



Northern Ireland Audit Office Strategic Corporate Framework 2018-2021



Northern Ireland Audit Office



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1 Foreword

We are pleased to present the Strategic Corporate Framework of the Northern Ireland Audit Office for 2018-2021.

In the three-year period, the NIAO will strive to inspire confidence in public services through independent scrutiny, based on impartial and innovative reporting. We have set three strategic priorities for this reporting period. They are designed to give our people clear direction and focus.

The priorities are:

- ▶ **provide assurance, add value and promote excellence in public administration;**
- ▶ **support public sector transformation in Northern Ireland; and**
- ▶ **transform our business to meet the emerging challenges of the future.**

The NIAO has a pivotal role in helping to build a modern, high performing public service that is accountable to taxpayers and citizens. As government priorities and processes in Northern Ireland are transforming, the NIAO will develop new methods of reporting that help government achieve greater economy, efficiency and effectiveness. This will include developing a three year public reporting programme, designed to take a strategic, longer-term view of the challenges facing the public sector.

At present we do not have a functioning government, leading to uncertainty in the operating environment. Alongside this we can anticipate significant change in the public sector administration and processes. We therefore need to have sustainable and future-proofed practices and governance arrangements in order to respond to developments. More emphasis will be placed on embedding digital technology in our work, to deliver an innovative and vibrant working environment. There will be deeper engagement with our stakeholders. We will continue to develop the skills and talents of our staff in order to build on our already strong internal capabilities.

We firmly believe that meaningful public sector transformation is heavily dependent on effective joined-up government and genuine partnership working across government departments, arm's-length bodies and local councils. With our "bird's eye" strategic perspective across the totality of the public sector in Northern Ireland we are uniquely placed to help public sector leaders deliver effective joined-up government. The implementation of an outcomes based accountability framework across government together with the next phase of local government reform, with its strong focus on community planning, are opportunities for public sector leaders to develop new ways of working together in the wider public interest.



Kieran Donnelly
Comptroller and
Auditor General



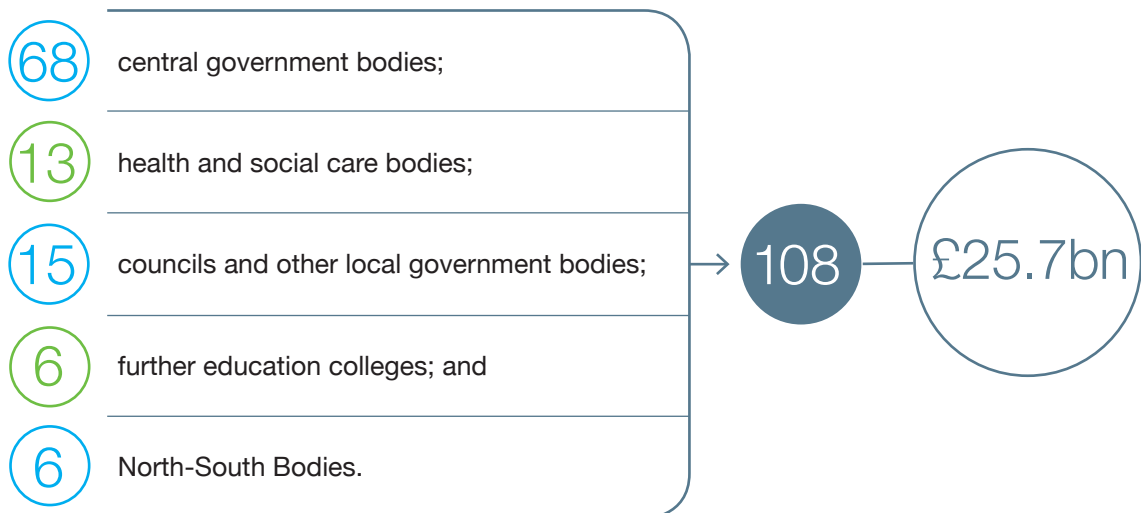
Pamela McCreedy
Local Government
Auditor

In developing this Corporate Plan we adopted a fresh approach, with partnership at the heart of the process. Following extensive consultation with, and feedback from, staff, stakeholders, our advisory group and senior management team, we have arrived at a new and invigorated plan which is underpinned by a set of core values. We would like to thank all those who contributed to helping us set our strategic direction. We are confident that we have a clear way forward to realise our overall purpose of ensuring public money is spent properly.

March 2018

2 Northern Ireland Audit Office Role

- 2.1** The Comptroller and Auditor General for Northern Ireland (C&AG) is an Officer of the Northern Ireland Assembly (the Assembly), to which he reports the results of his work. He is supported in the delivery of his functions by the Northern Ireland Audit Office (NIAO) of which he is head. In his role as Comptroller, he is responsible for authorising the issue of money from central government funds to Northern Ireland departments. However, his main function is the external audit of central government bodies in Northern Ireland.
- 2.2** The audit of local government bodies, including district councils, is undertaken by the Local Government Auditor who is a member of NIAO staff, designated by the Department for Communities. The results of this work are reported to the Department. The Chief Operating Officer is currently designated as the Local Government Auditor.
- 2.3** Our audit work covers 108 public organisations which spend over £25.7 billion of public money annually:



2.4 The C&AG and his staff:

- ▶ are totally independent of government;
- ▶ support the Assembly and, in particular, the Public Accounts Committee (PAC), in holding public bodies to account and to improve public services;
- ▶ provide objective information, advice and assurance on how public money has been spent; and
- ▶ encourage best practice in financial management, good governance and propriety in the conduct of public business.

2.5 Our main activities



Financial Audit

Performing a detailed audit on the annual financial statements of each of the 108 central and local government organisations. This involves carrying out sufficient detailed work to form an opinion on the accuracy of each set of financial statements, including the scrutiny of public sector compliance, and for central government bodies, assessing whether expenditure has been properly spent, is regular, and in accordance with the intentions of the Assembly when it granted the money.



Public Reporting

Independently examining and reporting to the Northern Ireland Assembly on whether public bodies spend taxpayers' money economically, efficiently and effectively.

Auditing, assessing and reporting on district council performance improvement responsibilities.

Reporting promptly on new issues and emerging challenges.

Providing public bodies with constructive advice in the form of good practice reports across a range of areas.



Governance and Counter Fraud

Building better corporate governance, financial control and risk management in the public sector and preventing and detecting fraud and corruption.



Support to the Northern Ireland Assembly and the public

Working closely with the Public Accounts Committee on evidence sessions based on our reports; providing support to departmental committees; and responding to enquiries from elected representatives and the public.



Comptroller function

Authorising the issue of public funds from the Consolidated Fund for Northern Ireland.

3 The Context

3.1 Change

Over the next three years, political and legislative changes are anticipated in relation to major areas such as Brexit and the reform of the Northern Ireland Civil Service. Furthermore, the Northern Ireland public sector will continue to face fiscal austerity, with the need for well thought through efficiency initiatives and the effective implementation of transformational change continuing to be key priorities. Digitalisation is still high on the agenda for government and it is anticipated that the public sector will continue to strengthen its centralised capacity for digital delivery and access to on-line government services. Digitalisation will change working practices and provide opportunities for more effective auditing.

The draft Programme for Government in Northern Ireland places greater emphasis on outcomes rather than processes. As public bodies change and focus on outcomes, we will support them on that journey and strengthen our capability in outcome-based auditing.

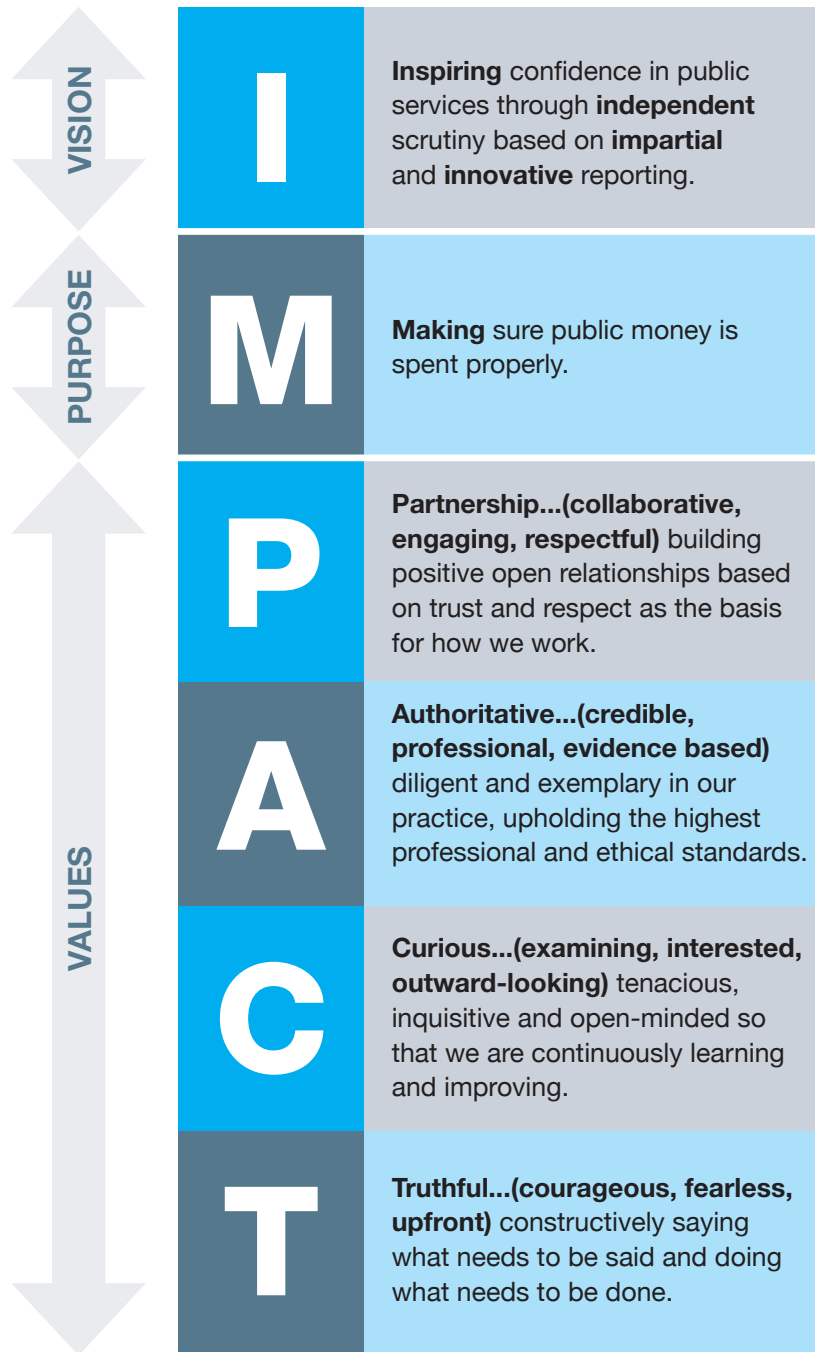
These are just some examples of the changing external context.



4 Vision, Purpose and Values: IMPACT

Our vision, purpose and values are aimed at achieving an impact:

4.1 Vision, Purpose and Values



5 Corporate Strategic Priorities

5.1 Provide assurance, add value and promote excellence in public administration.

- We will continue to support effective democratic scrutiny by providing assurance to increase public confidence, especially during critical transitions in Northern Ireland government and public administration.
- We will promote and share good practice from the Northern Ireland public sector and elsewhere to stimulate improvement.
- Our audit work will help public sector leaders to gain assurance and improve economy, efficiency and effectiveness.
- We will expose corruption and malpractice that we identify and disseminate the lessons learned across our public services.

Why this is important: *...significant transformation is anticipated over the next few years. Sharing good practice is a catalyst for improvement. Our role is to help public confidence in how Northern Ireland is governed and at the same time being diligent and exemplary in our own practice.*

5.2 Support public sector transformation in Northern Ireland.

- Our public reports will take account of single and cross-cutting themes.
- Our outputs will be relevant and proportionate in relation to Northern Ireland public sector priorities.
- We will respond rapidly to emerging issues in a changing environment and to concerns raised by elected representatives.
- We will use our influence and strategic view to help public sector leaders deliver effective joined up government.

Why this is important: *...we will focus on the issues that really matter to support clear accountability and value for money. Early intervention during the roll-out of government programmes will increase our relevance and impact while minimising the negative impact of any poor practices before they have advanced too far. We will be proactive in supporting positive change and innovation across all parts of the public sector. Working across silos is a major barrier to the implementation of the Programme for Government so we will take a strategic view across departments to counteract this.*

5.3 Transform our business to meet the emerging challenges of the future.

- We will develop our internal capability through further investing in a highly skilled, motivated and versatile workforce.
- We will embed digital technology in working methods and systems across the NIAO.
- We will continue to modernise working practices to increase productivity.
- We will design and deliver an innovative and vibrant working environment, including modernising our accommodation.

Why this is important: *...successful organisations help staff balance the demands of their work and their other life responsibilities; to remain relevant and sustainable we will continuously maximise the use of all our resources and provide our staff with the best support.*

6 Indicators of our IMPACT

A major part of our vision is to inspire confidence in our public services to make sure public money is spent properly. To achieve our strategic priorities we need to ensure that our work has a positive impact and that it identifies solutions. We therefore need to find meaningful ways both to measure whether the public sector is improving and our contribution to that improvement. We will be in a better position to understand our progress when we:

- ▶ see the impact that our recommendations have in helping public bodies to continuously improve;
- ▶ find evidence that public bodies are consistently sharing good practice and collaborating more to improve outcomes for citizens and taxpayers in Northern Ireland; and
- ▶ see tangible improvements in the reporting of public sector performance.

Our high level indicators will tell us how much we have done, how well we have done it and what difference it has made through the delivery of our corporate priorities during 2018 -2021. Measures will be further developed to assess our performance against the priority indicators.

Priority: Provide assurance, add value and promote excellence in public administration.

Indicators:

Promoting good practice

Stakeholder satisfaction and confidence with our added value outputs

Impact of our products and outputs

Priority: Support public sector transformation in Northern Ireland.

Indicators:

Recommendations accepted and implemented

Stakeholder feedback on our contribution to transformation

Timely and efficient rapid response products

Priority: Transform our business to meet the emerging challenges of the future.

Indicators:

Timeliness and quality of our outputs delivery

Alignment of workforce skills mix and work plan requirements

Achievement of milestones on a business transformation programme

7 Funding Requirements

We are a relatively small organisation but one with a wide remit. We have a vital role in helping the Assembly hold government to account. A properly resourced, professional, independent audit service is needed to do this effectively, particularly in a period of significant change.

We remain fully committed to securing cost reductions and efficiencies where feasible. Having already achieved significant savings in the past, a further reduction of four per cent was applied to our 2017-18 budget. This amounted to a gross resource requirement of £9.9 million with income amounting to £2.3 million and net resources of £7.6 million. We propose to hold the annual budget at this level in cash terms, in view of the extent of change and uncertainty in our operating environment and on-going internal transformation within the business.

In terms of capital expenditure we have traditionally had a small budget of £40,000. However we will require considerable additional resources to meet significant capital expenditure over the period of this corporate plan. This will enable the internal refurbishment of our offices in University Street, Belfast to meet the accommodation requirements of our now smaller organisation, resulting from the rationalisation of our business operations. The timing and cost of this have not yet been established. However we anticipate the outcome will also include a potential revenue stream resulting from leasing out some of our office space.



Northern Ireland Audit Office