2017

National Oversight and Audit Commission

NOAC ANNUAL REPORT

2017

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Chairman's Statement:

This is the fourth annual report of the National Oversight and Audit Commission (NOAC), covering the period 1st January – 31st December 2017. NOAC was established in 2014 as an independent statutory body to provide oversight of the local government sector in Ireland. It is a key element of the local government reform agenda that emerged from the proposals set out in the Action Programme for Effective Local Government and is underpinned by the Local Government Reform Act 2014. NOAC is required to prepare and submit to the Minister for Local Government its Annual Report before 30 April each year. This report was approved by the members of NOAC at its meeting on 13 March 2018.

During 2017 NOAC continued to carry out the majority of its work via the sub-group structure operating in the areas of performance indicator reporting in local authorities, customer surveys, financial performance, housing studies, Local Enterprise Offices (LEOs), reporting under the Public Spending Code (PSC) and the oversight of efficiency reform implementation through the PMO Projects sub-group.

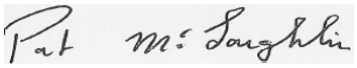
In May 2017 NOAC published the review, work on which commenced in 2015, of the performance by local authorities of their functions of managing and maintaining their own stock of nearly 131,000 social houses, both in relation to they maintain the condition of the dwellings and to the whole process of how they manage their housing stock. This comprehensive report is summarised on pages 28 to 31 and it is available on our website www.noac.ie along with all NOAC's reports.

In 2017 NOAC commenced compiling profiles of each local authority based primarily on the material in our reports to date and meetings with the Chief Executives, but also to include information provided by the authorities themselves outlining the particular context within which they each operate. It is planned to progress and expand on this work in 2018.

Work is continuing in 2018 on a local authority customer satisfaction survey and reviews of aspects of financial performance and the internal audit function, as well as the annual Performance Indicators and Public Spending Code Quality Assurance reports. The working relationship between the Local Government Audit Service (LGAS) and NOAC also continues to develop.

During 2017 NOAC again received substantial support and assistance from the Local Government Management Agency (LGMA), particularly in the collection and compilation of data for the performance indicators report. The LGMA's assistance in organising the very successful Good Practice in Local Authorities seminar (see pages 19 to 22) was also invaluable. NOAC will periodically hold such events to disseminate clever and innovative practices or examples of efficiencies in the performance of local authorities that it encounters in its work.

I wish to express my gratitude to the Chief Executives, liaison officials and performance indicator coordinators of the 31 local authorities for complying with the various requests for information made by NOAC during 2017 and to the other bodies, agencies and Departments that supported NOAC in its work over the last year.



Pat McLoughlin
Chairman

29 March 2018

Executive Summary

NOAC was established in 2014 to independently oversee the local government sector by reviewing the financial and operational performance of bodies within its remit. It also oversees implementation of national local government policy and works to identify opportunities for best practice. A list of NOAC's functions is included in its strategy reproduced at Appendix 2.

The majority of NOAC's work is carried out by sub-groups set up to further various projects. In 2017 there were seven sub-groups operating. The Performance Indicators, Customer Survey and Financial Performance groups operate on a permanent basis with ongoing work requirements, while the Housing, Local Enterprise Offices (LEOs), Public Spending Code (PSC) and PMO Projects sub-groups will remain in place for the duration of their specific projects and the work of the Housing Sub-Group was completed during 2017.

Work progressed in 2017 included the compilation of the 2016 Report on Local Authority Performance Indicators (although publication was delayed) and a review of six authorities with regard to the accuracy and reliability of a subset of indicators. The Customer Survey Sub-Group initiated a survey on local authority customer engagement that will be carried out in the 10 larger local authorities in 2018 and rolled out to the remaining authorities in the following two years. The Financial Performance Sub-Group continued a review on the working of local authority audit committees that will be finalised in 2018 and selected a number of issues raised in the reports of the Local Government Audit Service of their audits of the 2015 Annual Financial Statements of the 31 local authorities for direct follow-up with the Chief Executives of the local authorities concerned. The Housing Sub-Group completed its review of the management and maintenance of local authority owned housing and NOAC published this report in May 2017.

Other work progressed in 2017 included the compilation of the 2016 composite Quality Assurance (QA) report for the local government sector as part of the requirements of the Public Spending Code (PSC) and a review of the local authority internal audit function.

NOAC reports and recommendations are presented to key decision makers in the local government sector including the relevant Joint Committee of the Houses of the Oireachtas.

In November 2017 NOAC's chairman participated in a meeting of the Joint Committee on Housing, Planning and Local Government on the topic of an examination of the local government finance funding model. He also made a number of presentations in 2017 on the work of NOAC, and had several meetings with the County and City Management Association and the Director of the Local Government Audit Service (LGAS). As part of its working relationship with the LGAS, NOAC provided input to the topics for the Audit Service's programme of shorter fact based reports and NOAC continued to review all the audit and VFM reports produced by the LGAS during 2017 to see what areas NOAC might need to look at or follow-up on.

Two highlights of 2017 were the Good Practice in Local Government seminar in Kilkenny Castle on 21 November 2017 and the Customer Service Workshop held in the Custom House on 9 November 2017. The Good Practice event was organised jointly with the Local Government Management Association and featured a selection of interesting, innovative or practical demonstrations of good initiatives happening in individual local authorities that NOAC wanted to acknowledge and highlight. Equally, the various presentations given at the Customer Service workshop showed the many good initiatives being developed and implemented by local authority staff working in this area. NOAC would like to express its gratitude to the presenters and participants at both events.

Pictured at the Good Practice seminar are Peter Carey, Chief Executive of Kildare County Council and Chairperson of the CCMA, Cllr David Fitzgerald, Cathaoirleach and Colette Byrne, Chief Executive of Kilkenny County Council and Patrick McLoughlin, Chairman of NOAC.

Picture Dylan Vaughan.

NOAC Membership

NOAC's membership is statutorily prescribed as a minimum of 6 and a maximum of 9 members. There is provision for the Minister for Housing, Planning and Local Government increasing by order the number of members to a maximum of 12 for a period of up to two years. S.I. No. 536 made by the Minister on 19 October 2016 increased the number of members to 11 for the period up to 30 July 2018.

The appointed members bring a variety of expertise to their work, including from the legal, consumer, audit and local government elected member and management perspectives. At the end of 2017 there were 10 members of NOAC. The terms of office of John Buckley and Tara Buckley expired in June 2017 and both were reappointed by the Minister. Henry Upton resigned his membership with effect from 7th June 2017. The current members and their appointment dates are as follows:

Chairman	Pat McLoughlin	1/7/2014
Members	John Buckley	1/7/2014
	Tara Buckley	1/7/2014
	Connie Hanniffy	1/7/2014
	David Holohan	21/10/2016
	Paul Lemass	2/9/2014
	Michael McGreal	21/10/2016
	Martina Moloney	1/7/2014
	Sharon O'Connor	21/10/2016
	Colleen Savage	1/7/2014

Member Biographies

Pat McLoughlin, Chairman:

Pat McLoughlin, B.A, L.L.B., M.B.A., worked as a management consultant before he became Chief Executive Officer of the Alzheimer Society of Ireland in late 2016. He was Chief Executive of the South Eastern and Eastern Health Boards. He left the health sector in 2006 having served as Head of Hospitals and Deputy CEO of the HSE. He was CEO of the Irish Payment Services Organisation until December 2013. He has assisted Government, on a pro bono basis, on reviews of public expenditure, childcare, health insurance and justice. He has served on the Boards of a number of voluntary bodies.

John Buckley:

John Buckley is an accountant and a Barrister-at-Law. Prior to his appointment to the Commission he served as Comptroller and Auditor General. He has over 40 years' experience in public audit and was the first Director of Value for Money Audit in the Office of the Comptroller and Auditor General. He also serves on the Council of the Economic and Social Research Institute and chairs its Audit Committee.

Tara Buckley:

Tara Buckley is Director General of RGDATA (Retail Grocery Dairy & Allied Trades Association) which represents the interests of 4,000 Irish family-owned shops, convenience stores and supermarkets. Tara is a member of the High Level Group on Better Regulation, the Retail Consultation Forum and the National Payments Plan Steering Committee.

Constance Hanniffy:

Constance Hanniffy is a graduate of NUI Galway and holds a BA (Hons) in Community and Family Studies. She was an elected member of Offaly County Council from 1974 to 2014 and a member of the Midlands Regional Authority from 1994 to 2014. She was also a member of the Irish delegation to the

Committee of the Regions from 1998 to 2014. She is a past member of the National Economic and Social Forum (NESF) and of the Taoiseach's Devolution Commission (1995-97) which made recommendations to Government on local government reform and a member of the D/ECLG's Consultative Committee on the Local Government Reform Green Paper.

David Holohan:

David Holohan (BCOMM, MBA, APA, M.Inst.D, CMgr FCMI, Chartered FCSI) is Chief Investment Officer at Merrion Capital and was appointed to the Board of the HPRA by the Minister for Health in January 2016. Before joining Merrion in 2010, he was a Partner at a Dublin based investment firm and previously worked for a multi-billion dollar European hedge fund situated in London. David holds an MBA with merit from Imperial College London, is a Chartered Fellow of the Chartered Institute for Securities & Investment (UK), also a Chartered Fellow of the Chartered Management Institute (UK) and a Member of the Institute of Directors (Ireland). David is Chairman of the Governing Body of IADT and is a Director and Treasurer of the charity One in Four and the Dublin City Childcare Committee.

Paul Lemass:

Paul Lemass is an Assistant Secretary in the Department of Housing, Planning and Local Government with responsibility for the Local Government Division. Prior to this he was Ireland's Environment Counsellor in Brussels from 2010 – 2014, including the period of the Irish Presidency in 2013. He holds a primary degree in Mechanical Engineering from UCD, and a Masters in Business Administration from Northwestern University, Chicago, and has worked in private, non-profit and public sector roles throughout his career.

Michael McGreal:

Michael McGreal is the Company Deputy Chairman of IPB Insurance CLG and Chairman of the Board Remuneration and Nomination Committee. He is a former member and Chairman of Roscommon County Council, the West Regional Authority and the BMW Regional Assembly. He was a member of the Board of Inland Fisheries Ireland from 2010 to 2014.

Martina Moloney:

Martina Moloney was a career official in Irish Local Government for almost thirty-seven years. She holds a BA and MA in Public Management and a Doctorate in Governance and is a member of the Institute of Accounting Technicians. She worked in eight Local Authorities and held the post of Director of Community and Enterprise and Corporate Services in Galway City Council, before being appointed as County Manager in County Louth and subsequently as County Manager in Galway prior to her retirement in July 2014.

Sharon O'Connor:

Sharon O'Connor is chair of the Northern Ireland Education Authority since April 2015 and was previously Chief Executive of Derry City Council from 2011 to 2015. She has had over 20 years' experience as a Chartered Director, Non-Executive Director, Vice Chair, Committee Chair and Board Member and in 2009/10 was the Institute of Directors, Public Sector Director of the Year.

Colleen Savage:

Colleen Savage is a consultant in consumer insight and marketing strategy using a combination of quantitative and qualitative research skills. She has worked across the private sector, bringing the consumer perspective to strategy and communication development. She has also conducted research on citizen perceptions on public policy areas such as equality and human rights, voting intentions and effectiveness of government strategy. She was a member of the National Consumer Agency for two years, before it became part of the Competition Authority. As a board member she focuses on bringing her experience in both market research and data analysis to ensure that the consumer first elements of local government reform are reflected.

Fees

The annual fee payable to those members of NOAC who did not waive payment is below:

Member	€7,695
Chair	€11,970

NOAC implements the one person one salary principal in respect of the payment of member fees for Irish public servants.

Travel and subsistence expenses incurred are paid at standard Civil Service rates. The rates applicable in 2017 are available at http://www.revenue.ie/en/tax/it/leaflets/it51.html and at http://www.revenue.ie/en/tax/it/leaflets/it54.html#appendix1.

A table listing the attendance of members at NOAC meetings in 2017 is at Appendix 1.

NOAC thanks the RTB and DHPLG who provided venues for these meetings.

Presentations

During 2017 a number of requests were made to NOAC to give presentations on its work. It had been agreed at the first NOAC meeting that the Chairman would, where possible, perform the role of NOAC spokesperson and the Chairman gave the following presentations:

- Local Government Audit Service – February 2017
- Southern Region Audit Committee Forum – May 2017
- Study Visit to Ireland – Romanian Delegation – July 2017
- International Service Design Conference – September 2017

He also met with the County and City Management Association on 15th June 2017.

In addition, the Chair of the Performance Indicators Sub-Group gave a presentation to the LGMA's NOAC Performance Indicators Workshop for Local Authority Co-ordinators on 9 February 2017.

NOAC Sub-Groups

NOAC has established a number of sub-groups to take responsibility for progressing various projects, with regular reporting back to the full NOAC when key decisions are required. The nature of NOAC's statutory functions means that there will be an on-going requirement for some sub-groups, while others may only exist for the duration of a particular project. The sub-groups conduct much of their work via email as well as by meetings. The membership of the sub-groups during 2017, with the name of the Chair listed first, and a summary of the work conducted by each sub-group throughout the year are below:

Permanent sub-groups:

- Performance Indicators – Martina Moloney, Constance Hanniffy and Sharon O'Connor
- Customer Survey – Colleen Savage, Tara Buckley, Paul Lemass and Michael McGreal
- Financial Performance – John Buckley, Tara Buckley, Paul Lemass, Martina Moloney and (up to June) Henry Upton

Project Specific sub-groups:

- Housing – Paul Lemass, John Buckley and Pat McLoughlin
- Local Enterprise Offices (LEOs) – Constance Hanniffy, Tara Buckley, Diarmuid O'Leary and Colleen Savage
- Public Spending Code (PSC) – Henry Upton (up to June), John Buckley, Paul Lemass and Martina Moloney;
- PMO Projects – David Holohan, Pat McLoughlin, Martina Moloney and Michael McGreal.

Performance Indicators

Meetings: 8 May, 7 June, 19 July, 5 September, 13 October and 8 December 2017

Role: The Performance Indicator Sub-Group's mandate is to recommend appropriate performance indicators in respect of local authority activity and to oversee the data collection, verification, compilation and publication of a report on those indicators annually.

NOAC published the 2016 Report on Local Authority Performance Indicators on 25 January 2018. It is available at http://noac.ie/wp-content/uploads/2018/01/2016-PI-Report.pdf. The report was presented to the Minister for Local Government and to the Oireachtas Joint Committee on Housing, Planning and Local Government. A summary of the report is on pages 32–34.

The sub-group visited six local authorities to carry out an assessment of the accuracy and reliability of a subset of the indicators as follows:

- **Donegal County Council** reviewed on 13 June 2017 by Martina Moloney and Connie Hanniffy, with Paul Furey of the secretariat;
- **Limerick City & County Council** reviewed on 22 June 2017 by Connie Hanniffy and John Buckley, with Paul Furey of the secretariat;
- **Monaghan County Council** reviewed on 16 June 2017 by Martina Moloney and Sharon O'Connor, with Paul Furey of the secretariat;
- **Sligo County Council** reviewed on 23 June 2017 by Sharon O'Connor and John Buckley, with Paul Furey of the secretariat;
- **Tipperary County Council** reviewed on 21 June 2017 by Constance Hanniffy and John Buckley, with Paul Furey of the secretariat;
- **Wexford County Council** reviewed on 14 June 2017 by Martina Moloney and Sharon O'Connor, with Paul Furey of the secretariat.

The decision on which authorities to review was arrived at having regard to such factors as the urban/rural mix, scale of authority and those reviewed in the recent past.

The 2016 indicators selected for review were:

- Housing – H3: Average Re-letting Time and Cost
- Roads – R1: Pavement Surface Condition Index Ratings
- Planning – P5: Applications for Fire Safety Certificates
- Corporate – C2: Working Days Lost to Sickness
- Corporate – C3: Local Authority Website and Social Media Usage

As well as confirming the validity and robustness of the data provided by the local authorities, views were obtained on the usefulness of the indicators and related issues. In addition, overall performance issues, experience with the indicators and any follow-up or analysis carried out of the 2015 performance outcomes relative to other authorities and/or prior years was discussed with the relevant Chief Executives. The visits uncovered examples of good practice and showed that the indicators are being used to compare performance, identify areas for improvement and set targets.

NOAC encourages all local authorities to use comparators of performance when and where appropriate to see what they can learn from one another to improve performance and to engage with audit committees, elected members and relevant staff throughout the organisation to increase awareness and understanding, with the opportunity for learning and implementing change at the frontline.

Customer Survey

Meetings: 23 February and 1 September 2017

Role: The role of the Customer Survey Sub-Group is to initiate and oversee customer surveys that NOAC commissions. This relates to its functions under section 126C(1)(a) of the 2001 Local Government Act to scrutinise local authority performance against relevant indicators that relate to customer service and under section 126C(1)(c) to support the development and enhancement of best practice. The group recommends the activities or functions that should be the subject of surveys, develops requests for proposals and reviews questionnaires.

The study on local authority customer engagement that was initiated in 2016 continued in 2017. A customer engagement questionnaire issued to all local authorities on 24th April 2017 to gather information on items including their customer service function, staff training, use of customer feedback, Customer Charter reviewing, assessments of customer satisfaction, most common categories of customer enquiry, expenditure on communicating services to the public, the most visited online platforms and phone enquiries.

Having considered the questionnaire responses received, the sub-group decided to hold a Customer Service Workshop on 9th November 2017 (see page 22) with representatives from the 10-15 local authorities whose responses showed the most innovation or highest level of activity in customer satisfaction systems or measurement. The sub-group also decided that an online survey should be carried out of the general public that asks general satisfaction questions and specific questions about services that respondents have used.

NOAC's Customer Service Workshop was also attended by representatives of Ipsos MRBI who have been engaged by NOAC, following a tendering exercise, to carry out a survey of the general public to establish their level of satisfaction with their experience of engaging with their local authority. The survey will initially involve 10 local authority areas with the largest populations that will be surveyed in early 2018. This will be repeated in the remaining local authority areas in the two subsequent years.

Financial Performance

Meetings: 22 February and 15 June 2017

Role: The Financial Performance Sub-Group was established in September 2015 to progress NOAC's function under section 126C(1)(b) of the Local Government Act 2001 to scrutinise the financial performance, including in relation to value for money, of local authorities in respect of their financial resources.

During 2017, the sub-group continued its review of the reports by the local authority audit committees of their consideration of the Local Government Auditor's report on their 2014 Annual Financial Statements and the items discussed with the Auditors. In March 2017 the Audit Committees were asked to provide copies of their 2015 Annual Reports to the sub-group. Having considered the content of both documents, the chair of the sub-group wrote to the Audit Committee chairs seeking to fill any residual information gap on the activities being undertaken by Audit Committees in relation to their statutory functions (and having regard to the Guidance for Audit Committees in Local Authorities issued by the Department of Housing, Planning and Local Government in June 2014). These responses should enable the sub-group to complete its review of the performance of Audit Committee functions in early 2018.

In early 2017 the Financial Performance Sub-Group considered the main issues raised in the reports of the Local Government Audit Service of their audits of the 2015 Annual Financial Statements of the 31 local authorities. Having regard to the items that were included in the LGAS planned programme of work following the completion of the audits of the 2016 Financial Statements, the sub-group selected a number of issues for direct follow-up with the Chief Executives of the local authorities concerned. These topics arose in the audit reports of 29 local authorities who were asked to provide further information and/or an update as to these matters and the responses were being considered by the sub-group at the end of the year.

Housing

Meetings: 5 January and 4 April 2017

Role: The Housing Sub-Group was established in October 2014 to review the performance of local authorities with regard to their housing functions. The group carried out reviews relating to the maintenance and management of local authority housing and the performance of functions by local authorities under the private rented housing regulations. These thematic reviews relate to NOAC's function under section 126C(1)(c) of the Local Government Act 2001 to support the development and enhancement of best practice in the performance by local authorities of their functions.

Both reviews were supported by a Focus Group of local authority housing officials and analysis of data obtained from questionnaires completed by the local authorities and compilation into draft reports was undertaken by the Housing Agency for NOAC. The report – A Review of Local Authority Performance of Private Rented Houses Regulations was published by NOAC in October 2016 and the report – A Review of the Management and Maintenance of Local Authority Housing was published in May 2017 and is summarised on pages 28-31.

Local Enterprise Offices (LEOs)

Role: LEOs were established in 2014 to act as a local first stop shop for new enterprises, existing micro-enterprises (10 or less employees) and small business owners through which all information on State supports for small and micro businesses can be accessed. LEOs operate under the aegis of the Department of Jobs, Enterprise and Innovation (D/JEI) and are supported by Enterprise Ireland (EI).

NOAC's LEO Sub-Group was set up in April 2015 and was charged with exploring options for examining the performance of LEOs in the implementation of national policy. The work plans for 2016 and 2017 also included an assessment of the workings of the service level agreements (SLAs) that underpin the operation of LEOs.

A review of the LEO SLA was initiated by D/JEI in 2016 through a working group made up of representatives from D/JEI, EI, local authorities and the LEOs themselves. NOAC postponed its evaluation of LEO adherence to the agreements in case the review outcome resulted in significant changes to the operation of the SLAs. While this exercise had been expected to conclude in April 2017, NOAC is still awaiting confirmation of completion and the terms of the revised agreement. It will decide on the direction its evaluation will take upon receipt of these.

Public Spending Code

Role: The Public Spending Code (PSC) requires annual Quality Assurance (QA) reports to be submitted to the Department of Public Expenditure and Reform (D/PER) in respect of all public expenditure. NOAC has the function of compiling a composite QA report for the local government sector from the 31 individual local authority QA reports.

The QA report is made up of the following 5 Steps:

1) Provide an inventory of projects/programmes at different stages of the project life cycle,

2) Confirm publication on the local authority's website of procurements exceeding €10m,

3) Complete 7 self-assessment checklists contained in the PSC,

4) Conduct a more in-depth review of a selection of projects/programmes, and

5) Complete a short summary report for NOAC of the preceding steps and of the local authority's judgement of the adequacy of the appraisal/planning, implementation or review work examined, the reasons why it formed that judgment and its proposals to remedy any inadequacies found during the entire quality assurance process.

NOAC's role in this process is to verify that each step has been completed by each local authority and to compile the composite report. This work is overseen by the sub-group and the composite report, as well as being submitted to D/PER, is published on the NOAC website annually. The process in relation to the QA report for 2016 commenced in February 2017 and the composite QA report was published in December 2017. The later publication was impacted by the extension, agreed by D/PER for the local authority sector, of the deadline to 31 May for submission of the annual QA report, which meant that the QA reports were received after the time slot that NOAC had allocated for the compilation exercise.

PMO Projects Sub-Group

Meeting: 26 April 2017

NOAC's PMO Projects Sub-Group was established in February 2016 to continue the oversight work of efficiency reform implementation. The sub-group oversaw the finalisation of NOAC's April 2016 reports on implementation of the Local Government Efficiency Review Reforms and the Local Government Shared Services Projects. It will also review any progress reports produced by the Public Sector Reform Oversight Group, as they are made available, in relation to the shared services projects with lead local authorities.

Arising from the Local Government Shared Services Projects Report, NOAC decided that the PMO Projects Sub-Group should undertake a more in-depth review of the local authority internal audit function to clarify whether there is an internal audit function in operation in each local authority, if it is in-house or contracted out, performed by staff trained for that purpose and the type of reports being produced. A questionnaire was issued to local authorities in Summer 2017, along with a request for an update regarding measures taken to implement recommendations of the Internal Audit Collaboration Subgroup report that issued to the Heads of Finance in late 2014, and the responses are being considered by the group.

Other Activities

Good Practice in Local Government – Kilkenny Castle 21st November 2017

NOAC, in association with local authorities, held a Good Practice in Local Government conference on Tuesday, 21st November 2017 in Kilkenny Castle. NOAC has an important role to support the development and enhancement of best practice in the performance by local government bodies of their respective functions.

Pictured at the seminar are Patrick McLoughlin, NOAC; Cllr David Fitzgerald, Cathaoirleach of Kilkenny County Council; Collette Byrne, Chief Executive of Kilkenny County Council; Peter Carey Chief Executive of Kildare County Council and Chairperson of the CCMA; Martina Moloney NOAC; Michael McGreal, NOAC and Martin Lydon, Roscommon County Council.
Picture Dylan Vaughan

The event consisted of a number of case studies selected by NOAC and the CCMA as examples of initiatives that worked well and might be suitable for replication by other local authorities to beneficial effect. The case studies presented at the event by nine local authorities illustrated the sector's desire to improve efficiency in the service delivery, engage meaningfully with citizens and regenerate urban and rural areas.

Louth County Council – presented by Joe McGuinness, discussed their success and ongoing work in addressing vacant and derelict homes in private ownership. Louth County Council acquired the housing by the Compulsory Purchase Order process. Once acquired, the Council refurbished them. This solution to dereliction and anti-social behaviour in a housing estate also made more homes available for people on the Council's housing list. On foot of the initiative, some property owners in the community have renovated and rented out properties that were vacant up to now.

Monaghan County Council – presented by Nuala Woods on the reduction in the turnaround time for re-letting its housing from nearly 20 weeks to just 8 weeks thanks to changes in work processes and procedures. This included simple measures such as transferring to a paperless file system and using mobile devices to ensure non-office based staff had instant access to accurate information when and where they needed it.

Niall Noonan, South Dublin County Council, Nuala Woods, Monaghan County Council and Joe Mc Guinness, Louth County Council speaking at the seminar

The introduction of solar powered compacting smart litter bins to address an inefficient litter bin service had excellent results for **Dun Laoghaire Rathdown County Council** and was presented by Tom McHugh. He explained how web-based technology allows its team to monitor real time capacity and litter levels at each of its 400 smart litter bins. The number of litter bins was reduced but the overall capacity of litter bins was increased. The system has resulted in up to 85% fewer bin collections and operational savings of up to 75% for the service.

The social and economic regeneration of **Kilkenny'**s Abbey Quarter involves developing the former Smithwicks Brewery site adjoining Kilkenny's medieval quarter. Martin Prendiville and Tony Lauhoff outlined that the project will create both jobs and high quality public spaces and is an example of the work of local authorities in cities, towns and villages throughout Ireland to regenerate their local areas.

In addition to a tourism product, the Waterford Greenway is part of an initiative being driven by **Waterford City and County Council** to implement a smarter travel initiative in the County. Paul Daly explained that Dungarvan was selected as a Smarter Travel Demonstration Town, and following investment funded by the Department of Transport, Tourism and Sport, the town has been transformed to support commuters who are walking and cycling to work and school.

Since 2014 the Skellig Region has been designated as an International Gold Tier Dark Sky Reserve. This is seen as a key attraction for an area that has experienced economic and population decline. John Griffin from Kerry **County Council** outlined that the council was working with stakeholders to enhance the quality of the experience. The Council itself is retrofitting the street lighting with dark sky LED lighting in the 700 square kilometre reserve. Other projects included innovative approaches to budgeting presented by Niall Noonan from **South Dublin County Council** where their participatory budgeting process which has enjoyed success and plans are in place for the rollout of this initiative in the other areas in 2018. Julianne Coughlan and Noelle Desmond from **Cork County Council** spoke about how technology was used to deliver awareness and services and demonstrated how different needs and users could be address with a digital solution to allow for digital engagement. Finally, Susan Bookie described the research conducted by **Kildare County Council**, working in partnership with NUI Maynooth to ensure their policies are informed by data was showcased as a fine example of the approach to evidence based policy taken by local authorities throughout Ireland.

All the presentations given at the conference provided evidence of the high quality of good practice that there is out there and these were just a sample of a significantly larger range of

equally impressive and important methods being developed and adopted by all local authorities to achieve their objectives. The conference provided a useful learning opportunity and let attendees consider actions that could be taken to achieve better delivery of the services for their local authorities. 30 local authorities were represented at a senior level at the event.

Customer Service Workshop 9th November 2017

A workshop with some local authority staff working in the customer service area was held in the Custom House on 9th November 2017. Arising from its analysis of the responses to the customer service questionnaires, NOAC asked 10 of the authorities concerned to provide short presentations on a range of topics as follows:

Local Authority	***Topic***	***Presenter***
Cork County Council	On-line portal and its management	Conor Ahern
Dublin City Council	Service delivery strategy and how customer feedback will be built in	Eileen Quinlivan
Dún Laoghaire-Rathdown County Council	New customer services plan and how the outlined targets will be evaluated	Therese Langan
Fingal County Council	Customer satisfaction market surveys: design and impact	Gerry McDermott
Galway County Council	How its Customer Service Group works and improves services	Eimear Dolan
Leitrim County Council	Approach to communications and new communications strategy	Shane Tiernan
Limerick County Council	Practical live demonstration of MyLimerick	James Sweeney & Triona Daly
Meath County Council	Sugar system & customer engagement	Maeve Sheridan & Olive Falsey
South Dublin County Council	Multimedia campaigns	Ralph McGarry
Tipperary	Customer service management team meetings	Ger Walsh & Patsy Brislane

The presentations were followed by breakout session discussions of what the workshop participants found interesting and inspiring from the presentations, the common issues faced by the authorities, what they would like to learn more about or replicate in their authority, the current strengths and weaknesses of customer services in the local government sector and who outside of the public sector inspires their sense of customer service.

The members of NOAC's Customer Service Sub-Group found the workshop to be really informative and worthwhile as an overview of many excellent initiatives being taken by local authorities to improve customer service. NOAC is grateful to all the presenters and participants.

Meeting of Joint Committee on Housing, Planning and Local Government 9 November 2017

The Chair of the Joint Committee invited NOAC to a meeting to engage in the topic of: Local Government Finance – An Examination of the Funding Model. The Association of Irish Local Government and the County and City Management Association were also invited to attend.

The Chairman gave a brief opening address welcoming this first engagement with the Committee, outlining NOAC's work to date, particularly in the area of financial performance, and clarifying that NOAC's focus is on how efficiently local authorities utilise their funding rather than on how they are funded in the first place. In responding to comments by the Committee members, the Chairman while acknowledging that NOAC's statutory basis does not give it enforcement powers, NOAC is finding in its work that its reports are increasingly beginning to become embedded in the local authorities. Audit Committees are reviewing and discussing them with Councillors and Councillors are challenging management on how their local authority compares to others. He also expressed the view that NOAC's role is about being able to highlight where it should be possible to improve performance and sees much potential in local authorities working together and sharing good practice which is why NOAC worked with the CCMA in setting to the good practice event in November 2017.

Local Authority Profiles

In February 2017 NOAC decided to separately review the performance of each local authority, with a starting point of an overall picture derived from the performance indicator results, the LGAS audit reports, the financial position and revenue collection performance, private rented sector inspections, housing stock management and maintenance data, using the reports published to date by NOAC. Profiles were drafted in respect of Cork City Council and Louth and Offaly County Councils initially and these were forwarded to the Chief Executives of the authorities concerned. The Chairman then met with the Chief Executives for a general discussion of the profile and to invite the submission of relevant material outlining the particular context within which they each operate. The next stage involves a meeting between the Chief Executive and all the NOAC members at which the various items covered in the profiles are explored in more detail. NOAC met with the Chief Executive of Louth County Council at its meeting on 19th December 2017 and the meetings with the Offaly and Cork City Chief Executives were held in January and March 2018.

Value for Money (VFM) Unit Report No. 30 on Corporate Estate Management and Maintenance in Local Authorities

The authors of the report from the VFM Unit of the LGAS gave a presentation to NOAC at its meeting of 23rd May 2017 highlighting its key findings and recommendations. It was acknowledged that many of the report's recommendations would be difficult to implement outside of the main HQ buildings, given the range of diverse properties. Similar issues to those identified by the VFM Unit had arisen in NOAC's review of the management and maintenance of local authority housing stock, such as the lack of data, the emphasis on reactive rather than preventative maintenance, procurement issues re framework agreements, etc. The message emerging from both reports, together with NOAC's review of the performance of regulatory functions in the private rented sector, was that in-house property management expertise needs to be developed in the context of the significant involvement of local authorities in the property sector.

Interactions with the LGAS

Níamh Larkin, Director of Audit, joined NOAC's meeting of 17 January 2017 to discuss the VFM Unit work programme. She outlined changes to the scheduling of the audit programme that should free up additional audit resources to carry out VFM work towards the end of the year. This was followed by a meeting between representatives of NOAC and the LGAS on 16 February 2017 in relation to the process for selecting topics for VFM studies. The LGAS would like to focus on high expenditure or high risk areas in the allocation of additional resources to VFM studies. It was agreed that the working relationship between NOAC and the VFM Unit should consist of an annual meeting between NOAC and the LGAS, NOAC providing input to the topics for the VFM studies and shorter fact based reports and NOAC continuing to review all the audit and VFM reports produced by the LGAS, to see what areas NOAC might need to look at or follow-up on. NOAC's Chairman and the Director of Audit had follow-up meetings during 2017.

County and City Management Association ICT Strategy Group

A thematic review of the ICT function within local authorities was considered at length by NOAC during 2017. Aspects that were regarded as appropriate for examination included the high spend on ICT and variations in per capita ICT costs, the cyber risk, the consumer perspective, the tie-in of local authority websites with the eGovernment strategy, issues with data reliability, consistency and the need to address integration of data streams and plans for the licences.ie portal and for customer experience testing. As the County and City Management Association (CCMA) had established an ICT Strategy Group to develop a new strategy for the local government sector, NOAC invited representatives of the group to its meeting of 4th July 2017. The members were briefed on developments in the provision of operational support to local authorities by the LGMA and on the principal themes of the strategy then nearing finalisation.

Subsequent to receipt of the completed Local Government ICT Strategy in September 2017, NOAC asked that the CCMA and LGMA personnel directly involved in the preparation of the Strategy implementation plan attend its meeting on 7th November 2017 to discuss the level

of resources required, value for money, cyber security and the consumer-facing aspect. NOAC will look at the implementation plan when finalised to see if there is a focus on costs at a governance level and if national level systems provide key reliable data that NOAC can use in performance indicators. At end year engagement with the CCMA on this matter was ongoing.

Presentations on the factors influencing the cost of ICT per staff member were given to the NOAC members at the meeting of 4th July by the Heads of Information Systems of Dublin City and Leitrim County Council as representative of low and high per capita cost authorities to provide members with an insight into the considerable variation that arises in this annual performance indicator.

Meeting with Minister for Local Government

The Housing, Planning and Local Government (Delegation of Ministerial Functions) Order 2017 (S.I. No. 473 of 2017) conferred on Mr John Paul Phelan, TD, Minister for Local Government, functions in relation to NOAC and the Minister attended NOAC's meeting of 4th July 2017 to meet the members, express his appreciation for the work NOAC had carried out since its establishment and to see if there were any gaps or places where he could help. Members raised with him a number of issues, including support needed by the border counties to deal with the challenges posed by Brexit highlighted at performance indicator validation visits to some of the border authorities, the need to ensure that the NOAC secretariat was adequately resourced to assist NOAC in carrying out its full functions, low and declining public awareness of all the services provided by local authorities, and the need for more active engagement by authorities in ensuring customer satisfaction.

Code of Practice for the Governance of State Bodies

In order to implement the September 2016 revised Code of Practice by the required date of September 2017, in June 2017 NOAC entered into an Adaptation Agreement with the Department of Housing, Planning and Local Government specifying the provisions of the

Code that shall apply to NOAC and the provisions that shall not apply having regard to NOAC's structure and the way in which it is resourced. It also entered into a Performance Delivery Agreement. The schedule of non-applicable provisions in the Adaptation Agreement and the Performance Delivery Agreement formed part of NOAC's Oversight Agreement with the Department. Finally, as required under the Code, NOAC approved its Terms of Reference at its meeting of 4th July 2017. The Terms are attached at Appendix 3.

Publications

NOAC published the following reports on its website in 2017:

- A Review of the Management and Maintenance of Local Authority Housing
- Public Spending Code - Local Authority Quality Assurance Report 2016

A summary of the two published reports follows:

Management and Maintenance of Local Authority Housing

This report related to NOAC's review of the management and maintenance by local authorities of their own housing stock of nearly 131,000 social houses. It is based primarily on responses from authorities to a questionnaire, although some data integrity issues relating to the information provided by authorities were encountered. A separate associated report outlining the results of a customer satisfaction survey carried out on 758 local authority tenants on NOAC's behalf by Behaviour & Attitudes had already been published by NOAC in 2016.

The report provides a profile of local authority housing by type of housing, the number of staff involved in and costs of the management and maintenance function, how local authorities manage their stock (including performance in rent collection and minimising vacant units) and, where such stock is in estates, how relationships with tenants and communities are being managed, and the arrangements in place to maintain and repair housing and prepare units for re-letting. It also sets out the views of local authorities on challenges and potential improvements.

- Local authorities reported managing and maintaining a total stock of 130,603 dwellings in 2015.
- 81% of the housing stock was houses and 18% was flats. There were still a few remaining demountables in local authority ownership (0.6%).

- 39% of the total housing stock was built in the last 20 years.
- 8% of the housing stock was built specifically for older people.
- 55% of the housing stock was made up of three bed units and 26% was two bed units.
- There were still more than 2,800 bedsits in local authority ownership, mainly in Dublin City Council.
- Local authorities reported managing almost 5,800 housing estates across the country. Limerick City and County Council manages the most (518 estates).
- Less than 4.5% of the housing stock was made up of single rural dwellings.
- There were 1,015 full-time staff working in local authorities in the management of local authority housing and 739 staff working on the maintenance of this housing.
- The number of dwellings per management whole-time equivalent staff ranged from 66.2 in Dublin City to 1,197 in County Galway
- Only a third of local authorities make information available to tenants about their performance in dealing with estate management issues, and mainly only when requested.
- Local authorities applied for 25 Excluding Orders and issued 37 Notices to Quit in relation to their tenancies in 2014.
- There were over 4,200 housing units vacant in Autumn 2015 and more than 13% of these had been vacant for longer than three years.
- 32% of these vacant units were vacant because of planned regeneration or remedial works schemes.
- The average length of time units re-let in 2014 were vacant ranged from seven weeks to 83 weeks.
- Almost 31% of all vacant units needed major work to be carried out before they could be re-let again.
- Some measures being used to minimise vacancies by local authorities were: putting framework agreements in place with contractors, introducing new management systems to focus on vacancies, identifying new tenants at an early stage, prioritising refurbishment of houses in high demand areas and the introduction by a few local authorities of choice-based lettings.

- Local authorities received €348 million in rents from tenants in 2014 and the overall collection yield that year was 84% of the amount due.
- Nationally, average rent charged in 2014 was €224 per month.
- The average rent received per dwelling in 2014 was 159% of the average expenditure on maintaining and improving dwellings that year.
- Just five local authorities said that they carried out condition surveys of their housing stock at regular intervals, though another 10 authorities had carried out a condition survey in the past.
- The overall cost of maintenance and improvement reported by local authorities in their annual financial statements for 2014 was approximately €219 million.
- Reported expenditure on maintenance carried out by contractors was €98 million.
- Local authorities reported spending €51.2 million readying 4,437 vacant units for re-letting in 2014.
- Over €82 million was claimed in grants from the Department of Housing, Planning, Community and Local Government in 2014 for works carried out; 31% of this was for energy retrofitting.
- Over 178,000 repair requests were logged in 2014.
- The number of repair requests logged and waiting to be dealt with at 31st December 2014 was 6,989, with an estimated cost of nearly €5 million.
- Just five local authorities reported operating an annual maintenance service charge agreement with tenants. The total amount collected by local authorities ranged from €2,251,080 by Dublin City Council to €624,531 in Dún Laoghaire-Rathdown.
- 27 local authorities reported that completed repair work is inspected.
- 17 local authorities had retrofitted at least half their housing stock with energy efficiency measures.

NOAC concluded that this review suggests that there is scope to improve management by adopting better practice, the main opportunities for which were summarised as:

- Minimising delays through pre-qualifying contractors and pre-allocating accommodation
- Fostering stronger communities through greater engagement and involving them in the management of their estates
- Improving information on the condition of the housing stock
- Greater use of costing prior to works and analysis of post contract variances
- Evaluating the scope to improve efficiency by varying the mix between in-house and contracted resources
- Optimising the use of preventative maintenance
- Inspection of all work completed
- Managing information more effectively
- Greater recourse to standardised processes and shared services
- Establishing targets, reviewing annually year on year performance and presenting outcomes to management teams, elected members and the Audit Committees.

Public Spending Code Quality Assurance Report 2016

The report analysed the extent to which the 5 steps of the quality assurance process had been complied with. It also summarised the local authorities' judgments of the adequacy of the appraisal/planning, implementation or review work that they examined for the in-depth review, the reasons why they formed those judgments and their proposals to remedy any inadequacies found during the entire quality assurance process. All 31 authorities carried out the in-depth check of a selection of projects from their inventories and provided information pertaining to the reviews for the purposes of the summary report for the sector compiled by NOAC.

Performance Indicators in Local Authorities 2016

Publication of the 2016 Performance Indicators Report was delayed until January 2018 due to concerns about the reliability of data provided by many local authorities in respect of some of the schemes for the provision of social housing. In an effort to address the issues, a detailed assessment was undertaken in a sample of local authorities, the outcome of which suggested that there were a number of inconsistencies, variations in interpretation of the Guidelines issued by NOAC, and errors identified in some of the data submitted, not all of which were reconcilable. NOAC made the decision not to publish these indicators for 2016 and instead to focus on a redesign of the indicators for 2017 to better align with the priorities identified in Rebuilding Ireland, which was introduced in July 2016. It is intended that these revised indicators will be accompanied by guidelines that will provide greater clarity to local authorities for the data preparation process. Some of the main findings of the 2016 Performance Indicators report are:

Housing

- 3% of local authority houses were vacant at the end of 2016, compared to 3.5% at end 2015 and 3.8% at end 2014, and 15 local authorities had a vacancy rate of less than 2%
- the average house re-letting time had increased to 33 weeks, but impacting on that figure are an increasing number of long-term voids being returned to occupation using the Department of Housing, Planning and Local Government's Vacant Properties (Voids) Programme
- 10,206 inspected rented dwellings in 2016 were not compliant with the Standards Regulations and 5,101 became compliant during the year
- at the end of 2016, there were 4,186 homeless adults in emergency accommodation, an increase of 19% on the number at end 2015

Roads

- By the end of 2016, 98% of regional roads had received a Pavement Surface Condition Index (PSCI) rating and 70% had surface or structural defects
- Monaghan had the highest proportion of its regional roads in both the worst condition category (15%) and in the best category (51%)
- 10% or more of roads were structurally distressed in the case of 12 local authorities for local primary roads, 18 authorities for local secondary roads and 19 authorities for local tertiary roads

- 1,429km of local roads were strengthened in 2016 using €100.5m in Improvement Grants and 1,719km of local roads were resealed using €29.3m of Maintenance Grants
- Since 2012, the proportion of motor tax transactions conducted online has increased by almost 20 percentage points to 70.14%

Water

- For the third year running, private drinking water supplies in Co. Westmeath achieved a 100% compliance rate with the Drinking Water Regulations
- Overall compliance of private drinking water supplies was 97.77%, a very slight dis-improvement on the previous year

Economic Development

- In 2016, businesses assisted by Local Enterprise Offices created 3,355 jobs, there were 7,564 participants in the mentoring scheme and the LEOs approved 1,141 trading online vouchers in respect of small businesses

Planning

- There was a 37% increase in the number of new buildings notified to local authorities in 2016 and a quarter of these new buildings were inspected
- The average per capita cost of the planning service rose fractionally to €26.96, with Cavan having the lowest cost for the third year at €15.25

Litter

- Just over half of the monitored authorities increased the litter free portion of their counties There were no areas of moderate, significant or gross litter pollution in counties Laois and Leitrim in 2016

Fire Service

- Calls to attend fires reduced by 4% and other emergency call-outs increased by 10% in 2016 over the previous year
- Of the part-time brigades Sligo had the quickest mobilisation time for fires and other incidents

Library Service

- There were 17.18m visits to libraries and 18.17m items borrowed in 2016
- The number of visits per head of population ranged from 6.2 in Cork City to 1.84 in Louth

Corporate

- For the first time since end 2008, there was an increase in the whole-time equivalent (WTE) staff employed by the local authority sector at end 2016 – the increase was 289 WTE or 1%
- Despite this, staff numbers reduced in 9 authorities: Dublin City, Carlow, Cork County, Dún Laoghaire-Rathdown, Mayo, Roscommon, Sligo, Waterford and Westmeath
- Total medically certified paid sick leave for all authorities increased to 3.76% of working days – the paid sick leave rate was greater than 3.5% in the case of 21 authorities, but the rate in Westmeath was only 1.68%
- Total page views of all local authority websites in 2016 were 59m and total social media users/ followers were 1.16m

Finance

- Clare, Kilkenny and Louth cleared their Revenue Account deficits in 2016, leaving 13 authorities in deficit at the end of the year – 12 of these, however, reduced their deficits
- Meath had the lowest per capita expenditure at €522 and Dublin City had the highest at €1,388, which may be related to the provision of services to a high number of non-residents
- All local authorities increased their rates collection performance in 2016, apart from two that already had a very high collection rate
- Tipperary collected 97% of housing rents and Fingal collected 100% of housing loan repayments in 2016

All NOAC reports can be found at: http://noac.ie/noac-reports/.

Resources

NOAC is supported by a secretariat with 2 full-time equivalent staff members who are provided by the D/HPLG. NOAC is funded from the Local Government Fund and its allocation from that Fund in 2017 was €200,000. Its 2018 allocation will again be €200,000.

Expenditure

NOAC expenditure for 2017 was €124,942.26 which was incurred as follows;

Member Fees €72,277.81

Travel & Subsistence €16,957.32

Seminars €5,203.60

Meeting/Workshop Expenses €368.53

Consultants €30,135.00

The members consider the statement of expenditure in 2017 to be a true and fair view of NOAC's spending during 2017.

Appendix 1:

Attendance at Meetings

Member	17/1/2017	28/2/2017	11/4/2017	23/5/2017	4/7/2017	22/8/2017	25/9/2017	7/11/2017	19/12/2017
Pat McLoughlin	Y	Y	Y	Y	Y	Y	Y	Y	N
John Buckley	Y	Y	Y	N	Y	Y	N	Y	Y
Tara Buckley	Y	Y	Y	N	Y	Y	N	Y	Y
Constance Hanniffy	Y	Y	Y	N	Y	Y	Y	N	Y
David Holohan	Y	Y	N	N	Y	Y	Y	Y	Y
Paul Lemass	Y	Y	Y	Y	N	Y	Y	Y	Y
Michael McGreal	Y	Y	Y	N	Y	Y	Y	Y	Y
Martina Moloney	Y	Y	N	Y	Y	Y	Y	Y	Y
Sharon O'Connor	Y	Y	Y	N	Y	Y	Y	N	Y
Colleen Savage	N	Y	Y	Y	Y	Y	Y	Y	Y
Henry Upton*	N	N	N	N					

* Resigned membership in June 2017

Appendix 2:

NOAC's Strategy

Statutory Mandate

The Local Government Reform Act 2014 gave legislative effect to proposals set out in the *Action Programme for Effective Local Government* for a range of reforms designed to strengthen local government, including its structures, functions, funding, operational arrangements and governance.

The reforms included the establishment of a National Oversight and Audit Commission. Accordingly, NOAC was established by the Minister for the Environment, Community and Local Government under Part 12A of the Local Government Act 2001 (as amended) on 1 July 2014 to oversee the local government sector at a local, national and regional level.

The functions assigned to it by Part 12A are to:

a) *Scrutinise the performance of any local government body against relevant indicators as selected by NOAC or as prescribed in regulations by the Minister,*

b) *Scrutinise financial performance, including value for money, of any local government body in respect of its financial resources,*

c) *Support best practice (development and enhancement) in the performance by local government bodies of their functions,*

d) *Monitor and evaluate adherence to service level agreements entered into by any local government body,*

e) *Oversee implementation by local government bodies of national policy for the local government sector,*

f) *Monitor and evaluate public service reform implementation by any local government body or generally,*

g) *Monitor adequacy of corporate plans prepared by regional assemblies or local authorities and evaluate implementation of the plans by any local government body or generally,*

h) Take steps under its other functions for the purpose of producing any report requested by a Minister under section 126D of the Act,

i) Produce reports under its own initiative, in addition to the section 126D requested reports and the section 126K annual report requirement,

j) Carry out any additional functions that are conferred by Ministerial Order.

As part of its strategic planning, NOAC established its vision, mission and values as:

NOAC's Vision

NOAC will contribute positively to the optimisation of the level of service provision in the local government sector through its independent scrutiny of performance and its identification of best practice in the sector.

NOAC's Mission Statement

NOAC will independently oversee the local government sector by reviewing the financial and operational performance of bodies within its remit, overseeing implementation of national local government policy and identifying opportunities for best practice.

NOAC's Values

NOAC is committed to operating to the highest standard of integrity and fairness in discharging its duties. It will adhere to the following core values:

- NOAC and its members will be independent, objective and fair in performing their functions
- NOAC's findings and recommendations will be based on the best available evidence and information
- NOAC will work with local government bodies and utilise available existing resources in carrying out its work
- NOAC will engage with relevant stakeholders in undertaking its work
- NOAC will report its conclusions in an open and transparent fashion

The full Statement of Strategic Intent 2017 – 2019 is set out on NOAC's website at http://noac.ie/wp-content/uploads/2017/04/NOAC-Statement-of-Strategic-Intent-2017-2019.pdf.

Approach and Objectives of NOAC

In implementing its mandate NOAC aims to:

- Be established in its role and have forged a working relationship with its stakeholders, including the D/HPLG, the Chief Executives and elected members of the local authorities
- Conduct evidence based scrutiny that delivers quality, objective, balanced and relevant reports, which will afford the local government sector the opportunity to improve its performance, enhance the existing culture of continuous improvement and embed best practice within the system as a whole
- Add value to the local government sector and provide recommendations to build on the efficiencies and savings delivered by the sector to date, with a focus on customer service and cost effectiveness
- Establish a collaborative approach with the relevant bodies and agencies at the heart of NOAC's work
- Identify and focus upon those aspects of local authority functions and activities that are important to the citizen/customer
- Facilitate engagement around improved performance, and
- Monitor the adequacy of local authority corporate plans and assess how well these are being implemented.

The key output indicators will be the reports published by NOAC and presented to relevant Joint Committees of the Houses of the Oireachtas and the implementation of NOAC's recommendations by the relevant local government bodies as reported to NOAC and to the elected members in the Chief Executives' monthly management reports to the councils.

Operating Procedures

NOAC is clear that its function in relation to national policy for the local government sector is to oversee implementation of agreed policy and will not in its reports question the merits of policy or policy objectives.

NOAC will independently scrutinise performance through setting and monitoring performance indicators, thematic reviews of local authority programmes, projects and systems, reviewing financial and value for money reports of the Local Government Audit Service, reviewing other evaluations of local government activities and, where it considers it warranted, having oral hearings on matters falling within its statutory remit. Its focus will be on the wide range of service delivery systems operated and maintained by local authorities and regional assemblies.

In order to carry out its work efficiently, NOAC will from time to time establish sub-groups to undertake particular activities as decided by it and to make recommendations to it. NOAC will not deal with cases that in its view fall within the remit of a statutory procedure or body or with matters that are the subject of litigation in the Courts.

While NOAC welcomes suggestions from stakeholders and takes them into account in scoping its work, it will not, in general, scrutinise a lone specific aspect of an individual local government body's performance of a particular function, or investigate the handling of individual cases, save where NOAC determines that a wider investigation may be warranted.

It is envisaged that activities undertaken by NOAC in the period up to end 2019 will relate primarily to matters that have a national or regional relevance.

Operating Environment and Capacity to Deliver

Although NOAC is a statutory body, it does not retain any staffing complement of its own. The secretariat provided to NOAC from the D/HPCLG consists of 3 staff whose functions are to provide support for meetings, communicate with members, discharge formal requirements, etc. and, under the guidance of the Chair, coordinate any research being undertaken on behalf of NOAC and information sought by NOAC. It also has a limited budget for engaging outside expertise. Funding of €200,000 per annum has been made

available for the operation of NOAC to date.

NOAC relies significantly on the LGMA, which is the main resource within the local government sector, and will rely on the regional assembly structures as they develop, to undertake research, investigation, analysis and assessment tasks. It also relies on the expertise of relevant sections within Government Departments and other agencies that are operating within the local government sector.

While NOAC has no involvement in directing the statutorily independent LGAS audit function, the Value for Money function within the LGAS is a resource that is available to NOAC. A critical success factor continues to be the extent to which these resources have the capacity and expertise to provide the reliable data and critical analysis that are essential to NOAC's role.

Appendix 3:

Terms of Reference of NOAC

NOAC was established under the Local Government Act 2001 (the Act) (as amended by the Local Government Reform Act 2014) with effect from 1st July 2014. NOAC has adopted a corporate governance regime in accordance with best practice.

The purpose of this document is to set out the terms of reference of NOAC. These terms of reference, approved by NOAC on 4 July 2017, are effective from 1 July 2017.

1. Membership

Members of NOAC shall be appointed by the Minister for Housing, Planning and Local Government in accordance with section 126H of the Act. The Commission shall be made up of at least 6 members.

Only members of NOAC have the right to attend Board meetings. However, the staff of the secretariat and other individuals may be invited to attend for all or part of any meeting, as and when appropriate or necessary.

Appointments to NOAC shall be for a period of up to 5 years, which may be extended for one further period of up to 5 years.

In the absence of the Chairperson, the remaining members present shall agree one of their number to chair the meeting.

2. NOAC Secretariat

NOAC's secretariat will ensure that the members receive information and papers in a timely manner to enable full and proper consideration to be given to the issues.

The secretariat is also responsible for the formal induction of new NOAC members and organising mentoring for members where required.

3. Quorum

The quorum necessary for the transaction of business shall be 4 members. A duly convened meeting of NOAC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions exercisable by NOAC.

4. Frequency of Meetings

NOAC shall meet at least 8 times a year, and as otherwise required.

5. Notice of Meetings

Meetings of NOAC shall be summoned by the secretariat at the request of the Chairperson.

Where at all possible, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to the members no later than two working days before the date of the meeting. Supporting papers shall be sent to the members at the same time.

6. Minutes of Meetings

The secretariat shall minute the proceedings, discussions and decisions of all meetings of NOAC, including recording the names of those present and in attendance.

Minutes of NOAC meetings shall be circulated to all members for approval at the next NOAC meeting.

7. Duties

The day-to-day running of NOAC shall be carried out by the secretariat who will report on the work as appropriate by email and at NOAC meetings.

The members shall advise and support the secretariat.

NOAC shall satisfy itself that financial controls and systems of risk management are robust and defensible.

NOAC shall keep itself up to date and fully informed about strategic issues and changes affecting it and the environment in which it operates.

NOAC shall ensure that on appointment, members receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, sub-group service and involvement outside NOAC meetings.

NOAC may, from time to time, establish such sub-groups of NOAC as are necessary to assist it in the performance of its duties. They may include members who are not members of NOAC if specialist skills are required. Where a sub-group is put in place:

- the terms of reference shall be specified in writing and approved by NOAC and reviewed annually;
- NOAC, on the nomination of the Chairperson, shall appoint its members;
- NOAC shall receive reports from the sub-group that reflect activity undertaken by the group;
- all protocols concerning the operation of NOAC shall be applied to a sub-group;
- notes of sub-group meetings shall be circulated to all NOAC members.

NOAC shall review the results of its performance evaluation process that relate to the composition of NOAC and corporate governance generally.

NOAC shall keep under review corporate governance developments (including ethics-related matters) that might affect the State body, with the aim of ensuring that the its corporate governance policies and practices continue to be in line with best practice.

NOAC shall ensure that the principles and provisions set out in the Code of Practice for the Governance of State Bodies (and any other corporate governance codes that apply to it) are adhered to.

8. Reporting Responsibilities

NOAC shall keep the Minister for Housing, Planning and Local Government informed, outside of the Annual Report exercise, of significant matters arising within the State body.

9. Other

NOAC shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and implement any changes it considers necessary.

10. Authority

NOAC is authorised to obtain, at its own expense, outside legal or other professional advice where the members judge it necessary to discharge their responsibilities as members of NOAC.