



Local Government
Auditor

The Exercise by the Local Government Auditor of her Functions

MEDIA RELEASE



The Local Government Auditor, Louise Mason, today published her report on the exercise of her functions in the year to 31 March 2015, covering the 2013-14 financial year. The report comments on a range of topics arising from her audit work in local government bodies. During 2013-14, councils spent over £825 million, employed 9,600 staff and utilised assets worth more than £1,900 million.

Background

The Local Government (Northern Ireland) Order 2005 requires the Local Government Auditor to prepare and publish an annual report. This report is the ninth report under this requirement.

Findings

Whilst the number of councils has recently reduced from 26 to 11, this report (and next year's report) primarily relates to information from the older 26 councils. The Local Government Auditor has highlighted areas of strength and areas for improvement within councils. This includes:

- **Good Governance** – The report reinforces the continued need for good governance arrangements and controls in local government. The report uses case studies to draw attention to two issues disclosed in councils' annual governance statements; a fatality at Coleraine Borough Council's civic amenity site and the management of a waste management facility contract in Fermanagh District Council which resulted in additional costs of £719,000.
- **Theft and Fraud** – The Report draws attention to a number of thefts and frauds reported by councils. One of these involved further attempts to commit fraud where fraudsters made false representations to Belfast City Council regarding changes in suppliers' bank details. Mrs Mason also refers to an investigation into missing lodgements from a leisure services facility in Craigavon Borough Council. Mrs Mason notes useful guidance that exists for preventing frauds. It is widely accepted that the risk of fraud increases significantly during times of organisational change and the Local Government Auditor points out the importance of controls being appropriate and operating effectively in light of the extensive changes associated with the reform of local government.
- **Whistleblowing** – The report highlights the important role that whistleblowers play in raising matters of concern in relation to the proper conduct of public business, fraud and corruption and value for money. Under legislation, the Local
- **Local Government reform** – The report provides a high level overview of significant, recent changes in local government, including the introduction of new legislation, the impact this will have on financial audits in the future and the additional statutory function of performance improvement audits and assessments. It also highlights the Local Government Auditor's intention to refresh the local government Code of Audit Practice during 2015.



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Government Auditor is a prescribed person to whom protected disclosures can be made. Mrs Mason notes a good practice guide on whistle blowing in the public sector issued by the four supreme audit agencies of the United Kingdom.

- **Absenteeism** –The Local Government Auditor's review of absence statistics revealed a marginal improvement of just over 1 per cent on 2012-13. Mrs Mason notes that the restructuring of local government, combined with reduced funding may lead to uncertainty for councils and their staff. She stresses the importance of rigorously managing absence to ensure staff welfare is protected and delivery of front line services is maintained.

Notes for Editors

1. The Department of the Environment may, with the consent of the Comptroller and Auditor General for Northern Ireland designate a member of NIAO staff as the Local Government Auditor. The Local Government Auditor is also the Assistant Auditor General for financial audit undertaken by NIAO.
2. The Local Government Auditor's report is available on the NIAO website at **www.niauditoffice.gov.uk**.
The report is embargoed until 00.01 hrs on 23 June 2015.
3. Background briefing can be obtained from the NIAO by contacting Neil Gray (028 9025 4345) or Alan Orme (028 9025 1136)