



Northern Ireland Audit Office

MEDIA RELEASE

Local Government Auditor's Report 2018

The Local Government Auditor, Pamela McCreedy, today published her report on the exercise of her functions in the year to 31 March 2018. This includes the audit of the 2016-17 accounts of the 11 councils as well as the audit and assessment of the councils' performance improvement responsibilities for 2017-18. The report comments on a range of topics arising from her audit work.

Key Findings

- During 2016-17 councils spent £878 million providing services to the public – an average of £450 for every person in Northern Ireland. The largest single area of expenditure remains Leisure and Recreation where £341 million was spent, followed by £300 million on Environmental Services. Councils employed over 9,800 full time equivalent staff and used assets worth in excess of £2.3 billion.
- **Agency Staff** – contrary to expectations, significant levels of spending by councils on agency staff continued in 2016-17. Total spend on agency staff went from £20.3 million in 2015-16 to £24.2 million in 2016-17 an increase of £3.9 million (19.1 per cent). More than half the increase (58 per cent) was incurred by three councils - Causeway Coast & Glens, Belfast, and Mid & East Antrim.
- **Absence Levels** – the average sickness absence rate for the 11 councils increased by almost 7.3 per cent to 14.95 days in 2016-17 up from 13.93 days in 2015-16. Sickness absence varied significantly between councils. Belfast City Council recorded the lowest number of days lost at 12.4 days per employee (10.3 days in 2015-16) while Mid & East Antrim Borough Council recorded the highest at 18.3 days per employee (15.2 days in 2015-16). Increases in absenteeism were attributed to a rise in long-term sickness absence because of conditions such as severe depression, musculoskeletal problems and stress.
- **Conflicts of Interest** – the Local Government Auditor found two of the 11 councils had not obtained annual returns from all councillors in order to update the Register of Interests. In one council, six returns from councillors were outstanding, despite a number of requests from staff. In a second council, two councillors had not completed an annual return recording their interests in the period.

Commenting on the findings, Mrs McCreedy said: "While I recognise that the use of agency staff may be necessary, particularly during a period of significant organisational change, their employment should deliver value for money.

"Sickness absence must be monitored closely and actively managed to ensure that staff welfare is protected and that the delivery of front-line services to the public is not adversely affected.

THIS STATEMENT IS ISSUED ON THE STRICT UNDERSTANDING THAT IT IS NOT FOR PUBLICATION OR BROADCAST BEFORE 00.01 hrs ON Tuesday 4th September 2018

“In order to maintain public confidence, it is important that members and council staff are aware of their responsibility for managing the risk of a conflict of interest both real or perceived or, where this is not possible, for ensuring that it is declared and managed properly.”

- **Conduct of Councillors** – in 2017-18 the Local Government Commissioner for Standards (the Commissioner) received 44 complaints (34 in 2016-17) of councillors failing to comply with the Northern Ireland Code of Conduct for Councillors. The Commissioner held one public adjudication hearing which resulted in a sanction of censure against a councillor who had failed to show respect to a council officer. Two further complaints were resolved by the implementation of the Commissioner’s Alternative Action Policy. In one of these cases, the Commissioner required a member of a Planning Committee to attend training on planning guidance, following his acceptance that he had failed to comply with the Code. As a result of the Commissioner’s finding in this case, the Local Government Auditor has recommended councils review their training provision for councillors.
- **Local Elections** - the reorganisation of Northern Ireland local government in 2015 delivered a significant change from 26 to 11 new councils. These reforms are still bedding in and, with a Voluntary Exit Scheme in place, there are concerns over continuity and loss of experience. Further change is on the horizon with local elections due to be held in May 2019.

Mrs McCreedy added: “Planning decisions are often complex with councillors undertaking a challenging role. With this in mind, it is important that councillors are provided with, and attend, appropriate training and that they understand and comply with relevant guidance.

“The Review of Public Administration has resulted in significant changes within the councils with the subsequent rationalisation resulting in the loss of significant numbers of experienced personnel. In light of this, councillors may wish to consider measures to support continuity in key committees, particularly in the Audit and Risk and Planning committees.”

She then went on to outline her plans to consult with councils and local government representative bodies to expand her local government work. She advised that this will include undertaking comparative and other studies in order to make recommendations for improving economy, efficiency and effectiveness in the provision of services by local government bodies. These results and recommendations will then be published.

Notes for Editors

The Department for Communities (the Department) and the Comptroller and Auditor General for Northern Ireland (the C&AG), appointed Pamela McCreedy as the Local Government Auditor in January 2018. She is also the Chief Operating Officer of the Northern Ireland Audit Office (NIAO).

Mrs McCreedy joined NIAO in September 2017 from the Northern Health & Social Care Trust (NHSCT) where she was Deputy Chief Executive/Director of Operations. Previous appointments include senior roles in the Health & Social Care Board and in the South Eastern Health & Social Care Trust (SEHSCT). She was also previously the Director of Public Sector Advisory in KPMG. Mrs McCreedy was elected a council member of Chartered Accountants Ireland in May 2018.



In addition to providing an opinion on the financial statements of the 11 councils, Mrs McCreedy is, as Local Government Auditor, responsible for the audit of the Local Government Staff Commission and the Northern Ireland Local Government Officers' Superannuation Committee, as well as two joint committees formed by councils. In total, she issues audit opinions on 15 sets of financial statements. All 15 audit opinions Mrs McCreedy provided in 2016-17 were unqualified. This means that the financial statements were properly prepared and gave a 'true and fair' view of the financial position of the body concerned.

Mrs McCreedy is also responsible for the audit and assessment of the councils' performance improvement responsibilities. The work carried out during the year in this area concluded that all councils had met their key performance improvement responsibilities, both in relation to improvement planning and the publication of improvement information and all received the same overall assessment.

The Local Government Auditor can also undertake comparative and other studies designed in order to make recommendations for improving economy, efficiency and effectiveness in the provision of services by local government bodies and to publish her results and recommendations. No such studies have been undertaken to date on the 11 councils.

Marie Anderson as the Local Government Commissioner for Standards (the Commissioner) is responsible for investigating and adjudicating on complaints that a councillor has failed to comply with the NI Code of Conduct for Councillors (the Code). Mrs Anderson is also the Northern Ireland Public Services Ombudsman.

The Local Government Auditor's report is available on the NIAO website at www.niauditoffice.gov.uk. The report is embargoed until 0.01hrs on 4th September 2018.

Background briefing can be obtained by contacting Colette Kane (028 9025 1064).