



## 2014 CHAPTER 8

### PART 12

#### PERFORMANCE IMPROVEMENT

##### *Improvement audits and assessments*

##### **Improvement information and planning**

**93.** In respect of each financial year, the local government auditor must carry out an audit for the purpose of determining—

- (a) whether a council has during that year discharged its duties under section 92; and
- (b) the extent to which the council has during that year acted in accordance with any guidance issued by the Department about the council's duties under that section.

##### **Improvement assessments**

**94.—(1)** In respect of each financial year, the local government auditor must carry out an assessment for the purpose of determining whether a council is likely during that year to comply with the requirements of this Part.

(2) In conjunction with an assessment under subsection (1), the local government auditor may carry out an assessment for the purpose of determining whether the council is likely to comply with the requirements of this Part in subsequent financial years.

**Audit and assessment reports**

**95.**—(1) Each financial year, the Department, after consultation with the local government auditor, must determine which councils are to be councils in respect of which subsection (2) applies in that financial year.

(2) Each financial year, the local government auditor must issue a report or reports in respect of each council to which this subsection applies in that financial year—

- (a) certifying that the local government auditor has carried out an audit under section 93 in respect of the previous financial year;
- (b) stating whether as a result of the audit the local government auditor believes—
  - (i) that the council has discharged its duties under section 92; and
  - (ii) that the council has acted in accordance with any guidance issued by the Department about the council's duties under that section;
- (c) certifying that the local government auditor has carried out an assessment under section 94 in respect of the financial year;
- (d) stating whether as a result of the assessment the local government auditor believes that the council is likely to comply with the requirements of this Part during the financial year;
- (e) if the local government auditor thinks it appropriate in the light of an audit or assessment, recommending action that the council should take in order to comply with the requirements of this Part or act in accordance with guidance issued by the Department about the council's duties under section 92 (whether in respect of that or a subsequent financial year);
- (f) if the local government auditor thinks it appropriate in the light of an audit or assessment, recommending that the Department should give a direction under section 100 and, if so, the type of direction;
- (g) stating whether, in the light of an audit or assessment, the local government auditor is minded to carry out a special inspection under section 98.

(3) The local government auditor must send a copy of any report issued under this section to the council concerned and the Department.

(4) Copies of a report must be sent in accordance with subsection (3)—

- (a) by 30th November in the financial year during which the audit was carried out or to which the assessment relates; or
- (b) by such other date as the Department may specify by order.

(5) But the Department may by direction set a date for the sending of a report in relation to a specified council which differs from the date which would otherwise apply under subsection (4) if—

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*Status: This is the original version (as it was originally enacted).*

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- (a) the local government auditor has requested that the Department give such a direction; and
  - (b) in the opinion of the Department, the circumstances are exceptional.
- (6) In subsection (5) “specified” means specified in a direction under that subsection.

### **Response to section 95 reports**

**96.**—(1) The following subsections apply where any report received by a council under section 95(3)—

- (a) contains a recommendation under section 95(2)(e) or (f); or
  - (b) states under section 95(2)(g) that the local government auditor is minded to carry out a special inspection.
- (2) The council must prepare a statement of—
- (a) any action which it proposes to take as a result of the report; and
  - (b) its proposed timetable for taking that action.
- (3) A statement required by subsection (2) must be prepared—
- (a) before the end of the period of 6 weeks starting with the day on which the council receives the report; or
  - (b) if the report specifies a shorter period starting with that day, before the end of that period.
- (4) The council must incorporate the statement in its improvement plan for the next financial year.
- (5) If the report recommends that the Department give a direction under section 100, the council must send a copy of the statement to the Department—
- (a) before the end of the period of 6 weeks starting with the day on which the council receives the report; or
  - (b) if the report specifies a shorter period starting with that day, before the end of that period.

### **Annual improvement reports**

**97.**—(1) In relation to each council, the local government auditor must produce a report (an “annual improvement report”) for each financial year which summarises or reproduces the reports described in subsection (2), unless no such reports have been issued in respect of that council during that financial year.

- (2) The reports are—
- (a) each report issued in respect of the council during that financial year under section 95;

- (b) any report of a special inspection of the council issued under section 99 during that financial year.
- (3) The local government auditor—
  - (a) must publish each council’s annual improvement report;
  - (b) must consider, in the light of a council’s annual improvement report, whether to—
    - (i) make a recommendation to the Department to give a direction to the council under section 100;
    - (ii) exercise any of the local government auditor’s functions in relation to the council;
  - (c) must make any such recommendation as is mentioned in paragraph (b)(i) as the local government auditor considers ought to be made.