



Northern Ireland Audit Office

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Mr David Jackson
Chief Executive
Causeway Coasts & Glens Borough Council
Cloonavin
66 Portstewart Road
Coleraine
BT52 1EY

17 June 2016

Dear David

Causeway Coast & Glen Borough Council: Improvement audit and Assessment -Audit Strategy 2016-17

I enclose the Audit Strategy in respect of the Local Government Auditor's improvement audit and assessment programme of work, which will ascertain whether the Council has met its statutory performance improvement responsibilities for the year, in line with legislation, for the 2016-17 financial year.

The Audit Strategy document, which will be issued annually to the Chief Executive, is intended to fulfil the following functions:

- inform the client of the scope of the programme of work, the Local Government Auditor's key responsibilities and a high level overview of the process; and
- agree a plan with the client for carrying out of the programme of work.

I am happy to respond to any queries you may have, whether on the Audit Strategy or the programme of work generally. I would be grateful if a copy of this letter could be forwarded to the Chair of the Audit Committee and also be included on the agenda of the next Audit Committee meeting.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Neil Gray', is written over a light blue horizontal line.

Neil Gray
Director



Northern Ireland Audit Office

Our purpose ...

Promoting better use of public money, through independent professional scrutiny, underpinned by our commitment to:

- Integrity
- Equality
- Openness
- Innovation

To make a difference for the people of Northern Ireland.

The Department for Communities (the Department), with the consent of the Comptroller and Auditor General for Northern Ireland, has designated Mrs Louise Mason as the Local Government Auditor. She, and the Northern Ireland Audit Office, are totally independent of Local Government. She certifies the accounts of all local government bodies in Northern Ireland and is also responsible for council improvement audits and assessments.

For further information please contact:

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CAUSEWAY COAST AND GLENS BOROUGH COUNCIL IMPROVEMENT AUDIT AND ASSESSMENT 2016-17

AUDIT STRATEGY

Contents

Introduction	2
Scope of the programme	2
Responsibilities of the Local Government Auditor	2
The improvement audit and assessment process	3
Audit and assessment staffing and timetable	4
Council responsibilities	5
Fees	5
Other statutory duties	5
Other matters	5

1.0 INTRODUCTION

1.1 The purpose of this document is to set out the basis on which the Local Government Auditor (LGA) will conduct her programme of improvement audit and assessment work for 2016-17, as required under Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) and the draft statutory '*Guidance for Local Government Performance Improvement 2016*', (the Guidance) as issued by the Department for Communities' (the Department) predecessor, the Department of the Environment. It also sets out the respective responsibilities of the LGA (and her staff) and the Council.

1.2 The programme of work will involve an '*improvement information and planning audit*' and an '*improvement assessment*'¹ to ascertain whether the Council has met its statutory performance improvement responsibilities for the year, in line with the Act and the Guidance.

1.3 This letter also sets out the planned timetable, fees and audit team.

2.0 SCOPE OF THE PROGRAMME

2.1 The programme of work will be conducted in accordance with the Act and the supporting Guidance, (which sets out how Part 12 of the Act is to be applied). It will be conducted in accordance with the Local Government Code of Audit Practice 2016 and the LGA's Statement of Responsibilities.

2.2 The LGA will perform the duties listed at section 3 below.

2.3 As well as the reporting requirements set out in the Act, the LGA may decide to include a summary overview of the programme of work carried out during the year in her Annual Report. This report is published in the year after the work is performed.

2.4 The LGA will have no further direct responsibility in relation to the performance improvement framework in 2016-17.

3. RESPONSIBILITIES OF THE LOCAL GOVERNMENT AUDITOR

3.1 The LGA has a statutory responsibility for each financial year:

- to carry out an improvement audit for the purposes of determining:
 - (a) whether the Council has, during the year, discharged its duties under section 92 of the Act; and
 - (b) the extent to which the Council has, during the year, acted in accordance with any guidance issued by the Department about any Council duties under section 92;
- to carry out an improvement assessment for the purpose of determining whether the Council is likely, during the year, to comply with the requirements of Part 12 of the Act; and
- to issue a report, or reports, in respect of the Council to the Council and the Department, under section 95 of the Act; and
- to produce and publish an annual improvement report under section 97 of the Act.

¹ Also referred to as an improvement audit and assessment.

3.2 The Act also sets out that:

- the LGA **may** carry out an assessment for the purpose of determining whether the Council is likely to comply with the requirements of Part 12 of the Act in subsequent financial years. The LGA may decide that until the performance improvement framework becomes more established, assessments relating to future years will not be carried out; and
- the LGA **may** carry out a special inspection of a Council's compliance with the requirements of Part 12 if the LGA is of the opinion that the Council may fail to comply with the requirements of Part 12 of the Act.

3.3 In order to maintain her independence the LGA is unable to provide guidance or advice to the Council on the application of Part 12 of the Act or the Guidance.

4. THE IMPROVEMENT AUDIT AND ASSESSMENT PROCESS

4.1 The LGA will obtain an understanding of the Council's current performance improvement arrangements and any other evidence that is relevant to enabling the LGA to reach an opinion on the matters outlined above in paragraph 3.1. The audit team shall expect to obtain such appropriate evidence to enable them to perform both the improvement audit and improvement assessment as they consider sufficient to enable the LGA to form her assessment and reach a conclusion on whether the Council has met its performance improvement responsibilities under the Act.

4.2 The nature and extent of our procedures will vary depending upon the nature and complexity of the Council's improvement arrangements. An initial assessment will be performed as part of the planning phase and this will be dependent upon the early provision of relevant documentation by the Council.

4.3 During the fieldwork stage the audit team will request access to all relevant documents and Council officers. We shall review information that supports the Council's improvement plan and self assessment report for consistency and we will bring any inconsistencies to your attention so that they may be resolved prior to concluding and reporting on the audit.

4.4 The audit and assessment work will be performed by staff of the NIAO.

5. AUDIT STAFFING AND TIMETABLE

5.1 Timetable

5.1.1 Key target dates set out in the table below have been discussed and agreed with the Council's officers. The table incorporates dates set out in the 2014 Act and the Guidance.

Event	Target Date
Audit and assessment planning phase	April/May 2016
Council publishes performance improvement plan	Not later than 30 June 2016 ²
Audit fieldwork phase – improvement audit and forward looking improvement assessment audit	July/August 2016
Council publishes self assessment	September 2016
Audit fieldwork phase – baseline assessment of councils statutory performance indicators and standards'	September/October 2016
Reporting phase – section 95 report drafted and cleared with senior management	October/November 2016
Final report issued to the Council and the Department	Not later than 30 November 2016
Publication of Council's Annual Improvement Report	February/ March 2017

5.1.2 Completion of the audit and assessments in line with the timetable and by the statutory reporting date and the fee associated with this work programme is dependent upon:

- The Council providing specified deliverables of sufficient quality that have been subject to appropriate consultation, internal review and approval, by the agreed dates.
- The Council delivering good quality supporting documentation and evidence, within the agreed timetable; and
- Appropriate Council officers being available at agreed times during the audit.

5.2 Staffing

5.2.1 The following NIAO staff will be involved in the audit:

TITLE	NAME
Director	Neil Gray ☎ 028 90254345 and Colette Kane ☎ 028 90251064
Audit Manager	Gary Christie ☎ 028 90251084
Lead Auditor	Damien Prenter ☎ 028 90251137 and Kyle Bingham☎ 028 90254309

² The Act sets out that councils' should publish their improvement plan **as soon as practicable after the start of the financial year to which it relates**. The Guidance recommends this be completed by the end of June to enable the LGA to meet the statutory reporting deadline of 30 November.

6. COUNCIL RESPONSIBILITIES

6.1 The Council is responsible for ensuring that it complies with its performance improvement duties under the Act and Guidance.

6.2 The Council is responsible for making available, as and when required, all relevant documents and any related information. We are entitled to require from your officers such other information and explanations as we consider necessary for the performance of the LGA's duties.

7. FEES

7.1 There will be a fee payable for the performance improvement programme of work. Fees will be calculated on the basis of the time spent and on the levels of skill and responsibility involved. At the beginning of each year's audit we will estimate the cost of the work and inform the Council. You will appreciate that this is the first full improvement audit and assessment, with no cost precedents to determine an accurate forecasted cost. Once the planning phase has been completed we will be in a better position to refine this forecast. For 2016-17, we anticipate that the average fee will be in the region of £25,000.

8. OTHER STATUTORY DUTIES

8.1 Under the Act, the LGA may carry out Special Inspections in relation to the performance improvement framework (see paragraph 3.2). If a Special Inspection is required it will be subject to separate terms of reference, issued in advance of work commencing.

8.2 The costs associated with any special inspection will be in addition to the regular programme of improvement audit and assessment work. Should a special inspection be required it may not be possible to estimate the cost of work to be undertaken in advance.

9. OTHER MATTERS

9.1 Use of Report & Confidentiality

9.1.1 Reports arising from this work will be provided to the Council and Department and must not be provided to third parties without the LGA's prior written consent. Such consent will only be granted on the understanding that the letter is not prepared with the interests of anyone other than the Council in mind and that neither the LGA nor the NIAO accept any duty or responsibility to any other party. The LGA will publish the annual improvement report and this will be publicly available.

9.2 Ethical standards

9.2.1 The NIAO complies with relevant ethical requirements regarding independence and has developed important safeguards and procedures in order to ensure our independence and objectivity.

9.3 Management representations

9.3.1 As part of our audit process, we may request from management written representations on matters relevant to the audit where other sufficient appropriate evidence

cannot reasonably be expected to exist, and where management may have made certain oral representations.

9.4 Communications

9.4.1 It is anticipated that some of the audit work can be performed remotely, however the majority of the work will be performed at Council premises. We may request information at the relevant times in an appropriate format and this will be supplemented by face to face meetings with relevant officers.

9.4.2 We will provide you with a report setting out the information specified in section 95 (2) of the Act. We will also report any areas in which we consider there are opportunities for the Council to improve. Our procedures are limited to those considered necessary for the effective performance of the audits and assessment. Therefore, the Local Government Auditor's observations should not be regarded as a comprehensive statement of all weaknesses which exist, or all improvements which could be made.

9.5 Personal Data

9.5.1 The processing of personal data for audit and assessment purposes will be completed in accordance with the requirements of the Data Protection Act 1998. We have procedures in place to ensure that the security of personal data is safeguarded at all stages of the audit process.

9.5.2 Should you wish to discuss any aspects of our work programme, please do not hesitate to contact Gary Christie ☎ 028 90251084.