

ENDS

Notes for Editors

1. The Department for Communities, with the consent of the Comptroller and Auditor General for Northern Ireland, designated Northern Ireland Audit Office Director Brian O'Neill as the Local Government Auditor (LGA) in January 2026.

2. This report is based on the 2024-25 audits of all local councils, which was the last financial audit cycle before the retirement of Brian O'Neill's predecessor as LGA, Colette Kane OBE.

3. The results of work undertaken by the Local Government Auditor are reported to the Members of Local Councils and local government bodies. The report on each set of accounts is published with the accounts by the audited body. An Annual Audit Letter is also issued to each body, which is published by the audited body. In addition, a summary of key findings at each local council in relation to the improvement audits and assessments will be published in their Annual Improvement Reports.

4. This report is available on the Northern Ireland Audit Office website at www.niauditoffice.gov.uk. The report is embargoed until 00.01 hrs on Wednesday 9 September 2026.