

September 19th, 2025

Notice Of Meeting

You are requested to attend the meeting to be held on **Monday, 22nd September 2025** at **7:00 pm** in **Hybrid - Church Street, Newtownards & via Zoom**.

Agenda

Agenda

📎 AC 2025.09.22 Agenda.pdf

Page 1

1. **Apologies**
2. **Chairman's Remarks**
3. **Declarations of Interest**

Reports for Noting

4. **Matters Arising from Previous Meetings**

- a) Committee Minutes from 27 May 2025 (Copy attached)
- b) Committee Minutes from 26 June 2026 (Copy attached)
- c) Follow-up Actions (Report attached)

📎 *Item 4a AC 27.05.2025 Minutes.pdf* *Not included*

📎 *AC 27.05.2025 MinutesPM.pdf* *Page 3*

📎 *Item 4b - AC 26.06.2025 Minutes.pdf* *Not included*

📎 *AC 26.06.2025 MinutesPM.pdf* *Page 14*

📎 *Item 4c - Follow-up.pdf* *Page 16*

5. **External Audit**





- a) Draft Report to Those Charges with Governance (Copy attached)

📎 *Item 5a - 2024-25 AND RTTWCG - FINAL DRAFT.pdf* *Page 18*

6. **Internal Audit**

- a) Quarterly Progress (Report attached)
 - i) Administration Service Review (Report attached)
 - ii) Community & Culture Service Review (Report attached)

iii) Lease Management Review (Report attached)

 <i>Item 6a - ANDBC AC Progress Report.pdf</i>	<i>Page 50</i>
 <i>Item 6ai - Administration Service - Final Draft Report (for issue).pdf</i>	<i>Page 82</i>
 <i>Item 6aii- Community and Culture Service - Final Draft Report (for issue).pdf</i>	<i>Page 97</i>
 <i>Item 6aiii - Lease Management - Final Draft Report (for issue).pdf</i>	<i>Page 111</i>

7. Corporate Governance

a) Policy Status Review (Report attached)

b) Corporate Risk Register (Report attached)

 <i>Item 7a Policy Status Update.pdf</i>	<i>Page 126</i>
 <i>Item 7b Corporate Risk Register.pdf</i>	<i>Page 128</i>
 <i>Item 7b.1 Corporate Risk Register and Action Plan.pdf</i>	<i>Page 132</i>

Reports for Approval

8. Audit Financial Statements 2024/25

Copy attached

 <i>Item 8 - ANDBC Accounts 2024-25 For Sept AC.pdf</i>	<i>Page 155</i>
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9. Request for a Members Survey

Report attached

 <i>Item 9 - Request for Members Survey.pdf</i>	<i>Page 283</i>
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10. Any Other Notified Business

ITEMS 11 - 13 In Confidence

Reports for Noting

11. Single Tender Actions Update - Report for Quarter 2, Financial Year 2025/26

Report attached

12. Fraud, Whistleblowing and Data-Protection Matters

Verbal Update

13. Meeting with NI Audit Office & Internal Audit Service in the absence of Management

Verbal update

ARDS AND NORTH DOWN BOROUGH COUNCIL

16 September 2025

Dear Sir/Madam

You are hereby invited to attend a hybrid meeting (in person and via zoom) of the Audit Committee of the Ards and North Down Borough Council which will be held the Council Offices, 2 Church Street, Newtownards on **Monday, 22 September 2025** commencing at **7.00pm**.

Yours faithfully

Susie McCullough
Chief Executive
Ards and North Down Borough Council

A G E N D A

1. Apologies
2. Chairman's Remarks
3. Declarations of Interest

Reports for Noting:

4. Matters Arising from Previous Meetings
 - a) Committee Minutes from 27 May 2025 (report attached)
 - b) Committee Minutes from 26 June 2025 (report attached)
 - c) Follow-up Actions (report attached)
5. External Audit
 - a) Draft Report to Those Charged with Governance (Report attached)
6. Internal Audit
 - a) Quarterly Progress (report attached)
 - i. Administration Service Review (report attached)
 - ii. Community and Culture Service Review (report attached)
 - iii. Lease Management Review (report attached)
7. Corporate Governance
 - a) Policy Status Review (report attached)
 - b) Corporate Risk Register (report attached)

Reports for Approval:

- 8. Audited Financial Statements 2024/25 (Report attached)
- 9. Request for a Members Survey (report attached)
- 10. Any Other Notified Business

ITEMS 11 - 13 *IN CONFIDENCE*****

Reports for Noting:

- 11. Single Tender Actions Update – Report for Quarter 2, Financial Year 2025/26 (report attached)
- 12. Fraud, Whistleblowing and Data-protection matters (verbal update)
- 13. Meeting with NI Audit Office & Internal Audit Service in the absence of Management (verbal update)

MEMBERSHIP OF AUDIT COMMITTEE (11 MEMBERS)

Alderman Armstrong-Cotter	Councillor Morgan
Councillor Harbinson	Councillor McKee
Alderman McAlpine	Councillor McLaren
Alderman Graham	Councillor Thompson (Chair)
Councillor Hollywood (Vice-Chair)	Councillor Wray
Mr P Cummings	

ITEM 8.1.

3

ARDS AND NORTH DOWN BOROUGH COUNCIL

A hybrid meeting (in person and via Zoom) of the Audit Committee was held at the Council Chamber, Church Street, Newtownards, on Tuesday, 27 May 2025 at 7.00pm.

PRESENT: -

In the Chair: Councillor McCollum

Councillors: Harbinson McLaren
McKee (Zoom) Wray

Independent Member: P Cummings

In Attendance: NIAO – Brian O'Neill
Deloitte – Camille McDermott (Zoom)

Officers: Director of Corporate Services (M Steele), Head of Finance (S Grieve) and Democratic Services Officer (P Foster)

1. APOLOGIES

The Vice Chairman (Councillor McCollum) sought apologies at this stage.

Apologies had been received from Councillors Ashe, Cochrane, Hollywood, Thompson and the Chief Executive.

NOTED.

2. CHAIRMAN'S REMARKS

The Vice Chairman commented that this was her first time in the Chair and she welcomed Deloitte representative Camile McDermott, Northern Ireland Audit Office (NIAO) representative Brian O'Neill as well as Independent Member, Paul Cummings.

NOTED.

3. DECLARATIONS OF INTEREST

The Vice Chairman sought Declarations of Interest at this stage.

No Declarations of Interest were declared. Members were reminded that they could declare throughout the meeting.

NOTED.

4. MATTERS ARISING FROM PREVIOUS MEETINGS

(a) Audit Committee Minutes from 24 March 2025

PREVIOUSLY CIRCULATED:- Copy of the above minutes.

AGREED TO RECOMMEND, on the proposal of Councillor McLaren, seconded by Councillor McKee, that the minutes be noted.

(b) Follow-Up Actions

(File ref: AUD02)

PREVIOUSLY CIRCULATED:- Report from the Director of Corporate Services stating that in line with good practice, a register of actions was maintained to ensure that requests from previous meetings of the Committee were followed up on.

Item	Title	Action	Officer	Status
Dec 23 6b	Audit and Assessment Report	Drafting of formal consultation strategy	Head of Comms & Marketing	In draft Sept 25
Jun 24 12	Private Meeting with Auditors	Earlier circulation of draft financial statements	Head of Finance	June 25
Mar 25 6a	Internal Audit Progress Report	Discuss interim arrangements for systems officer	Head of Finance	May 25
6f		Remind Service Unit Managers to keep income procedures up to date	Head of Finance	Sep 25

RECOMMENDED that Council notes the report.

AGREED TO RECOMMEND, on the proposal of Councillor Wray, seconded by Councillor Harbinson, that the recommendation be adopted.

5. EXTERNAL AUDIT

- a. **Effective Audit and Risk Assurance Committees – A Good Practice Guide** (Appendix I)

PREVIOUSLY CIRCULATED: - Report from the Director of Corporate Services which stated that a letter was received by the Chief Executive on 10 April 2025 from the Northern Ireland Audit Office. The letter related to Effective Audit and Risk Assurance Committees and contained links to the appendices to this report.

RECOMMENDED that Council note this letter and the appendices.

Brian O'Neill (NIAO) referred to Appendix 2, The Good Practice Guide, which had been published in March 2025, drawing members attention to Section 7 which provided guidance specifically for Local Government. He highlighted Section 7.2 which recommended that the Chair of Audit Committees were held by the Independent member of the Committee for a wide variety of reasons. Continuing he also referred the Committee to the Self-Assessment Checklist included as an Appendix with a number of other useful appendices.

Questions were sought from members at this stage and the following comments were made.

Councillor McLaren noted the recommendation for the Independent member to adopt the role of Chairman and expressed the view that the Committee could potentially miss out on their viewpoint. As such she wondered if it would be beneficial to have more than one Independent member on the Committee.

Mr O'Neill commented that opinion was that Independent members often brought a wider breadth of experience to the Committee.

Councillor Wray agreed that if the Independent member assumed the position of Chairman the Committee could lose that experience which they brought to the Committee. He asked if this approach had been adopted in any other Councils to date.

Mr O'Neill confirmed that one other Council currently had an Independent member as Chairman of the Audit Committee.

Mr Cummings added that in his experience there were a smaller number of elected members on other Audit Committees.

At this stage the Vice Chairman agreed that the inquisitiveness of the Independent member could be lost from the Chamber floor if they were to assume the role of Chairman.

Mr O'Neill reiterated that the Independent member would have a different skillset to elected members and would also steer members into more challenging questions.

Referring to the Self-Assessment Checklist, the Vice Chairman noted that while it was very rigorous and worthwhile, members would need to be in position for a few months prior to its completion. Mr O'Neill suggested that it was something that should be considered going forwards.

AGREED TO RECOMMEND, on the proposal of Councillor McLaren, seconded by Councillor Wray, that the recommendation be adopted.

6. INTERNAL AUDIT

a. ANDBC Audit Committee Progress Report (Appendix II)

PREVIOUSLY CIRCULATED: - Copy of the above report from Deloitte.

RECOMMENDED that the report be noted.

The Chairman invited Camille McDermott, Deloitte to present her report.

Ms McDermott advised that this was the Progress Report for the Quarter and that two reviews of fieldwork had been completed. Matters were progressing well and there was nothing of any concern at this stage. Turning to the Overall Outstanding Recommendations it was noted that to date 43 remained Open, 11 had been Closed since the last Committee meeting. Page 13 of the Report detailed the risks accepted by Priority 3 recommendations. Ms McDermott sought questions from members at this stage.

Councillor Wray noted the finding and recommendations made on Page 13 and expressed the view that the length of meetings was a real issue for members. Frequently they were finding themselves making important decisions at a very late hour which was far from ideal and he added that he had never been asked for his opinion on this.

Ms McDermott indicated that such consultation would not be part of any Internal Audit remit and instead suggested that members should be raising matters such as this with Council Management.

In respect of the Meeting Packs, Councillor Wray indicated that he believed there should be more information provided in the packs to enable members to deal with any issues in advance of the meeting.

At this stage Councillor McKee also expressed concern about any proposal to condense Meeting Packs particularly as quite often members asked for further information to be provided in order to be able to make an informed decision.

In response to a query from the Vice Chairman around the thought behind condensing the Meeting Packs, Ms McDermott agreed that members did need good and sufficient information. However it was felt that packs of over 400 pages could see important information becoming lost and suggested that consideration was given to a Dashboard style of reporting. She acknowledged that members time was valuable and engaging with officers prior to any meeting could prove useful.

The Director took the opportunity to remind members that a review had been undertaken of the Scheme of Delegation which now saw a shift in focus to only those 'big ticket' items going forward to Council for consideration.

The Vice Chairman referred to a recent Planning Committee which had started at 6.00pm and had not finished until six hours later with only one 15 minute break taking place. She added that she was aware that other Committees had been lengthy with many important items appearing later in the agenda for consideration late at night when everyone was tired. As such she believed the structure of agendas needed to be reconsidered and members should be consulted on those matters.

AGREED TO RECOMMEND, on the proposal of Councillor Wray, seconded by Councillor McLaren, that the recommendation be adopted.

b. Administration Service Audit

The Vice Chairman informed members that the item had been withdrawn.

NOTED.

7. CORPORATE GOVERNANCE

a. Statement of Assurance Summary Report

PREVIOUSLY CIRCULATED: - Report from the Director of Corporate Services stating that in accordance with the Council's Risk Management Strategy, Heads of Service were required to provide Statements of Assurance. Assurance Statements comprised four main sections to be completed by each Head of Service following consultation with each of their Service Units. Period of this report, 1 October 2024 - 31 March 2025.

Findings

General – Identification of Risk, Monitoring and Control measures

No key issues had been declared as not having appropriate internal controls in place. All Services had confirmed that any risks identified had appropriate internal controls and any further actions taken, or to be taken, to adequately mitigate or resolve the risk had been identified.

The Corporate Risk Register was reviewed by the Heads of Service Team and Corporate Leadership Team, assigning owners for each of the Risks.

Section 1 – Strategic and Operational Risk Management

Services report appropriate controls were currently in place and had identified satisfactory actions to review, monitor, control, mitigate and resolve issues, where appropriate.

The Parks and Cemeteries Service had reported that the transformation process was ongoing with phases one and two complete and phase three being started in June 2025.

Administration had reported that the Governance audit had identified actions which would be dealt with in the near future. The Data Protection audit had identified that a Record of Processing Activities was required to be produced, this was already underway and would be completed as part of the EDRMS project.

The Economic Development service had reported that the Risk Assessment on the Signal Building had been completed with some outcomes relating to the small office built for Community and Wellbeing use being forwarded to the Assets and Property Service for review.

Human Resources and Organisational Development had reported that it was more difficult to attract new staff into the organisation in some service areas. To counter this new policies around apprenticeships and talent management had been approved by Council.

Section 2 – Internal Control

Generally, there were no key issues arising to cause significant concern or requiring immediate action.

Parks and Cemeteries had reported that they had a trial underway of the PSS Ultimate system which would allow them to more easily report and rectify faults in parks and open spaces.

Finance Service had reported that they were due to complete the implantation of the new Business to Business interim electronic purchase ordering system and hoped to also complete the Finance Handbook.

Administration Service had reported that the Land policy was now under review and unintended consequences of some aspects were identified, prompting a rethink. There was success in cataloguing the public rights of way, and now as a result the PROW policy was under review.

Regulatory Services had reported that there remained a Facebook page outside of Council control but action had been taken to address this.

Section 3 – Governance

Regulatory Services had reported that they had decided to limit the acceptance of unwanted dogs of certain dogs in order to reduce the need to hold as many dogs overall. They were also seeking further training for staff in handling dogs due to the XL Bully regulations. Further to their previous statement of assurance the budgetary pressures remained from a reduction in car parking income.

The Planning service had reported on the longest running enforcement case, they had decided on a multiyear plan to resolve this involving future enforcement action and they obtained agreement from the planning committee to proceed with a court injunction.

The Administration service had reported again regarding a contentious PROW case for which they were obtaining advice from counsel, and also that the Council had approved the extinction of a PROW which may generate a public enquiry. They further reported that an equality impact assessment was being carried out currently which may result in challenge.

Community and Culture had reported three direct award contracts which related to a memorandum of understanding in relation to refugee funding, and a single tender action for the procurement of Halloween beacons from the sole supplier of those.

The Tourism service had reported that they made three direct award contracts during this period in relation to a food and drink take over day being run by the sole supplier in this sector, an appointment of a celebrity chef for events and contributions to Tourism NI procured service, the Tourism Space for the delivery of a business training course.

Waste and Cleansing had reported that the whistleblowing complaint which was being investigated in the last period was externally investigated by the Local Government Staff Commission and the allegations were not upheld.

Parks and Cemeteries had reported that due to a communication issue, an order for flower seed was split which avoided the quotation process. This had led to procedures being changed to make only one officer responsible in future to avoid re-occurrence.

Economic Development had reported three deviations from procurement policy in the appointment of Beauhurst, the Labour Market Partnership use of Clearchannel for a marketing campaign and the appointment of a contractor to work on the innovation hub project. In each case a deviation from procurement form was completed detailing the reason behind each.

Assets and Property Services had reported two deviations from procurement which were previously reported on, being the supply of genuine Dennis Eagle parts and the sale of electricity from the wind turbine in Balloo. They had further reported two new deviations from policy, the first was the emergency appointment of contractors following Storm Eowyn to assess and make repairs to the roof of Bangor Aurora. The second related to the purchase of trailers from a lone supplier. This single tender action was approved by Council in June 2023 for the supply of two trailers. However, when the order was placed some 15 months later, in September 2024 (delay due to review of detailed specification), a purchase order was raised for five rather than two trailers. This was a human error, due mainly due to the passage of time since the STA report had been approved. The additional three trailers that were ordered in September 2024 were not surplus to requirement but were in fact required to meet operational service delivery demands at that time. By the time the error was realised, it was not possible to amend or cancel the order. To prevent a mistake such as this from reoccurring, a new online purchase order system currently being trialled would allow for the implementation of appropriate systemic checks to ensure that POs were only being raised and authorised for goods that had been procured in compliance with Council Procurement Policy. Officers had drawn up a protocol

which must be followed by all involved in the raising and authorising POs and authorising of associated invoices.

The Regeneration service had reported one deviation from procurement policy in the appointment of Aecom to complete a revision of their previous works regarding environmental improvement schemes at Helens Bay and Ballywalter in 2019. Procurement were advised and were content with the appointment given the context.

Members would recall that the previous report contained details of a single tender action to repair the moveable pool floor in Aurora leisure centre, the contract for the repair was awarded to the company which originally installed the pool without contest due to their intimate knowledge of the workings of it. Following this the repairs had now been completed and were very successful and cost effective compared to the alternative of replacing the floors entirely, likely leading to a significant saving to Council in comparison.

Section 4 – Miscellaneous

Parks and Cemeteries Service had again reported that the impacts of changing weather patterns and the lessening 'seasonal' variation was affecting service delivery. This had resulted in criticism of the service regarding grass cutting and sports pitch availability across the Service. They had reported that they planned to increase investment in drainage projects and split work between in-house staff and contractors in order to improve service delivery.

RECOMMENDED that Council note this report.

AGREED TO RECOMMEND, on the proposal of Councillor McLaren, seconded by Councillor Harbinson, that recommendation be adopted.

8. CORPORATE GOVERNANCE

a. Revised Risk Management Policy & Strategy 2025-29 (Appendix III)

PREVIOUSLY CIRCULATED: - Report from the Director of Corporate Services stating that Risk management arrangements were both a legal requirement and an integral part of the Council's corporate governance arrangements. The Risk Management Strategy (attached) set out the Council's approach to the management of risk at a strategic and operational level, within projects, partnerships and by its suppliers. This version, for the period 2025-2029, replaced the previous document, incorporating Internal Audit recommendations and improved arrangements that had evolved over the life of the previous strategy, ensuring it aligned with the current Corporate Plan.

The next full review would commence in 2028 for implementation in 2029 and would be brought to Committee for approval. Minor amendments, including audit recommendations, and any additional appendices providing guidance would not be reported during this period.

RECOMMENDED that Council approve the Risk Management Strategy.

Councillor Wray proposed, seconded by Councillor McLaren, that the recommendation be adopted.

Referring to Appendix I the proposer Councillor Wray noted that the Council did on occasions take risks but he asked why it was the case that it was much more risk averse than other private sector companies.

In response the Director advised that the Council undertook a different approach to risk than that adopted by the private sector. He added that there was the ability for the Council to influence that by adjusting its appetite but that direction would need to come from elected members.

At this stage Mr O'Neill referred to a NIAO publication "Innovation and Risk Management" which basically acknowledged the level of appetite risk that every organisation had and how those risks could be managed. He added that it was a useful document which included a number of good practice examples within it.

AGREED TO RECOMMEND, on the proposal of Councillor Wray, seconded by Councillor McLaren, that the recommendation be adopted.

b. Risk Appetite Framework (Appendix IV)

PREVIOUSLY CIRCULATED: - Report from the Director of Corporate Services stating that Risk Appetite was defined as the amount and type of risk that an organisation was willing to take in order to meet their strategic objectives. It was not a single, fixed concept and as a result it could be complex.

The Risk Appetite Framework was initially developed by the Corporate Leadership Team through a workshop facilitated by Deloitte and was implemented in 2024 following adoption. The Framework had been reviewed by the Director of Corporate Services. There were no proposed changes; the document aligned with the Corporate Plan and reflected a meaningful and measured approach to risk taking. It was proposed that the Framework was reviewed in April 2026, or at an earlier time if a review was indicated, to ensure the Framework remained robust and relevant.

RECOMMENDED that Council approve the Risk Appetite Framework 2025.

AGREED TO RECOMMEND, on the proposal of Councillor McLaren, seconded by Councillor McKee, that the recommendation be adopted.

9. ANY OTHER NOTIFIED BUSINESS

The Chairman advised that there were no items of Any Other Notified Business.

NOTED.

EXCLUSION OF PUBLIC/PRESS

AGREED TO RECOMMEND, on the proposal of Councillor McLaren, seconded by Councillor Wray, that the public/press be excluded during the discussion of the undernoted items of confidential business.

10. SINGLE TENDER ACTIONS UPDATE

(File Ref: 231329)

*****IN CONFIDENCE*****

NOT FOR PUBLICATION

3. Exemption: relating to the financial or business affairs of any particular person

Council was asked to note that there have been no Single Tender Actions reported since the previous update that was given to the Audit Committee.

The recommendation was adopted.

11. FRAUD, WHISTLEBLOWING AND DATA PROTECTION MATTERS

*****IN CONFIDENCE*****

NOT FOR PUBLICATION

SCHEDULE 6:3 – INFORMATION RELATING TO THE FINANCIAL OR BUSINESS AFFAIRS OF ANY PARTICULAR PERSON (INCLUDING THE COUNCIL HOLDING THAT INFORMATION)

The Director of Corporate Services raised any new incidences of fraud, whistleblowing and data protection.

12. MEETING WITH NI AUDIT OFFICE AND INTERNAL AUDIT OFFICE IN THE ABSENCE OF MANAGEMENT

****IN CONFIDENCE****

NOT FOR PUBLICATION

SCHEDULE 6:3 – INFORMATION RELATING TO THE FINANCIAL OR BUSINESS AFFAIRS OF ANY PARTICULAR PERSON (INCLUDING THE COUNCIL HOLDING THAT INFORMATION)

AC.27.05.2025

13

A meeting was held in the absence of management.

RE-ADMITTANCE OF PUBLIC AND PRESS

AGREED TO RECOMMEND, on the proposal of Councillor McLaren, seconded by Councillor Harbinson, that the public/press be re-admitted to the meeting.

TERMINATION OF MEETING

The meeting terminated at 8.27pm.

ARDS AND NORTH DOWN BOROUGH COUNCIL

A hybrid meeting (in person and via Zoom) of the Audit Committee was held at the Council Chamber, Church Street, Newtownards, on Thursday, 26 June 2025 at 7.00pm.

PRESENT: -

In the Chair: Councillor Thompson

Alderman: McAlpine

Councillors: Harbinson McKee (Zoom)
Hollywood Wray (Zoom)
Morgan

Independent Member: P Cummings

In Attendance: NIAO – Brian O'Neill

Officers: Chief Executive (S McCullough), Director of Corporate Services (M Steele), Head of Finance (S Grieve) and Democratic Services Officer (P Foster)

1. APOLOGIES

The Chairman (Councillor Thompson) sought apologies at this stage and none were received.

NOTED.

2. CHAIRMAN'S REMARKS

The Chairman commented that this his first time Chairing the Committee and continuing he welcomed the Northern Ireland Audit Office (NIAO) representative Brian O'Neill as well as Independent Member, Paul Cummings.

NOTED.

3. DECLARATIONS OF INTEREST

The Chairman sought Declarations of Interest at this stage.

No Declarations of Interest were declared. Members were reminded that they could declare throughout the meeting.

NOTED.

EXCLUSION OF PUBLIC/PRESS

AGREED TO RECOMMEND, on the proposal of Councillor Hollywood, seconded by Councillor Morgan, that the public/press be excluded during the discussion of the undernoted items of confidential business.

4. INVESTIGATION INTO LEAK OF CONFIDENTIAL INFORMATION FOLLOWING COUNCIL MEETING ON 30 APRIL 2025

****IN CONFIDENCE****

3. Exemption: relating to the financial or business affairs of any particular person

The Committee was asked to consider a report detailing an investigation into a recent leak of confidential information relating the Queens Parade project.

The recommendation was to note the report. The recommendation was agreed.

5. DRAFT FINANCIAL STATEMENTS FOR 2024/25 (Appendix I)

****IN CONFIDENCE****

3. Exemption: relating to the financial or business affairs of any particular person

A report was presented detailing the Councils financial and overall revenue performance for the year. Once audited, those would be published before 30 September 2025.

The recommendation was adopted.

RE-ADMITTANCE OF PUBLIC AND PRESS

AGREED TO RECOMMEND, on the proposal of Councillor Morgan, seconded by Councillor Harbinson, that the public/press be re-admitted to the meeting.

TERMINATION OF MEETING

The meeting terminated at 7.55pm.

Unclassified

16

ITEM 4c

Ards and North Down Borough Council

Report Classification	Unclassified
Exemption Reason	Not Applicable
Council/Committee	Audit Committee
Date of Meeting	22 September 2025
Responsible Director	Director of Corporate Services
Responsible Head of Service	
Date of Report	16 September 2025
File Reference	AUD02
Legislation	Local Government (Accounts and Audit) Regulations 2015
Section 75 Compliant	Yes <input type="checkbox"/> No <input type="checkbox"/> Other <input checked="" type="checkbox"/> If other, please add comment below:
Subject	Follow up actions from previous meeting
Attachments	

In line with good practice, a register of actions is maintained to ensure that requests from previous meetings of the Committee are followed up on.

Item	Title	Action	Officer	Status
Dec 23 6b	Audit and Assessment Report	Drafting of formal consultation strategy	Head of Comms & Marketing	In draft Sept 25
Mar 25 6a	Internal Audit Progress Report	Discuss interim arrangements for systems officer	Head of Finance	May 25
6f		Remind Service Unit Managers to keep income procedures up to date	Head of Finance	Item 7a

Not Applicable

Item	Title	Action	Officer	Status
May 25 12	Private Meeting	Survey Members regarding length of meetings etc	Director of Corporate Services	Item 9
Jun 25 4	Investigation into leak	Review of Councillor training in light of leak and suspension	Director of Corporate Services	Dec 25

RECOMMENDATION

It is recommended that Council notes the report.



Draft Report to those charged with Governance

**Ards and North Down Borough Council
2024-25**

**Date of Issue:
19 September 2025**

Contents

1. KEY MESSAGES.....1

2. AUDIT SCOPE5

3. SIGNIFICANT RISKS.....6

4. FINDINGS FROM THE AUDIT.....8

5. MISSTATEMENTS17

APPENDIX ONE –DRAFT LETTER OF REPRESENTATION18

APPENDIX TWO – PROPOSED AUDIT CERTIFICATE23

APPENDIX THREE – IMPLEMENTATION OF PRIOR YEAR PRIORITY ONE RECOMMENDATION29

DRAFT

We have prepared this report for Ards and North Down Borough Council’s sole use. You must not disclose it to any third party, quote or refer to it, without our written consent and we assume no responsibility to any other person. This report should not be published on your website.

1. Key Messages

This report summarises the key matters from our audit of the 2024-25 Ards and North Down Borough Council financial statements which we must report to the Audit Committee, as those charged with governance. We would like to thank the Director of Corporate Services and his staff for their assistance during the audit process.

Audit Opinion

It is proposed that the Local Government Auditor (LGA) certifies the 2024-25 financial statements with an unqualified audit opinion, without modification.

Proposed Audit Certificate

It is also proposed that the Local Government Auditor certifies completion of the audit of accounts of the Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice. The audit certificate closes the audit and marks the point when the Local Government Auditor’s statutory responsibilities in respect of the audit of the accounts for the period covered by the certificate have been discharged.

The Audit Certificate is included at [Appendix Two](#).

Misstatements

Financial Statement Adjustments

To date, there are no significant adjustments made to the financial statements as a result of the audit process.

Uncorrected misstatements

To date, there are no uncorrected misstatements identified during the audit process.

Audit Findings

During the audit we reviewed internal controls; accounting systems; and procedures to the extent considered necessary for the effective performance of the audit. We have not identified any priority one recommendations in relation to the internal control environment.

Full details of findings are included at [Findings from the Audit](#).

Appendix Three provides an update on a prior year management letter point:

- Energy Serco Contract – issue cleared in 2024-25
-

Proper Arrangements

Under the Local Government (Northern Ireland) Order 2005, the Local Government Auditor should be satisfied that a Council has in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. A questionnaire was issued and completed by the Council. We have reviewed the responses and the supporting documentation and are satisfied overall that the Council has in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. However, we have identified a number of areas for improvement and these are outlined in Section 4 of this report.

Full details of findings are included at [Findings from the Audit](#).

Status of the Audit

Following resolution of the following:

- completion of the audit of some account areas;
- valuation and audit of peppercorn leases;
- review and receipt of revised Statement of Accounts incorporating all previously advised changes; and
- close out of final review points and queries;

the Chief Financial Officer will sign the Statement of Accounts together with a letter of representation, the proposed wording of which is included at [Appendix One](#).

The total audit fee charged is in line with that set out in our Audit Strategy.

Independence

We consider that we comply with the Financial Reporting Council (FRC) Ethical Standard and that, in our professional judgment, we are independent, and our objectivity is not compromised.

£1,437 of fees were paid to the NIAO for the Council's participation in the National Fraud Initiative exercise.

Management of information and personal data

The Council is required to comply with the UK General Data Protection Regulations (UK GDPR) in the handling and storage of personal data. Those Charged with Governance should ensure they have made sufficient enquiries of management to form a view on whether there were any significant specific data incidents which should be disclosed in the Governance Statement. We are unaware of any data handling incidents during the year other than those disclosed within the narrative report. Confirmation to this effect has been sought within the letter of representation included at [Appendix One](#).

During the course of our audit, we have access to personal data to support our audit testing. We have established processes to hold this data securely within encrypted files and to destroy it where relevant at the conclusion of our audit. We can confirm that we have discharged those responsibilities communicated to you in accordance with the requirements of UK General Data Protection Regulation (UK GDPR) and Data Protection Act 2018.

We note that our 2023-24 draft Report to those charged with governance was uploaded to the Council's website without our permission despite the front page clearly stating:

"We have prepared this report for Ards and North Down Borough Council's sole use. You must not disclose it to any third party, quote or refer to it, without our written consent and we assume no responsibility to any other person. This report should not be published on your website."

We asked officials to remove it immediately when we found out it had been uploaded to the Council's website.

Performance Improvement

The outcome from our work in respect of Part 12 of the Local Government Act (Northern Ireland) 2014 on Performance Improvement will be reported separately to those charged with governance, as set out in the timetable in the 2024-25 Audit Strategy.

Actions for the Audit Committee

The Audit Committee should:

- Review the findings set out in this report, including the draft letter of representation and the proposed audit certificate at Appendices one and two respectively.

DRAFT

2. Audit Scope

Subject to satisfactory completion of the outstanding account areas, we have completed our audit of the 2024-25 financial statements in accordance with International Standards on Auditing (UK) (ISAs) issued by the Financial Reporting Council; with Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'; and with the Audit Strategy presented to the Audit Committee in March 2025.

There are no new matters to communicate concerning the planned scope and timing of the audit.

DRAFT

3. Significant Risks

The significant risk identified in our Audit Strategy has been addressed as follows:

Significant Risk 1

Management override of controls

Under ISA (UK) 240, there is a presumed significant risk of material misstatement due to fraud through management override of controls.

Audit Response

As required by ISA (UK) 240, we:

- tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- reviewed accounting estimates for biases and evaluated whether the circumstances producing the bias, if any, represented a risk of material misstatement due to fraud; and
- considered significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual.

Outcome

A sample of journal entries relating to the 2024-25 financial year and the post year-end period were reviewed.

Significant accounting estimates were reviewed.

During the course of the audit, no significant items have come to our attention which would indicate an override of the control systems in place.

No issues were noted in respect of management override of controls.

Other areas of interest

We reviewed the basis for the treatment of Output VAT recoverable for sporting services, following a ruling by HMRC by considering Council documents, HMRC guidance and other relevant information.

Outcome

The outcome of HMRC’s ruling on the VAT treatment of sporting services is currently disclosed at Note 25c to the accounts. The Council has engaged with HMRC regarding the interpretation of the guidance and submitted revised claims, resulting in refunds totalling £3.8 million. One claim remains outstanding for the 2023-24 year, for which a prudent accrual has been made. This is expected to be submitted before the end of October 2025.

DRAFT

4. Findings from the Audit

Financial Reporting

As part of our audit, we evaluate the qualitative aspects of accounting practices and financial reporting. In this section we draw to your attention any significant changes or issues in respect of accounting policies; accounting estimates; and financial statement disclosures.

The Council has robust processes in place for the production of the accounts and continues to produce good quality supporting working papers. Officers dealt efficiently with audit queries, effectively prioritising them, and the audit process has been completed within the planned timescales.

Accounting Policies

Apart from an amendment to the leases note for the introduction of IFRS 16, the accounting policies adopted by the Council have not changed or altered since the prior year financial statements. On this basis we can conclude that the quality, effectiveness and transparency of financial reporting and accounting at the Council is appropriate.

Accounting Estimates

We examined the appropriateness of accounting estimates and judgements and are content with the consistency of assumptions and the degree of prudence reflected in the recorded amounts.

With regard to valuations and indexation of land and property, we have placed reliance on the expertise of the Land and Property Services (LPS). With regards to pension balances and disclosures we have placed reliance on the expertise of the Council's actuary (Aon).

Financial Statement Disclosures

We have made a number of suggestions to improve narrative disclosures and to ensure completeness of the disclosures required under the Code of Practice on Local Authority Accounting and other relevant guidance.

Going Concern

No events or conditions were identified from our audit work that cast significant doubt about the Council's ability to continue to adopt the going concern basis of accounting.

Narrative Report

The Narrative Report was considered to be consistent with our understanding of the business and was in line with the other information provided in the financial statements.

Remuneration Report

The parts of the Remuneration Report to be audited were considered to be properly prepared in accordance with Department for Communities (DfC) directions issued under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015. A number of changes were suggested in relation to various disclosures contained within. These changes have been made.

Governance Statement

Our review of the Governance Statement confirmed that it complies with the Code of Practice and the Department for Communities Accounts Direction. We provided management with a number of observations and suggested disclosure changes to improve the narrative and completeness of disclosures within the Governance Statement.

Some areas for improvement have been identified – see Finding 5.

Legality, Propriety and Losses

We found no issues in relation to illegality, impropriety or losses during our audit.

Internal Control

No material weaknesses in the design and implementation of the Council's internal control systems have come to our attention during the audit.

Related Parties

No significant matters were arising during the audit in connection with the Council's related parties.

Audit Recommendations

This section outlines the findings arising from our audit, as well as management's response and target date for implementation. Our findings are defined as:

- **Priority 1** – significant issues for the attention of senior management which may have the potential to result in material weakness in internal control.
 - **Priority 2** – important issues to be addressed by management in their areas of responsibility.
 - **Priority 3** – issues of a more minor nature which represent best practice.
-

Finding 1

Disposal of Ards Leisure Centre

In 2022-23, we reported that the Council disposed of the former Ards Leisure Centre site to the Department for Infrastructure (DfI) on 1 April 2021 for a due consideration of £1.8m. This payment continues to be outstanding at 31 March 2025. We note that the vesting order for this disposal became operative during the 2021-22 financial year (19 May 2021).

While there is certainty that an asset transferred, and consideration is due there is some uncertainty as to the value the DfI will pay. The Council has no reason to believe that the value will be less than £1.8m and believe that the title issue while complex, can be resolved.

We consider that while a provision for bad debt may be required when the matter is resolved, it is not likely to be material.

While some progress has been made, this issue is still unresolved at year end. The Council met all relevant parties in August 2025 — DSO, DfI, Council solicitors and Council officers — to clearly establish the steps required to bring the issue to a conclusion.

The Council estimates that the Department’s delay in making the compensation payment has incurred interest costs exceeding £250,000 to date, with interest currently accruing at a rate of nearly £200 per day.

DfI has indicated that, on receipt of a valuation report from LPS, (expected to be received soon), an interim payment will be made in 2025-26. We continue to monitor this situation.

Priority Rating

1

Recommendation

The Council is encouraged to continue to do what it can to get this matter resolved as a matter of priority.

Management Response (including target date)

[text]

Finding 2
Outstanding Internal Audit Recommendations

A significant number of internal audit recommendations remain outstanding. While the Council successfully closed 20 recommendations during 2024-25, the majority of which were carried forward from prior years, a total of 39 recommendations remain open as at March 2025.

Priority Rating

2

Recommendation

The volume and age of these outstanding recommendations may present a risk to the Council’s control environment. We recommend that the Council review these open items and take steps to close them as soon as practicable. Additionally, the Council should consider the impact that these unresolved recommendations may have on the overall effectiveness of its governance and internal control arrangements.

Management Response (including target date)

[text]

Finding 3
Proper Arrangements

We are satisfied that the Council has proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Progress has been made in addressing previously identified areas for improvement, for example, creation of a new policy register and update of a number of policies. It is recognised that the Council requires resources to fully implement all improvements:

- in accordance with the Council’s Policy Review procedure further work is needed to ensure that the necessary policies are in place, existing policies are up to date, complete and reflective of actual practice for the following areas: Staff Travel Policy (2010); Employee Expenses and Benefits Policy (2013); the Council’s IT policies are currently under review – Digital by Default Policy (2014) and Information, communication and Technology (ICT Policy 2016);
- we note that an online fraud training module is currently in development and will be rolled out in a targeted manner to Council staff in roles where the risk is considered higher. In addition, mandatory training courses are now being introduced for all Council staff. These include modules on data protection, whistleblowing, and responsible use of social media; and
- the Council’s ICT system is not ISO 27001 accredited, and the Council has not sought any cyber security accreditation.

Priority Rating

2

Recommendation

We recommend that:

- the Council continues work to ensure that all policies are up to date and formally approved;
- fraud training is provided to all Council staff and Members; and
- the Council assesses the potential benefits of IT ISO 27001 accreditation.

Management Response (including target date)

[text]

Finding 4
Data Management – Digital records

We note that 89 per cent of the Council’s title deeds and 91 per cent of the Public Rights of Way documentation are now held in digital format and accessible via SharePoint. This ensures timely access for Officers and helps safeguard the records for future use. Solicitors can also be granted time-limited digital access to relevant files, improving efficiency and security.

Priority Rating

3

Recommendation

We recommend that the Council ensures that the remaining title deeds and rights of way documentation are digitised promptly to continue to enhance accessibility and improve long-term data management.

Management Response (including target date)

[text]

Finding 5
Governance Statement

The Governance Statement currently outlines 20 key elements of the Council’s governance framework, resulting in a lengthy document despite the limited number of significant governance issues reported. While the Statement follows the prescribed template, the volume of detail and repetition may reduce its accessibility and usefulness for stakeholders.

Priority Rating

3

Recommendation

We recommend that the Council should consider streamlining the Governance Statement by providing a more concise, high-level overview focused on the most critical elements of the governance framework. This would enhance readability, reduce duplication, and improve the Statement’s value as a transparent and informative resource for stakeholders.

Management Response (including target date)

[text]

Proper Arrangements

Under the Local Government (Northern Ireland) Order 2005, the Local Government Auditor should be satisfied that a Council has in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are satisfied that the Council has in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

However, a number of areas for improvement have been identified – see Finding 3.

DRAFT

5. Misstatements

Adjusted misstatements

During the audit process we identified no misstatements above our clearly trivial threshold.

Uncorrected misstatements

There were no unadjusted misstatements which exceed our clearly trivial threshold.

DRAFT

Appendix One –Draft Letter of Representation

[Client Letterhead]

The Local Government Auditor
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

LETTER OF REPRESENTATION: Ards and North Down Borough Council 2024-25

As Chief Financial Officer of the Ards and North Down Borough Council, I have fulfilled my responsibility for preparing accounts that give a true and fair view of the state of affairs, total income and expenditure, cash flows, and movements in reserves; and the related notes of the Council for the year ended 31 March 2025.

In preparing the accounts, I was required to:

- observe the accounts direction issued by the Department for Communities (DfC), including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclosed and explain any material departures in the accounts; and
- make an assessment that Ards and North Down Borough Council is a going concern and will continue to be in operation throughout the next year; and ensure that this has been appropriately disclosed in the financial statements.

I confirm that for the financial year ended 31 March 2025:

- having considered and enquired as to the Ards and North Down Borough Council's compliance with law and regulations, I am not aware of any actual or potential non-compliance that could have a material effect on the ability of the Council to conduct its business or on the results and Balance Sheet disclosed in the accounts;

- all accounting records have been provided to you for the purpose of your audit and all transactions undertaken by the Ards and North Down Borough Council have been properly recorded and reflected in the accounting records. All other records and related information, including minutes of all management meetings which you have requested have been supplied to you; and
- the information provided regarding the identification of related parties is complete; and the related party disclosures in the financial statements are adequate.

All material accounting policies as adopted are detailed in note 1 to the accounts.

Internal Control

I have fulfilled my responsibility as Chief Financial Officer for the design and implementation of internal controls to prevent and detect error and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated.

I confirm that I have reviewed the effectiveness of the system of internal control and that the disclosures I have made are in accordance with DoF guidance on the Governance Statement.

FRAUD

I have fulfilled my responsibility as Chief Financial Officer for the design and implementation of internal controls to prevent and detect fraud and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated as a result of fraud.

I am not aware of any fraud or suspected fraud affecting the Ards and North Down Borough Council and no allegations of fraud or suspected fraud affecting the financial statements has been communicated to me by employees, former employees, analysts, regulators or others.

ASSETS

General

All assets included in the Balance Sheet were in existence at the reporting period date and owned by the Ards and North Down Borough Council and free from any lien, encumbrance or charge, except as disclosed in the accounts. The Balance Sheet includes all tangible assets owned by the Council.

Non-Current Assets

All assets over £5,000 are capitalised. They are revalued regularly to ensure that their carrying amount is not materially different from their fair value at the year-end. Annually a full revaluation is performed on 1/5th of the Council's assets and all other assets subject to a desk-based valuation. All assets will receive a full revaluation as a minimum, every 5 years, by Land and Property Services (LPS). Depreciation is calculated to reduce the net book amount of each asset to its estimated residual value by the end of its estimated useful life in the Council's operations.

Other Current Assets

On realisation in the ordinary course of the Ards and North Down Borough Council's operations, the other current assets in the Balance Sheet are expected to produce at least the amounts at which they are stated. Adequate provision has been made against all amounts owing to the Council which are known, or may be expected, to be irrecoverable.

LIABILITIES**General**

All liabilities have been recorded in the Balance Sheet.

There were no significant losses in the year and no provisions for losses were required at the year end.

All litigation and claims have been disclosed to you and correctly accounted for.

Provisions

Provision is made in the financial statements for:

- Insurance provision of £979k
- Legal provision of £401k

Contingent Liabilities

There are a number of legal claims or potential claims against the Council the outcome of which cannot at present be estimated with certainty. Full provision is made in the financial statements for all liabilities which are expected to materialise.

I am not aware of any pending litigation which may result in significant loss to the Ards and North Down Borough Council, and I am not aware of any action which is or may be brought against the Ards and North Down Borough Council under the Insolvency (Northern Ireland) Order 1989 and the Insolvency (Northern Ireland) Order 2005.

Actuarial Valuation of the Council's Pension Scheme Liability

The overall net pension liability as at 31 March 2025 is £680k. This represents the liability for the unfunded part of the pension scheme.

To comply with accounting standards, the net pension asset of £48,983k as at 31 March 2025, for the funded part of the pension scheme, has been restricted to the asset ceiling of nil. The loss in value has been recognised as adjustments within Other Comprehensive Income and Expenditure (Remeasurements of the Net Defined Benefit (Asset)/ Liability) 2024-25: £276k; 2023-24: (£3,538k)).

Having made appropriate enquiries, I am satisfied with the appropriateness of the actuarial assumptions underlying the valuation of the Council's share of the valuation of the pension scheme liability.

Furthermore, I confirm that:

- All significant retirement benefits, including any arrangements that are implicit in the employer's actions, have been identified and properly accounted for; and
- All settlements and curtailments have been identified and properly accounted for.

OTHER DISCLOSURES**Results**

Except as disclosed in the accounts, the results for the year were not materially affected by transactions of a sort not usually undertaken by the Ards and North Down Borough Council, or circumstances of an exceptional or non-recurring nature.

VAT Tribunal - Contingent Asset

Ards and North Down Borough Council, together with the other 10 district councils in Northern Ireland, is participating in a legal action against His Majesty's Revenue and Customs (HMRC) to recover previously overdeclared output VAT in respect of leisure and recreational income, which arose because HMRC did not accept that the Council provides leisure and recreational activities pursuant to a special legal regime without causing any significant distortion of competition.

Following extensive litigation regarding the treatment of leisure services for VAT purposes, HMRC published VATGPB8410 – Other local authority activities: sport and leisure: supplies of sporting services in November 2023. The Council has liaised with HMRC regarding the interpretation of

this guidance and revised claims have been submitted. So far, the Council has received refunds totalling £3.8million and one claim remains outstanding for the 2023-24 year. The Council has accrued a prudent estimate for this in the 2024-25 accounts and plans to submit this to HMRC shortly.

Land Disposal - Contingent Asset

During the 2022-23 financial year the Council disposed of land at Blair Mayne Road South to a developer for residential housing. Within the contract is a condition that, should planning permission be obtained for a more intensive development than originally anticipated, the Council would receive additional income in line with the formula set out in the contract. This condition has not yet been met; however, it remains active for a further 9 years. I am content this is being appropriately monitored by the Council.

Uncorrected Misstatements

There were no uncorrected misstatements brought to my attention.

Events after the Reporting Period

Except as disclosed in the accounts, there have been no material changes since the reporting period date affecting liabilities and commitments, and no events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should have been brought to notice.

Accounting Estimates

The methods, significant assumptions and the data used in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement or disclosure that is in accordance with the financial reporting framework.

Management of Personal Data

Except as disclosed in the Governance Statement, there have been no personal data related incidents in 2024-25 which are required to be reported.

Investments

Ards and North Down Borough Council does not provide loans to other UK local authorities.

Susie McCullough
Chief Financial Officer
Ards and North Down Borough Council
September 2025

Appendix Two – Proposed Audit Certificate

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDS AND NORTH DOWN BOROUGH COUNCIL

Opinion on financial statements

I have audited the financial statements of Ards and North Down Borough Council for the year ended 31 March 2025 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom supported by UK adopted international accounting standards.

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, of the financial position of Ards and North Down Borough Council as at 31 March 2025 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Ards and North Down Borough Council in accordance with the ethical requirements of the Financial Reporting Council's Ethical Standard and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Ards and North Down Borough Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Ards and North Down Borough Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Ards and North Down Borough Council is adopted in consideration of the requirements set out in the Code of Practice on Local Authority Accounting, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Statement of Accounts other than the financial statements, the parts of the Remuneration Report described in that report as having been audited, and my audit certificate and report. The Chief Financial Officer is responsible for the other information included in the Statement of Accounts. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities' directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Statement of Accounts for the financial year ended 31 March 2025 is consistent with the financial statements.

Matters on which I report by exception

In light of the knowledge and understanding of Ards and North Down Borough Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Statement of Accounts.

I have nothing to report in respect of the following matters which I report to you if:

- in my opinion:
 - the Annual Governance Statement:
 - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;
 - does not comply with proper practices specified by the Department for Communities;
 - is misleading or inconsistent with other information I am aware of from my audit; or
 - adequate accounting records have not been kept; or
 - the Statement of Accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
 - I have not received all of the information and explanations I require for my audit, or
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

Responsibilities of the Chief Financial Officer for the financial statements

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing Ards and North Down Borough Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Financial Officer anticipates that the services provided by Ards and North Down Borough Council will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to Ards and North Down Borough Council through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Code of Practice on Local Authority

Accounting in the United Kingdom 2024-25, the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder;

- making enquires of management and those charged with governance on Ards and North Down Borough Council's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Ards and North Down Borough Council's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following area: posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading Council and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;

- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

This report is made solely to the Members of Ards and North Down Borough Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities of the Local Government Auditor and Local Government Bodies.

Certificate

I certify that I have completed the audit of accounts of Ards and North Down Borough Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

*Colette Kane
Local Government Auditor
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU*

September 2025

Appendix Three – Implementation of Prior Year Priority One Recommendation

Recommendation 1 – raised in 2023-24

Energy Costs pertaining to the Serco contract

We reported last year that the Council outsources North Down Leisure Facilities to a management company, NCLT, and its operating partner Serco. The original 10-year contract was dated November 2012, with a 5-year extension granted in 2023.

As part of this contract, energy payments are paid by the council to Serco based on 'Annual Utility Services Consumption Targets', with a target energy consumption set. If the contractor's (Serco) actual energy usage comes in below the target usage threshold they get to keep the benefit, however if their usage does not meet the agreed target then the contractor (Serco) will bear the cost.

When we looked at Cost vs Benefit to the contractor, Serco, over the period of the contract (2014 to 2023), the contractor has had a net benefit of £600k. Serco never had to bear additional energy costs in any year of the contract and the council had to pay this additional amount over the period of the contract.

We do however note that a contract variation was put in place in the 2023-24 year and the council now pay the actual energy costs on behalf of Serco.

Contracts should not include clauses that result in 3rd parties receiving payments over and above that which is paid by the council for services provided. Any incentives within service contracts should ensure that reasonable limits are in place to cap the amounts that the council may pay out. In this case, where the Council was paying energy costs, payments should have been based on actual usage, with conditions in place to ensure that the usage is reasonable.

Status

Cleared.

No such contracts have been tendered in the past year.

The current contract was formally amended in 2024 to allow Council to pay directly for the utilities in order to procure a more favourable price and resolve a irrecoverable VAT issue for the contractor.

The Council has advised that if it decides to tender for similar services in the future, it will consider this recommendation, however its decision will be based on the most economically advantageous terms available while at the same time meeting the objectives of the outsourcing exercise.

DRAFT



Ards and North Down Borough Council

Audit Committee Progress Report

September 2025

Contents

Progress to Date - Summary Status of the 2025/26 Plan	3
Final Reports – Summary of Findings Identified	5
Administration Service Review Final Report	6
Community and Culture Service Review Final Report	7
Lease Management Review Final Report	8
Appendix I: Progress to Date	9
Appendix II: Outstanding Recommendations update	13
Appendix III : Statement of Responsibility	30



Progress to Date

Summary Status of the 2025/26 Plan

Progress to Date

Summary Status of the 2025/26 Plan

We have continued the delivery of the 2025/26 Plan. An overview of our progress on the 2025/26 Plan (as at 15/09/2025) is set out below:

Final Report / Complete	Draft Report	Fieldwork	Planning	Yet to Commence	Cancelled/ Deferred	Total
3	1	3	1	3	-	11

Since our previous Audit Committee progress report we have:

- Issued final draft report for the following reviews:
 - Service Review – Administration
 - Service Review – Community and Culture
 - Lease Management Review
- Issued draft report for the Use of Agency Staff Policies and Processes Review.
- Completed fieldwork for the following reviews;
 - Staff Performance Management Review
 - Community Plan Implementation Review
- Issued the final terms of reference for PCSP and commenced fieldwork on 08/09/2025.
- Held the planning meeting for Digital Services Governance review.

Further detail on reviews is provided in **Appendix I**.

Final Reports

Summary of Findings Identified

Final Report

Administration Service Review

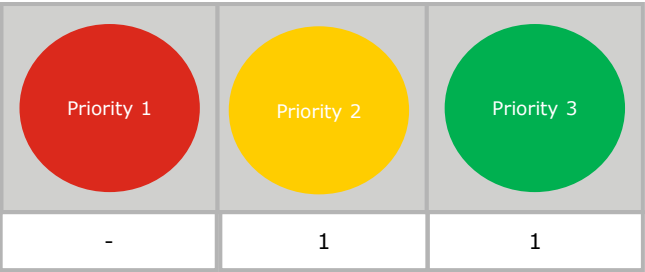
Background

This assurance review was undertaken as part of the 2025/26 Internal Audit Operational Plan. As part of our Internal Audit Strategy, we select two Services per year to perform an internal audit. The Administration Service has been selected as one of these Services for 2025/2026. The scope of this internal audit included a review of the Administration Service’s key processes and controls in place regarding managing risks associated with service planning, budgetary controls, risk management and performance monitoring/reporting.

Overview

In order to complete this engagement, we used a combination of the following:

- Discussions with key members of the Service such as Head of Service, Risk Manager, Customer Services Manager, Democratic Services Manager, Land Manager, and Climate Change & Sustainability Manager to walkthrough key processes.
- Discussions with Finance, to discuss the budget monitoring and reporting processes.
- Reviewed key items of documentation such as the Administration Service Plan 2024/25, Corporate Plan 2024 – 2028, Performance Improvement Plan, and Risk Strategy 2021 – 2024.
- A limited programme of sample testing to assess control operating effectiveness, including: a review of monthly meeting minutes of the Corporate Services Committee to evidence discussion of the Service’s performance against the budget, a review of monthly Budgetary Control Reports and quarterly performance reports.
- Consideration of possible improvements or alternatives for the controls in place.
- Held a close-out meeting with relevant stakeholders to discuss any review outcomes.
- Prepared a draft report, to report findings with practical recommendations for improvement where appropriate.



Overall Rating

As a result of our audit a **satisfactory** level of assurance was provided.

Findings

There were no **Priority 1** findings identified during our review.

There was one **Priority 2** finding identified during our review. This can be summarised as follows;

- Lack of sufficient commentary provided for Administration Service Variance Analysis and Reporting

There was one **Priority 3** finding identified during our review. This can be summarised as follows;

- Scheduled review and update of Risk Strategy Document not completed

Final Report

Community and Culture Service Review

Background

This assurance review was undertaken as part of the 2025/26 Internal Audit Operational Plan. As part of our Internal Audit Strategy, we select two Services per year to perform an internal audit. The Community and Culture Service has been selected as one of these Services for 2025/2026. The scope of this internal audit included a review of the controls in place to manage risks associated with service planning, budgetary control, risk management and performance monitoring/reporting.

Overview

In order to complete this engagement, we used a combination of the following:

- Discussions with key members of the Service such as Head of Community Culture, Community Development Manager, Arts and Heritage Manager and Externally Funded Programmes Manager to walkthrough key processes.
- Discussions with Finance, to discuss the budget monitoring and reporting processes.
- Reviewed key items of documentation such as the Community and Culture Service Plan, risk registers and reports.
- A limited programme of sample testing to assess control operating effectiveness, including: a review of monthly meeting minutes of the Corporate Services Committee to evidence discussion of the Service’s performance against the budget, a review of monthly Budgetary Control Reports and quarterly performance reports.
- Consideration of possible improvements or alternatives for the controls in place.
- Held a close-out meeting with relevant stakeholders to discuss any review outcomes.
- Prepared a draft report, to report findings with practical recommendations for improvement where appropriate.

<div>Priority 1</div>	<div>Priority 2</div>	<div>Priority 3</div>
-	1	-

Overall Rating

As a result of our audit a **satisfactory** level of assurance was provided.

Findings

There were no **Priority 1** findings identified during our review.

There was one **Priority 2** finding identified during our review. This can be summarised as follows;

- Lack of commentary provided for Service Variance Analysis and Reporting

There were no **Priority 3** findings identified during our review.

Final Report

Lease Management Review

Background

This assurance review was undertaken as part of the 2024/25 Internal Audit Operational Plan. The scope of the internal audit was to review Ards and North Down Borough Council’s (“the Council”) processes and controls around lease management of commercial property, where the Council is the lessor.

Overview

In order to complete this engagement, we used a combination of the following:

- Discussions with key Council staff such as Head of Administration Service and Acting Land Manager to walkthrough key lease management processes.
- Review of key items of documentation such as lease management policies and/or procedures.
- A limited programme of sample testing to assess control operating effectiveness including the controls in place for approval and storage of lease agreements, ensuring value for money and receipt of rental income.
- Consideration of possible improvements or alternatives for the controls in place.
- Reporting of findings with practical recommendations for improvement where appropriate.

Priority 1	Priority 2	Priority 3
-	2	-

Overall Rating

As a result of our audit a **satisfactory** level of assurance was provided.

Findings

There were no **Priority 1** findings identified during our review.

There were two **Priority 2** findings identified during our review. These can be summarised as follows;

- Inconsistencies in leased property inspections and update of Lease and License Register
- Lack of signed lease agreement for sample of Council properties

There were no **Priority 3** findings identified during our review.

Appendix I

Progress to Date

Progress to Date

Update on Annual Internal Audit Plan – 2025/26

In this section we have provided an overview of our progress regarding the 2025/26 Internal Audit Plan as at 15/09/2025.

Review Area	Sponsor	Planned Days	Audit Status	Assurance Level	Planned Start Date	Actual Start Date	Notes
Quarter 1							
Service Review – Administration	Head of Administration	15	Complete	Satisfactory	w/c 7 th April 2025	w/c 7 th April 2025	Final report issued 30/05/2025. To be presented to September 2025 Audit Committee.
Use of Agency Staff Policy and Processes	Director of Corporate Services / Head of HR and Organisational Development	10	Draft report	Limited	w/c 28 th April 2025	28 th April 2025	Draft report issued 04/09/2025. Awaiting management responses.
Service Review – Community and Culture	Head of Community and Culture	15	Complete	Satisfactory	3 rd June 2025	3 rd June 2025	Final report issued 09/09/2025. To be presented to September 2025 Audit Committee.
Staff Performance Management	Director of Corporate Services / Head of HR and Organisational Development	13	Fieldwork complete	-	w/c 9 th June 2025	9 th June 2025	Closing meeting held - draft report to be issued.
Lease Management	Head of Administration	13	Complete	Satisfactory	w/c 9 th June 2025	9 th June 2025	Final report issued 04/09/2025. To be presented to September 2025 Audit Committee.
Quarter 2							
Community Plan Implementation	Community Planning Manager	12	Fieldwork complete	-	w/c 28 th July 2025	28 th July 2025	Closing meeting held - draft report to be issued.
PCSP	Head of Community and Culture	5	Fieldwork commenced	-	w/c 8 th September 2025	8 th September 2025	Fieldwork commenced on 08/09/2025.
Digital Services Governance	Head of Strategic Transformation and Performance	13	Planning commenced	-	November 2025	-	Planning meeting held - draft terms of reference to be issued.

Progress to Date

Update on Annual Internal Audit Plan – 2025/26

Review Area	Sponsor	Planned Days	Audit Status	Assurance Level	Planned Start Date	Actual Start Date	Notes
Quarter 3							
Climate Change Strategy	Director of Corporate Services / Head of Administration	15	Planning to commence	-	January 2026	-	Planning to commence.
Cyber Security	Head of Strategic Transformation and Performance	15	Planning to commence	-	November 2025	-	Planning to commence.
Quarter 4							
Labour Market Partnership	Head of Economic Development	5	Planning to commence	-	w/c 19 th January 2026	-	Planning to commence.
Other Areas							
Follow-ups	Head of Finance / HoST	17	Ongoing	n/a	Quarterly	-	Latest follow up exercise results presented in Appendix II.

Changes to the Internal Audit Plan and AOB

Amendments and AOB to be noted by the Audit Committee

61

We have no other business to present however would be happy to discuss any other business that Ards and North Down Borough Council may wish to consider.

Appendix II

Outstanding Recommendations Update



Internal Audit have compiled a database of Internal Audit recommendations and seek management updates quarterly for all open recommendations (including any from previous years which remain open) as follows:

- **For Priority 1 findings reported as closed we conduct testing on the recommendation to confirm closure**
- **For Priority 2 findings reported as closed we asked for documentary evidence to support this**
- **For Priority 3 findings reported as closed, the management update as to whether it is closed (and when) or not is sufficient**

The results from our second quarter update for 2025/26 will be now reported to the Audit Committee.

Outstanding Recommendations

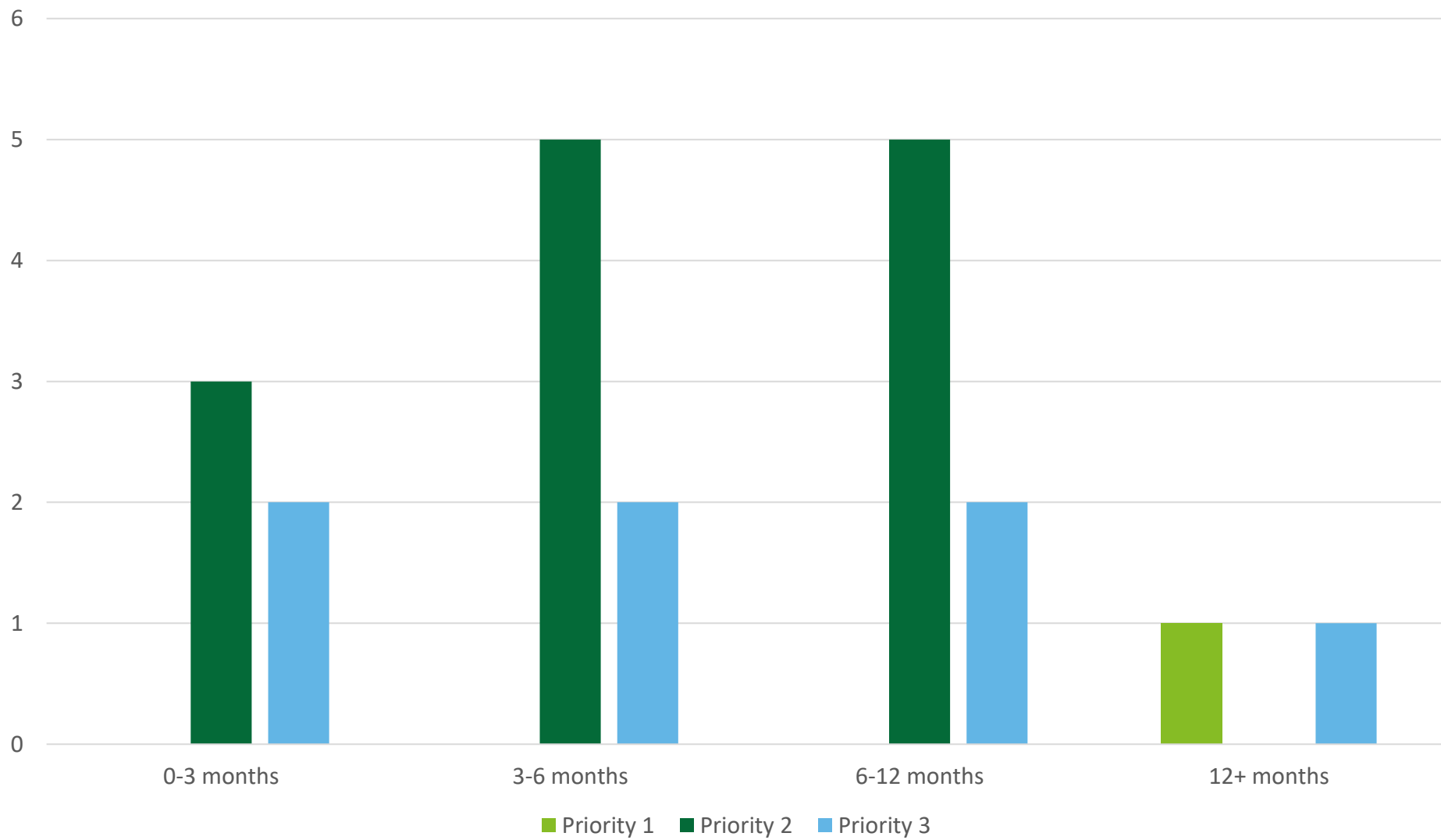
Update as at 15/09/2025

	Priority 1	Priority 2	Priority 3	Total
Total items remaining open as at 20/05/2025	3	22	17	42
Items added to tracker since last Audit Committee	-	-	-	-
Issues closed/superseded since last Audit Committee	(2)	-	(4)	(6)
Total items remaining open as at 15/09/2025	1	22	13	36
Items started and overdue	-	8	5	13
Items not started and overdue	1	13	7	21
Items not yet due	-	1	1	2

Outstanding Recommendations

Update as at 15/09/2025

Updated target date for overdue partially and not implemented Priority 1s and overdue not yet implemented Priority 2 and 3s



Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
1	Information and Data Protection Review	<p>Article 30 of the General Data Protection Regulation (GDPR) requires the Council to maintain a written record of processing activities referred to as the Record of Processing Activities (RoPA).</p> <p>Data Mapping Exercise: The Information Commissioner’s Office (ICO) Guidance states that a formal, documented, comprehensive and accurate RoPA is based on a data mapping exercise that is reviewed regularly. We identified that there has been no comprehensive data mapping exercise undertaken within the Council to provide a clear understanding of what information is held and where this is stored.</p> <p>Incomplete RoPA: We noted that the Record of Processing Activities (RoPA) for the Council is still in draft and not currently in use, although GDPR came into effect in 2018. Furthermore, good practice guidance by the ICO suggests the following, which currently is not included in the draft RoPA:</p> <ul style="list-style-type: none">• The RoPA should include links to other relevant documentation, such as contracts or records as a matter of good practice.• Location of personal data; and• Records of personal data breaches or link to the data. <p>Absence of documented guidance around completeness of RoPA: There is a lack of documented guidance and defined roles and responsibilities of the Data Protection Officer (DPO) and the Heads of Service Units in relation to the maintenance, update, and review of the RoPA. .</p>	<p>The Council should ensure that:</p> <ol style="list-style-type: none">1. A data mapping exercise is carried out across the Service Units to determine what information is held by the Council and the location of the information.2. The RoPA is completed and finalised for all Service Units, using outputs from the completed data mapping exercise, in line with ICO guidance and good practice, as soon as possible to ensure compliance with Data Protection legislation. This should include:<ol style="list-style-type: none">a. Update to the RoPA to reflect links to relevant documents.b. Location of where personal data is stored; andc. Records of personal data breaches or a link to the data.3. Guidance is documented regarding the roles and responsibilities of the DPO and the Heads of Service Units in relation to updates, maintenance, and review of the RoPA.	1	<p>The Council should ensure that:</p> <ol style="list-style-type: none">1. A data mapping exercise is carried out across the Service Units to determine what information is held by the Council and the location of the information.2. Draft ROPA underway, ROPA will be finalised. This will be done as part of the Council’s move to an Electronic Document Records Management System (EDRMS). This will include:<ol style="list-style-type: none">a. Update to the RoPA to reflect links to relevant documents.b. Location of where personal data is stored; andc. Records of personal data breaches or a link to the data.	31/05/2025	<p>The Head of Service advised “The EDRMS implementation project commenced on 28th July 2025, which will include ROPA as outworking of EDRMS. It is anticipated this work will take 12 - 18 months to complete.”</p> <p>Updated target date of implementation; 31/09/2026 31/05/2025</p>

Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
2	Travel and Subsistence	The Council is currently operating under legacy policies and two different methods of processing claims, one is manual, and the other is an electronic system called Transfare. Audit was advised that there is currently a paper in draft format which continues to be developed. This paper will form the basis for a single Ards and North Down Travel & Subsistence policy once it is completed and has been reviewed by the necessary departments and committees. Audit was also advised that a new online system “Core 2” is being implemented for processing all claims which is to be in place for 01/04/2019.	ANDBC should finalise a single Travel & Subsistence policy as soon as possible and implement a single method of processing claim submissions, either electronically or manually.	2	A first draft of the key issues for decisions in relation to a new Travel & Subsistence policy has been drawn up for discussion with CLT, HoST and SUMS. Once this has been reviewed and instruction given a clearer path for the policy will become evident. It is hoped the draft policy will proceed through the necessary stages to be implemented for 31/03/2019.	31/03/2019	The Head of Service advised “Awaiting formal response to the requested legal advice.” Updated target date of implementation; 31/12/2025 31/03/2026 31/03/2025 31/03/2024 01/10/2023 31/03/2022
3	Travel and Subsistence	A review has not been carried out within the new Council to determine whether staff are classified correctly as either casual car users or essential car users. Audit found that the Head of Finance is currently gathering information and statistics on travel and subsistence (as part of the paper referred to in Issue 1.) and that as a result any issues revealed (including inaccuracies relating to essential/non-essential car users) will be addressed.	Consideration should be given to prioritising the update of essential car user status to ensure eligibility is being correctly applied given changes that may have occurred in staff roles and locations of work.	2	Establishing the criteria that should be used to determine whether a post is essential user is one of the key issues to be decided upon in establishing the new policy. The review of the key issues draft document by CLT, HoST and SUMS will give clear direction regarding the essential user issue.	31/03/2019	The Head of Service advised “Awaiting formal response to the requested legal advice.” Updated target date of implementation; 31/12/2025 31/03/2026 31/03/2025 31/03/2024 01/10/2023 31/03/2022

Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
4	Overtime, Flexi & TOIL	We were advised that there is no formal mechanism to monitor hours worked (core hours and overtime) by Council employees against the Working Time Directive (48 hours per week average across a rolling 17 weeks).	The Council should review how to monitor hours worked (e.g. potential for reporting in Core) to ensure that, unless staff have formally opted out, there is compliance with the Working Time Directive.	2	Management will endeavour to configure a reporting routine in the new integrated HR/Employee Payments system currently being implemented.	31/03/2020	<p>The Head of Service advised “A decision is still to be made on how this report can be obtained, there is a considerable cost to getting a report set up in CORE.”</p> <p>Updated target date of implementation; 31/12/2025 31/07/2025 31/03/2025 30/09/2024 31/03/2024 30/06/2023 01/12/2022</p>

Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
5	Procurement	<p>We completed an analysis of individual invoices under £30,000 during the previous 12 months and identified 121 suppliers where the cumulative procurement for a similar service during the year exceeded the £30,000 tender threshold. Among the top 60 of these suppliers by spend, there were four suppliers identified where a competitively tendered contract was not in place. The spend for these 4 suppliers was £105k, £80k, £66k and £62k. We noted that the Procurement Handbook specifies an annual frequency of review by the Procurement Service Unit of cumulative spend to identify areas where competitive tenders should be obtained, but that this was in practice an ad-hoc review due to staff capacity and had not been documented or resulted in a formal report in the previous year.</p>	<p>To support value for money and efficiency in procurement, an analysis of spend should be produced and documented by Procurement on an annual basis, with input sought from budget holders on the feasibility of obtaining corporate contracts / putting out to tender for areas where similar goods or services are obtained.</p>	2	<p>1. The Procurement Handbook outlines an approach for review of spend with responsibility primarily with respective Services, with the Handbook advising for Procurement to be contacted where there are potential tendering opportunities. Corporately, spend is reviewed by the Procurement Manager when resources permit. It's accepted that there would be value in more frequent, formalised and wholesale reviews though the ability to achieve this will be dependent upon resource availability.</p> <p>A previous audit recommended that "Management should consider supporting the current Procurement Unit to allow the issue of corporate contracts to be addressed, potentially leading to ANDBC to make significant savings". A business case was submitted to this end though is not currently provided for in the draft 2020/21 budget due to competing pressures. It is likely this will continue to restrict the ability to realise the full potential of corporate spend reviews. The business case will be reviewed again for the 2021/22 budget process, if not prior to this under the Council's Strategic Transformation and Efficiency Programme, launching in 2020.</p> <p>2. In addition to the above, any corporate reviews that are carried out on an ad hoc basis during 2020/21 will be documented.</p>	01/12/2020	<p>The Head of Service advised "No formal review of spend has been undertaken since the last update due to limited PSU resources. Staff resources remain an ongoing problem for PSU. We have plans in place to potentially resolve this in early 2026 which should aid the implementation of the recommendations by March 2026."</p> <p>Updated target date of implementation; 31/03/2026 31/03/2025 31/03/2024 01/01/2025 01/05/2024 30/04/2023 30/04/2022</p>

Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
6	HR: Recruitment & Retention	<p>The Council does not have a formal workforce strategy. A number of councils in the United Kingdom produce and publish formal workforce strategy documents setting high-level objectives for recruitment, retention and training of staff, along with analysis of workforce composition, demographic factors, turnover and anticipated future hiring aspirations (e.g. based on transformation projects or key initiatives in the corporate plan). These exercises can provide increased clarity over recruitment and workforce development in a whole-council context and drive improvements through facilitation of forward planning for recruitment and retention projects. Whilst a formal workforce strategy is not in place, HR has drafted a proposal for moving to external advertisement of all posts. During the Council’s transformation phase following the merger of North Down Borough Council and Ards Borough Council in 2015, there was an agreed process to allow recruitment via internal trawl in the first instance, to facilitate redeployment of staff within the new structure. For reference, this phase is complete for the majority of Service Units, though we noted that some Service Units have not yet completed the transformation phase and continue to recruit roles internally.</p>	<p>The Council should consider developing a formal workforce strategy which sets out its current status and objectives for recruitment, retention, training and development of staff. This strategy should align with the new Corporate Plan being developed. This could include measures and targets as appropriate for vacancy rates, turnover rates, time to fill positions, sickness absence and workforce composition and high-level structure, and long-term strategy for addressing demands in relation to staffing and talent needs.</p>	2	<p>The Council already has largely set out this information within a variety of documents i.e. Learning and Development Plan, Organisational Development Strategy, Filling of Vacant posts guidelines and HR and OD Service Plan. There is also a draft succession planning document which requires some further scoping out and consultation with trade unions and staff. However, all this information could be brought together into one formal Workforce Strategy. It is proposed that the development of such a Strategy is included in the service plan for 2020/21.</p> <p>1. Develop a formal workforce strategy which sets out its formal current status and objectives for recruitment, retention, training and development of staff. This will align with the new Corporate Plan. Measures and targets as appropriate will be included as appropriate as outlined in the recommendation.</p>	01/04/2021	<p>The Head of Service has advised “A draft Workforce Planning Strategy has been created which is under discussion by managers.”</p> <p>Updated target date of implementation : 31/03/2026 31/09/2025 31/12/2025 31/03/2024 30/09/2023 01/04/2022</p>

Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
7	Grant Funding	<p>A Grants Policy is in place across the Council which outlines the processes for awarding grant funding through an open call process. This policy does not apply to grants administered through SLAs and we were advised that there is currently no documented policy to provide guidance over the processes to be followed in the administration of grants through SLAs.</p> <p>Due to an absence of documented policy, we identified the following in relation to grants administered via SLAs:</p> <ol style="list-style-type: none">1. Reconciliation of SLA Expenditure<ul style="list-style-type: none">• SLA expenditure incurred by beneficiaries is not reconciled to supporting receipts and/or bank statement extracts and therefore there is no way of ensuring funds were spent in line with the SLA conditions.• We noted that the Service Level Agreement (SLA) states that charges payable by the Council will be reviewed after the initial three-month SLA period. However, we were unable to obtain evidence of a review of SLA charges.• In addition, we were unable to evidence a breakdown of spend within the final monitoring form submitted by any of the three sampled SLA administered grants.	<p>The Council should ensure that a policy is developed to outline the processes to be followed when administering financial contributions via SLAs including the following:</p> <ol style="list-style-type: none">1. The process to ensure that all SLA financial contribution claims are summarised and reconciled to original receipts, invoices, and bank statements to ensure funds are spent in line with grant conditions.2. Guidance on administering advance payments through SLAs, including guidance on the amount to be distributed and any supporting documentation to be obtained.	2	<ol style="list-style-type: none">1. A financial assistance policy will be developed for approval by Council.2. The award was not a grant but a financial contribution. Going forward details of how advance payments will be made will be included in the financial assistance policy and in the SLA.	31/03/2023	<p>The Head of Service advised “Grants policy agreed by Council. Head of Finance to produce SLA wording to add to Grants Policy.”</p> <p>Updated target date of implementation; 01/03/2026 30/09/2025 01/01/2026 01/03/2025 30/09/2024 30/09/2023</p>

Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
7	Grant Funding	<div>2. Advance Payment Guidance<ul style="list-style-type: none">There is currently no guidance in relation to the payment and administration of advance payments for grants managed through SLAs, including guidance on percentage payment thresholds and documentation requirements for advance payments. For example, the Council Grants Policy outlines that written requests and supporting documentation (e.g., an up-to-date bank statement) should be submitted by beneficiaries when requesting advances, and documents guidance on the maximum advance percentages to be administered.In addition, we noted that there is no agreed percentage of advance noted in the SLA, with the two SLAs for the Covid 19 Food Partnership Fund receiving different advance percentages.We were advised by Management that written requests are not obtained for SLA administered funds as the Council agreed with the organisations that they would be paid a percentage upon signing the SLA and the remaining balance when they submitted their report. We were further advised that advance payments were negotiated with SLA organisations. However, we were unable to obtain a documented process to be followed to verify that the correct process had been adhered to.</div>	See previous slide.	2	See previous slide.	31/03/2023	See previous slide.

Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
8	Procurement (Contract Management)	<p>We noted from review of contract documents for sample five tenders that:</p> <ul style="list-style-type: none">• The roles and responsibilities for the management of a sample of four out of five contracts within Council were not clearly defined in the Contract document.• In three out five sample tenders there are no agreed Performance Indicators documented in the contract document with Contractor. Further there was lack of agreed format for the contractor to provide regular updates to the Council. <p>We were advised that in three out five contracts the site supervisor is present on-site when the work is carried out by the contractor. However no regular formal updates are requested from the Contractor. We were advised that Procurement Service Unit advise Contract Managers of the Contract Management responsibilities at the time of tendering process.</p>	<p>1. The Council should ensure the following is included in the Tender Document to ensure compliance with Council’s Procurement Handbook -:</p> <p>a. Roles and responsibilities for the post procurement contract management are clearly defined and documented in the Contract document;</p> <p>b. Measurable performance indicators are clearly defined and documented for each contract. In instances where the contract deliverable is treated as the performance measure, this should be clear within the service contract; and</p> <p>2. PSU to remind contract management staff within the council of the requirement to obtain formal updates from the contractor as per the defined contract management arrangements and performance indicators.</p>	2	<p>1a) For each procurement, this will be discussed and agreed with the responsible Council Officer at the procurement initiation meeting and detailed in the tender documents as and when required. (1/12/2023)</p> <p>1b) For each procurement, this will be discussed and agreed with the responsible Council Officer at the procurement initiation meeting and detailed in the tender documents as and when required. (1/12/2023)</p> <p>2) PSU will issue reminder updates to CLT, HoST & SUMs via internal communications on a quarterly basis (1/2/2024)</p>	01/02/2024	<p>The Head of Service advised, “1a and 1b - Procurement Manager is undertaking a review of Procurement Handbook and required updates are being made. 2. Comms will be issued following these updates.”</p> <p>Updated target date of implementation; 30/09/2025 31/03/2025 01/01/2025 01/02/2024</p>

Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
9	HR (Absence Management)	<p>Absence Trigger Notification</p> <p>We identified that there is no automatic notification to assist HR in monitoring when the following trigger points are hit;</p> <ul style="list-style-type: none">•Recorded at least 5% absence rate in total of short-term absences (whether self-certified or medically certified) – monitored via HR spreadsheet OR•Displayed an unacceptable pattern of absence (e.g. regular Fridays and Mondays, after a bank holiday or annual leave etc.- monitored via Line Manager OR•Reached 4 weeks’ continuous absence – monitored via HR spreadsheet (long term absence). <p>Return to Work Notification</p> <p>In addition, after each period of absence, an employee is required to complete a return-to-work interview with their Line Manager. Once completed, the Line Manager uploads this form to CORE.</p> <p>However, there is no notification to alert HR to the absence / completed Return to Work form. Therefore, in order for HR to be aware, Line Managers are also required to email the completed Return to Work form to the HR Administration team. This causes a duplication of effort.</p>	<p>Management should examine the possibility of implementing system controls within CORE which allow for HR to create reports which will:</p> <ul style="list-style-type: none">•Identify when the 5% absence trigger is hit.• Notify HR and Managers when the return to work has been completed and uploaded on to CORE. <p>Management should remind Line Managers of their responsibility to track unacceptable patterns of absence.</p>	2	<p>Line Managers are responsible for calculating absence figures and assessing trigger points. HR had initially requested that the CORE system have the capability to calculate % absence rates and to notify Line Managers and HR if any target set has been breached.</p> <p>Further examination of the notification functionality of CORE and/or a separate add on system.</p>	31/05/2024	<p>The Head of Service advised “Advertised a higher level post and widened specification , however, still unable to recruit, currently reviewing how to go forward.”</p> <p>Updated target date of implementation; 31/03/2026 31/07/2025 31/03/2025 31/05/2025</p>

Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
10	HR (Absence Management)	<p>We reviewed a sample of 25 staff absences during the period of November 2022 – November 2023. We noted the following issues with compliance with the Absence Management Policy:</p> <ul style="list-style-type: none">•For 5/25 sampled absences, the required return-to-work was not completed.•For 3/25 sampled absences, the relevant supporting documents, including GP notes and self-certifications, were not completed or submitted to HR.	<p>Management should remind Line Managers to ensure that:</p> <p>1.All staff should complete a return-to-work interview when they have returned from a period of absence.</p> <p>2.Line Managers should follow up on any supporting documents not provided in line with Council Absence Management Policy and provide these to HR.</p>	2	Line Managers to be reminded of their responsibilities in ensuring that they follow the processes as outlined in the Managing Absence Policy and Procedure.	30/06/2024	<p>The Head of Service advised “Further reminders to be sent.”</p> <p>Updated target date of implementation; 31/09/2025 31/03/2025 30/06/2024 31/12/2025</p>
11	IT General Controls	<p>Privileged access on Core HR is made up of three different categories: Payroll access, HR access and Security access.</p> <p>1.During our review, it was identified that two accounts, one end-user and one generic account, have privileged level access to both Payroll and Security menus resulting in a Segregation of Duties conflict. While management confirmed there are manual monitoring controls in place within the business to detect unauthorised actions, having both IT and Business privileged access does not adhere to best practice guidelines.</p> <p>2.It was also noted during our review that there is no formal procedure in place to review privileged level users’ access on Core HR to ensure that they are appropriate and aligned with the user’s job responsibilities on a frequent basis. While management informed Deloitte this process takes place on an ad-hoc basis, there is no formal procedure and formal documentation is not maintained of this review.</p>	<p>In Line with ISO27001:2002 5.18 Access Rights, Management should:</p> <p>1.Define and implement a Segregation of Duties Matrix, highlighting what roles can and cannot be assigned to Core HR users.</p> <p>2.Implement a review control to ensure privileged users on Core HR are assigned appropriate access rights for their job duties. This review should include:</p> <ul style="list-style-type: none">•A formally documented review control procedure outlining the steps and personnel involved in conducting the review:•A review of both users with privileged level access to Core HR and what access rights these users are assigned. An SOD matrix can be used in the review to ensure no Segregation of Duties Conflicts exist within the application.•Controls to ensure no user is signing off on their own access as part of the review.•Formally documented evidence of the review to act as an audit trail.	2	<p>1. Agreed</p> <p>2. Formal review control procedure will be put in place.</p>	30/09/2024	<p>The Head of Service advised “In progress and expected to meet updated target date”.</p> <p>Updated target date of implementation; 01/03/2025 30/09/2024 30/09/2025</p>

Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
12	Vehicle Management	<p>During our review of the vehicle parts inventory control and stock count process we noted the following:</p> <ul style="list-style-type: none">• There is no documented process for conducting stock counts of vehicle spare parts. The Transport Service Unit Manager indicated that informal periodic stock counts were performed during the year; however, these are not documented.• The access to the storeroom is not limited to specific staff members. Currently drivers and engineers can walk in the storeroom if they need any specific vehicle parts, and they then record the details on physical logbook maintained on the door of storeroom.• Despite the presence of barcodes on the spare parts box organizers, the stores unit is not currently utilizing barcode technology for inventory management purposes and relying instead on manual methods for inventory tracking and then manually updating inventory management system.• We requested a total stock count as at 27/02/24 from the inventory management system (Jamma), on the day of the site visit however he Transport Service Unit Manager and storekeeper were unable to extract this information. Management explained that the Jamma system was not user-friendly in terms of generating reports.	<p>1) Management should document processes for conducting regular stock counts of vehicle parts, including defining roles and responsibilities, implementing counting procedures, and documenting inventory reconciliation processes. As part of this, management should ensure that users of inventory control systems are trained and able to produce stock reports to support stock management.</p> <p>2) Consideration should be given to implementing a barcode scanning system for spare parts inventory management. This system would involve scanning barcodes on spare parts' box organizers during receiving, issuing, and inventory counts, enabling real-time tracking and accurate record-keeping.</p>	2	<p>1. Regular stock counts of vehicle parts. The old computer-based vehicle maintenance did not allow for stock control. A new system has now bene implemented, and all users trained. A written process will be developed to reflect the recommendation above.</p>	30/09/2024	<p>The Head of Service advised, “Tablets to be recalibrated and training on tablets to be completed.”</p> <p>Updated target date of implementation; 31/10/2025 31/05/2025 31/03/2025 30/06/2024</p>

Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
13	Cash Handling	<p>The Council’s Charging and Income Policy provides an overview of controls that relate to cash management and security. Management advised that Service Unit Managers are responsible for ensuring processes within the Policy are documented within local-level procedures.</p> <p>We reviewed Leisure Service Unit procedures and documentation relating to cash management and security and till operation and identified the following have not been documented;</p> <ul style="list-style-type: none">• Each safe has a limit in line with the insured value which are documented in the schedule of safes which is maintained by the Council's Risk Manager. We identified that this schedule is not made available to Leisure Centre staff, therefore Leisure Centre staff may not be aware of safe limit amounts.• The Leisure Service Unit has not defined the maximum amount which can be held within a till prior to transfer to the safe.• The Leisure Service Unit does not maintain a listing of staff authorised to handle cash. <p>We also identified that the following process is documented within local-level procedures and evidence is not maintained of this process:</p> <ul style="list-style-type: none">• The "Reception Audit Report" process document states that login and logout times are reviewed against reception staff breaks/handovers on a weekly basis. We were unable to obtain evidence that this review had been completed.	<p>The Leisure Service Unit should ensure:</p> <ol style="list-style-type: none">1. Leisure Centre safe limits are documented within procedures and communicated to the relevant staff;2. Leisure Centre till limits and process to be followed in the case these limits are breached are documented within procedures and communicated to the relevant staff;3. A listing of staff authorised to handle cash is maintained and regularly reviewed.4. Procedures are regularly reviewed to reflect current processes and practice, including the reception audit report, with version control documented on each procedure.5. Evidence should be maintained of the reception audit report process.	2	<p>1.-4. Procedures will be reviewed and updated</p> <p>5. This will be reflected in the updated procedure</p>	31/05/2025	<p>The Head of Service advised, “Work is largely complete to implement the recommendations. Final checks are being completed and it is expected that this will be recorded as closed for the next audit committee.”</p> <p>Updated target date of implementation; 30/09/2025</p>

Quarterly Follow-Ups Update

September 2025

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
14	Governance Framework	We selected a sample of 15 staff at or above the National Joint Council (NJC) Scale point 24 and identified two instances (Staff IDs. 20493 and 21602) where staff had not submitted their annual declaration of interest in 2023 and 2024 (January - November 2024).	The Council should ensure that all staff at or above the NJC Scale point 24 submit their annual declaration of interests. Continuous follow-ups should be made in instances of non-compliance, to ensure all staff declare their interests appropriately. Other processes for follow-ups should be explored e.g. Director or Chief Executive intervention.	2	The Council will ensure that all staff at or above the NJC Scale point 24 submit their annual declaration of interests. Continuous follow-ups will be made in instances of non-compliance, to ensure all staff declare their interests appropriately. Other processes for follow-ups will be explored e.g. Director or Chief Executive intervention.	30/06/2025	The Head of Service advised “Not yet completed.” Updated target date of implementation; 31/03/2026 30/09/2025

Appendix III

Statement of Responsibility

Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. This report is not based on an attest engagement. We have relied on information provided by Ards and North Down Borough Council’s management, and we do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy or completeness.

Recommendations for improvements should be assessed by the you (Ards and North Down Borough Council) for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management’s responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

This document is confidential and prepared solely for your information and that of other beneficiaries of our advice listed in our engagement letter. Therefore, you should not refer to or use our name or this document (in whole or in part) for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party without our prior authorisation. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

Deloitte NI
Belfast
September 2025



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Ards and North Down Borough Council (ANDBC)

Internal Audit Service Review – Administration – Final Draft Report for Audit Committee

May 2025

This document is a draft report. This document is confidential and is issued to a limited circulation for discussion only. Matters of fact and opinion have yet to be fully clarified and finalised. Details may change between this draft and the final report. It is not intended that management rely on the contents of this document until a final report is issued.

Matters noted in this draft report are only those, which came to our attention up to this point of our work and are not necessarily a comprehensive statement of all issues that exist, or all actions that might be taken. This draft report is made solely to Ards and North Down Borough Council for discussion purposes only.

We do not accept or assume responsibility for our work to anyone other than Ards and North Down Borough Council. This draft document must not be circulated or referred to without our express written consent.



Contents

1.	Overview	3
2	Detailed findings and recommendations	8
3	Statement of Responsibility	12
	Appendix I: Reporting Definitions	13

1. Overview

1.1 Scope and Objectives

This assurance review was undertaken as part of the 2025/26 Internal Audit Operational Plan. As part of our Internal Audit Strategy, we select two Services per year to perform an internal audit. The Administration Service has been selected as one of these Services for 2025/2026.

Overview

Administration Service Team

The Administration Service sits within Ards North Down Borough Council's (the Council) Corporate Services Directorate. The Administration Service comprises of a Head of Administration and managers for each Service Unit (Compliance, Customer Services, Democratic Services, Risk, Climate Change & Sustainability, and Land Management). Administration supports the Council in becoming a high-performing organisation by providing knowledge, skills, expertise, best practices, and resources, and also assists other services in ensuring compliance with legislation and statutory obligations.

Service Planning

The annual Administration Service Planning process begins in approximately August of each year. A live planning document is used to coordinate input from managers across Climate Change and Sustainability, Compliance, Land Management, Risk Management, Customer Services, and Democratic Services. The Head of Administration is responsible for reviewing and finalising the Service Plan. A first draft of the Service Plan is issued to the Budget Scrutiny Panel in November for review and approval. The Administration Service Plan for 2025 was approved by the Director of Corporate Services on 26 February 2025.

The Service Plan contains stakeholder analysis including a PESTLE and SWOT analysis to analyse the internal and external factors affecting the Council. In addition, the Plan also contains key performance indicators (KPIs) which are used to support the ongoing monitoring and evaluation of the Service's performance. Management ensures that Service Plan KPIs and objectives are aligned to support the achievement of corporate objectives and align to the *ANDBC Corporate Plan 2024-2028*, and they are reviewed monthly by Head of Administration. Each Service objective has at least one KPI assigned. The data protection team, compliance team, risk management, customer service, and democratic service teams are responsible for monitoring progress monthly through a live dashboard accessible to the administration team. Performance against KPIs is reported every six months through formal service updates to the Corporate Services Committee.

Budgetary Control

The budget setting process begins in approximately August of each year with final approval at Council level in April the following year. Council approval of the budget is documented in Council minutes. The Service determines its budget based on the annual objectives outlined in the Service Plan, and actual performance is measured against the budget. Budgets are monitored by the Head of Service, individual service line managers, and Finance managers monthly, with explanations sought from the administration



service managers for any variances. A Significant Issues Report is produced monthly by Finance and communicated to the Head of Service and Unit Managers, listing variances that exceed the threshold, which is calculated to account for 80% of the total variance for the month.

Risk Management

The Council have a Risk Management Strategy in place which outlines the process, providing guidance on the process for identifying, assessing, and monitoring risks. During monthly Administration team meetings, new or emerging risks are identified, assessed, and discussed. Corporate risks are tracked in the Corporate Risk Register, which is maintained by the Corporate Leadership Team (CLT). The Service Risk Register is used to track risks specific to the Service team. It is reviewed every six months by the head of the Administration team to ensure that all risks are up-to-date and properly managed. If a risk identified by the Administration team is deemed significant, it may be escalated from the Service Risk Register to the Corporate Risk Register.

Performance Monitoring and Reporting

Performance reports are prepared annually in February and submitted to the Corporate Services Committee for review and approval in May. Ongoing performance meetings and ad hoc discussions between the Head of Administration and team members support continuous performance monitoring. A Service Performance Committee oversees and discusses Service team performance, with frequent engagement maintained to demonstrate project value and secure ongoing support. Service performance improvement objectives, distinct from general Service objectives and aligned with Corporate Plan objectives, are set annually through the Service Plan.

The Standing Committee receives performance against KPIs updates every six months, with the Head of Service responsible for reporting to the Standing Committee. Monthly team meetings, led by Service Unit Managers, review and report on team performance. Reports and relevant papers are prepared and presented at monitoring meetings, with minutes documenting decisions and actions.

1.2 Scope and Objectives

The scope of this internal audit included a review of the Administration Service's key processes and controls in place regarding managing risks associated with service planning, budgetary controls, risk management and performance monitoring/reporting.

The objectives of the Internal Audit were as follows:

1. Service Planning

- Gain an understanding of the Service planning and reporting process, including the processes to identify stakeholder analysis, PESTLE analysis and future challenges.
- Assess whether Service objectives are aligned to support the achievement of corporate objectives, and whether KPIs and measures to track achievement of objective outcomes are reported to Management.
- Determine how progress against objectives and outcomes are monitored and reported, including verifying that KPIs are set and monitored for each.
- Assess whether the impact of the global economic environment (such as inflation and the cost of materials and equipment) have been considered in designing the Service objectives for the FY 2025/26.



- Determine whether Service objectives remain relevant and aligned to corporate objectives as per the Corporate Plan 2024-2028.

2. Budgetary Control

- Determine whether the budget setting process is appropriately communicated to members of staff, including the use of documented policies and procedures.
- Determine how the Service identifies its annual budget needs and whether it aligns these to delivery of its annual objectives as expressed in the Service Plan.
- Assess whether actual Service performance is measured against the budget and ascertain whether variances in income and expenditure are investigated (against clearly defined variance reporting levels) and reported to Management monthly.

3. Risk Management

- Consider how risk management is embedded and communicated, across the Service and Service Unit, including: assessing the process for identifying, assessing, and monitoring risks facing the Service, and considering whether there are appropriate reporting structures for escalating significant or emerging risks.

4. Performance Monitoring / Reporting

- Gain an understanding of the process to set Service performance improvement objectives and how these differ from the Service objectives, including verifying whether there is a clear understanding of what performance improvement looks like for the Service.
- Consider how performance improvement is embedded and communicated within the Service and Service Unit.
- Assess whether the process for monitoring and reporting KPIs against Service performance improvement objectives, is appropriate for determining if the Service is meeting these.

1.3 Approach

In order to complete this engagement, we used a combination of the following:

- Discussions with key members of the Service such as Head of Service, Risk Manager, Customer Services Manager, Democratic Services Manager, Land Manager, and Climate Change & Sustainability Manager to walkthrough key processes.
- Discussions with Finance, to discuss the budget monitoring and reporting processes.
- Reviewed key items of documentation such as the Administration Service Plan 2024/25, Corporate Plan 2024 – 2028, Performance Improvement Plan, and Risk Strategy 2021 – 2024.
- A limited programme of sample testing to assess control operating effectiveness, including: a review of monthly meeting minutes of the Corporate Services Committee to evidence discussion of the Service's performance against the budget, a review of monthly Budgetary Control Reports and quarterly performance reports.
- Consideration of possible improvements or alternatives for the controls in place.
- Held a close-out meeting with relevant stakeholders to discuss any review outcomes.



- Prepared a draft report, to report findings with practical recommendations for improvement where appropriate.

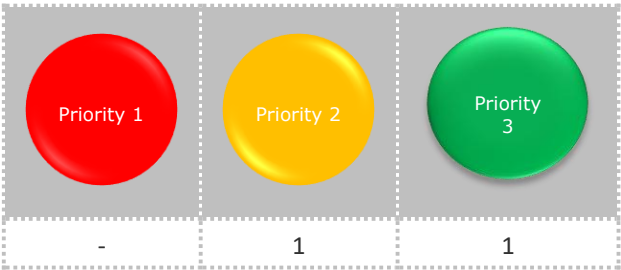
Our sole source for information has been management information and representations. We do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy.

Our work was performed in accordance with the Deloitte Internal Audit Methodology which is consistent with the standards of the Chartered Institute of Internal Auditors. Our work was carried out during April and May 2025.



1.4 Summary of findings

In **Section 2** we have set out our detailed findings and recommendations arising from our review.
Our findings have been graded using the scale outlined in **Appendix 1**.
The number of findings by risk grade can be summarised as follows:



There were no **Priority 1** findings identified during our review.

There was one **Priority 2** finding identified during our review. This can be summarised as follows:

- Administration Service Variance Analysis and Reporting (See Section 2.1.)

There was one **Priority 3** finding identified during our review. This can be summarised as follows:

- Review and update of Risk Strategy Document (See Section 2.2.)

Full details of the issues may be found in **Section 2** of this draft report.

1.5 Conclusion

Overall there is a **satisfactory** system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

Consequently, on the basis of the Internal Audit work undertaken, we have given a **satisfactory** level of assurance that the system objectives will be achieved. Refer to **Appendix I** for a definition of the assurance level given.

2 Detailed findings and recommendations

2.1. Administration Service Variance Analysis and Reporting

Finding	Recommendation	Priority										
<p>Income and Expenditure is grouped into three categories:</p> <ul style="list-style-type: none">- Payroll Expenditure- Goods and Service Expenditure- Income <p>The Budgeting Policy outlines, “A variance is significant if actual expenditure is more than a set percentage difference from budget and over a de-minimis threshold (e.g. 5% and £10,000). These thresholds should be set to explain 80% of the variance of each category and will consequently vary from month to month. Commentary is expected from budget managers in respect of significant variances.” In other words, all significant variances (as defined) must have a commentary provided and overall, commentary should be provided for 80% of variances in an overall budget heading. Therefore, if all the individual variance lines met the significant threshold, commentary should be provided for 100% of these lines; if the individual variance items are a mix of significant variances and below threshold variances, the commentary must be provided for all of the significant variances and any remaining variances to 80% of the overall budget heading.</p> <p>We obtained the significant issues report for a sample of three months (December 2024, January 2025, and February 2025) and noted the following:</p> <ol style="list-style-type: none">1. One instance where the variance exceeded the de-minimis threshold and had not been included within the significant issues report provided by the Finance team to the Administration Service. <table><tr><th>Month</th><th>GL Code</th><th>Budget Amount (£)</th><th>De-Minimis Threshold (£)</th><th>Overspend Amount (£)</th></tr><tr><td>Jan - 25</td><td>2053</td><td>43,061.00</td><td>25,000.00</td><td>27,061.00</td></tr></table>	Month	GL Code	Budget Amount (£)	De-Minimis Threshold (£)	Overspend Amount (£)	Jan - 25	2053	43,061.00	25,000.00	27,061.00	<p>We recommend that:</p> <ol style="list-style-type: none">1. Administration Service budget managers ensure that Finance is provided with sufficient commentary for all variances which exceed the significant variance threshold each month.2. Where the significant variances for given months do not sum to reach the 80% explanation target, Administration Service budget managers should provide commentary to Finance on smaller variances, until the 80% target has been met.3. Finance management should consider incorporating a percentage-based overspend criterion as part of the de-minimis threshold to improve the reporting on variances.	<div><div>Priority 2</div></div>
Month	GL Code	Budget Amount (£)	De-Minimis Threshold (£)	Overspend Amount (£)								
Jan - 25	2053	43,061.00	25,000.00	27,061.00								



2. One instance where a significant variance was identified by Finance, however, adequate commentary to outline the reason for the variance was not provided by the Administration Service budget holder.

Month	GL Code	Budget Amount (£)	Overspend Amount (£)	Commentary provided
Jan - 25	4556	454,125.00	107,625.00	None

We also noted the following instances where, including any significant variances, management had not reported on the overall 80% of variance in the budget heading.

3. Details are as follows:

Category	Total % of variances explained in Jan – 25	Total % of variances explained in Feb – 25
Payroll	0.6%	49.6%
Goods & Services	116.9%	55.5%

We selected a sample of six variances from the Administration team’s budget lines to determine whether variances had been adequately identified and reported on in accordance with the Budgeting Policy and noted the following:

4. Three instances (noted in the table below) where the percentage overspend was greater than 48%, but these were not captured in the significant issues report as the significant variance threshold for that month was not exceeded as it was based on a monetary value rather than a percentage.

Month	GL Code	Budget Amount (£)	Overspend Amount (£)	Significant Variance Threshold for month (£)	Percentage Overspend
Feb – 25	4689	18,378.00	8,878.00	50,000.00	48.31%
Feb – 25	4502	6,910.00	4,910.00	50,000.00	71.06%



Dec - 24	4419	6,320.00	3,820.00	35,000.00	60.44%
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Potential Impact

- Where significant variances have been identified by Finance but the line manager in Administration has not provided sufficient reasoning for the variance, future budgets may be based on incorrect assumptions, leading to continued inaccuracies and potential financial shortfalls.
- Explanations of significant variances from budget may not be adequately reported to the Finance team by Administration Service Managers, and they may make decisions based on incomplete or inaccurate information, which can negatively affect the Council’s operations and strategic direction.

Management response

Action Plan

Owner/ Title

Target Date of Implementation

The Administration Service budget managers will ensure that Finance is provided with sufficient commentary for all variances which exceed the significant variance threshold each month.

Head of Administration

June 2025

Budgetary control is an art and requires flexibility. Often at the small variances make up the remainder of the unhighlighted variances which are unlikely to appear in the Strategic Budget Report. However, the Head of Administration will ensure that Service Unit Managers take an active role in managing their budgets, by including budget reports on the monthly manager meeting.

Head of Administration

June 2025


A percentage-based overspend criterion as part of the de-minimis threshold will be considered at the next review of the budgeting policy

Head of Finance

December 2025



2.2 Review and update of Risk Strategy Document

Finding		Recommendation	Priority
<p>We reviewed the Risk Strategy Document dated 03/04/2022 and noted that it was scheduled for a review in 2024 which was not completed.</p> <p>We acknowledge that at the time of the internal audit, a review of the Risk Strategy Document is pending and will be presented to the Audit Committee in May 2025. We received a copy of the updated 2025-2029 Risk Strategy Document as evidence of this.</p> <p>Potential Impact</p> <p>Failure to correctly review the document in line with the scheduled review date may result in inaccurate descriptions of current processes.</p>		Management should ensure that the Risk Strategy Document is reviewed and updated in accordance with the assigned review dates.	
Management response			
Action Plan	Owner/ Title	Target Date of Implementation	
Management will ensure that the Risk Strategy Document is reviewed and updated in accordance with the assigned review dates.	Head of Administration	June 2025	



3 Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. This report is not based on an attest engagement. We have relied on information provided by Ards and North Down Borough Council’s management and we do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establishes accuracy or completeness.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management’s responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

This document is confidential and prepared solely for your information and that of other beneficiaries of our advice listed in our engagement letter. Therefore you should not refer to or use our name or this document (in whole or in part) for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party without our prior authorisation. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

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Appendix I: Reporting Definitions

Assurance Opinion

For each report delivered in the annual Internal Audit Plan, we will provide one of three levels of assurance, ranging from satisfactory assurance to unacceptable assurance. These assurance levels reflect the latest requirements of the Department of Finance (DAO (DoF) 07/16).

Assurance Level	Evaluating and Testing Conclusion
Satisfactory	Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
Limited	There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.
Unacceptable	The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.



Recommendation Priorities	
Priority 1	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
Priority 2	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
Priority 3	Failure to implement the recommendation could lead to an increased risk exposure.

These definitions of evaluations should be interpreted in conjunction with the scope of the audit work and in the overall context that our findings should only be relied upon to be representative of the operation of control procedures at the time of discussion or observation of these control practices and in relation to the transactions tested. Projection of evaluations of future periods is subject to the risk that the policies and procedures may become inadequate because of changes in conditions, or that the degree of compliance with these policies and procedures may deteriorate. The performance of Internal Audit work should not be taken as a substitute for management’s responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and work performed by Internal Audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should Internal Audit work be relied upon to identify all circumstances of fraud or irregularity should there be any, although our audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

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Ards and North Down Borough Council (ANDBC)

Internal Audit Service Review – Community and Culture – Final Draft Report for Audit Committee

September 2025

This document is a draft report. This document is confidential and is issued to a limited circulation for discussion only. Matters of fact and opinion have yet to be fully clarified and finalised. Details may change between this draft and the final report. It is not intended that management rely on the contents of this document until a final report is issued.

Matters noted in this draft report are only those, which came to our attention up to this point of our work and are not necessarily a comprehensive statement of all issues that exist, or all actions that might be taken. This draft report is made solely to Ards and North Down Borough Council for discussion purposes only.

We do not accept or assume responsibility for our work to anyone other than Ards and North Down Borough Council. This draft document must not be circulated or referred to without our express written consent.



Contents

1. Overview 3

2 Detailed findings and recommendations..... 9

3 Statement of Responsibility..... 11

Appendix I: Reporting Definitions 12

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1. Overview

1.1 Introduction

The 2025/26 Annual Internal Audit Plan includes provision for two separate Service internal audits. The Council's Community and Culture Service was selected as one of these Services for 2025/2026.

Community and Culture Service Team

The Community and Culture Service is part of Ards North Down Borough Council's ('the Council') Community and Wellbeing Directorate. This Directorate is made up of three service units: Community Development, Arts & Heritage, and Externally Funded Programmes. The leadership team within the Community and Wellbeing Directorate includes the Head of Community and Culture, the Arts and Heritage Manager, the Externally Funded Programmes Manager, and the Community Development Manager. Each service unit delivers a range of community programmes, clubs, exhibitions, training sessions, advice, and other forms of support aimed at enabling and empowering local communities.

Service Planning

The annual Community and Culture Service planning process typically begins in August each year. This process is supported by formalised guidelines, including the Estimates Handbook 2025-26, Service Planning Handbook 2025-26, Service Plan Guidance Notes 2025-26, and the Service Plan Template 2025-26. During service planning sessions organised by the Head of Community and Culture, Service Managers identify key performance indicators (KPIs), drawing on inputs from the museum's forward plan, the arts and heritage strategy, and stakeholder consultations. A review of past performance also plays an important role in selecting KPIs. Each Service Manager proposes KPIs for their respective teams, which are then reviewed and finalised into the draft Service Plan by the Head of Community and Culture. The Community and Culture service plan for 2025 was approved by the Head of Community and Culture, the Head of Leisure Services, and the Director of Community and Wellbeing on 24th February 2025.

Budgetary Control

The Service team operates under a central Budgeting Policy, which the Council approved on 30 November 2023 and has scheduled for its next review on 30 September 2025. The Council's Finance Department provides all service unit managers with a budget-setting pack that details the steps and timelines involved. The budget was prepared along with the draft service plan in November 2025 and was presented to the budget scrutiny panel on 2nd December 2025. Monthly meetings are held to discuss the current budget and to plan for the following year's budget. Year-end spending forecasts and mid-year assessments are reviewed during these planning sessions to identify potential overspends or underspends, which inform the presentation of budget estimates. The Head of Community and Culture, together with the service unit managers, presents the budget to the Finance Committee. Budget variances are reported monthly to the Finance Department, with explanations required for any deviations from the budgeted amounts. Variance thresholds are outlined within the Budgeting Policy.



Risk Management

The Council has established a Risk Management Strategy which outlines the Council's risk management processes, and provides Council staff with guidance for identifying, assessing, and monitoring risks. Risk management is a standing item on the agenda of the monthly Service meetings, allowing for discussion of any new or emerging risks to ensure these are promptly recognised, evaluated, and discussed by Service management. The Community and Culture Service Risk Register is used to capture and monitor identified risks specific to Service operations and is reviewed biannually by the Head of Community and Culture to ensure all risks remain current and are effectively managed. If a risk identified by the Community and Culture team is deemed significant, it may be escalated from the Service Risk Register to the Corporate Risk Register, which is maintained by the Corporate Leadership Team (CLT).

Performance Monitoring and Reporting

Performance reports are prepared in advance of the Community and Wellbeing Committee meetings, which are held every six months. The Head of Community and Culture holds monthly one-on-one and group meetings with managers, while Service Managers conduct weekly meetings with their teams to track progress, including monitoring footfall and advancing new initiatives such as the education programme. Service performance improvement objectives, which are separate from general Service objectives but aligned with the Corporate Plan, are established annually within the Service Plan. The Standing Committee reviews performance biannually, with the Head of Service responsible for reporting on the status of KPIs. Minutes and action points are recorded for every performance monitoring meeting.

1.2 Scope and Objectives

The scope of this internal audit included a review of the controls in place to manage risks associated with service planning, budgetary control, risk management and performance monitoring/reporting.

The objectives of the Internal Audit were as follows:

1. Service Planning

- Gain an understanding of the Service planning and reporting process, including the processes to identify stakeholder analysis, PESTLE analysis and future challenges.
- Assess whether Service objectives are aligned to support the achievement of corporate objectives, and whether KPIs and measures to track achievement of objective outcomes are reported to Management.
- Determine how progress against objectives and outcomes are monitored and reported, including verifying that KPIs are set and monitored for each.
- Assess whether the impact of the global economic environment (such as inflation and the cost of materials and equipment) have been considered in designing the Service objectives for the FY 2025/26.
- Determine whether Service objectives remain relevant and aligned to corporate objectives as per the Corporate Plan 2024-2028.

2. Budgetary Control

- Determine whether the budget setting process is appropriately communicated to members of staff, including the use of documented policies and procedures.
- Determine how the Service identifies its annual budget needs and whether it aligns these to delivery of its annual objectives as expressed in the Service Plan.
- Assess whether actual Service performance is measured against the budget and ascertain whether variances in income and expenditure are investigated (against clearly defined variance reporting levels) and reported to Management monthly basis.

3. Risk Management

- Consider how risk management is embedded and communicated, across the Service and Service Unit, including: assessing the process for identifying, assessing, and monitoring risks facing the Service, and considering whether there are appropriate reporting structures for escalating significant or emerging risks.

4. Performance Monitoring / Reporting

- Gain an understanding of the process to set Service performance improvement objectives and how these differ from the Service objectives, including verifying whether there is a clear understanding of what performance improvement looks like for the Service.
- Consider how performance improvement is embedded and communicated within the Service and Service Unit.
- Assess whether the process for monitoring and reporting KPIs against Service performance improvement objectives, is appropriate for determining if the Service is meeting these.



1.3 Approach

In order to complete this engagement, we used a combination of the following:

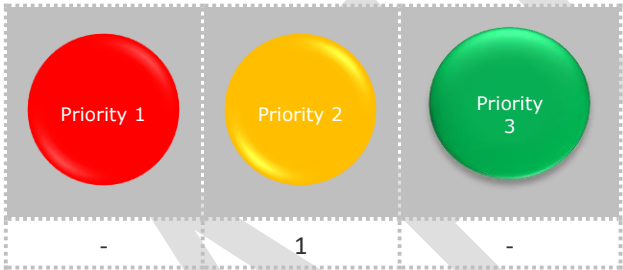
- Discussions with key members of the Service such as Head of Community Culture, Community Development Manager, Arts and Heritage Manager and Externally Funded Programmes Manager to walkthrough key processes.
- Discussions with Finance, to discuss the budget monitoring and reporting processes.
- Reviewed key items of documentation such as the policies and procedures, Community and Culture Service Plan, risk registers and reports.
- A limited programme of sample testing to assess control operating effectiveness, including: a review of monthly meeting minutes of the Corporate Services Committee to evidence discussion of the Service's performance against the budget, a review of monthly Budgetary Control Reports and quarterly performance reports.
- Consideration of possible improvements or alternatives for the controls in place.
- Held a close-out meeting with relevant stakeholders to discuss any review outcomes.
- Prepared a draft report, to report findings with practical recommendations for improvement where appropriate.

Our sole source for information has been management information and representations. We do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy.

Our work was performed in accordance with the Deloitte Internal Audit Methodology which is consistent with the standards of the Chartered Institute of Internal Auditors. Our work was carried out during June and August 2025.

1.4 Summary of findings

In **Section 2** we have set out our detailed findings and recommendations arising from our review.
Our findings have been graded using the scale outlined in **Appendix 1**.
The number of findings by risk grade can be summarised as follows:



There were no **Priority 1** or **Priority 3** findings identified during our review.
There was one **Priority 2** finding identified during our review. This can be summarised as follows:

- Service Variance Analysis and Reporting (See Section 2.1.)

Full details of the issues may be found in **Section 2** of this draft report.

1.5 Conclusion

Overall there is a **satisfactory** system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
Consequently, on the basis of the Internal Audit work undertaken, we have given a **satisfactory** level of assurance that the system objectives will be achieved. Refer to **Appendix I** for a definition of the assurance level given.

1.6 Observations

We have noted one observation in addition to the formal recommendations included in Section 2, which have been previously raised in other Internal Audits and where the recommendations remain open for implementation:

Risk Management Strategy

- i) The Risk Strategy Document states, *"It is the responsibility of the risk owner and the Head of Service to escalate risks that exceed the identified risk tolerance threshold."*

However, upon reviewing the Risk Strategy Document, we found that there is no clearly defined risk tolerance threshold for the escalation of risks within the Council. This issue was formally raised as a Priority 3 finding in the HR and Organisational Development Service Review, although it applies to all Services (draft report dated 31/01/2022)

As outlined, the above areas have been raised as findings in previous reviews therefore we have not raised them as repeat formal recommendations in this instance. Management has agreed on action plans, target dates for implementation, and responsible owners to implement these recommendations.



2 Detailed findings and recommendations

2.1. Service Variance Analysis and Reporting

Finding	Recommendation	Priority																				
<p>Council Income and Expenditure are grouped into three categories:</p> <ul style="list-style-type: none">• Payroll Expenditure• Goods and Service Expenditure• Income <p>The Budgeting Policy specifies: “A variance is significant if actual is more than a set percentage difference from budget and over a de-minimis threshold. These thresholds should be set to explain 80% of the variance of each category and will consequently vary from month to month. Commentary will be expected from budget managers in respect of significant issues.”</p> <p>Upon reviewing the Community and Culture Service’s Significant Variances Reports for February 2025, we noted that the proportion of variance explanations received fell short of the 80% target, as detailed below:</p> <ol style="list-style-type: none">1. Payroll Variance Explanation Rate = 49.6%2. Goods and Services Variance Explanation Rate = 55.5% <p>Additionally, we observed several cases (outlined below) where variances were identified but sufficient commentary explaining the reasons for these variances was not provided. We noted that where the variances were “unfavourable”, they were considered a significant variance as a percentage.</p> <table><tr><th>Month</th><th>GL Code</th><th>Variance Amount (£)</th><th>Commentary provided</th></tr><tr><td>Feb - 25</td><td>10871</td><td>16,500 Favourable</td><td>“Unsure”</td></tr><tr><td>Feb - 25</td><td>10102</td><td>11,101 Unfavourable</td><td>None</td></tr><tr><td>Mar - 25</td><td>10936</td><td>93,000 Unfavourable</td><td>None</td></tr><tr><td>Mar - 25</td><td>10888</td><td>50,000 Favourable</td><td>None</td></tr></table>	Month	GL Code	Variance Amount (£)	Commentary provided	Feb - 25	10871	16,500 Favourable	“Unsure”	Feb - 25	10102	11,101 Unfavourable	None	Mar - 25	10936	93,000 Unfavourable	None	Mar - 25	10888	50,000 Favourable	None	<p>Service Management should:</p> <ol style="list-style-type: none">1. Ensure that Finance is provided with adequate commentary for all variances which exceed the significant variances threshold.2. In cases where the 80% explanation target is not met for a given month, Service management should implement a follow up process with line managers to provide commentary on their responsible variance to ensure that the Community and Culture Service are complying with the Budgeting Policy.	<div>Priority 2</div>
Month	GL Code	Variance Amount (£)	Commentary provided																			
Feb - 25	10871	16,500 Favourable	“Unsure”																			
Feb - 25	10102	11,101 Unfavourable	None																			
Mar - 25	10936	93,000 Unfavourable	None																			
Mar - 25	10888	50,000 Favourable	None																			



Potential Impact <ul style="list-style-type: none">• Explanations of significant variances from budget may not be adequately reported to the Finance team by Community and Culture Service Managers.• Where significant variances have been identified by Finance but the line manager in Community and Culture has not provided sufficient reasoning for the variance, could potentially lead to non-compliance with the Budgeting policy and / or insufficient planning for future budget setting process due to incorrect variance reporting during previous years.		
Management response		
Action Plan	Owner/ Title	Target Date of Implementation
Significant issues update added to the agenda for the monthly SUM/HoS meeting	Head of Community and Culture	17.09.25
SUMS requested to copy the HoS into each return in relation to monthly significant issues reports and to discuss any problems with the HoS or finance colleagues to ensure a completed return is made.	Head of Community and Culture	30.09.25



3. Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. This report is not based on an attest engagement. We have relied on information provided by Ards and North Down Borough Council’s management and we do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish accuracy or completeness.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management’s responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

This document is confidential and prepared solely for your information and that of other beneficiaries of our advice listed in our engagement letter. Therefore you should not refer to or use our name or this document (in whole or in part) for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party without our prior authorisation. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

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For and on behalf of
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Appendix I: Reporting Definitions

Assurance Opinion

For each report delivered in the annual Internal Audit Plan, we will provide one of three levels of assurance, ranging from satisfactory assurance to unacceptable assurance. These assurance levels reflect the latest requirements of the Department of Finance (DAO (DoF) 07/16).

Assurance Level	Evaluating and Testing Conclusion
Satisfactory	Overall, there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
Limited	There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.
Unacceptable	The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.



Recommendation Priorities	
Priority 1	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
Priority 2	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
Priority 3	Failure to implement the recommendation could lead to an increased risk exposure.

These definitions of evaluations should be interpreted in conjunction with the scope of the audit work and in the overall context that our findings should only be relied upon to be representative of the operation of control procedures at the time of discussion or observation of these control practices and in relation to the transactions tested. Projection of evaluations of future periods is subject to the risk that the policies and procedures may become inadequate because of changes in conditions, or that the degree of compliance with these policies and procedures may deteriorate. The performance of Internal Audit work should not be taken as a substitute for management’s responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and work performed by Internal Audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should Internal Audit work be relied upon to identify all circumstances of fraud or irregularity should there be any, although our audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

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Ards and North Down Borough Council

Internal Audit Review of Lease Management – Final Draft Report for Audit Committee

September 2025

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Contents

1.	Overview	3
2.	Detailed findings and recommendations	9
3.	Statement of Responsibility	12
Appendix I: Reporting Definitions		13

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1. Overview

1.1. Introduction

This assurance review was undertaken as part of the 2025/26 Internal Audit Operational Plan. The purpose of the internal audit was to review Ards and North Down Borough Council's ("the Council") processes and controls around lease management of commercial property, where the Council is the lessor.

1.2. Overview

Governance

The Compliance team within the Administration Service is currently made up of the Head of Administration Service, Land Manager, and three Land Officers, and they are responsible for the oversight of lease management, including the drafting of lease agreements and management of lessees. The Finance Service are responsible for receiving and processing rental income, including follow up on any outstanding debt. The Compliance team, in conjunction with the Finance team are responsible for the maintenance of a Lease and License Register ("the register"). All lease requests/change requests come through a centralised mailing list managed by the Compliance team. It is the responsibility of the Compliance team to update the register with changes to be made or new agreements to be added and to monitor the timeframes for rent review or term end dates, starting the process for renewals, rent reviews or terminating the lease. It is the responsibility of the Finance Service to update any information relating to payments on the Register. The Finance Service also informs the Land Manager where a Tenant is in rent arrears and has failed to make prompt payment, or where a Tenant is repeatedly failing to pay rent on time.

There is a Land and Finance Working Group ("the working group") that supports in the management of leases including the resolution of disputes with Tenants, which operates under the Estate Development Programme Board terms of reference. The working group assists in any lease related decision-making including lease renewals and serves as a first escalation point for any issues with Tenants. A quarterly meeting is held between the Director of Corporate Services, Head of Administration, Capital Accountant, Head of Assets and Property, and the Risk Manager is held to address any issues with the register/leased properties.

The current version of the Council's Land and Property Policy ("the Policy") was approved by the Corporate Services Committee in November 2023, and the next scheduled review is November 2026. The Policy is stored on the Council's intranet, ANDi, which is accessible to all staff.

Section 9 of the Policy, "Leasing and Licensing of Council Land and Property" includes the following subsections:

- Lease and License Register – this outlines the required details for each lease maintained on the register. This includes information such as:
 - Type of agreement

- Counterparty
- Duration of lease including the start and end date
- Details of the property
- Terms and conditions
- Financial obligations including premium payment, current rental fee and frequency of payments
- General Principles – this outlines key provisions to be included in each lease agreement.
- Procedure for new Lease or License requests – this details the end-to-end process including approval at Council level.

Lease Management Processes

Once a request by a third party for a lease of Council property is received by the Compliance team, its reviewed and circulated for consultation during which time feedback from the Corporate Leadership Team (CLT), Head of Service Team (HOST), and Service Unit Managers (SUM) is collated. The Compliance team considers the consultation feedback received and decides whether the request should be:

- Rejected
- Reported to the Corporate Services Committee for consideration/approval

Following Corporate Services Committee approval, an approval letter, along with terms & conditions, is issued to the tenant. The tenant's agreement to the terms and conditions prompts the issuance of a report. The minutes are sent to the Council solicitor for the drafting of the lease, during which rental valuation is agreed upon.

Once the Tenant signs the documents the Council's Corporate Seal is added, the agreement is countersigned by the Mayor and the Chief Executive. Where the Seal is not required, the agreement is provided to the Chief Executive along with a Council minute evidencing authority to enter into the agreement, and the Chief Executive shall thereafter sign the agreement on behalf of the Council.

Signed lease agreements are stored on a SharePoint, "Digital Title Deeds and Maps" which is accessible by the Compliance team, Finance and Assets and Properties.

Land and Property Services (LPS) completes periodic rent reviews of each leased property/land for the Council. They are guided by the principles of the LPS Central Advisory Unit (CAU) 'Disposal of Surplus Public Sector Property in Northern Ireland'. This document contains guidance on the disposal of public sector property to ensure that value for money is achieved and high standards of propriety are maintained.

Monitoring and tracking of leases include routine and reactive inspections with maintenance inspections conducted. Inspections are either carried out by Council staff or third parties, depending on the inspection type. Financial oversight is undertaken by the Finance team including tracking lease invoices,

reconciling invoice spreadsheets and managing debt collection. Invoices require formal approval by a Finance Officer and are processed monthly. Financial monitoring involves weekly analysis of outstanding debt. Overdue debtors are managed through regular communication and follow-up letters to Tenants. There is a threshold of £150 outstanding debt to trigger the court action process.

As at 27 May 2025, there were a total of 71 current agreements (Council as the Lessor), detailed below:

No.	Type	Total	Rental income p.a. (£)
1	Lease	43	113,421.25
2	Ground Rent	10	192
3	License	17	2,368.5
4	License & Operating Agreement	1	1
		71	115,982.75

1.3. Scope and Objectives

The scope of this audit was a review of the Council processes and controls around lease management, where the Council is the lessor. The objectives of the Internal Audit review were to:

Governance Arrangements

- Determine whether adequate governance structures have been established (including definition of roles and responsibilities) in relation to lease management of Council land and property.
- Determine whether timely and accurate information is reported to management on lease management activities.
- Determine whether there are formally documented policies and/or procedures over the key lease management processes and activities.
- Determine whether a central register is in place detailing all leases where the Council acts as the lessor and that this is updated to capture new leases or changes to existing leases.
- Consider whether the register contains adequate information on the lease agreements such as:
 - Duration of lease
 - Terms and conditions (e.g. service charges, insurance, property maintenance responsibility)
 - Termination notice
 - Financial obligations



- Council staff managing the lease.
- Details of lessee.
- Assess the processes for approval by Council and management of new lease arrangements or changes to lease agreements, including how Council assesses that the value of the lease is value for money.

For a sample of leases, confirm whether lease agreements are signed by an appropriate signatory on behalf of the Council and stored securely.

Lease Management Processes

- Determine whether the roles and responsibilities of both the lessor (Council) and lessee are clearly stated, in particular in relation to property maintenance and security.
- Determine whether a mechanism is in place for monitoring and tracking compliance with lease agreements by lessees.
- Assess whether controls are in place for accurate and timely collection of rental income and follow up over debtors.
- Assess whether a mechanism is in place for the assessment of potential exposure for dilapidations and status of negotiations to limit liabilities are adequate.

1.4. Approach

In order to complete this engagement, we used the following:

- Discussions with key Council staff such as Head of Administration Service and Acting Land Manager to walkthrough key lease management processes.
- Review of key items of documentation such as lease management policies and/or procedures.
- A limited programme of sample testing to assess control operating effectiveness including the controls in place for approval and storage of lease agreements, ensuring value for money and receipt of rental income.
- Consideration of possible improvements or alternatives for the controls in place.
- Reporting of findings with practical recommendations for improvement where appropriate.

Our sole source for information has been management information and representations. We do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy.

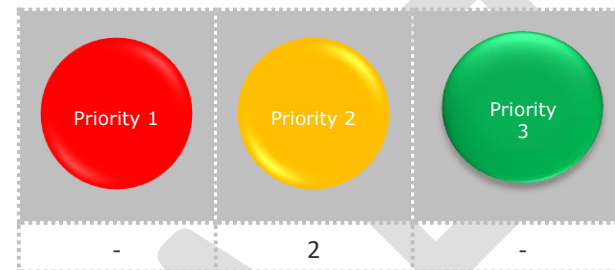


Our work was performed in accordance with the Deloitte Internal Audit Methodology which is consistent with the standards of the Chartered Institute of Internal Auditors. Our work was carried out remotely between June and August 2025.

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1.5. Summary of findings

In **Section 2** we have set out our detailed findings and recommendations arising from our review. Our findings have been graded using the scale outlined in **Appendix 1**. The number of findings by risk grade can be summarised as follows:



There were no **Priority 1** or **Priority 3** findings identified during our review.

There were two **Priority 2** findings identified during our review. These can be summarised as follows:

- Inconsistencies in leased property inspections (see **Section 2.1**)
- Lack of signed lease agreement (see **Section 2.2**)

Full details of the issues may be found in **Section 2** of this report.


1.6. Conclusion

Overall, there is a satisfactory system of governance, risk management and control in relation to lease management. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

Consequently, based on the Internal Audit work undertaken, we have given a **satisfactory** level of assurance that the system objectives will be achieved. Refer to **Appendix I** for a definition of the assurance level given.

2. Detailed findings and recommendations


2.1. Inconsistencies in leased property inspections

Finding	Recommendation	Priority
<p>We selected a sample of 15 Council properties currently leased, where the Council is the lessor to assess controls for monitoring lease compliance and receipt of rental income. We identified the following points:</p> <ol style="list-style-type: none"> 1. There is no defined process/methodology for inspecting leased properties to ensure there is no damage or otherwise to the leased property, which would break a tenant's covenant. Management advised that there are inspections carried out although not at a defined frequency. We note that 4/15 of our sampled properties underwent at least one inspection. These inspections are carried out by qualified Council staff/3rd party providers. 2. We noted that 2/11 properties which had not been inspected have a lease with a duration of 999 years. Management advised that longer term leases (for example, 999 years in length) are treated as disposals and not subject to Council inspection, however this requirement is not documented. 3. Furthermore, the Land and Property Policy outlines within section 9.2 that the Lease and License Register should include the following information: <ul style="list-style-type: none"> • Maintenance responsibility and date of previous / due date of next Tenant's Statement of Assurance. • Date of last property inspection and due date of next inspection. We reviewed the Lease and License Register and noted this information is not included. <p>Potential Impact</p>	<p>Management should:</p> <ol style="list-style-type: none"> 1. Develop an inspection process for current and future Council leases, where the Council is the lessor. 2. Define and document circumstances when the Council has deemed it unnecessary for an inspection of a leased property to take place (for example, in the instance where it is treated as a disposal). 3. Implement an inspection schedule for a sample of pre-existing Council leases, using an agreed approach and timeframe. 4. Maintain a record of completed and upcoming inspection dates on the Lease and License Register. 	 <p>Priority 2</p>



Lack of regular inspection of Council-owned properties increases the risk of tenant non-compliance with tenant covenants or other damage to the property going unnoticed and unaddressed.		
Management response		
Action Plan	Owner/ Title	Target Date of Implementation
<ol style="list-style-type: none">1. Develop an inspection process for current and future Council leases, where the Council is the lessor.2. Define and document circumstances when the Council has deemed it unnecessary for an inspection of a leased property to take place (for example, in the instance where it is treated as a disposal).3. Implement an inspection schedule for a sample of pre-existing Council leases, using an agreed approach and timeframe.4. Maintain a record of completed and upcoming inspection dates on the Lease and License Register.5. The above will all be documented in the review Land and Property Policy.	Lands Manager	March 2026

2.2. Lack of signed lease agreement

Finding		Recommendation	Priority
<p>We selected a sample of 15 Council properties currently leased to determine that they were approved in line with the Policy, and stored securely. We were unable to obtain evidence of a signed agreement for 1/15 lease agreements.</p> <p>Section 9.3.1 of the Council’s Land and Property Policy requires lease agreements to be countersigned by the Mayor and the Chief Executive.</p> <p>Management advised that the lease agreement was dated 2014 and would likely have been signed, however it may have been misplaced during the process of transitioning to electronic storage of lease agreements.</p> <p>Potential Impact There is a risk that lease agreements are entered into without required scrutiny and approval.</p>		The Council should ensure that all lease agreements are signed per the Land and Property Policy. Signed agreements should be retained and stored securely.	
Management response			
Action Plan	Owner/ Title	Target Date of Implementation	
The licence audited is due for renewal and will be signed in accordance with policy if a renewal is approved by the Council. There has been a change in staff since this licence was finalised and all licences are signed in accordance with the current Land and Property policy.	Lands Manager	Complete	



3. Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. This report is not based on an attest engagement. We have relied on information provided by Ards and North Down Borough Council's management and we do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy or completeness.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

This document is prepared solely for your information and that of other beneficiaries of our advice listed in our engagement letter. Therefore you should not refer to or use our name or this document (in whole or in part) for any other purpose, or refer to them in any prospectus or other document without our prior authorisation. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

David Kinsella
For and on behalf of
Deloitte (NI) Ltd
The Ewart, 3 Bedford Square,
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Date:

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Appendix I: Reporting Definitions

Assurance Opinion

For each report delivered in the annual Internal Audit Plan, we will provide one of three levels of assurance, ranging from satisfactory assurance to unacceptable assurance. These assurance levels reflect the latest requirements of the Department of Finance (DAO (DoF) 07/16).

Assurance Level	Evaluating and Testing Conclusion
Satisfactory	Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
Limited	There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.
Unacceptable	The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Recommendation Priorities	
Priority 1	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
Priority 2	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
Priority 3	Failure to implement the recommendation could lead to an increased risk exposure.

These definitions of evaluations should be interpreted in conjunction with the scope of the audit work and in the overall context that our findings should only be relied upon to be representative of the operation of control procedures at the time of discussion or observation of these control practices and in relation to the transactions tested. Projection of evaluations of future periods is subject to the risk that the policies and procedures may become inadequate because of changes in conditions, or that the degree of compliance with these policies and procedures may deteriorate. The performance of Internal Audit work should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and work performed by Internal Audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should Internal Audit work be relied upon to identify all circumstances of fraud or irregularity should there be any, although our audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.



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Unclassified

126

ITEM 7a**Ards and North Down Borough Council**

Report Classification	Unclassified
Exemption Reason	Not Applicable
Council/Committee	Audit Committee
Date of Meeting	22 September 2025
Responsible Director	Director of Corporate Services
Responsible Head of Service	Head of Corporate Governance
Date of Report	15 September 2025
File Reference	
Legislation	
Section 75 Compliant	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Other <input type="checkbox"/> If other, please add comment below:
Subject	Policy Status Update
Attachments	

In March 2025 the Internal Audit on Governance Framework recommended that the Council should ensure that:

1. Policies, procedure documents and guidance material outlined in Finding 1 are updated to accurately reflect current approved processes and requirement relating to the Council's Governance Framework.
2. The documents outlined in the finding were updated to define a version control section, owner and approver.

Update on Policy Register:

As detailed to Audit Committee in September 2024, the Council operates in compliance with many internal/external facing policies. A register of all live policies is available to ensure that all policies can be located with ease and to ensure the correct version is being used at any given time.

Officers have been managing this review process and are pleased to say that of the 148 policies and strategies 116 have been reviewed and are now live. 32 policies are

Not Applicable

127

currently under review. The Policy Register details what stage of review a policy is at any given time.

Update on Policy Development Process:

Officers are currently reviewing the Policy Development Process and once this is reviewed it will be brought to Council for approval.

RECOMMENDATION

It is recommended that the Council notes this report.

Unclassified

128

ITEM 7b**Ards and North Down Borough Council**

Report Classification	Unclassified
Exemption Reason	Not Applicable
Council/Committee	Audit Committee
Date of Meeting	22 September 2025
Responsible Director	Director of Corporate Services
Responsible Head of Service	Alison Curtis
Date of Report	15 September 2025
File Reference	AUD02
Legislation	Local Government Act (Northern Ireland) 2014, Local Government Finance Act (Northern Ireland) 2011, Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015
Section 75 Compliant	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Other <input type="checkbox"/> If other, please add comment below:
Subject	Corporate Risk Register
Attachments	Corporate Risk Register and Action Plan

The Corporate Risk Register was last reported to Committee in December 2024, providing the first detailed Action Plan. This report focuses on the subsequent period ending 30 June 2025.

The Corporate Leadership Team and Heads of Service reviewed the Corporate Risk Register in April which led to individual directorate reviews facilitated by the Risk Service. An additional risk has been added to the Corporate Risk Register with some updates on main controls. A further specific review of Corporate Risks will take place in October 2025 to ensure that the risks identified, and the assessment of risk level, remain relevant and appropriate for inclusion at the Corporate level. Updates to the Corporate Risk Register are summarised below. This summary will not include Corporate Risks or associated Actions without specific updates (reflecting no change).

Not Applicable

129

CR1 – Inability to meet targets set out within *The Integrated Strategy for Tourism, Regeneration and Economic Development*.

The Corporate Risk Register notes further actions to take place; progress to be made on options for development the former NIE site and land purchased at Comber Road Newtownards as part of LEP work. The Action Plan describes monitoring and reporting of various actions with the last annual report on job creation provided to Council in June 2025. The next Labour Market Partnership report will be provided to Council in January 2026. The failure to commence work on the Queens Parade Development was reported with the update for June 2025 reflecting the anticipated commencement of the project was autumn 2025.

CR2 - Lack of adequate staff resources to deliver Services. The Action Plan notes that the Mental Health Charter and Apprenticeship Scheme are in place with the 3 year assessment of the Investor in People silver award is due in December 2025. From 1 July 2025, the Organisation Development functions will transfer to the Performance service as part of the Corporate restructure.

CR3 – risk relating to Member engagement in development plan and more targeted Corporate Plan. The Action Plan has been updated to reflect that Service Unit plans are reviewed annually to ensure that they align with delivery of the Corporate Plan.

CR4 – risk of Failure to adequately plan for the impact of climate change. An existing control, to address a lack of staff resources, notes collaboration and integration across other Council services, with a further action to seek nature based solutions. A grass and tree management policy is in place. To address the lack of public will, a review of information available on the council website and engagement if proposed for the development of the Climate Action Plan. A Climate Resilient Communities Focus Group, aligned with Community Plan workstreams is planned with options for the remit and membership of the group being considered.

CR5 – risk of Not achieving the Council's Net Zero targets. The Council's Green Fleet strategy has been approved, with implementation when new / replacement vehicles are purchased. A Carbon Dashboard have been developed to collate information on scope 1 and 2 emissions. These will be rolled out with dashboards appropriate to the service.

CR6 – risk of Failure to work in effective partnerships to meet Council Objectives. In June the Strategic Community Partnership agreed a methodology for gathering information on other partnerships; the initial focus is on strategic partnerships. The application for funding through PEACEPLUS for the Digi Hubs project has been successful. All elements of the Go Succeed partnership, comprising 11 Councils, have been reviewed.

CR7 - Failure to deliver the Council's priorities as a result of stakeholder opposition and misunderstanding of aims/ objectives/ benefits. This is considered to occur as a result of poor communication. In addition to ongoing updates for existing controls, all key projects have specific communication and / or engagement plans in place.

Not Applicable

130

CR8 – Risk of death or injury to the public as a result of Council actions or omissions. The Lands Policy is undergoing a review. Multi-agency Safety Advisory Group meetings for a number of events scheduled for spring and summer 2025. Events training delivered to officers with an events delivery role. An online event safety toolkit is under development. Both training for staff in hazard identification and reporting, and increased surveys are under consideration. The Car Park Management Officer performs monthly inspections of car parks with additional inspections as required. This is supplemented by a system for contracted Car Park attendants to report issues across the sites.

CR9 – Risk that the Council suffers a cyber attack. The Corporate Risk Register, Current Controls summary, has been updated to include the managed service, Security Operations Centre and Security Information and Event Management (SOC/SIEM), with BT has been put in place and was in the process of being implemented. A new provider has been provided for security awareness training and one officer has completed the Certification in Information Security Management Principles course.

CR10 - Risk that the Council suffers a data breach and/or loss of data. Current Controls have been updated to reflect that mandatory staff training on data control is in place and a programme of phishing test emails is ongoing to raise awareness. With the VPN providing access to digital folders there is less reliance on paper files with a lower likelihood of files being removed from offices. BitLocker, a Windows security feature providing encryption to address the threat of data theft or exposure from lost, stolen, or inappropriately decommissioned devices, was previously retro-installed and is now installed as part of the build process on new laptops.

CR11 – Decline in the Council's non-domestic tax base (NDRB). The Regeneration Strategic Development Service Unit, effective from 1.1.25, secured budget for key projects to grow the NDRB. Two KPIs are included in the 2025/26 Service Plan, to set targets and monitor progress. Transfer of regeneration powers and funding is still awaiting action by the NI Assembly.

CR 12 - Risk that the Council cannot respond to a critical incident/emergency event. Six successful activations of the emergency plan since December 2024 which included response to Storm Eowyn, security alerts and other activations requiring opening of a support centre demonstrated council's ability to respond and provided good learning points.

CR13 – Risk that the Council cannot respond to a business continuity event. The business continuity plan has been independently reviewed with staff training delivered to CLT, HoST and SUMS.

CR14 – risk of Failure to deliver Capital and high impact / cross cutting projects. For the period of report, negotiations with the site owners of the two preferred sites for the new Council headquarters within Bangor City Centre was in progress. The business case for Bangor Castle was nearing completion.

CR15 – risk of Failure to fulfil the Council's statutory obligations under the Burial Grounds Regulations. Surveys for Movilla were being progressed for the

Not Applicable

131

planning application alongside discussions with the landowner for purchase on the land.

CR16 – risk of Poor maintenance and development of the Council’s land and property assets (built assets). The Assets and Property service have reported that the statutory Construction Design and Management (CDM) obligations are proving to be very problematic and burdensome.

CR17 – risk that Council’s land assets are taken without permission. Reports that there is no resource within the Lands service to progress the project. Parks & Cemeteries service have purchased PSS Ultimate. This software provides asset management capability for complex operations. This can assist with monitoring boundaries and is currently under trial within selected Parks, Cemeteries & Open Space sites.

CR18 – risk of Council papers that are tabled ‘in confidence’ are being leaked. This is a new risk on the Corporate Register. The member development steering group will review training to mitigate this risk.

RECOMMENDATION

It is recommended that Council note this report.

Reference (CRR)	Risk to achievement of strategic priority (Risk Description)	Risk Category	Risk Subcategory	Risk Appetite (as agreed by)	Inherent Risk			Current Controls	Residual Risk			Risk Status	Risk Owners		Associated Officers	Further Action Required
					I	L	R		I	L	R		Strategic Lead	Operational Lead		
1	Risk Event – Inability/failure to meet targets set out within The Integrated Strategy for Tourism, Regeneration and Economic Development. Cause – due to a lack of funding, unstable economy, budget cuts, failure to attract third party investment, failure of NI transferred functions and budgets and lack of appropriate legislation/policy, as well as difficulties in obtaining Council support due to changing priorities mid-year Impact – leading to a depletion of the Council's business rates base, directly impacting residents as a result of reduced funding for Council services.	Financial	Investment in Growth	Risk Taking	3	3	9	Quarterly monitoring against activity targets; Annual review and monitoring	3	2	6	Tolerate	Director of Prosperity	Head of Economic Development, Head of Tourism, Head of Regeneration		Progress to be made on NIE site redevelopment and options for development of land purchased at Comber Road, Newtownards, as part of LEP work
2	Risk Event – Lack of adequate staff resources to deliver Services Cause – as a result of failure to align resources and structures with Council strategic objectives, as well as an inadequate staff skills-mix, and inadequate workforce/succession plans Impact – leading to compromised service delivery, as well as increased costs for the Council through greater use of agency staff to fill resource gaps.	Operational Sustainability	Staff Retention and Development	Cautious	5	3	15	A draft Work force Plan is currently being developed and should be ready for consultation in the new year	4	3	12	Action	Director of Corporate Services	Head of Organisational Development		Council to develop workforce plan to take account of changing personnel needs, longer term recruitment requirements and to combat the challenges of attracting the right talent.
3	Risk Event – Inability to achieve Council corporate objectives within the Corporate Plan timeframe Cause – as a result of a failure to prioritise adequate resources, poor monitoring of progress, and external factors such as political will and changing views among residents Impact – leading to negative reputational and financial impact on the Council.	Compliance/Legal	Governance	Averse	4	4	16	Member engagement in development of plan, development of more targeted corporate plan than in previous years, consultation with public and staff extensive, reviews taken as part of residents survey	3	2	6	Tolerate	Chief Executive	Director of Corporate Services		Corporate Plan has a programme of work associated with it and will monitor progress.
4	Risk Event – Failure to adequately prepare for the impact of climate change on the Borough Cause – due to a lack of staff resources, political and public will, and funding Borough Impact – resulting in the failure to effectively deliver services (e.g. waste services) in line with net zero targets and obligations and ensure	Strategy	Climate / Environment	Averse	5	5	25	Currently developing Climate Adaptation plan	5	5	25	Action	Director of Environment	Head of Administration	Climate Change and Sustainability Manager	Council resource is falling short of required workload. Further resources required to ensure Council can meet obligations. Solutions not feasible currently.
5	Risk Event – Not achieving the Council's net zero targets Cause – due to resource and budget constraints, inadequate planning, poor monitoring of progress, and lack of political and public will Council Impact – leading to significant financial sanctions and reputational damage for the Council	Compliance/Legal	Compliance	Averse	5	5	25	In process of securing funding to develop Climate Action Plan	5	5	25	Action	Director of Environment	Head of Assets and Property		Consultant required to develop Action Plan and to determine Scope 3 emmissions.
6	Risk Event – Failure to work in effective partnerships to meet Council objectives Cause – as a result of conflicting priorities amongst partners, misalignment with Council values, and inadequate assessment and monitoring of partnerships Impact – resulting in an inability to achieve Council corporate objectives and targets, and potential for reputational damage.	Operational Sustainability	Partnerships	Risk Taking	5	4	20	Development of Shared Action Plans and Performance Monitoring takes place annually for Community Planning. Terms of Reference, or other governance arrangements, in place for most Partnerships.	5	3	15	Tolerate	Chief Executive	Community Planning Manager		Review of action plans and impact of partnerships following update of Big Plan (2025)
7	Risk Event – failure to deliver the Council's priorities as a result of stakeholder opposition and misunderstanding of aims/ objectives/ benefits. Cause – due to a disconnect between the community and Council, resistance to change among residents and an inability to secure and adequate community buy-in Impact – leading to negative impact to the Council's reputation and lost opportunities.	Operational Sustainability	Community Engagement	Risk Taking	4	4	16	Investment in Citizen Lab digital platform to support community engagement on key projects. Actioning Lessons Learned from previous situations around engagement/ communication and operations.	4	3	12	Action	Chief Executive	Head of Corporate Communications	Communications Manager - Bangor Regeneration	Agreement of Council-wide framework and standards for engagement. Additional community focus resources for key projects eg Greenways.
8	Risk Event – Risk of death and injury to the public as a result of Council actions or omissions Cause – due to weak health and safety controls, as well as a lack of clarity around the Council's remit/responsibility in this area Impact – leading to potential fines, legal liability, and damage to the Council's reputation.	Compliance/Legal	Governance	Averse	5	4	20	Event Safety workshops and task group being set up to address on going perception of risk and ensure requirements implemented. Corporate Health and Safety processes and policies.	5	3	15	Action	Director of Community and Wellbeing	Head of Administration	Head of Tourism, Head of Parks and Cemeteries, Head of Assets and Property, Head of Regulatory Services, Head of Community and Culture, Director of Environment, Head of Waste and Cleansing	Review benefit and capacity to provide future event safety related training to voluntary / community groups.
9	Risk Event – Risk that the Council suffers a cyber attack Cause – as a result of inadequate and/or ineffective controls and/or human error Impact – resulting in interruption to Council business through loss of access/damage to Council systems and information assets, financial impact (e.g. ransom), and overall damage to the Council's reputation.	Operational Sustainability	IT & Cyber	Averse	5	4	20	Managed Cyber Incident Response in place. Threat landscape continually scanned and intelligence received from MIR provider and internal monitoring on reports from NCSC. SOC/SIEM managed service with BT has been put in place and in process of being implemented.	5	3	15	Tolerate	Director of Corporate Services	Head of Strategic Transformation and Performance	Digital Services Manager	Work towards Zero Trust Security Model
10	Risk Event – Risk that the Council suffers a data breach and/or loss of data Cause – due to a lack of adequate information management policy/controls and/or as a result of human error Impact – resulting in an inability to comply with legislation (UK Data Protection Act, Freedom of Information (FOI)), fines from the Information Commissioner's Office, and overall damage to the Council's reputation.	Compliance/Legal	Governance	Averse	5	4	20	MIR in place. USB media devices blocked reducing the ability for data to be copied and removed.	5	3	15	Tolerate	Director of Corporate Services	Head of Strategic Transformation and Performance	Digital Services Manager	There remains a continued need for robust data handling procedures in connection with all our outsourced platforms, including the HRC booking system. Develop Data Classification Policy Exercise Cyber attack in conjunction with Nihon Digital Services Officers are scheduled to undertake CISMP training in this financial year.
11	Risk Event – Decline in the Council's non-domestic tax base Cause – due to an inability to identify and/or address the root cause/s of the decline and failure of economic development initiatives Impact – leading to reduced spending power of the Council to deliver its services and potential increase in the domestic rate base to compensate, and failure to achieve a position of financial resilience/sustainability.	Financial	Investment in Growth	Risk Taking	5	5	25	City/Town Centre Masteplans agreed, Review of the CAG/TAGs to ensure focus on delivery, NIE site Masterplan/Business Case Pilot, and new ED Go Succeed Programme	5	4	20	Action	Director of Place	Head of Regeneration	Head of Economic Development	The transfer of Regeneration Powers and Funding to Councils is required. Departmental funding required to be secured. The Council to agree ongoing Regeneration budget. Review and propose projects to address this decline.
12	Risk Event – Risk that the Council cannot respond to a critical incident/emergency event Cause – due to lack of planning, including contingency planning and failure to adequately define what constitutes a critical incident and/or emergency event and assess risks accordingly Impact – leading to an inability to execute the Council's Emergency Management Plan responsibilities, impacting the Council's ability to support front-line responders as required.	Compliance/Legal	Governance	Averse	5	3	15	Emergency Plan in place and can be activated in the event of emergency. We will continue to review and update where required and following any lessons learned from incidents.	3	3	9	Tolerate	Director of Corporate Services	Head of Administration	Emergency Planning Officer, Risk Manager	Exercise, test and review, internal EPIG (Emergency Planning Implementation Group alongside training opportunities via regional arrangements ongoing - essential to maintaining the lower Impact score,
13	Risk Event – Risk that the Council cannot respond to a business continuity event Cause – due to lack of planning, including contingency planning and failure to adequately define what constitutes a business continuity event and assess risks accordingly Impact – resulting in an inability to execute a Business Continuity Plan (BCP) effectively and quickly, impacting the Council's ability to continue to deliver Services effectively.	Operational Sustainability	Business Continuity	Averse	5	3	15	Business Continuity Plan in place and can be activated in the event of a business continuity incident. Annual testing and training schedule in place. Annual review of Business Impact Analysis by each service. We will continue to review and update where required and following any lessons learned from incidents.	4	3	12	Action	Director of Corporate Services	Head of Strategic Transformation and Performance	Transformation Manager	BCP independently reviewed and staff training undertaken.
14	Risk Event – Failure to deliver Capital and high impact / cross cutting projects. Cause – due to lack of funding and inadequate project and programme management Impact – impeding the Council's ability to deliver on the promised benefits of these projects, as well as a failure to achieve the Council's corporate objectives within the Corporate Plan 2024-2028.	Strategy	Projects / Programmes	Risk Taking	5	3	15	BW - approved OBC and CFF, dedicated delivery team and resources secured, detail workprogramme and Governance Structures	4	2	8	Tolerate	Director of Place	Director of Community and Wellbeing, Director of Corporate	CPU BW team	Service / directorate level monitoring ongoing. Constantly review grant sources to see if any applicable for Council projects.
15	Risk Event – Failure to fulfil the Council's statutory obligations under the Burial Grounds Regulations (NI) 1992 regarding the provision of burial space Cause – due to a lack of space within current Borough cemeteries or within an a specific area within the Borough Impact – resulting in reputational damage to the Council and non-compliance with the Burial Grounds Regulations (NI) 1992.	Operational Sustainability	Projects / Programmes	Averse	5	5	25	Capital project in place	5	4	20	Action	Director of Community and Wellbeing	Head of Parks and Cemeteries	Head of Strategic Capital Development	Capital project to proceed. Movilla Cemetery is running out of new burial space within next year. Team to urgently progress change of use at land adjacent to Movilla Cemetery. OBC being progressed.
16	Risk Event – Poor maintenance and development of the Council's land and property assets Cause – due to a lack of skilled resources, funding and monitoring Impact – leading to a failure to deliver on the Council's Estates and Land and Property Strategies.	Financial	Financial Sustainability	Minimising	5	5	25	Property Maintenance Strategy. This sets out how Council proactively manages its properties to ensure they are fit for purpose, legally compliant and that maintenance costs are minimised.	3	3	9	Tolerate	Director of Environment	Head of Assets and Property	Head of Regeneration	Estates development strategy required to look at medium to long term consolidation of estse - this will be a work stream for the Estate Development Programme Board
17	Risk Event – Council's land assets are taken without permission. Cause – due to a lack of resources, funding and monitoring Impact – leading to a loss of land and failure to deliver on the Council's Estates and Land and Property Strategies.	Financial	Financial Sustainability	Averse	5	5	25	Reactive monitoring in place. Land has been lost / offered for sale due to weak legal position.	5	4	20	Action	Director of Corporate Services	Head of Administration	Head of Parks and Cemeteries	Project to establish robust monitoring programme commenced in 2024/5. Trial underway.
18	Risk Event – Council papers that are tabled 'in confidence' being leaked. Cause – Users of OneAdvanced (Formerly DecisionTime) sharing papers which are tabled as 'in confidence' Impact – leading to lack to trust, reputational damage for the Council and others, breach of Code of Conduct	Compliance/Legal	Governance	Averse	5	3	15	Access is limited to Elected members, CLT/HOST and Democratic Services	5	3	15	Action	Director of Corporate Services	Head of Administration	Democratic Services Manager	Review controls within platform and add new controls if available.

CR1 – High Level Risk Description						
Risk Event – Inability/failure to meet targets set out within The Integrated Strategy for Tourism, Regeneration and Economic Development						
Cause – due to a lack of funding, unstable economy, budget cuts, failure to attract third party investment, failure of NI transferred functions and budgets and lack of appropriate legislation/policy, as well as difficulties in obtaining Council support due to changing priorities mid-year						
Impact – leading to a depletion of the Council's business rates base, directly impacting residents as a result of reduced funding for Council services.						
Risk Lead: Director of Prosperity						
Operational Leads: Head of Economic Development, Head of Tourism, Head of Regeneration						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
Failure to meet jobs targets by 2030	Quarterly reporting on business support interventions	ITRDS key thematic priority	Delivery of business support through Go Succeed	Head of Economic Development	Mar-30	Job creation as a result of interventions assessed on annual basis post completion of support actions
	Monitoring of jobs created across AND	ITRDS key thematic priority	Carry out review of jobs created across AND	Head of Economic Development	Mar-30	Jobs monitored throughout the year with the annual jobs created reported to Council in June 2026
	Labour Market Partnership meetings		Delivery of agreed LMP annual action plan	Head of Economic Development	Mar-30	Progress of LMP Action Plan reported to Council in January 2026
	Working with NI Councils to secure funding on a multi year basis	ITRDS key thematic priority	Regular 11 Council meetings attended to agree funding applications and review contracts of funding issued	Head of Economic Development	Mar-30	Meeting with 11 Councils ongoing on a regular basis to secure multi year funding
Failure to meet GVA target	Work with Invest NI to assess and influence productivity levels through interventions	ITRDS key thematic priority	Facilitate workshops to promote INI support programmes	Head of Economic Development	Mar-30	Not assessed on annual basis and there is time lag in NISRA stats reporting
Failure to increase share of overnight NI trips	AND presence at trade and consumer shows to increase profile and engagement with tour operators/consumers	ITRDS key thematic priority	Annual plan of attendance at trade and consumer shows to attract more direct tour operator business and grow the local tourism revenue through spend with local industry	Tourism Manager	Mar-25	In progress for 25/26
	Borough Events Strategy	ITRDS key thematic priority	Delivery of Borough Events Strategic Direction 2021-2026	Head of Tourism	Mar-26	BESD mid point review in progress
	Blue Green Accommodation Development	ITRDS key thematic priority	Queen's Parade Development	Director of Prosperity	TBC	Project delayed commencement anticipated autumn 2025.
	Borough Marketing and Communications Strategy (BMCS)	Tourism service plan	Delivery of BMCS 2020-2025	Head of Communications and Marketing	Mar-25	
	Monitoring of NISRA data when available		Awaiting data	Head of Tourism	Mar-30	Data published for season 2024 not comparable to 2019 due to change in methodology
Failure to increase visitor spend	Blue Green Visitor Experience Development	ITRDS key thematic priority	Deliver Experience AND annual programme and monitor Out of Borough (OoB) attendance	Head of Tourism	Mar-25	Monitoring OoB attendance throughout the year - reported as KPI in tourism service plan
	Food and Drink Destination Development Plan (FDDDP 2023-27)	Tourism service plan	Deliver two key actions from FDDDP (Food and Drink Destination Development Plan) 2024/25	Head of Tourism	Mar-25	BAU activity year 2 of the FDDDP
	Monitoring of NISRA data when available		Awaiting data	Head of Tourism	Mar-30	Data published for season 2024 not comparable to 2019 due to change in methodology

CR2 – High Level Risk Description						
Risk Event – Lack of adequate staff resources to deliver Services						
Cause – as a result of failure to align resources and structures with Council strategic objectives, as well as an inadequate staff skills-mix, and inadequate workforce/succession plans						
Impact – leading to compromised service delivery, as well as increased costs for the Council through greater use of agency staff to fill resource gaps.						
Risk Lead: Director of Corporate Services						
Operational Leads: Head of Organisational Development						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date	Status / Update
Failure to have the right people, in the right jobs at the right time, due to everchanging circumstances.					(completion)	30.06.2025
	OD Strategy		A Workforce planning Strategy is required as on overarching document to the existing OD Strategy and Learning and Development Policy already in place.	Head of HR and OD	Mar-25	No update
	People Plan		In place	Head of HR and OD	Complete	
	Learning and Development Policy		Skills gaps analysis to be created	Head of HR and OD	Mar-25	
	Talent Continuity Policy		In place	Head of HR and OD	Mar-25	This was renamed as the Succession Planning Policy, awareness being raised on News and Info and Top 5
	Age Friendly			Head of HR and OD		
	Mental Health charter		This is in place	Head of HR and OD		Charter is reviewed regularly
	Current controls service risk registers, departmental arrangements and risks reflected in service risk registers		In place	Head of HR and OD		Risks are reviewed on an annual basis in the service plan and quarterly throughout the year
	Apprenticeship Scheme		In place	Head of HR and OD	Mar-25	Apprenticeship Scheme now in place
	Investors in People			Head of Hr and OD		3 year assesement to renew Silver is in December 2025

CR3 – High Level Risk Description						
Risk Event – Inability to achieve Council corporate objectives within the Corporate Plan timeframe						
Cause – as a result of a failure to prioritise adequate resources, poor monitoring of progress and external factors such as political will and changing views amount residents						
Impact – leading to negative reputational and financial impact on the Council						
Risk Lead: Chief Executive						
Operational Leads: Director of Corporate Services						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
Corporate Plan, failure to command buy in and support	1. Members and staff ownership of the Corporate Plan		1.0 Internal cross Directorate working group	Head of Strategic Transformation and Performance	Mar-24	Corporate Plan launched. Rolled out across staff via a range of workshops. Available on Council wesbite / platforms.
			1.1 Members and staff workshops, engagement and feedback	Head of Strategic Transformation and Performance		
	2. Public and residents consultation		2.0 Formal consultation across a range of platforms	Head of Communications and Marketing	May-24	
			2.1 Corporate Plan reviewed on feedback received	Head of Communications and	May-24	
	3. Corporate Plan document designed		3.0 Designed easy to read Corporate Plan available through Council's platforms	Community Planning Manager	Jun-24	
	4. Internal/ External promotion plan developed and delivered		4.0 Cross Directorate WG to develop and lead I plan to ensure CP 'live' document for staff and stakeholders	Head of Strategic Transformation and Performance	Jun-24	
Failure to use the Corporate Plan to shape the future direction and priorities of the Council	1. Corporate Structure aligned to delivery of new Corporate Plan		1.0 Review of Corporate Structure in line with supporting delivery of the Corporate Plan	Chief Executive	Jun-25	Phase 1 of Corporate Structure in development - to be agreed by Council May 2025
			1.1 Agree and implement any required changes to Structure	Director of Corporate Services	Mar-25	Project Plan agreed with HR to be rolled out following Council approval of new structure
	2. Yearly Rate Setting and Budgeting aligned to the Corporate Plan		2.0 Yearly review of the Corporate Plan, (achievement of outcomes)	Director of Corporate Services	Mar-25	Ongoing
			2.1 Corporate Plan outcomes / objectives considered as key part of budget setting process	Director of Corporate Services	Mar-25	Ongoing
	3. Service Unit Plans (including resources and projects) aligned to the Corporate Plan		3.0 Service Unit Plans reviewed yearly to ensure inline with delivery of the Corporate Plan and the template requires officers to aligns service level objectives with the objectives of the Corporate Plan	Head of Strategic Transformation and Performance	Mar-25	Review of 24/25 Service Unit Plans undertaken. Updated template developed and 25/26 Service Plans developed and agreed.
			3.1 Performance Improvement Plans agreed each year	Head of Strategic Transformation and	Mar-25	
			3.2 Projects and resources agreed (including focus and what to stop/start)	Head of Strategic Transformation and Performance	Mar-25	

CR4 – High Level Risk Description

Risk Event – Failure to adequately prepare for the impact of climate change on the Borough

Cause – due to a lack of staff resources, political and public will, and funding

Impact – resulting in the failure to effectively deliver services (e.g. waste services) in line with net zero targets and obligations and ensure

Risk Lead: Chief Executive

Operational Leads: Community Planning Manager

Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
Failure to adequately prepare for the impact of climate change on the Borough (failure to have an adequate adapation plan)	Adaptation Plan has been developed (April 2024).		To identify the issues that are barriers to the delivery of the Adaptation Plan.	Climate Change and Sustainability Manager	Mar-25	A lack of data and resources will be barriers to the delivery on all the actions identified. Climate Action Plan currently in development which includes a review tof the Roadmap to Sustainability.
Lack of staff resources	Resource allocation		Seek additional staff	Head of Administration	Mar-25	Complete, Climate Change and Sustainability Manager now in post.
	Collaboration and integration across other Council Services		Nature based solutions, for climate adaptation, identified and implemented	Head of Parks and Cemeteries	Mar-26	Grass management strategy in place.
Lack of political will	Buy-in and awareness through regular updates		Continue to update on a 6 monthly basis in line with Roadmap	Climate Change and Sustainability Manager	Mar-25	Climate Action Plan currently in development which includes a review tof the Roadmap to Sustainability.
Lack of public will	Buy-in and awareness through regular updates		Communicate when appropriate and tie in with other sections	Climate Change and Sustainability Manager	Mar-25	Engagement will take place through Climate Action Plan development process. Review undertaken of information available on Council's website.
			Establish a Climate Resilient Communities Focus Group (Aligned with the Community Plan Workstreams)	Climate Change and Sustainability Manager	Mar-26	Reviewing options for the remit and membership of group
Lack of funding	Continue to scan for funding opportunities		Have projects ready for when funding becomes available - needs resourced	Climate Change and Sustainability Manager	Mar-25	Depending on funding/resources available a Community/Climate resilience piece of work needs to be developed. Resource required to develop projects suitable for funding and apply.

CR5 – High Level Risk Description						
Risk Event – Not achieving the Council's net zero targets						
Cause – due to resource and budget constraints, inadequate planning, poor monitoring of progress, and lack of political and public will						
Impact – leading to significant financial sanctions and reputational damage for the Council						
Risk Lead: Director of Environment						
Operational Leads: Head of Assets and Property						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completed)	Status / Update 30.06.2025
Human resource constraint			Exploring need for broader sustainability expertise as part of organisational redesign	Head of Administration	Mar-25	ongoing
Budget constraints	Dedicated sustainability fund established to provide necessary additional investment capital for carbon saving/reduction projects		Explore additional external funding opportunities - such as collaborative waste management fund (DAERA)	Head of Assets and Property/Head of Waste and Cleansing/Head of Strategic Capital Development/Head of Parks and Cemeteries	Ongoing	Awaiting Daera announcement (waste fund)
	Allocation of existing property maintenance budgets to focus on carbon reduction outcomes		dedicated fund of £150k per year secured, additional funding for large projects based on business cases.	Head of Assets and Property	Ongoing	Additional funding secured as part of the 25/26 estimates process and ongoing
Inadequate planning	Sustainable energy management strategy and action plan being drafted		Finalise and commence adoption of Sustainable Energy Management Strategy and Action Plan	Head of Assets and Property	Sep-24	Quarterly progress reports on the implementation of the strategy and action plan to the environment committee
	Capital projects planning focussed upon low carbon development		Adoption of carbon reduction standards to be implemented across capital projects	Head of Strategic Capital Development	Ongoing	
	Sustainable waste resource management strategy		Identify carbon reduction target for municipal waste disposal and periodically report progress as part of waste strategy progress reporting	Head of Waste and Cleansing	Dec-24	To be incorporated going forward as part of the quarterly municipal waste data reports to committee (awaiting advice from WRAP)
	Reviewing options for transition to low emissions fleet		Draft a Council Roadmap to Green Fleet Strategy and Action Plan	Head of Assets and Property	Mar-25	Council specific green fleet strategy approved by Council and currently being implemented when vehicles are purchased
	Roadmap to Sustainability		Review Roadmap to Sustainability and adopt any necessary amendments	Head of Administration	Dec-24	Roadmap currently under review

Poor monitoring of progress	Routine reporting of progress on implementation of Roadmap to Sustainability		Routine reporting of Sustainable Energy Management Strategy and Action Plan progress/implementation carbon budget progress	Head of Assets and Property	Ongoing	Quarterly progress reports on the implementation of the strategy and action plan to the environment committee
			Routine reporting of carbon performance of capital projects	Head of Strategic Capital Development	Ongoing	
			Routine reporting of Sustainable Waste Resource Management progress	Head of Waste and Cleansing	Ongoing	Quarterly progress reports brought to Environment committee
			Routine carbon budget progress reporting	Head of Administration	Annually	In progress, Scope 1 and 2 currently underway and Scope 3 in development
			Development and maintenance of Carbon Dashboard	Community Planning Manager	6 Monthly	Carbon Dashboard developed to collate information on scope 1 and 2 emissions. Separate dashboards available for different services - to be rolled out over the next few months
Lack of political will	Legislative requirements		Implement processes and procedures to ensure Council meet legislative requirements	Director of Environment	Ongoing	Actively engaging with the formal consultation processes initiated by DAERA with feed in orf political perspective, one consultation on common collections and one on a waste strategy
	Regular reporting to Members		Continue to update at Committees	Director of Environment	Ongoing	As above for quarterly reports
Lack of public will	Promotion of Council's StAND for Sustainability Campaign		Continue with the comms campaign	Head of Communications and Marketing	Ongoing	

CR6 – High Level Risk Description						
Risk Event – Failure to work in effective partnerships to meet Council objectives						
Cause – as a result of conflicting priorities amongst partners, misalignment with Council values, and inadequate assessment and monitoring of partnerships						
Impact – resulting in an inability to achieve Council corporate objectives and targets, and potential for reputational damage.						
Risk Lead: Chief Executive						
Operational Leads: Community Planning Manager						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
Community Planning Partnership does not work as an effective partnership	1. Strategic Community Partnership Group established		1.0 Terms of Reference and membership agreed	Community Planning Manager	Ongoing	Ongoing. Governance arrangements reviewed and updated at June 2025 meeting
			1.1 Group chaired by external partner and meeting regularly	Community Planning Manager	Ongoing	Chair and Vice Chair chosen from strategic partners. Meets 3 times a year.
	2. Workstreams agreed and established		2.0 Workstreams agreed and groups established	Community Planning Manager	Ongoing	Meeting schedule of workstream groups is flexible to reflect the issues being addressed or actions delivered. New Workstream on [Climate] Resilient Communities to be established. Links to CR5
			2.1 Action Plans agreed, including lead/co-lead body for these	Community Planning Manager	Ongoing	No issues with action plans. Action plans are live documents and constantly under review. Alignment with Council's Corporate Plan also a consideration.
	3. Yearly performance review undertaken		3.0 Review of structures to be undertaken	Community Planning Manager	Dec-24	Existing structures are adequate for the resources available
			3.1 Review of progress / delivery	Community Planning Manager	Dec-24	Annual report produced in November 2024. Specific actions associated with individual action plans reported separately to relevant Council committee or relevant funding body
			3.2 Benchmarking with other models	Community Planning Manager	Mar-25	Continued membership of Community Planning Officers Network. Bi-monthly meetings. Regular meetings scheduled with Department for Communities.

	4. Understanding of strategic alignment with other Partnerships operating across Borough		4.1 Mapping of Partnership Network	Community Planning Manager	Nov-25	June 2025 SSCP agreed methodology to be used to gather information on other Partnerships - initially focusing on strategic partnerships
Failure of impact in AND of EBR partnership	1. Regular attendance of Board & WG meetings		1.0 Review and input on workstreams	Director of Place	Mar-26	Meetings being held and attended on a regular basis with the outcomes of current applications presented
	2. Collaboration on development of projects to attract funding		2.0 Monitoring of project development and funding applications	Director of Place	Ongoing	Application successful - Letter of Offer now received for Digi Hubs project through PEACEPLUS funding
11 Council Partnership for Go Succeed is not effective and fails	1. Monthly Meetings of 11 Council Oversight Group		1.0 Quarterly meetings of SOLACE ED Assurance Group	Director of Place	Mar-25	All elements of Go Succeed reviewed for AND and all 11 Councils
	2. Participation in Go Succeed Sub Groups		2.0 Monthly monitoring of outputs against targets	Head of Economic Development	Mar-25	All elements of Go Succeed reviewed for AND and all 11 Councils

CR7 – High Level Risk Description						
Risk Event – Failure to deliver the Council's priorities as a result of stakeholder opposition and misunderstanding of aims/ objectives/ benefits.						
Cause – due to a disconnect between the community and Council, resistance to change among residents and an inability to secure and adequate community buy-in						
Impact – leading to negative impact to the Council's reputation and lost opportunities.						
Risk Lead: Chief Executive						
Operational Leads: Head of Communications and Marketing						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
Poor communications leading to misunderstanding and opposition to Council's priorities and projects	1.Range of digital and traditional channels in daily use for comms and engagement activity to support all council priorities and services - effectiveness regularly reviewed		1.0 New website developed	Head of Communications and Marketing	Mar-24	Completed with ongoing updates
			1.1 Regeneration/ Flagship projects section on web with FAQs	Head of Communications and Marketing	Mar-24	Completed with ongoing updates
			1.2 Ongoing monitoring and growth of digital channels	Head of Communications and Marketing	Ongoing	
	2. Investment in new digital participation platform - Citizen Lab		2.0 Launched with Ward Park EIS (test)	Head of Communications and Marketing	Mar-24	
	3. Lessons learned actioned		3.0 Key staff involved in lessons learnt review of all key projects	Head of Communications and Marketing	Ongoing	Ongoing
	4. Communication / Engagement Plans developed for key projects		4.0 Plans developed for each key project	Head of Communications and	Ongoing	Live for all key projects
	5. Resources (staff and budget) aligned to key projects		3.0 Revenue budget and client side staff resource required for communication/ engagement activity for all key projects (comms, CPU, SRO)	Head of Communications and Marketing	Ongoing	
			5.1 Central Coms resources regularly reviewed	Head of Communications and	Annually	
	6. Council framework for engagement agreed		6.0 Benchmarking undertaken	Head of	Mar-24	
			6.1 Framework developed and agreed	Head of Communications and Marketing	Mar-24	
	7. Environmental scanning activity		.	Head of Communications and	Ongoing	

CR8 – High Level Risk Description						
Risk Event – Risk of death or injury to the public as a result of Council actions or omissions						
Cause – due to weak health and safety controls, as well as a lack of clarity around the Council's remit/responsibility in this area						
Impact – leading to potential fines, legal liability, and damage to the Council's reputation.						
Risk Lead: Director of Prosperity						
Operational Leads: Head of Administration						
Extended Risk Description: Risk of death and injury to the public as a result of Council actions or omissions due to weak health and safety controls, as well as a lack of clarity around the Council's remit/responsibility,						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
Event safety - Council, 3rd party use of Land, Grant Aided events	Event Safety workshop took place in January 2024 to address on going perception of risk and ensure requirements implemented.		Continue to review requests to use land and ensure safety measures are in place at events.	Head of Administration	Jan-24	Complete.
	Lands Policy and Grant terms and conditions. Review of documentation and guidance provided by Events Team and Risk Management.		Continue to review requests to use land and ensure safety measures are in place at events.	Head of Administration	Dec-25	Lands Policy under review
	Safety Advisory Group - multi-agency forum for quality assuring safety arrangements for events in the borough. This could include 3rd party event organisers holding events on ANDBC land, and / or attracting Council grant aid directly/indirectly. Terms of Reference agreed by Council to assist in the identification of events to put forward for SAG review. (pre-event)		Ongoing action to identify events for SAG review and co-ordinate meetings and feedback to event organisers	Head of Environmental H	Ongoing	Multi-agency SAG meetings have been scheduled for events occurring over the spring/summer season.
Delivery of Events by AND services	Risk Assessments and use of AND Events Toolkit		Services to lead and continue with current processes. Advisory support available from Events Manager.	Relevant HOS/SUMs	Mar-25	Events Safety Training delivered by external Facilitator in Feb 25 - officers with events delivery as a key aspect of their role in attendance (2 sessions). Events Toolkit online training to be delivered to all relevant officers in 2025 - in progress.
Delivery of AND Tourism Events	Event Management Plans, Risk Assessments, Joint Advisory Groups (JAGs) and Debriefs		Continue with current processes.	Events Manager	Ongoing	Implementation continuing as per event
Support provided by AND to external operators to deliver tourism experiences	Request for EMPs and RAs		Early engagement with operator. Include in T&Cs within Letter of Offer	Tourism Manager	Ongoing	Implemented as part of the annual process
Grants provided to external organisations to deliver events	Request for EMPs and RAs and SAG as relevant		Include in T&Cs within Letter of Offer any SAG guidance issued	Events Manager/Community Development Manager	Ongoing	Implemented as part of the annual process (tourism)
Open spaces - specific significant hazards arising out of the environment itself, or structures located on the open space, eg falls from height, drowning, slips, trips, etc.	Adhoc reporting of hazards, including reports by public and Members.		Staff to be trained in enhanced awareness of identifying hazards and reporting them in a timely manner. Corporate H&S to develop and deliver hazard identification training relating to open spaces for relevant service unit staffworking with this risk, or the identification of this a risk to the public by work performed in these areas, or from hazards arising eg, due to defects or location specific.	Health and Safety Compli	Sep-24	Under consideration
	Periodic inspections by Assets and Property.		Hazard identification and reporting to be added to Service Risk Registers Waste/A&P/Parks teams, or other staff teams trained (as above) to report these as part of their existing roles.	relevant HoS / SUMs eg Waste, A&P and Teams	Sep-24	Ongoing training to be organised by corporate H&S. Increased frequency of surveys to be considered if budget available.

Open spaces - risk of slips, trips, falls at ground level - failure to proactively inspect and maintain paths.	Inspection and maintenance.		Review of industry standards or guidance and / or benchmarking practices	Head of Parks and Cemeteries Head of Assets and Property	Mar-25	
			Hazard identification and reporting to be added to Service Risk Registers Waste/A&P/Parks teams, or other staff teams trained (as above) to report these as part of their existing roles.	Head of Parks and Cemeteries Head of Assets and Property	Dec-24	
Sports Grounds & Leisure Centres	Inspection and maintenance		Review of industry standards or guidance and / or benchmarking practices. Review of current arrangements and agreements.	Head of Leisure Services Head of Parks and Cemeteries	Mar-25	
	Incidents reported to Risk Management and H&S committees		Review of incident reports / complaints / claims. All incidents undergo a table top review with follow-up onsite if required. Issues or risks are highlighted to the appropriate service. Claims handling in line with protocols and insurer requirements. Risk Team hold weekly meetings to review incidents, claims and complaints.	Risk Manager	ongoing	Ongoing
	Limited programme by A&P		System for reporting by Car Park Management officer	Licensing & Regulatory Services Manager	Mar-25	Car Park Management Officer to carry out monthly inspections (or if notified of issues), and report any required works to A&P. In place and ongoing.
Car Parks public free and pay car parks - failure to detect hazards, inspect and maintain.	Limited programme by A&P		Corporate H&S - Training for car park attendants in hazard detection and reporting.	Licensing and Regulatory	Mar-25	Car park attendants are outside contractors and not available for this aspect of inspection. System of regular inspections/reports carried out by Car park Management Officer. Inspections weekly in paid car parks, Bi-Weekly and monthly in non-paid car parks depending on location and footfall. System in place and ongoing.
			Operating procedure and System for reporting by car park attendants	Licensing and Regulatory	Ongoing	System for reporting by car park attendants of any issues in place and to be formalised, reported directly to the Car park management Officer, then to A&P, for action and confirmation of completion.
Car Parks associated with buildings	Limited programme by A&P		Inspection and hazard detection operating procedure and associated training for relevant personnel within the service responsible for the building.	Relevant HoS	Mar-25	

CR9 – High Level Risk Description						
Risk Event – Risk that the Council suffers a cyber attack						
Cause – as a result of inadequate and/or ineffective controls and/or human error						
Impact – resulting in interruption to Council business through loss of access/damage to Council systems and information assets, financial impact (e.g. ransom), and overall damage to the Council's reputation.						
Risk Lead: Director of Corporate Services						
Operational Leads: Head of Strategic Transformation and Performance						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
Without a formal security awareness and training programme there is a risk that employees will not be adequately trained to handle cyber threats encountered in the workplace.	Cyber Security Awareness Managed Service in place. Realistic phishing exercises are carried out on a monthly basis with remedial training given where necessary.		Report to Corporate Committee on Baseline and progress figures on first year of implementation	Digital Services Manager	ongoing	Report to CLT re current status. New provider has been procured and reports will be forwarded quarterly to CLT/Committee
No centralised monitoring of WAN may allow malicious activity occur without detection.	Council is currently implementing a Managed WAN service which is designed to improve perimeter security. SOC/SIEM managed service with BT has been put in place and in process of being implemented (due to be complete mid June).		Centralised Management console will allow us to manage and monitor permitted devices across the WAN	Digital Services Manager	Sep-24	Managed WAN has been completed and monitoring of edge devices is carried out by provider with any issues notified to the Council. Managed BT SOC/SIEM is currently being put in place and will be complete by mid June 2025. BT will ingest and monitor logs from edge devices and the Council's Sentinel Service and notify Council of any security incidents - critical and high priority incidents will come with potential remediation activities.
Lack of resources with the appropriate skillset to manage security at an effective level	4 of the 6 Digital Services staff have undertaken Cisco Cyber Essentials Training Budget has been approved to upskill officers in NCSC Certified training Managed Incident Response Service with Nihon Cyber Defence has been put in place TTX carried out with key personnel (DCS, Heads of STaP, Administration and Communication and Marketing, DSM and DSO) in December 2024 facilitated by NCD our MIR provider. TTX with new scenario will be conducted 6 monthly. Training carried out on Roles and Responsibilities of BTOs.		2 Officers to complete foundation CCET 1 Officer has undertaken CISSP and is working towards certification	Digital Services Manager	Mar-25	Officer has completed the CISM course. Exam due at the end of April - this was delayed owing to lack of spaces. Runbook is currently being compiled following lessons learned from the TTX.

CR10 – High Level Risk Description						
Risk Event – Risk that the Council suffers a data breach and/or loss of data						
Cause – due to a lack of adequate information management policy/controls and/or as a result of human error						
Impact – resulting in an inability to comply with legislation (UK Data Protection Act, Freedom of Information (FOI)), fines from the Information Commissioner's Office, and overall damage to the Council's reputation.						
Risk Lead: Director of Corporate Services						
Operational Leads: Head of Strategic Transformation and Performance						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
The organisation may be at risk of data leakage or unauthorised users accessing sensitive data	Council have commenced a project to implement a DLP (Data Loss Prevention) solution.		Digital Services are engaging with Microsoft to implement the DLP solution	Digital Services Manager	Dec-24	
	Mandatory Staff training on data control is in place			Digital Services Manager		
	A programme of phishing test emails raises awareness			Digital Services Manager		
	VPN access and a move to digital files - less reliance on paper files leaving the office			Digital Services Manager		
The organisation may be at risk of laptops being accessed by unauthorised users	All laptops have BitLocker applied. BitLocker helps mitigate unauthorised data access by enhancing file and system protections, rendering data inaccessible when BitLocker-protected devices are decommissioned or recycled.		Ensure all new laptops have bitlocker applied	Digital Services Manager	ongoing	Bitlocker is applied as part of the build process

CR11 – High Level Risk Description						
Risk Event – Decline in the Council's non-domestic tax base						
Cause – due to an inability to identify and/or address the root cause/s of the decline and failure of economic development initiatives						
Impact – leading to reduced spending power of the Council to deliver its services and potential increase in the domestic rate base to compensate, and failure to achieve a position of financial resilience/sustainability.						
Risk Lead: Director of Prosperity						
Operational Leads: HoS Regeneration						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
Decline in the Council's non-domestic rate base due to an identify and/or address the cause of the decline and failure and failure of economic development initiatives.	This issue has been highlighted the in the Council's new Corporate Plan and it is a key objective of the Council to address this trend.		The Council to develop a number of key projects which will address the business needs and on implementation start to grow the non-domestic rate base.	Director of Prosperity	31/3/25	Regeneration Strategic Development Service Unit effective from 1.1.25. Council budget secured for key projects to grow the N.D.R.B. 2 KPIs included in Service Plan 2025/26 to set targets and monitor progress.
			Regeneration budget 2025/26	Director of Prosperity	31/3/2025	Successful 2025/26 rate setting process has enabled adequate staffing resources.
			Transfer of Regeneration powers and Funding transferred to Council	Director of Prosperity	Ongoing	Awaiting action by NI Assembly.

CR12 – High Level Risk Description						
Risk Event – Risk that the Council cannot respond to a critical incident/emergency event						
Cause – due to lack of planning, including contingency planning and failure to adequately define what constitutes a critical incident and/or emergency event and assess risks accordingly						
Impact – leading to an inability to execute the Council's Emergency Management Plan responsibilities, impacting the Council's ability to support front-line responders as required.						
Risk Lead: Director of Corporate Services						
Operational Leads: Head of Administration						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
Risk that the Council cannot respond to a critical incident/emergency event due to lack of planning, including contingency planning and failure to adequately define what constitutes a critical incident and/or emergency event and assess risks accordingly	Emergency Plan in place and can be activated in the event of emergency. We will continue to review and update where required and following any lessons learned from incidents.		Exercise, test and review, internal EPIG (Emergency Planning Implementation Group alongside training opportunities via regional arrangements ongoing - essential to maintaining the lower Impact score,	Head of Administration	ongoing	All EPIG meetings contain an element of learning / training. Six successful activations of the emergency plan since December 2024 which included response to Storm Eowyn, security alerts and other activations requiring opening of a support centre demonstrated council's ability to respond and provided good learning points.

CR13 – High Level Risk Description						
Risk Event – Risk that the Council cannot respond to a business continuity event						
Cause – due to lack of planning, including contingency planning and failure to adequately define what constitutes a business continuity event and assess risks accordingly						
Impact – resulting in an inability to execute a Business Continuity Plan (BCP) effectively and quickly, impacting the Council's ability to continue to deliver Services effectively.						
Risk Lead: Director of Corporate Services						
Operational Leads: Head of Strategic Transformation and Performance						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update
						30.06.25
Risk that the Council cannot respond to a business continuity event due to lack of planning, including contingency planning and failure to adequately define what constitutes a business continuity event and assess risks accordingly.	Business Continuity Plan in place and can be activated in the event of a business continuity incident. Annual testing and training schedule in place. Annual review of Business Impact Analysis by each service. We will continue to review and update the BCP where required and following any lessons learned from incidents.		Following development of the Business Continuity Plan in December 2023, the Plan will now be tested independently and training completed by 31st October 2024.	Head of Strategic Transformation and Performance	Oct-24	The Plan has now been independently reviewed by an external consultant and staff training has been delivered to CLT/ HoST and SUMs. Annual review of Business Impact Analysis by each service to be undertaken during Q1 2025/26.

CR14 – High Level Risk Description						
Risk Event – Failure to deliver Capital and high impact / cross cutting projects.						
Cause – due to lack of funding and inadequate project and programme management						
Impact – impeding the Council's ability to deliver on the promised benefits of these projects, as well as a failure to achieve the Council's corporate objectives within the Corporate Plan 2024-2028.						
Risk Lead: Chief Executive						
Operational Leads: Director of Prosperity, Director of Community and Wellbeing, Director of Corporate Services, Head of Strategic Capital Development						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
Resources not available to deliver the Strategic Capital Programme	1. Council agreed a review of the Strategic Capital Programme as part of Rate Setting		1.0 Members workshop to be undertaken	Steve Grieve	Aug-25	Members working group established and workshops scheduled. Commenced March
			1.1 Strategic Capital budget review as part of rate setting process	Steve Grieve	Aug-25	As above
	2. External grant / funding		2.0 Regular review and applications to potential external funding/grants	Head of Strategic Capital	Ongoing	Continue to work with a range of external funders
	3. CPU team in place (resources secured)			Head of Strategic Capital	Ongoing	Permanent staffing now in place.
Bangor Waterfront is not successful	1. Approved OBC and CFF		1.0 Gateway reviews undertaken in line with programme	Head of Strategic Capital	Ongoing	Ongoing. Project Board meeting regularly. quarterly and yearly updates to BRCD PMO and DfC Accountability Board.
			1.1 Yearly review of CFF		Mar-25	
			1.2 Working towards FBC		Nov-26	
	2. Dedicated project delivery team in place and resources secured		2.0 Team in place and Project management roles defined and agreed		Ongoing	
			3.0 Project Board in place and Governance Structures agreed and established		Ongoing	
	3. Governance Structure, including detailed work streams and working groups agreed and in place		3.1 Working Groups operational		Ongoing	
			3.2 Quarterly internal Assurance Board in place		Ongoing	
			3.3 Quarterly reporting to BRCD, DfC and Council		Ongoing	
	4. project plans developed for the 5 projects		4. ICT teams tendered and appointed in line with the programme		Ongoing	ICT teams tendered and appointed in line with programme. (3 appointed)
Greenways are not delivered	1.0 capital programme in place		1.0 Project Board established	Head of Strategic Capital	Ongoing	Greenways Project Board established and meeting regularly. Planning approval obtained and work on site for Ards and Greenroad Greenway. Work ongoing with DfI in relation to Comber to Ards Greenway. Planning approval obtained apart from small section at the Dual Carriageway
	2.0 Project Board and Governance Structures established		2.0 Work plan agreed and regularly reviewed			
	3. Dedicated team/resources in place to deliver		3.0 Site negotiations underway.			
			4.0 Resources agreed and team in place			

Council's Civic Office Rationalisation Programme is not delivered	1. Project Board and Governance Structures established		1.0 Project Board established	Head of Strategic Capital Development	Ongoing	Project Board established and meeting regularly. Council agreed two preferred sites within Bangor City Centre. Further negotiations with both site owners ongoing Q1/2. Business Case for Bangor Castle nearing completion
	2. Work streams and work plan agreed		2.0 Work plan agreed and regularly reviewed			
			2.1 Council agreed Strategic Location (Bangor)			
			2.2 Site negotiations underway			
	3. Dedicated team/resources in place to deliver		3.0 Resources agreed and team in place			

CR15 – High Level Risk Description						
Risk Event – Failure to fulfil the Council’s statutory obligations under the Burial Grounds Regulations (NI) 1992 regarding the provision of burial space						
Cause – due to a lack of space within current Borough cemeteries or within an a specific area within the Borough						
Impact – resulting in reputational damage to the Council and non-compliance with the Burial Grounds Regulations (NI) 1992.						
Risk Lead: Director of Community and Wellbeing						
Operational Leads: Head of Parks and Cemeteries						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.25
Council no longer has enough burial space for its residents or does not meet community expectations to have a working cemetery in main centres leading to reputational damage	Capital programme in place		1.0) Project Board in Place and meeting monthly. 2.0) Work plan agreed and reviewed monthly. 2.1) Movilia now separated from larger new site project. 2.2) Land negotiations and change of use at Movilia to get underway . 3.0) Capital and Revenue funding agreed and team in place.	Head of Parks and Cemeteries	ongoing	Monthly Project Board meets to progress Capital Project. Movillia budget in place and surveys being progressed for planning application, OBC drafted. Discussions with land owner underway.
Parks & Cemeteries Service does not meet community expectations leading to reputational damage	Standard Operating Procedures and Training in place, Task & Finish groups with Parks & Cemeteries Service are in place that challenge existing service provision and look for continuous improvement and responses to the changing climate; An intensive engagement programme is in place to challenge existing norms and understand community needs and expectations.		1.0) Standard Operating Procedures and Training is in place and under revision at monthly cemetery meetings. 2.0) A new development team will be extending current engagement actions.	Head of Parks and Cemeteries	ongoing	Half yearly reports on continious improvment within service. Last report in January 2025.

CR16 – High Level Risk Description						
Risk Event – Poor maintenance and development of the Council’s land and property assets (built assets)						
Cause – due to a lack of skilled resources, funding and monitoring						
Impact – leading to a failure to deliver on the Council’s Estates and Land and Property Strategies.						
Risk Lead: Director of Community and Wellbeing						
Operational Leads: Head of Assets and Property						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update
Failure to comply with statutory safety requirements – prosecution/reputational loss etc. Risk of injury to users through lack of planned maintenance on regulated services	A robust planned maintenance schedule implemented, fully compliant with all relevant regulations	SRR	ongoing review	Head of Assets and Property	ongoing	
	Review of Contractor RAMS prior to commencing work.	SRR	ongoing review	Head of Assets and Property	ongoing	
	Where CDM regs apply, issue and approval of Construction phase Plans.	SRR	ongoing review	Head of Assets and Property	ongoing	CDM programme proving to be very problematic and burdensome
Without a formal awareness and training programme there is a risk that employees will not be adequately trained to handle workplace challenges.	Extensive training in place	SRR	ongoing review	Head of Assets and Property	ongoing	
Risk of injury to users from inadequate workmanship/practices of contractors	Contractor competency assessments at procurement stage. Ongoing audits	SRR	ongoing review	Head of Assets and Property	ongoing	
	Review of practices during contractor meetings, highlighting any good/bad practice.	SRR	ongoing review	Head of Assets and Property	ongoing	

CR17 – High Level Risk Description						
Risk Event – Council’s land assets are taken without permission.						
Cause – Due to a lack of resources, funding and monitoring						
Impact – leading to a loss of land and failure to deliver on the Council’s Estates and Land and Property Strategies.						
Risk Lead: Director of Corporate Services						
Operational Leads: Head of Administration						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
Council’s land assets are taken without permission due to a lack of resources, funding and monitoring	Reactive monitoring in place. Land has been lost / offered for sale due to weak legal position.		Project to establish robust monitoring programme to be commenced in 2024.	Head of Administration	Mar-26	No resource to carry this out currently (Lands). This is similar to an Audit Risk being monitored by Deloitte for Parks & Cemeteries Service to action. P&C have purchased (via the Transformation Unit) PSS Ultimate to assist with monitoring boundaries, currently under trail within selected Parks, Cemeteries & Open Space sites.

CR18 – High Level Risk Description						
Risk Event – Council papers that are tabled 'in confidence' being leaked.						
Cause – Users of OneAdvanced (Formerly DecisionTime) sharing papers which are tabled as 'in confidence'						
Impact – Leading to lack fo trust, reputational damage for the Council and others, breach of Code of Conduct						
Risk Lead: Director of Corporate Services						
Operational Leads: Head of Strategic Transformation and Performance						
Risk Detail	Current Controls	X- Ref	Action	Op Risk Lead	Target Date (completion)	Status / Update 30.06.2025
Risk Event – Council papers that are tabled 'in confidence' being leaked.	Access is limited to Elected members, CLT/HOST and Democratic Services		Review controls within platform and add new controls if available.	Digital Services Manager	Mar-26	
			The member development steering group is to review training on this issue.	Head of Administration	Oct-26	

Financial Statements

For the year ended
31 March 2025



Contents

Narrative Report..... 3

Statement of Responsibilities 17

Annual Governance Statement 19

Remuneration Report..... 41

Certificate of the Chief Financial Officer 49

Council Approval of Statement of Accounts 49

Independent Auditor’s Report to the members 50

Comprehensive Income and Expenditure Statement 57

Movement in Reserves Statement 58

Balance Sheet..... 60

Cash Flow Statement..... 61

Notes to the Financial Statements..... 62

Accounts Authorised for Issue Certificate..... 95

This document will be made available in a range of alternative formats on request. Please contact Stuart Waring on stuart.waring@ardsandnorthdown.gov.uk or 0300 013 3333 extension 40606

Narrative Report

Introduction

These statements set out Ards and North Down Borough Council's financial performance during the financial year 2024/25 and its financial position at the end of that year. The Council's financial performance for the year ended 31 March 2025 is as set out in the Comprehensive Income and Expenditure Statement (page [57](#)) and the Movement in Reserves Statement (pages [58-59](#)). Its financial position is as set out in the Balance Sheet (page [60](#)) and Cash Flow Statement (page [61](#)).

The financial statements follow approved accounting standards and are necessarily technical in parts. It is the purpose of this narrative report to explain, in an easily understandable way, the financial facts in relation to the Council in addition to its main objectives, strategies and the principal risks it faces.

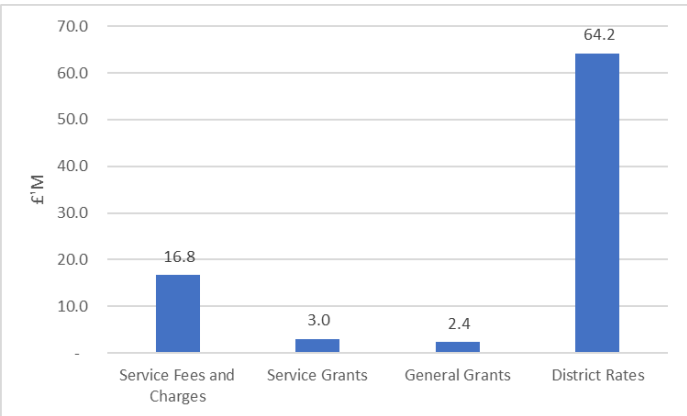
These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom for the year ended 31 March 2025 (the Code) and the Department for Communities Accounts Direction, Circular LG 10/25 dated 26 February 2025 and are the 'Statement of Accounts' the Council is required to prepare under Regulation 7 of the Local Government (Accounts and Audit) Regulations 2015.

Organisation Overview and External Environment

The Council operates a traditional model of decision making for local government and is organised into five directorates plus the Chief Executive's Office. Each of these directorates are further divided into Services as follows:

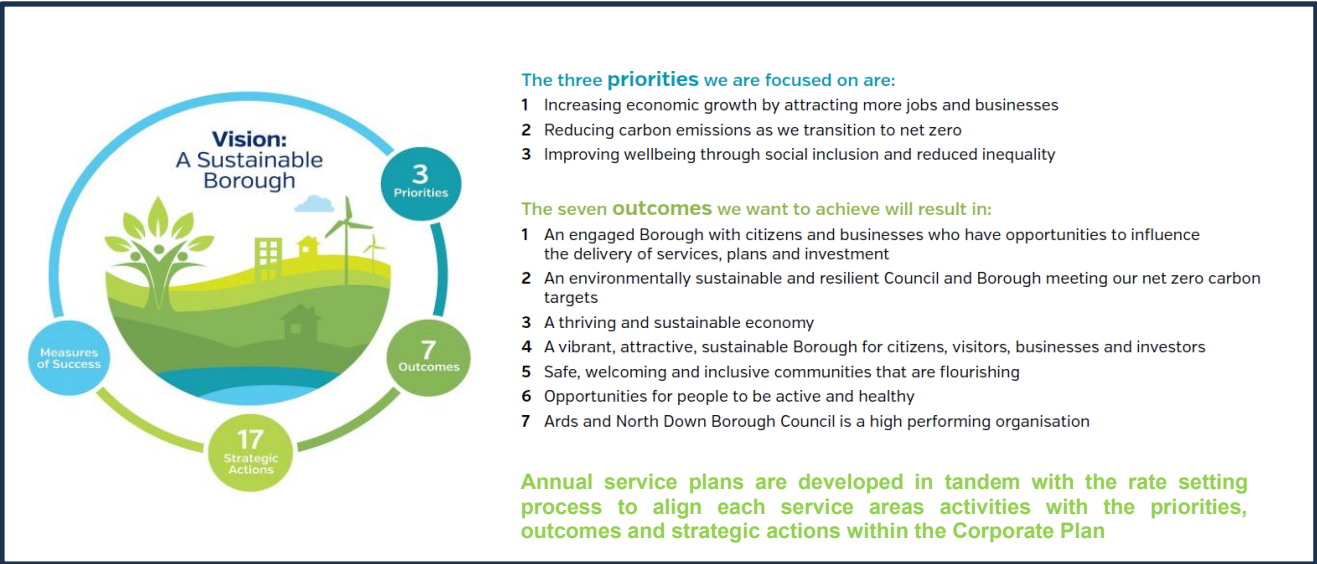


The Council delivers a broad range of local services covering among others: building control, community development, economic development, environmental health, leisure, parks and cemeteries, planning, off-street car parking, tourism and waste collection and disposal. It directly employs over 900 staff and has a budget of £78M. In addition, it participates in several strategic partnerships with other councils, private operators, public bodies and third sector organisations in order to deliver its vision for the Borough. It draws income from the provision of some services and from government grants. The remaining balance of income comes from the district rates, which is a local property tax.



The Council has agreed a new Corporate Plan (2024-2028) which is based around the vision of a Sustainable Borough.

Service Plans are produced and published on an annual basis, detailing how the Council intends to meet the Corporate Objectives. Key improvement activities are also published annually in the Council's Performance Improvement Plan (PIP).



The Council operates in the context of [The Big Plan](#) , which is the Community Plan for the Borough. The Big Plan is the sovereign plan for Ards and North Down and at its heart is an integrated approach to strategic development, not only for the Council, but for everyone in the Borough who has an interest in making Ards and North Down a better place to live, work, visit and invest. In 2024, a mid-way review of the Big Plan was undertaken and an updated document published in May 2025. The updated document amended the wording for each of the five Big Plan outcomes and updated the priorities and workstreams.

The Council's Corporate Plan, which sits below, and is aligned to, the Community Plan, is supported by key strategies including the Integrated Strategy for Tourism, Regeneration and Economic Development, Integrated Strategy for Arts and Heritage, Estates Strategy and a Medium-Term Financial Plan. Internally the Council is working to deliver an agenda of transformation to enhance and improve internal processes, as well as delivering, better engagement with, and services for, the communities we serve.



The Council builds its culture around the values of:

- **Progressive** – We will be proactive, ambitious, innovative, forward thinking and outward looking.
- **Respect** – We will treat everyone in a fair and equitable manner, respecting diversity and each other's roles.
- **Integrity** – We will always be open, honest, transparent, trustworthy and accountable in our business relationships.
- **Delivery** – We will ensure a “can do” attitude, being passionate about achieving results, performance driven, and outcome focussed.
- **Excellence** – We will strive to deliver continuously improving and excellent quality services, whilst ensuring value for money.

Governance

The governance arrangements of the Council are set out in the Governance Statement (pages [19-40](#)) and there have been no significant changes in approach in the course of the year, with the exception of the lapsing of legislation allowing for remote Council meetings.

Operational Model

The Council published the Big Plan for Ards and North Down in March 2017. This details a commitment from all partners who are members of the Strategic Community Planning Partnership on the five outcomes they will collectively work towards achieving for the people of Ards and North Down. In accordance with Community Planning Guidance, the first Statement of Progress was published in November 2019. This initiated a review of the existing implementation methodology and the agreement of a refined list of ten community planning collaborative priorities. A second statement of progress was published in November 2021. The Big Plan Part II was published in April 2022. This updated the whole population indicators and set out the issues the Strategic Community Plan will focus its attention on. The updated version of the Big Plan for Ards and North Down (published May 2025) replaces both the original Big Plan (published March 2017) and the Big Plan Part II (published 2022).



The Big Plan provides an overarching context for the Council's Corporate Plan. Activities to progress the outcomes and priorities resulting from the Big Plan and Corporate Plan are set out in the Council's annual Service Delivery Plans for each of its 18 Services. Service budgets are aligned to the annual Plans.

A 10-year celebration event was held in May 2025 to showcase the diversity and interconnectivity of community planning

outcomes and priorities.

Inputs

- Council receives almost 80% of its funding through the local property tax (often referred to as the district rates) and a further 15% from fees and charges for the use of a range of services.
- Council employs more than 900 staff. These staff are recruited according to the Local Government Staff Commission guidance. The Council's Learning and Development Strategy provides the framework for maintaining and enhancing the skills of the workforce, through on the job training, appraisal scheme, formal training, part-time study and mentoring.
- The Council owns over 350 properties, over 290 hectares of Parks and other open spaces and has a fleet of approximately 200 vehicles, all of which are maintained in a proactive manner.
- The Council works with a number of strategic partners in order to deliver its services including arc21 waste management joint committee, the Northern Community Leisure Trust to deliver some of its leisure services and the Department for Infrastructure in connection with provision of its planning portal.

Activities and Outputs

The Council is organised into five directorates and Chief Executive's Office that are further divided into 18 service with an aim to provide customer and outcome focussed services to residents, businesses and visitors. Although these services concentrate specialised skills around common themes, the Council endeavours to provide unified and complementary services using a range of

collaborative forums, such as Corporate Leadership Team, Heads of Service Team and Service Unit Managers Forum, in addition to addressing ad hoc or specialist issues.

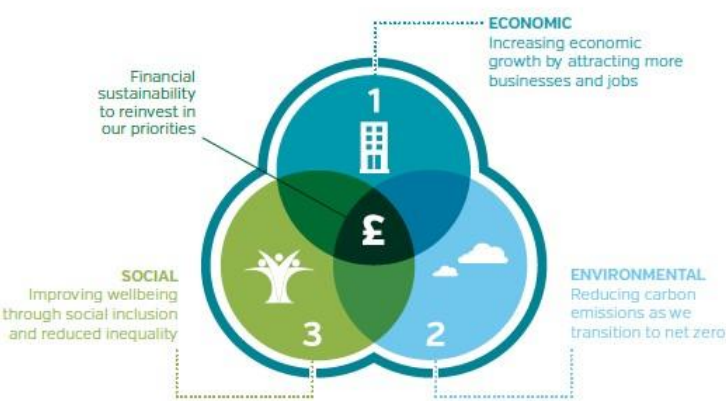
The Council's Planning Service relies on extensive detailed input from a range of statutory consultees that are outside the Council's authority, such as government departments, and which continue to experience resourcing issues relating to staff in post and expertise. This has had a direct impact on the processing of planning applications and, therefore, on the achievement of the statutory performance indicators.

Councillors participate in a range of regional bodies and officers participate in a wide range of local government professional groups, in order to provide co-ordination across local government in Northern Ireland.

Outcomes

The Council, as facilitator of community planning for the Borough, works with statutory partners, government departments and the community and voluntary sector to work towards these high-level aspirational outcomes. Workstreams (formally referred to as thematic groups) have been established to help focus Council (all partners) resources on these outcomes. Workstreams have been set up for all five outcomes.

The Council's new Corporate Plan includes outcomes that are Council specific but feed into the more overarching outcomes of the Big Plan. To achieve the Council's vision of 'A Sustainable Borough', the Corporate Plan is centred on three priorities, seven outcomes and 17 strategic actions.



The three priorities of the Corporate Plan focus on social, economic and environmental wellbeing with a focus on the need to be financially sustainable.

The seven outcomes of the Council's Corporate Plan and the five outcomes of the Borough's Big Plan align as demonstrated in the table below:

The Big Plan 5 Outcomes	Corporate Plan 7 Outcomes
All people in Ards and North Down benefit from:	The Corporate Plan outcomes will result in:
1. Opportunities to fulfil their lifelong potential	An engaged Borough with citizens and businesses who have opportunities to influence the delivery of services, plans and investment
2. Being equipped to enjoy good health and wellbeing	Opportunities for people to be active and healthy
3. Communities where they are respected, are safe and feel secure	Safe, welcoming and inclusive communities that are flourishing
4. A prosperous and inclusive economy	A thriving and sustainable economy

The Big Plan 5 Outcomes	Corporate Plan 7 Outcomes
	A vibrant, attractive, sustainable Borough for citizens, visitors, businesses and investors
5. An environment that is valued, well managed and accessible	An environmentally sustainable and resilient Council and Borough meeting our net zero carbon targets
	Ards and North Down Borough Council is a high performing organisation

The Big Plan outcomes are worked towards via numerous issue specific workstream groups. A workstream that is a sub-group of our Strategic Community Planning Partnership is focused on public estate and land issues. The purpose of this group is to share information about capital build projects and to identify areas where collaboration will improve the outcomes for our citizens. The Council has shared the review of its estate with Strategic Partners, and this had led to an 'Expressions of Interest' being put forward to co-locate front facing services in, for example, the proposed Newtownards Citizen Hub. Other discussions are ongoing about the land requirements of different partners and a shared project to map land ownership on Council's Geographic Information System (GIS) portal is underway.

Aligning Corporate Plan and Community Plan outcomes has resulted in increased levels of collaboration across Council directorates to the benefit of the citizen. The Council applied to be part of the World Health Organisation's Age Friendly Programme in recognition of our ageing population. An Age Friendly Alliance has been established with representation from government departments and community planning partners. Internally, cross-directorate programmes have been developed that recognise the contribution each service makes to ensuring all people in Ards and North Down live in communities where they are respected, safe and feel secure. Resources are being shared to develop walkability audits of public spaces that will demonstrate high levels of stakeholder engagement and that we are listening to our citizens. An Over 50s Council has been established, and members have developed a new Age Friendly Action Plan that will be informed by their needs, opinions and experiences. A hard copy (and digital version) Big Guide to Age Friendly Services was produced and distributed via our Age Friendly Alliance. A digital wellbeing tool has been developed in partnership with members of the Health and Wellbeing workstream group.

A Dementia Friendly Partnership (aligned with Age Friendly) has also been established and has undertaken an extensive consultation exercise with people living with dementia and their carers. The information gathered has helped the Partnership to develop an action plan for the South Eastern Health Trust area that can then be localised to reflect the support needed within Ards and North Down. Council has run internal training for front line staff, developed an e-learning module and appointed an Elected Member and Officer Dementia Friendly Champion. The Dementia Safeguarding Scheme is being rolled out across the Borough as part of Dementia Action week.

Ards and North Down has been selected as the first early adopter site to take forward a whole system approach to obesity initiative being led by Public Health Agency. An evidence-based approach to decision making has been used to identify a sub-population (children between year 1 and year 8 at school) and a geographical local (Newtownards DEA) based on the recognised link between deprivation and unhealthy weight. Systems mapping workshops are being led by QUB to help develop an action plan over summer 2025.

Facilitation, and participating, in the community planning process has enabled the Council to use its resources to contribute to important agendas such as health reform and how local health commissioning will happen in the future. Collaboration is happening between community development, education, and the police to improve how young people have a voice via the

establishment of a Youth Council. This is directly contributing to our outcome that all people in Ards and North Down fulfil their lifelong potential.

In collaboration with government departments and key stakeholders, Council has established a Labour Market Partnership (LMP) which is working to help improve employability outcomes and labour market conditions locally. The LMP works through a co-ordinated, collaborative, multi-agency approach to meet local needs, providing opportunities and pathways into employment, connecting employers with employees. The Partnership not only impacts the local economy but affords the opportunity to all people to fulfil their lifelong potential.

Having a thriving and sustainable economy is one of the key objectives of our Community and Corporate Plans. To help drive this ambition Council has collaborated with the other NI Councils to deliver a new flexible service to encourage new entrepreneurs and to support our local businesses to develop and grow.

An 'outcomes approach' is still relatively new. It relies on having access to an evidence base that can be used to measure whether the work Council and its partners are undertaking is making a difference. We have used our resources to undertake a comprehensive assessment of wellbeing that helps us identify the issues we need to focus on to contribute to the five outcomes identified.

Despite the continuing challenge of inflation, the Council continued to deliver positive outcomes for residents and businesses showing a high degree of innovation and effectiveness.

How the Council spent its resources is set out in its Comprehensive Income and Expenditure statement on pages [57](#).

Risks and Opportunities

In all its strategic planning activities the Council identifies risk and opportunities, as well as seeking to identify mitigations and to take advantage of potential positive outcomes.

Risks

⊕ Regional Political Situation

It is hoped that the UK wide Government spending review will give the NI Executive the scope to agree a multi-year budget. This would bring increased certainty to the Council's planning in the short to medium term, especially in respect of multi-year programmes and capital projects.

Some services are at risk because of the very tight budgetary settlement for the Executive. This uncertainty will have implications for delivery of community, economic development and regeneration activities. This funding risk is further complicated by the single year budget allocations, which creates uncertainty and prevents longer term planning.

⊕ Resourcing

The Council has ambitious plans and strategies for the pursuit of prosperity in the Borough. Resourcing these plans requires finance, assets and talent. Currently, in common with many organisations, the Council is experiencing difficulties in recruiting staff. These pressures will inhibit the Council's ability to deliver on its plans.

Council must both prioritise, and regularly assess, its appetite and tolerance for risk in order to ensure it is fit for purpose to deliver on the objectives set.

Opportunities

✓ Sustainability commitments

'A Sustainable Borough' is the overarching vision of the Council's new Corporate Plan. A **Sustainable Borough** is one where economic, environmental, and social wellbeing are interdependent and decisions that are taken are well-balanced and equitable. To deliver on this the Council has agreed three priorities, seven outcomes and 17 strategic actions that will be progressed over the four-year period of the new plan (2024-28).

We are committed to integrating sustainability into all business practices moving forward and progress has been made on this throughout the reporting period ([Sustainability Case Studies](#)) and have recently adopted a green fleet strategy.



✓ Belfast Region City Deal (BRCD)

The BRCD executive body comprises this Council along with Antrim and Newtownabbey Borough Council, Belfast City Council, Lisburn and Castlereagh City Council, Mid and East Antrim Borough Council, Newry, Mourne and Down District Council, the Queen's University Belfast and the Ulster University (the Belfast Region).

The objective of the BRCD is to deliver a step change in the region's economic fortunes and help achieve inclusive growth. It will see the UK Government invest £350M into the Belfast Region over the next 15 years. This figure will be matched by the Northern Ireland Executive and a further co-investment of upwards of £150M from Belfast Region City Deal partners. By leveraging additional private sector investment, the partners will deliver a programme with an overall value well over £1 billion.

Four "pillars" for the BRCD proposition have been established:

- Employability and skills
- Innovation and digital
- Infrastructure
- Tourism and Regeneration

Ards and North Down contributes to the regional Employability and Skills programme and benefits from capital funding towards a regional digital programme and projects as outlined below.

The Council is due to receive circa £40M towards the Bangor Waterfront Redevelopment, our ambitious plans to redevelop Bangor's beautiful seafront with new, sustainable, tourism and leisure attractions.



It will also benefit from funding of £10M to create an Innovation Hub to support creative and digital industries in the Borough.

✓ **Redevelopment of Queen's Parade**

Bangor Marine Ltd. continues to progress plans for the Queen's Parade and Marine Gardens areas of Bangor Waterfront with agreements recently signed to allow the initial phase to commence. This £50M regeneration project is part-funded by the Levelling Up Fund.



✓ **Tourism, Economic Development and Regeneration**

The Integrated Strategy for Tourism, Regeneration and Economic Development presents a coherent vision for the pursuit of prosperity in the Borough of Ards and North Down. It responds to the vision and outcomes of the Community Plan for the area and is to be used as the common point of reference for all those contributing to the growth of our economy, the welcoming of visitors and the improvement of our places, both urban and rural.

Through targeted interventions/ programmes and one to one advice, businesses are supported throughout their business lifecycle, helping to create, sustain and grow jobs. Working in partnership, those furthest from the labour market have been supported to achieve the skills required to be employment ready. These actions have and continue to contribute sustaining our local economy.

The development of 'Experiences' and Food Festivals has been key to broadening the portfolio of activity available to increase visitors and revenue to the Borough. Council is also delivering on the recently developed 'Borough Strategic Direction for Events' and seeing significantly higher profile across a range of key visitor engagement platforms through the delivery of the Borough 'Marketing and Communications Strategy.' Food sector development is supported via the recently revised Food and Drink Destination Development Strategy.

✓ **Leisure Strategy**

The Council has now approved its first leisure strategy. Creating the strategy has brought together a wide range of groups and organisations and gathered the views of around 1,600 residents. The strategy's vision, Getting Active, Staying Active, encourages everyone to be more active. Getting Active, Staying Active sits well with the Council's third Corporate Plan which will see 'progress towards A Sustainable Borough through innovation in our services and greater partnerships with our residents and other organisations.'

✓ **Capital Investment Plan**

The Council uses a project prioritisation approach to assess and prioritise potential capital investments. This involves scoring each project across a range of agreed, standardised criteria, to include elements such as strategic alignment, cost and risk. The resulting ranked project list is used as a basis for decision making on which, and how many projects will progress, depending on the desired investment level.

✓ **Medium-Term Financial Strategy**

The Council continues to consider carefully financial resilience in its budgeting cycles. This budgeting process is guided by the Medium-Term Financial Strategy, which sets out principles and provides a framework in which to develop future budgets. These budgets for the next financial year are developed in the context of a Medium-Term Financial Plan (MTFP). In addition, the Council has developed a 10-year district rate projection to enable

it to forecast the impact of its longer-term capital investment plans. The Council's new reserves and budgeting policies seek to bring greater focus on financial resilience and multi-year budgeting.

The Council is seeking to provide high quality services and facilities in line with its corporate priorities. Resources are allocated to ensure we can meet these objectives along with those outlined in a variety of supporting strategies. To this end Council has earmarked funds for several strategic purposes including transformation, sustainability and tax base development. These are particularly useful in supporting short-term initiatives without putting additional burdens on rate payers.

There are a range of strategic workstreams underway to assist in delivering the Big Plan and Corporate Plan. These include the development of a comprehensive Workforce Planning Strategy, Estates Strategy Programme and Strategic Transformation and Efficiency Programme including the implementation of the Council's Digital Strategy.

Performance

FINANCIAL

The results for the year are set out in the Comprehensive Income and Expenditure Statement and reflect the accounting deficit for the year to comply with International Financial Reporting Standards (IFRS). A number of adjustments are then made to this (see note 4 on page [89](#)) to arrive at the actual surplus for the year on the Council's General Fund, as shown in the Movement in Reserves Statement (page [58-59](#)) and summarised below:

	2024/25	2023/24
	£'000	£'000
Cost of Continuing Operations	(69,645)	(67,169)
Other Operating Expenditure or Income	3,915	20
Financing and Investment Income & Expenditure	(1,189)	(1,076)
Taxation and Non-Specific Grant Income	85,554	63,382
Surplus/(Deficit) on the Provision of Services	18,635	(4,485)
Adjustment between Accounting and Funding bases	(13,161)	6,086
Net Transfers (to) or from Reserves and Funds	(4,142)	(416)
Surplus / (Deficit)	1,332	824
Balance brought forward	6,268	5,443
General Fund Balance at 31 March	7,600	6,268

The cost of continuing operations continues to increase, driven by payroll, maintenance insurance inflation. Other operating income shows significant income due to receipt of historic claims for overpaid VAT in respect of leisure income. Adjustments between accounting and funding basis continue to be made in respect of depreciation and pensions, in line with the legislation. These transactions are detailed in note 4. The one-off VAT refund has allowed the Council to continue to strengthen reserves with its strategic funds now accounting for over 80% of its Earmarked Fund.

The Council's General Fund carried forward is £7.6M (equivalent to 8.9%) of gross revenue expenditure, up from 7.6% at 31 March 2024). This level exceeds the minimum balance required by the reserve policy which states: Council shall maintain a balance in this fund of a minimum of 7.5% of its gross expenditure as reported in its financial statements on the Net Operating Expenditure line of the Comprehensive Income and Expenditure Statement. Where this is not possible at any budgeting or reporting period, Council must agree a medium-term plan to restore this balance.

The Council's Balance Sheet at 31 March 2025 (page [60](#)) shows a net worth of £241.5M, an increase of £26.1M from the 31 March 2024 balance sheet, this is largely attributable to:

- the net increase in value of assets (£17M); and
- the increase in debtors (£13.1M).

The Council participates in the Local Government Pension Scheme (Northern Ireland), commonly referred to as Northern Ireland Local Government Officers Superannuation Committee, or 'NILGOSC'. This Council has a surplus in the defined benefit plan at the accounting date. In accordance with IFRIC 14 the Council should measure the net defined benefit asset at the lower of the surplus in the defined benefit plan and the asset ceiling which is the future economic benefits available to the Council in the form of a reduction in future contributions or a cash refund. Aon (an independent qualified actuary commissioned by the Council to provide pensions accounting advice under International Accounting Standard 19 / Financial Reporting Standard 102) have calculated the asset ceiling to be £Nil hence a £29.9M asset is not recognised in the balance sheet. A pension liability of £680k relating to the Council has been appropriately reflected in these financial statements. Details regarding the pension liability are in Note 22 (Page [112](#)).

The Council's Usable Reserves at 31 March 2025, with a comparison to the opening position, is set out in the following table:

Reserves:	31 March 2025 £'000	31 March 2024 £'000
General Fund	7,600	6,268
Capital Receipts Reserve	2,461	3,225
Capital Grants Unapplied Account	19,130	4,936
Revenue Grants Unapplied Account	167	159
Other Earmarked Funds	15,276	11,167
TOTAL	44,634	25,754

Notes are provided within the Financial Statements to explain material changes.

Capital Investment

In order to enhance the services, it provides, the Council has an ambitious Capital Investment Programme representing around £217M over the next 8 years. This level of investment is dependent on £126M external funding being secured. These plans will be subject to review in the normal course of business as part of the normal budgeting cycles, in respect of affordability, sustainability and prudence. As part of this programme, expenditure on capital projects during the 2024/25 financial year included:




Capital Scheme	£000
Greenways, Parks and Play Parks	4,660
Regeneration Initiatives	1,523
Sports Facilities and Equipment	1,046
Vehicles, Plant, Equipment and Software	857
Bangor Waterfront	264
ICT Hardware and Software	378
Other Minor Schemes	798
Total	9,526

Details of how the Council has funded its capital expenditure are set out in Note 13 (page [103](#)). Information on capital commitments relating to capital projects is set out in Note 14 (page [104](#)) and information in respect of funding which Council has received in advance is detailed in Note 24 (page [118](#)).

Non-Financial

Each year the Council publishes its [Annual Performance Report](#). This self-assessment is to account for its improvement activity for that year and review performance against the Improvement Objectives set in the preceding year. The report reflects on the performance on the delivery of our agreed Improvement Objectives and supporting actions for the year in review.

Additionally, the Council monitors performance of its key indicators against each of its Service delivery plans with RAG performance for each corporate theme for the year being:

Corporate Priority	Green 	Yellow 	Red 
Economic	98	9	52
Environment	16	3	8
Social	53	1	14

Outlook

The resilience of the Council continued to improve due to the positive effect of the reserves policy: the General Fund balance is now in excess of the minimum and the one Earmarked Fund is now heavily focussed on strategic objectives. However, the outlook remains challenging as there are pressures within the tax base which affects Council's ability to generate income from the district rates. These are exacerbated by the cost pressures within salaries budgets (because of nationally agreed pay settlements being driven by increases to the National Living Wage), general inflation, the ongoing revenue costs associated with new capital investment projects and recruitment difficulties due to a shortage of talent.

In addition, to these aspects, Council faces additional costs to attain targets set out in the Climate Change Act (NI) 2022. These remain difficult to estimate but will likely have a significant impact on both revenue and capital expenditure.

In order to mitigate these pressures Council has agreed strategic workstreams in connection with waste management, outsourcing options and organisational structure review. These will be taken forward as part of the Strategic Transformation and Efficiency Programme.

As capital investment increases in line with the Capital Investment Plan, the Council may see its borrowing increase from the current level of £57M to around £99M in 2028 and £143M by 2033. This will be kept under review at each future budgeting cycle and as projects progress. Additionally, a strategic review of the capital investment plan is being undertaken by a working group of Members and senior officers.

Basis of preparation

Information is considered material “if omitting it or misstating it could influence decisions that users make on the basis of financial information.” Consequently, items of differing magnitude may both be regarded as material given their differing contexts.

These financial statements have been prepared on a going concern basis as required by the Code. The Council’s useable reserves remain strong over the course of its medium-term planning horizon, and this combined with its ability to raise income through the district rates means the Council considers that in addition to the statutory going concern requirement it has secured its financial situation in practice.

Material and Unusual Items

As noted above, the movement in pension liabilities is material movement although treated in line with normal practices. In addition, the receipt of a significant VAT refund is a one-off material event. Further information is set out in notes 22 on [page 112](#) and 25c on [page 119](#).

Statement of Responsibilities

Statement of the Council's and Chief Financial Officer's Responsibilities for the Statements of Account

The Council's Responsibilities

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 a Council shall make arrangements for the proper administration of its financial affairs. A Council shall designate an officer of the Council as its Chief Financial Officer (CFO) under whose supervision these arrangements shall be carried out. The Council has designated the Chief Executive as its CFO.

Under Regulation 7 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, the Council, or a Committee is required by resolution, to approve the accounts.

These accounts were approved by the Chief Executive on 22 September 2025.

The Chief Financial Officer's Responsibilities

Under Regulation 8(2) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in the form directed by the Department for Communities.

The accounts must give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

In preparing this Statement of Accounts, the Chief Financial Officer is required to:

- observe the Accounts Direction issued by the Department for Communities including compliance with the Code of Practice on Local Authority Accounting in the United Kingdom;
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis; and
- make judgments and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:

- keep proper accounting records which are up-to-date; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

Governance Statement

Scope of Responsibility

The Council is responsible for ensuring that there is a sound system of governance (including a good system of internal control) to allow it to act in the public interest by:

- enabling its business to be conducted in accordance with the law and proper standards; and
- ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The Council also has a duty under the Local Government Act (Northern Ireland) 2014 to make arrangements to secure continuous improvement in the exercise of its functions.

In discharging these overall responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council is required to prepare an Annual Governance Statement, in accordance with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government (2016). This statement explains how the Council meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled and the activities through which it engages with, leads and gives account to its communities. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Governance Framework

This section describes the key elements of the systems and processes that comprise the Council's governance arrangements.

1. Arrangements for reviewing the Council's vision and its implications for the Council's governance arrangements

Following extensive consultation and collaboration, the Council developed a new Corporate Plan. The Corporate Plan 2024-2028 aligns with the aspirations of the area's first community plan – the 'Big Plan'. The Big Plan is the sovereign plan for Ards and North Down and measures

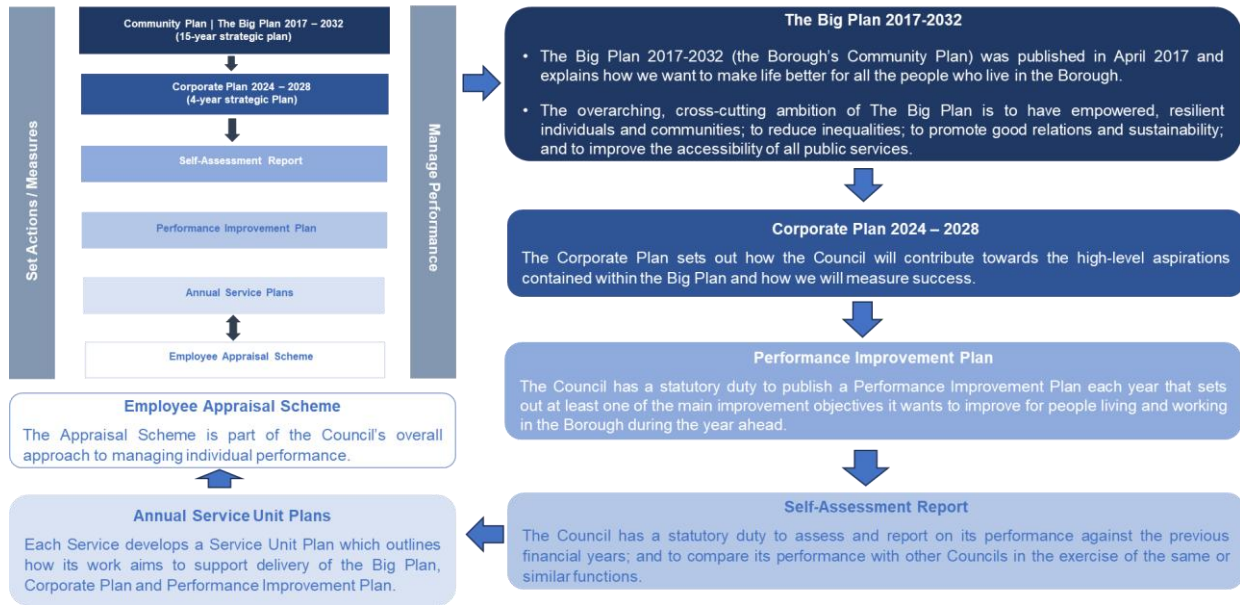
the wellbeing of the population of Ards and North Down via the Big Plan whole population indicators and an outcomes-based accountability approach.

The Corporate Plan serves as the Council's strategic framework, setting out the Council's vision to work towards becoming A Sustainable Borough. The Big Plan population indicators are replicated within the Council's Corporate Plan.

The new Corporate Plan has been developed around a vision (A Sustainable Borough), of three priorities (economic, environmental and social), seven outcomes and 17 strategic actions. Council performance indicators are included to track progress towards the vision.



Strategic Context of Corporate Plan



Ards and North Down's Community Plan is known as 'the Big Plan'. It has been developed following extensive engagement with the citizens of Ards and North Down using 'The Big Conversation' initiative to identify the long-term vision they would like to see achieved over the next 15 years. This engagement mechanism will continue to be used to consult with people on how implementing the Big Plan will improve the delivery of all public services. The Big Plan provides a commitment from 15 strategic partners covering a range of issues including transport, housing, environment, policing and health. In 2024, a mid-way review of the Big Plan was undertaken and an updated document published in May 2025. The updated document

amended the wording for each of the five Big Plan outcomes and updated the priorities and workstreams.

The Big Plan gives the context for the Corporate Plan (available on the Council website [here](#)) and the Council's first Local Development Plan, which is still being prepared.

Each of the Council's Services have agreed and published Service Plans against which they report to their Standing Committee. Each Plan is aligned to the Council's Corporate objectives and monitoring of performance is managed through the Council's Performance Reporting software. The system tracks a wide range of Key Performance Indicators on a half-yearly and annual basis and reports progress on a RAG (Red Amber Green) basis, providing visibility of same to the Chief Executive, Directors and Heads of Service.

The Council's Corporate Services Committee has responsibility for overseeing the performance management process and agreeing the Council's statutory Performance Improvement Plan (PIP) for Council approval. The Council's Corporate Services Committee also receives reports on PIP performance, ensuring that progress in each of the key areas is carefully monitored. The PIP is a mechanism to identify key interventions to better achieve the outcomes set out in the Council's Corporate Plan. It also fulfils the Council's statutory obligations as set out in the Local Government Act (Northern Ireland) 2014.

2. Arrangements for identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users

The Corporate Plan 2024 – 2028 serves as the Council's strategic framework for our Council's vision to be a **Sustainable Borough**. The plan is driven by three corporate priorities:

1. Economic
2. Environmental
3. Social

The three priorities are internationally recognised as the three components of sustainability. These, and our vision, are ambitious and extend beyond the life span of the Corporate Plan, which also aligns with the long-term aspirations of the Borough's Community Plan (The Big Plan 2017-2032).

Each year Council Service Unit identifies, in their Service Plans, improvement actions that are driven by:

- Priorities identified in the Corporate Plan, which are based on input from Elected Members, officers and wider consultation;
- Feedback from ratepayers, residents and stakeholders arising from the "Big Conversation" community planning engagement project and Conversation Panel surveys;
- Feedback from residents via the biannual residents survey;
- Output from workshops involving the Corporate Leadership Team and Heads of Service Team; and
- A review of Service Plans.

The Performance Improvement Plan is subject to, and informed by, public consultation, also involving statutory and Community Planning partners, our Consultative Panel on Equality and

Good Relations; Equality Scheme Consultees; a range of hard-to-reach groups; and the Chambers of Trade for Bangor and the four towns in the Borough.

At the end of the financial year, we will publish an assessment of the Council's performance.

3. Arrangements for measuring the quality of services, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources

The new Corporate Plan contains whole population indicators aligned with the Big Plan indicators. It also contains council specific performance indicators and targets that will be reviewed annually to ensure the activities included in the service plans are appropriate to meet the strategic commitments made.

Individual Council Services monitor their performance on a twice yearly basis to ensure that they maintain customer satisfaction levels. The Council has in place performance reporting software that links key performance indicators (KPIs) via Service Plans to the Council's overall objectives and shows progress against same.

The Council is subject to audit by the Local Government Auditor, within the Northern Ireland Audit Office. The scope of auditors' work covers not only the audit of the Council's Financial Statements, but also aspects of corporate governance, arrangements to secure the economic, efficient and effective use of resources and an audit and assessment of the Council's PIP. The Local Government Auditor publishes an annual report on the results of both the financial audit and improvement audit which are published on the Council's website.

The Council has established a Transformation Team, which incorporates responsibility for developing and implementing effective performance governance arrangements in addition to supporting projects and activities aimed at improving the better use of resources to achieve agreed outcomes.

The Council has committed to undertaking a formal survey of residents every two years to gain an insight into satisfaction levels with the organisation and the services we deliver. The information gathered is shared across all service areas and used to inform a number of performance improvement measures including our annual service plans, performance improvement plan and financial statements.

The most recent survey was undertaken in October and November 2023 and based on a representative sample of 1004 residents covering all areas of the Borough. The survey was conducted by telephone and in accordance with the ISO20252:2019 Standard.

It is encouraging to note that 83% of residents report satisfaction with the Council. The comparative figure for all Great Britain Councils in June 2023 was 60%.

- ✓ Areas for improvement (over which Council has direct control) included keeping areas clean and tidy, reducing litter; reducing fly tipping, street cleaning and keeping grassed areas weed free.
- ✓ Residents identified attracting jobs and investment into the local economy (1st); ensuring annual rate increases are kept at or below inflation (2nd) and supporting residents and businesses' health and wellbeing (3rd) as being the top priorities for the Council.
- ✓ 82% rated their most recent contact with the Council as either 'excellent' or 'good', with 85% saying they found it easy to find out about the services and benefits Council provides.

- ✓ 65% were satisfied with the level of engagement the Council offers local residents.
- ✓ Almost 7 out of 10 residents believe that given the range of services provided to residents, Ards and North Down Borough Council provides good value for money. Compared with 2021, this represents a significant improvement for the Council (up from 49% in 2021 to 69% 2023).

4. Arrangements for defining and documenting the roles and responsibilities of the Council, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

As a statutory body, the Council performs a range of functions that are provided for in legislation. The Council takes overall responsibility for discharging these functions, with its performance delegated either to a Committee or an Officer. The committee structure is:



Each Committee has a defined Terms of Reference, documenting its roles and responsibilities including determining policy in its own area within the remit delegated from the Council.

The Terms of Reference of each Committee are periodically reviewed. The latest version was agreed during July 2024 as part of the review of the scheme of delegation. There are also a number of established sub-committees and working groups involving Elected Members, which report to the relevant Committees.

Section 41 of the Local Government Act (Northern Ireland) 2014 requires that councils' Standing Orders must make provision requiring reconsideration of a decision if 15% of the members present make a requisition to the Chief Executive on either or both of the following grounds:

- That a decision was not arrived at after a proper consideration of the relevant facts and issues; and
- That the decision would disproportionately affect adversely any section of the inhabitants of the district.

This is commonly known as the 'call-in' procedure and is addressed by Standing Order 23 within the Council's Standing Orders.

In line with section 2 of the Local Government Act (Northern Ireland) 2014, the Council has prepared its constitution. This has been published on the Council's website [here](#).

The purpose of the constitution is to:

- enable the Council to provide clear leadership to the community, in partnership with citizens, businesses and other organisations;
- support the active involvement of citizens in the process of Council decision-making;
- help Councillors represent their constituents more effectively;
- enable decisions to be taken efficiently and effectively;
- create a powerful and effective means of holding decision-makers to public account;
- ensure that no one will review or scrutinise a decision in which they were directly involved;
- ensure that those responsible for decision-making are clearly identifiable to local people and that the decision-makers explain the reasons for decisions; and
- provide a means of improving the delivery of services to the community.

A Corporate Leadership Team (CLT), consisting of the Chief Executive and Directors, meets to make strategic decisions, while a Heads of Service Team (HoST) is responsible for operational delivery and informing strategic work.

Council has a range of officer boards, committees and working groups to co-ordinate across Council activities. These have defined terms of reference and a broad membership.

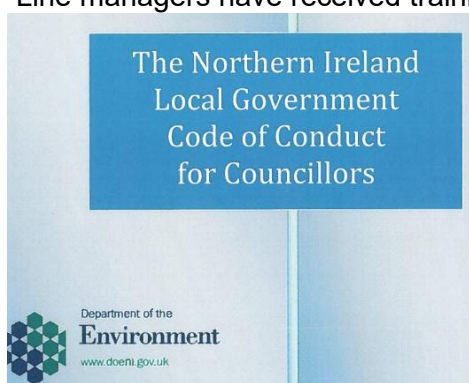
The Council is also a member of the arc21 Waste Management Joint Committee along with five other Northern Ireland Councils. The Joint Committee has delegated authority to deal with financial matters up to £250,000 and all other decisions are subject to ratification by the constituent Councils.

The responsibilities of the Chief Financial Officer are set out in the Local Government (Accounts & Audit) Regulations (Northern Ireland) 2015. Council has designated the Chief Executive as its Chief Financial Officer. In addition, the responsibilities of officers including, senior management are enshrined in job descriptions. In addition, the Council has a scheme to delegate decision making to Service Unit Manager level.

5. Arrangements for developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff

The Council has a wide range of policies and procedures that are subject to on-going review and include the standards of behaviour expected from all employees. The Council has adopted the Local Government Staff Commission's Code of Conduct. All policies and procedures are communicated to employees through induction, other on-going training initiatives and are published on the intranet. Specifically, these policies include an Anti-fraud, Bribery and Corruption Policy (including a fraud response plan) and a Declarations of Interest Policy.

Line managers have received training from the Council's Human Resources Service in relation to human resource policies. Council has an 'Employee Behaviour Charter'. Training has been provided to embed these positive behaviours into the Council's culture and the behaviours are illustrated with examples of good practice in the Council's fortnightly staff newsletter. The Council is continuing to embed its Learning and Development Strategy and staff appraisal processes with every employee and has achieved Member Charter Plus accreditation in respect of its development activities for councillors. These conversations align with the Corporate Values, which are part of the Corporate Plan.



The Northern Ireland Local Government Code of Conduct for Councillors came into effect on 28 May 2014. Councillors have received training in respect of this statutory code of conduct. They have also completed declarations of interest, which are published on the Council [website](#) and which they have a legal obligation to keep up to date.

6. Arrangements for reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality

The Council is committed to the effective delivery of services for the benefit of residents and users alike. A scheme of delegation to officers, with clearly defined parameters and reporting arrangements, was agreed by Council in 2024 and will be reviewed on an annual basis.

The Council is involved in several strategic partnerships including Belfast Region City Deal, the 11-Council NI Enterprise Support Service branded as *Go Succeed*, the Labour Market Partnership, Local Economic Partnership and the Strategic Community Planning Partnership, all of which have project boards or committees in place to provide an appropriate governance structure. In addition, arc21 operates within the framework of a legally binding collaborative agreement between all its member councils. A Joint Committee is arc21's decision making forum and is made up of 18 Elected Members (three from each of the six partner councils).

The Council, the Department for Communities and Bangor Marine Ltd have entered into a Development Agreement for the redevelopment of the Queen's Parade/ Marine gardens area of Bangor. Plans are progressing with an estimate construction start date of late August 2025. This project is overseen by a Project Board which meets regularly and progress updates are reported to the Council via the Place and Prosperity Committee.

7. Arrangements for reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability

Risk Management

In line with the Council's Risk Strategy, a Corporate Risk Register is maintained to ensure that key areas of risk that may affect delivery of our Corporate Plan are identified. To ensure a proactive approach to risk management, all corporate risks have assigned mitigations (comprising current controls and additional mitigation measures). As a live document, it is subject to change as required. This year it has undergone review and has been and will continue to be reviewed by the Corporate Leadership Team (CLT) and Heads of Service Team (HoST) on a quarterly basis to ensure that it is kept up to date. It is reported to the Audit Committee twice yearly.

A second level of risk recording is performed through Service Risk Registers, which identify service specific strategic and operational risks and are incorporated into Service Plans. Periodic reviews are included within each service's management processes. In addition, biannually, each Service completes an internal governance Assurance Statement to provide assurance that the internal standard procedures, risk management and/ or control arrangements are in place. Within this statement any failure of controls or significant risks causing concern and requiring mitigation is identified.

The Council has revised its Risk Management Strategy this year to cover the period 2025-2029 and this was approved at May 2025 Audit Committee. This is aligned to the Corporate Plan to ensure that the Council is best equipped to deliver its future ambitions. The Risk Management

Strategy sets out the Council's approach to the management of risk at a strategic and operational level, within projects, partnerships and by its suppliers. This revision incorporates Internal Audit recommendations and improved arrangements that have evolved over the life of the previous strategy.

Data Management

The Council always aims to comply with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018. The new data protection legislation, which came into force in May 2018, triggered the recruitment of a Data Protection Officer, whose role is defined in the legislation. Since then, data security and information management systems have been reviewed, privacy notices updated, and a significant programme of training has been delivered to management and employees, including a new comprehensive E-learning module. Business Technology has introduced additional measures to ensure data security. The CCTV and Surveillance Equipment Policy has been reviewed to ensure all aspects of video and audio recordings are managed securely.

The Council plans to introduce an electronic document and records management system (EDRMS), based on a Microsoft GDPR compliant platform, to continue to improve data management practices, data security and general compliance. A discovery exercise was carried out this year to determine the live datasets held by the Council currently. A business case for the implementation phase is underway. It is hoped that this will be supported and that the EDRMS can be implemented into Council within the next 18 months.

Most of the Council's title deeds are now kept in digital form. This has resulted in a comprehensive set of documents being available to all officers that require them in a timely fashion and ensures that the records are safe for the future.

Most of the Public Rights of Way documentation are now kept in digital form. This has resulted in a comprehensive set of documents being available to all officers that require them in a timely fashion and ensures that the records are safe for the future. It also means that solicitors who need to access files are given digital access for a timebound period.

Conflicts of Interest

Each member of the Council is obliged to declare any interests. These declarations are published on the Council [website](#). 'Declarations of interest' is a standard item on each Council or committee meeting agenda, with standing orders requiring that an Elected Member leaves the meeting for the duration of the item in which they have made a declaration.

The Council has also approved a Declaration of Interests Policy for employees, which requires all staff at or above a certain level to declare all interests that may result in a conflict of interest. In addition, all staff must receive written permission to have employment with another employer.

8. Arrangements to ensure effective accountability

Transparency

The Council is committed to conducting its business openly and transparently. It aims to publish information in a timely and accurate manner and in accordance with its Publication Scheme. All meetings of the Council and its Committees are open for members of the public to attend. Meetings are also live streamed via the Council's YouTube channel. Minutes and audio recordings of past meetings are available on the Council's website at: [Committee and Council Meetings](#).

The Council's publication scheme has been reviewed, and the website has been updated to enhance accessibility of data to the public. The Information Management and Customer Services teams constantly review FOI requests and customer queries to ascertain if information can be further provided on the website for transparency.

The Council has a very proactive social media presence, which it uses to both share information and to engage with citizens/ visitors and influencers by answering questions and addressing customer care issues. Across Facebook, Instagram, X and LinkedIn platforms the Council has over 80,000 followers.

The Council uses the Citizen Lab platform to engage with the public and share information regarding a number of our most significant regeneration projects. To use the platform people must register and they then have multiple ways of engaging via posting ideas, contributing to discussions, or choosing to vote and prioritise community projects. The platform offers a clear process that everyone can follow – seeing where feedback has supported or amended decisions made. This enables citizens to engage in a much more meaningful way on issues that impact upon them or the area where they live. Citizen Lab is designed to be used alongside more traditional engagement activities such as in-person conversations, surveys, and public information sessions.

Reporting

Each of the Council's 18 services report on performance on a twice-yearly basis to their respective Standing Committee. Progress against the annual Performance Improvement Plan is reported to the Corporate Services Committee. An annual report is published to highlight progress against the PIP and achievement against the Corporate Plan outcomes.

Financial statements are prepared in line with the requirements of the Local Government Finance Act (Northern Ireland) 2011 and published annually. Articles 17 and 18 of the Local Government (Northern Ireland) Order 2005 and the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 give members of the public access to the books of accounts as part of the audit process.

The Council has designated officers to respond to Freedom of Information and Data Subject Access Requests. Officers aim to respond within the statutory timeframes and as openly as possible. Where trends are identified in terms of public interest, officers seek to proactively create open data.

Council also reports annually to Department for the Economy on its statutory targets.

Performance Management

The Council has a wide range of policies and strategies to assist with the management of performance. Key documents include the Corporate Plan, Performance Improvement Plan and Service Plans, each with outcomes and indicators. All staff operate within the Appraisal Scheme.



The Council has developed and adopted a performance framework called PERFORM, as illustrated in the diagram. This is in recognition that performance of the organisation is driven by a number of factors such as effective planning, the engagement of staff, allocation of resources, aligned policies and systems, effective utilisation of these in providing services, relating to our residents, customers and partners and our ability to manage resulting performance. This model provides a framework to guide our approach on each of these elements and to promote alignment of related approaches.

Financial Management

The Council's Finance Service operates under the direction of suitably qualified and experienced accountancy professionals and within the policies and procedures framework brought forward from legacy organisations.

The Council substantially funds its services by setting a property tax for both domestic and non-domestic properties (the district rates). It sets these rates in the context of a Medium-Term Financial Strategy, including principles to guide decision making and a three-year Medium-Term Financial Plan which integrates the on-going costs of service delivery and the financial impact of the capital investment programme, taking into account external economic and legislative factors. All budgets are allocated through Directors to Heads of Service and on to Service Unit Managers for accountability purposes and are reported both on corporate bases to management and the Corporate Services Committee.

Audit

External audit services are provided by the Local Government Auditor (LGA), a member of staff in the Northern Ireland Audit Office (NIAO), appointed to this role by the Department for Communities with the consent of the Comptroller and Auditor General. They are assisted in this role by other NIAO staff. The auditor can also undertake value for money studies and public interest investigations, as necessary.

With respect to the financial audit, a report to those charged with governance is reported to the Council's Audit Committee detailing such matters as audit findings, recommendations, and misstatements which the Local Government Auditor considers appropriate to bring to the attention of management. In addition, an annual audit letter is prepared for Council and published on the Council website.

The Improvement Audit is also carried out by the Local Government Auditor. This includes reviews of the previous year's activities and the adequacy of current year's plan. The findings from this Audit and Assessment Report together with the Certificate of Compliance are published on the Council website.

9. Arrangements ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained.

The Council's Anti-fraud, Bribery and Corruption Policy states that it is committed to creating an environment that:

- Minimises the risk of fraud, bribery or corruption;

- Promotes its early detection;
- Safeguards whistle-blowers; and
- Effectively investigates and recovers, where appropriate, any financial loss suffered.

To this end, the Council relies on measures such as the Northern Ireland Local Government Code of Conduct for Councillors, Code of Conduct for Local Government Services, employment references, policies and procedures (including manager review, segregation of duties, reconciliations, performance reporting and registers of interests) to embed a counter-fraud culture.

Opportunity is also taken to use the Council's intranet to communicate anti-fraud messages including the publication of NIAO fraud risk guides. In addition to highlighting these issues at periodic Service Unit Manager forums and Heads of Service meetings.

All occurrences of fraud are reported to the Northern Ireland Audit Office and Department for Communities as a matter of course and to the Audit Committee on a quarterly basis.

10. Arrangements ensuring effective management of change and transformation

The Council is committed to delivering high quality services for the residents of the Borough and those who use its services.

To this effect the Council has in place a Corporate Plan to provide an overarching context and framework for its service delivery. Flowing from this each of the Council's 18 services prepare a service plan to guide the core business and to identify and progress service improvements. These service plans then form the basis of the annual Performance Improvement Plan, which is both publicly consulted on and reported against.

The Council has an approved Capital Project Management Handbook that sets out the organisation's structured capital project management approach. This is in parallel to the development of a corporate transformation programme to ensure corporate alignment of initiatives, increase the pace of delivery and provide a robust governance framework for oversight purposes. As part of its Strategic Transformation and Performance Service Council has a Transformation Team to provide support to other services as they seek to transform.

In 2024 Council agreed a digital strategy to give a framework to its digital transformation plans.

The Council acknowledges in its Organisational Development strategy that the successful delivery of the Council's vision requires a workforce that is truly motivated and working together for a common and meaningful purpose. To this end the Council has obtained Investors in People Silver accreditation to stimulate continued progress in the nine pillars to improve performance:

As part of this strategy, each year management commit to a number of key actions in its People Plan.

The Council views partnership working a key to delivering change for the benefit of residents. The Big Plan formally establishes collaboration among the partners to deliver



the Community Plan. This forum is being used to provide greater cross-working on estates issues across community planning partners. In addition, officers from across the Council maintain regular contact with colleagues in other organisations to address areas of common concern, and as a result participates in several inter-council procurement exercises. The Big Conversation Panel was used to gather the views of residents to develop the Big Plan and has been used to gather feedback from residents to inform decisions taken by community planning partnerships. This information is shared across all community planning partners to improve local services.

11.Compliance of financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016)

The Chief Executive has been designated by the Council as its Chief Financial Officer. As a result, the Council complies with this statement with the exception of Principle 5. The Council does not comply with this principle because local regulations in Northern Ireland do not require the CFO to be professionally qualified accountant nor for the role to be separated from that of the Chief Executive. However, the Council's governance arrangements deliver the same impact as the CFO is supported by a suitably qualified and experienced Director and qualified staff within the Finance Service to ensure that decisions made by Council are based on sound technical knowledge and understanding.

12.Arrangements for ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

Regulatory compliance is a responsibility of all members of Corporate Leadership Team (CLT) and Heads of Service Team (HoST) and is monitored at service level to ensure that all relevant laws and regulations, internal policies and procedures are adhered to. To support this, meetings of the Council and its Committees are conducted in accordance with a set of agreed Standing Orders. It also has a range of policies arrived at following policy development procedures.

To ensure that legislative compliance is embedded for all activities, reports to Council require relevant legislation to be quoted. All major expenditure proposals are subject to review by CLT before being passed to Council and legal advice is sought where appropriate and reported to Council. In addition, all Directors, Heads of Service and Service Unit Managers are required to sign off Interim and Annual Assurance statements which provide a chain of assurance to the Chief Executive with regard to management of risks, control failings, incidents of fraud and whistleblowing and to declare interests outside work which may give rise to conflicts of interest.

13.Arrangements for ensuring assurance processes conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019) and where they do not, explain why and how they deliver the same impact.

The Council outsources its internal audit service and ensures conformity to the CIPFA statement in its tender requirements which require appropriately qualified and experienced staff. In addition, its approved Internal Audit Charter:

- Sets out how audit work will be carried out, based on the risk analysis and evidence;
- Sets out how audit work will be resourced; and
- Defines roles and responsibilities and explicitly grants access to management and Audit Committee. It is standard practice at committee meetings that both internal and external auditors have opportunity to address the committee in the absence of management.

14. Arrangements for undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

The Council has in place an Audit Committee whose overall purpose and objective is to assist the Council in fulfilling its oversight responsibilities. The Audit Committee, which meets at least four times each year, has responsibility for reviewing:

- The system of internal control and management of risks;
- The financial reporting process;
- The audit process;
- Council's processes for monitoring compliance with laws and regulations; and
- Council's processes for monitoring compliance with its own Standing Orders, policies and procedures.

In performing its duties, the Audit Committee is responsible for maintaining effective working relationships with the Council as a whole, with management and with the internal and external auditors. The committee has 11 members including one independent external representative.

15. Arrangements for whistleblowing and for receiving and investigating complaints from the public

The Council is committed to the highest possible standards of openness, probity and accountability. It expects its workers (current and former Council employees, on-site contractors, off-site contractors, temporary, casual, agency and seasonal workers) who have serious concerns about anything that is in the interest of the organisation or the public interest to come forward and raise those concerns.

The Council has a whistleblowing policy in place to ensure that employees who raise concerns receive a response and are informed about how their concerns are being dealt with.

The handling of complaints is set out in the Council's Complaints Procedure, a copy of which is published on the Council's website. This has undergone a review, and the Council agreed to adopt the new Northern Ireland Public Services Ombudsman Model Complaints Handling Procedure in March 2023. The Council publishes quarterly complaint statistics on its [website](#).

16. Arrangements for identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

Council has a Member Development Steering Group which proactively leads and aims to continuously improve Member Development within the Council. The Elected Member Development Strategy outlines the approach to identifying the development needs of Members. An annual Training Needs Analysis process is conducted, consulting with the Steering Group, Corporate Leadership Team and Heads of Service Team. A Training Plan is compiled. Following its approval, a Member Development Programme is approved.

New Members, whether joining Council after an election or co-option, attend a Corporate Induction meeting with the Chief Executive to ensure that they are fully aware of all key issues, including an overview of each Council Directorate, operation of the Committee system and Standing Orders and an overview of local government finance. Members of the Planning

Committee receive specific training in respect of this new statutory role. New Members also attend a Member Development Induction with the Organisational Development Manager during which a Personal Development Plan is compiled. The Council has been awarded Charter Plus accreditation in respect of Member Development. Members are given the opportunity to identify their training needs and to develop their own training plans. Members also attend courses and conferences as required during the course of the year.

The development needs of senior officers are addressed through the Employee Appraisal Scheme, linked to the Learning, Training and Development Policy, the Learning and Development Strategy and the Organisational Development Strategy.

17. Arrangements for establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The Council is committed to establishing and maintaining strong lines of communication with all sections of the local community. All Council and Committee meetings are open to the press and public. In addition, the minutes and an audio recording are published on the Council website (except where a meeting or part thereof is held 'in committee').

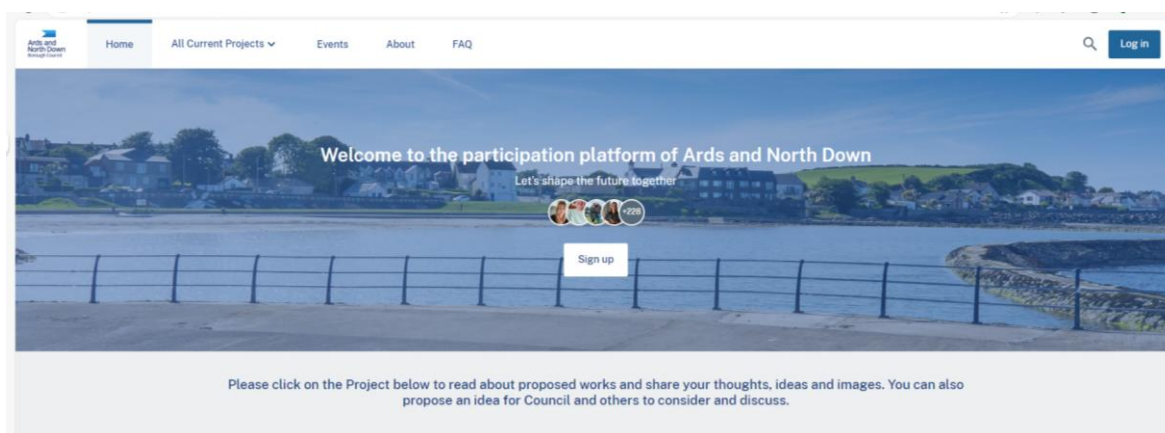
Meetings are also live streamed for the press and public on the Council's YouTube channel.

There is awareness across all Directorates that different communication channels need to be employed to ensure maximum impact, however digital platforms are particularly useful and cost effective for Council. Corporately, the Council uses Facebook, Twitter, Instagram and LinkedIn platforms, which have a combined following of over 50,000 people. Channels are updated on a daily basis. Service-specific channels operate in tourism, arts and culture, and leisure with a combined following of 33,000 people.

The Council's Gov.uk website is the main shop window for all its digital communication. Any online search for Ards and North Down will direct to this site. Council's main social media channels all refer people back to this website to deliver on calls to actions. Council ezines are also linked back to the site. Annual traffic to the site is in excess of 1.2M and growing year on year. User satisfaction with the site is high (averaging at 91% in the last two resident surveys).

The Council uses a digital participation platform, Citizen Lab, to improve engagement and information sharing across a number of our most significant regeneration projects. To use the platform people must register and they then have multiple ways of engaging via posting ideas, contributing to discussions, or choosing to vote and prioritise community projects. The platform offers a clear process that everyone can follow – seeing where feedback has supported or amended decisions made. This enables citizens to engage in a much more meaningful way on issues that impact upon them or the area where they live.

Citizen Lab is designed to be used alongside more traditional engagement activities such as in-person conversations, surveys, and public information sessions. On average, local government users of the system see a 12x increase in resident engagement by introducing online participation into the mix (as opposed to just using traditional methods).



The Council employs two officers dedicated to external communications (one for traditional channels and one for digital channels). They produce regular content for both local and regional media and undertake the daily management of the Council's website and social media channels.

All Council Services consult on their various strategies, plans and policies in the process of normal business and to comply with the Council's various statutory duties. This year a number of internal services carried out internal customer surveys to assist with refining plans.

The Council facilitates numerous groups of community representatives and individuals to communicate information on local initiatives as well as a mechanism to regularly gather feedback and co-design activity. Examples of these groups include the 3rd Sector Community Planning HUB, the Over 50s Council, the Disability Forum, Youth Voice and the Consultative Panel. Most community planning workstream groups are via open invitation to all interested parties, direct engagement is made with organisations representing specific sectors.

18. Arrangements for enhancing the accountability for service delivery and effectiveness of other public service providers

The Big Plan for Ards and North Down (known as the Community Plan) is monitored and reported on via a Strategic Community Planning Partnership. There are two parts to this:

- Statement of Progress** – The Department for Communities has produced guidance on how progress against the Community Plan should be reported. Every two years a Statement of Progress must be published to consider the impact service delivery is having on the people of Ards and North Down. The whole population based indicators in the Big Plan (linked to the Programme for Government indicators) will be used to measure impact over time. The third Statement of Progress was published in November 2023. The next Statement of Progress will be agreed by the Partnership in October 2025.
- Performance Update Report** – The Strategic Community Planning Partnership receives an annual Performance Update Report with information of progress across outcomes, priorities and workstreams. The mid-way review of the community planning resulting an update of outcomes, priorities and workstreams. The next Performance Update Report (October 2025) will be structured around the updated version of the Big Plan. The updated version of the Big Plan has five outcomes and 6 priorities. The governance arrangements for community planning in Ards and North Down are managed via a partnership agreement outlining the roles and responsibilities of those who deliver public services across all tiers of the partnership – strategic and operational. This Partnership Agreement was reviewed and updated in June 2025.

19. Arrangements for reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes and manuals, which clearly define how decisions are taken and the processes and controls required to manage risks

Meetings of the Council and its Committees are conducted in accordance with a set of agreed Standing Orders. Any changes to these documents require approval by the Council.

The Standing Orders set out the formal mechanisms by which the Council regulates the conduct of its meetings and are subject to regular review and update in response to the changing environment and the needs of the Council. The Standing Orders have a review period of every 3 years but will be amended as and when required. The latest review was approved in January 2025.

Any suspension of Standing Orders requires approval by the Council by way of qualified majority. Mandatory Standing Orders cannot be suspended by the Council.

A Policy Register has been set up which collates live policies and ensures that reviews are carried out in a timely fashion. The register contains details on the status, policy summary, screening, version control, author and a link to the current policy. This is now monitored monthly. The policy development process is currently under review. There are now only a limited number of policies of legacy council remaining and there are plans for review. The Council will keep its policies and procedures under review to ensure that they provide sufficient and comprehensive coverage.

The Corporate Risk Register is subject to formal update and is reported to the Audit Committee at least twice yearly, or more regularly if required.

20. Arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships.

The Council has responsibility to initiate, maintain, facilitate and participate in community planning. The statutory partners have all agreed to a Partnership Agreement which commits them to be active participants in the community planning process and to provide relevant staff for each of the workstreams. The agreement also sets out that all partners are equal and provides rules of attendance at meetings and how decision should be made. The Partnership Agreement was reviewed, updated and endorsed by the Strategic Partnership in June 2025. Reports on the process and progress in relation to Community Planning are reported to the Council's Corporate Services Committee.

The Council also participates in arc21 Joint Committee along with five other councils in order to discharge statutory responsibilities set out in its waste management plan. This joint committee has been established as a body corporate and participating organisations have agreed to Collaboration Agreement (Terms of Agreement), which includes a statement of principles. Reports in respect of the activities of and decisions required by arc21 are brought to the Council's Environment Committee.

General Power of Competence

The Local Government Act (Northern Ireland) 2014 gave councils a general power of competence, enabling them to take any action they consider appropriate provided the action was not prohibited by any other legislation. Councils have been provided with the ability to act in their own interests and to develop innovative approaches to addressing issues in their Borough. Under the Council's Standing Orders, a qualified majority shall be required on the exercise of the general power of competence in accordance with Section 79 of the Act. This power was not used during the reporting period.

Review of effectiveness

A. Overview of the Review Process

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Council's CLT, who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments and recommendations made by the external auditors.

Recommendations arising out of internal and external audits are agreed with management before finalisation to ensure that they will achieve the desired enhancement to the control environment and are practical solutions. Follow up reviews are also reported to the Audit Committee.

The Chief Executive has responsibility for preparing this Annual Governance Statement. In preparing this statement, she has considered the governance framework and system of internal controls in place. This review has been undertaken taking account of Guidance on the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 issued by the Department of the Environment in November 2015. The Chief Executive leads the Council's CLT to collectively have involvement in and oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework. In producing this statement, full regard has been made to the register of interests for Councillors, the Corporate Risk Register, Statements of Assurance provided by each Head of Service and Director to the Chief Executive for year ended 31 March 2025.

The Council itself maintains overall control of the governance framework and has been involved, for example, in approving the implementation of the risk management policy and statement of assurance processes. Primary responsibility for overseeing the governance process is the responsibility of the Audit Committee as a standing committee of Council. The role of the Audit Committee extends to receiving reports from the Council's internal and external auditors to ensure that any issues raised are subject to due consideration and are addressed by CLT on a timely basis.

In considering this Annual Governance Statement, the Audit Committee has considered the review of the governance framework and system of internal controls prepared by the Chief Executive.

B. Internal Audit

The Council's Internal Audit service is provided under contract by Deloitte Ireland LLP. Internal Audit provides an independent opinion on the adequacy and effectiveness of the Council's system of internal control. Internal Audit reports any deficiencies in internal control to the Chief Executive and Directors whose responsibility it is to consider any recommendations made and to take necessary remedial action. The results of the work of Internal Audit are also reported to the Audit Committee on a quarterly basis to ensure that continuous improvement takes place.

These reports include a report on the progress being made to implement previous agreed recommendations and an annual report from the Head of Internal Audit, providing overall assurance on the systems of internal control in place.

The Council has both a four-year strategic audit plan and a one-year operational plan covering the financial year under review, both of which have been agreed by the Audit Committee following discussions with CLT and HoST. The internal audit approach is risk based, and the audit plan has been developed following an audit needs assessment as detailed in the Internal Audit Strategy 2024-2027. The audit plan for 2024/25 was designed to cover the high-risk areas identified by this audit needs assessment. An executive summary of each Internal Audit report has been reported to the Audit Committee, including recommendations, management responses and an assignment to an appropriate manager for implementation by a specified date.

During 2024/25, 11 internal audits were completed, 10 of these were assurance reviews and the remaining one was advisory. Eight reviews received satisfactory assurance and two received limited assurance (see Significant Governance Issues Page 40). A total 25 recommendations were made as follows:

	Satisfactory Assurance	Limited Assurance
Priority 1	-	2
Priority 2	5	2
Priority 3	15	1
Total	20	5

All Internal Audit recommendations have been accepted or accepted in principle by management, and each has been allocated to a responsible officer and given a timescale for implementation.

In addition, Council has closed a total of 20 recommendations during the year, the majority of which were outstanding from prior years.

For the period under review, Internal Audit has provided a satisfactory assurance on the overall system of internal control.

The Council's internal audit contractor undertakes internal quality focussed procedures in place, with the independent quality assurance review programme providing a robust and objective evaluation of each internal audit function's conformance with the Global Internal Audit Standards. This assurance has the same effect as the requirements of the Public Sector Internal Audit Standards.

C. Statements of Assurance

The Service Statements of Assurance have been reviewed and the following points noted:

General - Identification of Risk, Monitoring and Control measures

Internal controls have been confirmed as appropriate hence no key issues have been declared. All Services have confirmed that any risks identified have appropriate internal controls and any further actions taken, or to be taken, to adequately mitigate or resolve the risk have been identified.

The Corporate Risk Register is reviewed by the Heads of Service Team and Corporate Leadership Team, assigning owners for each of the Risks.

Section 1 – Strategic and Operational Risk Management

Services report appropriate controls are currently in place and have identified satisfactory actions to review, monitor, control, mitigate and resolve issues, where appropriate.

Section 2 – Internal Control

Generally, there are no key issues arising to cause significant concern or requiring immediate action. One issue reported by Regulatory Services was related to a Facebook page in connection with a Council service remains outside of Council control, but action has been taken to address this.

Section 3 – Governance

Direct award contracts have been a recurring governance issue. 11 were reported, all of which have followed due process in terms of recording and approving. In addition, another order was placed for five waste compaction trailers when permission was only granted for the purchase of two. This resulted because operational need had increased during the delay from approval to placing the order.

Section 4 – Miscellaneous

Parks and Cemeteries Service have again reported that the impacts of changing weather patterns and the lessening 'seasonal' variation is affecting service delivery. This has resulted in criticism of the service regarding grass cutting and sports pitch availability across the Service. They have reported that they plan to increase investment in drainage projects and split work between in-house staff and contractors to improve service delivery.

D. Corporate Risk Register

Within the register, management have identified 12 areas with significant residual risks (after current mitigating actions) regarding:

- Inability to achieve Council corporate objectives within the Corporate Plan timeframe because of a failure to prioritise adequate resources, poor monitoring of progress and external factors such as political will and changing views leading to negative reputational and financial impact on the Council. Progress has been made with the Corporate Plan launched and rolled out across council via workshops. New Corporate structure with work beginning on Phase 2. The residual risk is likely to reduce to within the medium term.
- Failure to adequately prepare for the impact of climate change on the Borough due to a lack of staff resources, political and public will and funding resulting in the failure to effectively deliver services (e.g. waste services) in line with net zero targets and obligations. Work continues with the policies and strategies in place, including the Sustainability and Climate Change Policy and Road Map to Sustainability. A Climate Action plan is in development and the Council continues to identify practical long-term solutions, e.g. via the Tree and Woodland strategy and the Grassland Management Strategy. Funding remains an issue to facilitate mitigations and risk reduction. Officers continue to look for funding opportunities. Without sufficient funding the council is limited in the scope of preparations that can be undertaken. Without funding, and the maturity of projects in place and planned, the residual risk is likely to remain high.

- Not achieving the Council's net zero targets due to resource and budget constraints, inadequate planning, poor monitoring of progress and lack of political and public will could lead to significant financial sanctions and reputational damage for the Council. Funding has been secured for carbon reduction projects for council property. The green fleet strategy has been approved for new vehicle purchases. A variety of scheduled progress reports on carbon reduction and implementation strategies are already in place with other sources of information on carbon reduction and the adoption of carbon reduction standards for capital projects being considered. Lack of legislation and funding are likely to remain barriers to meaningful risk reduction at the current time.
- Failure to work in effective partnerships to meet Council objectives because of conflicting priorities amongst partners, misalignment with Council values, and inadequate assessment and monitoring of partnerships, resulting in an inability to achieve Council corporate objectives and targets, and potential for reputational damage. The meeting schedule for the Community Planning Partnership workstreams is flexible to reflect issues to be addressed or actions delivered. Departmental funding for workstreams can be impacted by uncertainty of whether funding will continue. A new workstream on Climate Resilient Communities has commenced.
- Failure to deliver the Council's priorities as a result of stakeholder opposition and misunderstanding of aims, objectives and benefits due to a disconnect between the community and Council, resistance to change among residents and an inability to secure and adequate community buy-in, leading to negative impact to the Council's reputation and lost opportunities. Communications initiatives continue. This risk currently sits at the lowest point on the High-Risk scale.
- Risk of death or injury to the public as a result of Council actions or omissions due to weak health and safety controls, as well as a lack of clarity around the Council's remit and responsibility in this area leading to potential fines, legal liability, and damage to the Council's reputation. Council has a range of policies, strategies and interventions to control this risk, however the range of activities, size, scope and development of the council estate set within the context of the averse risk appetite requires continual improvement to mitigate the risk further.
- Risk that the Council suffers a cyber attack as a result of inadequate and/or ineffective controls and/or human error, resulting in interruption to Council business through loss of access/damage to Council systems and information assets, financial impact (e.g. ransom), and overall damage to the Council's reputation. Policies, controls, staff training and awareness are in place in relation to the use of council devices. In addition, active monitoring and detection is in place through third party providers with reporting for phishing and security incidents with critical and high priority.
- Risk that the Council suffers a data breach and/or loss of data due to a lack of adequate information management policy/controls and/or as a result of human error, resulting in an inability to comply with legislation, fines from the Information Commissioner's Office, and overall damage to the Council's reputation. The risk of data breach has been reduced through digital loss prevention solutions, staff training and awareness measures.
- Decline in the Council's non-domestic tax base due to an inability to identify and/or address the root cause/s of the decline and failure of economic development initiatives leading to reduced spending power of the Council to deliver its services and potential increase in the domestic rates base to compensate and failure to achieve a position of financial resilience / sustainability. Council is still awaiting the transfer of Regeneration powers, with associated funding. The risk level is likely to reduce as council budget has been secured for key projects to grow the non-domestic base rate. It is, however, unlikely to reduce below the high-risk scale.
- Failure to fulfil the Council's statutory obligations under the Burial Grounds Regulations (NI) 1992 regarding the provision of burial space due to a lack of space within current

Borough cemeteries or within a specific area within the Borough resulting in reputational damage to the Council and non-compliance with the regulations. Progress has been made with surveys being progressed for a planning application. Discussions are underway with a landowner.

- Poor maintenance and development of the Council's land and property assets due to a lack of skilled resources, funding and monitoring, leading to a failure to deliver on the Council's Estates and Land and Property Strategies. There are a number of controls in place to mitigate this risk, including a maintenance strategy. However, increased climate events causing damage, coupled with increased strain on resources due to legislative requirements and growing infrastructure as the borough develops, now requires a re-evaluation of how we can maintain the current estate and provide and absorb new developments into a robust strategy to address the risks within the risk appetite.
- Council's land assets are taken without permission due to a lack of resources, funding and monitoring leading to a loss of land and failure to deliver on the Council's Estates and Land and Property Strategies. This remains a significant risk. A trial of a digital product by our Parks and Cemeteries service may be suitable for deployment on a wider basis to detect encroachment.

E. Fraud, Whistle Blowing and Data Protection

During the year there were no fraud incidents. Three whistleblowing incidents and three reportable data protection breaches occurred. These were dealt with in line with Council policy and reported to Audit Committee.

Significant governance issues

Two internal audit reports provided limited assurance regarding achieving system objectives:

1. Information and Data Projection review had 4 recommendations, with one being priority 1 in respect of not having a written record of processing activities. Work on this has commenced and is expected to be completed by March 2026 with the implementation of an electronic document and records management system.
2. The Procurement review focussed on purchases below the tender threshold of £30,000. This audit had one recommendation. This priority one issue was in respect of staff not complying with the Purchasing and Payments policy by issuing timely and appropriately authorised purchase orders and the fact that compliance is not monitored. Management have already started to resolve this issue by implementing an interim electronic purchase ordering system in anticipation of introduction of a fully electronic purchase to pay system in April 2026.

There are no other significant governance issues, although there are a number of areas where ongoing improvements can be made, these are not considered to be fundamental in nature.



Chief Executive and Chief Financial Officer
22 September 2025

Chair of Audit Committee
22 September 2025

Remuneration Report

Introduction

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 require larger local government bodies to prepare a remuneration report as part of the statement of accounts.

Allowance and Remuneration Arrangements

Councillors

Allowances are payable by Councils to councillors and committee members under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019, which came into operation on 1 October 2019.

Guidance and determinations on Councillors' Allowances applicable from 1 April 2024 were issued by the Department for Communities on 09 December 2024 (Circular LG 15/2024). Details of the allowances paid to individual councillors are published on the Council's website.

Following local elections on 18 May 2023, 462 councillors were elected to 11 councils for a four-year term. Ards and North Down Borough Council had 40 councillors in 2024/25.

Senior Employees

The remuneration of senior employees employed by the Council is determined by the Council in line with that determined by the Joint Negotiating Committee for Chief Executives and National Joint Council (NJC) for Local Government Services for Directors. Senior staff are those staff who are members of the Corporate Leadership Team.

Council appointments of employees are made in accordance with the Local Government Staff Commissions' Code of Procedures on Recruitment and Selection, which requires appointment to be on merit and based on fair and open competition.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended.

Allowances Paid to Councillors

The total amount paid to Councillors by way of allowances in 2024/25, under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019 is set out in Table 1. This is audited information.

Independent Member – Audit Committee

Mr Paul Cummings was the independent member of the Audit Committee in 2024/25. The role is to help promote the highest standards in the financial management of the Council and thereby ensure the accountability of public funds. A payment of £270 is paid per meeting to cover preparation and attendance plus travel and expenses.

Table 1: Total Allowances paid to Councillors and Independent Members (audited information)

Allowance	2024/25		2023/24	
	Total Allowances £	Number of Councillors receiving Allowance	Total Allowances £	Number of Councillors receiving Allowance
Basic Allowance	678,514	44*	600,482	54*
Special Responsibility Allowance	23,560	20	21,103	32
Chairperson / Mayor Allowance	14,880	2	14,878	2
Vice Chairperson/ Deputy Mayor Allowance	7,440	2	7,114	2
Mileage Allowance	5,485	7	5,371	10
Other Travel Allowance	2,488	5	1,691	4
Subsistence	2,503	4	1,926	4
Training, Courses/ Conferences Visits	7,181	44	8,367	54
Dependents' Carers Allowance	-	-	-	-
Independent Member Allowance and Expenses	1,350	-	1,080	-
TOTAL ALLOWANCES	743,401		662,012	

* During the 2024/25 financial year 44 different councillors were remunerated. Four councillors resigned from the Council during the year and were replaced in line with legislation.

Details of the allowances paid to individual councillors are published on the Council's website at [Remuneration Report | Ards and North Down Borough Council](#)

Remuneration of Senior Employees

The remuneration of senior employees covers the Corporate Leadership Team. The following table provides details of the remuneration paid to senior employees:

Table 2: Remuneration (including salary) (audited information)

Officers	2024/25			2023/24		
	Salary	Benefits in kind	Total	Salary	Benefits in kind	Total
	£'000	£'00	£'000	£'000	£'00	£'000
S Reid Chief Executive (left 31/05/2024)	20 - 25 (130 - 135)	1	20 - 25 (130 - 135)	130 - 135	4	130 - 135
S McCullough DP/Chief Executive (27/04/2024)	115 - 120	1	115 - 120	95 - 100	2	95 - 100
G Bannister DCW	95 - 100	5	95 - 100	95 - 100	4	95 - 100
D Lindsay DE	95 - 100	1	95 - 100	95 - 100	1	95 - 100
A McCullough DPr	95 - 100	1	95 - 100	90 - 95	1	90 - 95
M Steele DCS	95 - 100	1	95 - 100	95 - 100	1	95 - 100
B Dorrian DP (start 27/04/2024)	90 - 95	1	90 - 95	-	-	-

Full year equivalent is in brackets, where this is applicable.

- DCW – Director of Community and Wellbeing
- DE – Director of Environment
- DP – Director of Place
- DPr – Director of Prosperity
- DCS – Director of Corporate Services

Table 3: Relationship between the remuneration of the highest paid member of the Corporate Leadership Team and the median remuneration of the Council’s workforce (audited information)

	2024/25 £	2023/24 £
Salary Band of Highest Paid member of the Corporate Leadership Team	115,000 – 120,000	130,000 – 135,000
Median Total Remuneration	28,163	26,873
Ratio	4.17	4.93

In 2024/25, no employees received remuneration more than the highest paid member of the Corporate Leadership Team.

Total remuneration includes salary, bonus payments (none paid) and benefits in kind (staff leisure membership and health insurance both taxed at source).

Salary

“Salary” includes gross salary, overtime, taxable mileage payments and any gratia payments.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Exit Packages for staff (audited information)

The number of exit packages provided to all staff by the Council, together with total cost per band and total cost of the compulsory and other redundancies for 2024/25 was £nil and this was the same for the 2023/24 year.

Pension Benefits

The Local Government Pension Scheme (Northern Ireland) (the Scheme) is a funded defined benefit pension scheme, which provides retirement benefits for council employees on a “career average revalued earnings” basis from 1 April 2015. Prior to that date benefits were built up on a “final salary” basis.

From 1 April 2015, a member builds up retirement pension at the rate of 1/49th pensionable pay for each year of membership. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There is no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80ths (tax-free lump sum) of pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits. The conversion rate is £12 additional lump sum for every £1 of pension given up.

Councillors have been able to join the Scheme since May 2011. The Scheme application is modified to reflect the fact that councillors hold an elected office. Councillor members have always accrued pension on a career average basis. Prior to 1 April 2015 pension was accrued at a rate of 1/60th and thereafter at a rate of 1/49th.

The Scheme is funded by contributions made by both employees/councillors and employers. Prior to 1 April 2009, a member's contribution rates were fixed at 6% of their pensionable remuneration (except for those who were entitled to contribute to the Scheme at 5% before 1 February 2003 and have remained in continuous employment). Tiered member contribution rates, determined by the whole-time equivalent rate of pay, were introduced from 1 April 2009. From 1 April 2015, the member contribution rates are determined on the actual rate of pay.

The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2024, were as set out in Table 4 below.

Table 4: Employee Contribution Rates

Band	Range	Employee Contribution Rate
1	£0 - £18,000	5.5%
2	£18,001 - £27,700	5.8%
3	£27,701 - £46,300	6.5%
4	£46,301 - £56,300	6.8%
5	£56,301 - £111,700	8.5%
6	More than £111,700	10.5%

Employers' contribution rates are determined by the fund's actuary every three years at the triennial valuation. A formal triennial actuarial valuation of the Fund as at 31 March 2022 was carried out in 2022/23 and set employer contribution rates for the 3 years commencing 1 April 2023 as follows:

Table 5: Employer Contribution Rates

Year	Employer Contribution Rate
1 April 2023 - 31 March 2024	19.0%
1 April 2024 – 31 March 2025	19.0%
1 April 2025 – 31 March 2026	19.0%

The next triennial valuation will take place as at 31 March 2025 with revised employers contribution rates set from 1 April 2026. NILGOSC expect to notify employers of their provisional contribution rates for 2026/27 in November/December 2025.

The Local Government Pension Scheme Regulations (Northern Ireland) 2014 were made on 27 June 2014 and The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014 were made on 30 June 2014. Both sets of regulations are effective from 1 April 2015.

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all Councillors during 2024/25 were £129k (2023/24: £115k).

The value of pension benefits of the most senior management of the Council accrued during the year was as follows:

Table 6: Pension Benefits of senior staff in 2024/25 (audited information)

Officers	Accrued Pension at pension age as at 31/3/25 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/25	CETV at 31/3/24	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
S Reid Chief Executive to 31/05/24	70-75 and lump sum 110-115	0-2.5 and lump sum (2.5)-0	1,551	1,538	6
G Bannister DCW	50-55 and lump sum 65-70	2.5-5 and lump sum 0-2.5	1,048	966	57
D Lindsay DE	55-60 and lump sum 75-80	2.5-5 and lump sum 0-2.5	1,146	1,058	62
S McCullough DP/ Chief Executive from 27/04/24	50-55 and lump sum 65-70	7.5-10 and lump sum 10-12.5	1,051	854	170
A McCullough DPr	40-45 plus lump sum 100-105	2.5-5 plus lump sum 2.5-5	870	777	58
M Steele DCS	0-5 and lump sum nil	0-2.5 and lump sum nil	49	25	15
B Dorrian DP from 27/04/24	50-55 and lump sum 75-80	7.5-10 and lump sum 17.5-20	1,104	860	222

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits, they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses

common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Chief Executive
22 September 2025

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2025 on pages **1** to **128** has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages **62** to **81**.
- (b) in my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31 March 2025.

Chief Executive and Chief Financial Officer
22 September 2025

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Audit Committee on 22 September 2025.

Chairman
22 September 2025

Auditor's Report

Independent Auditor's Report to the Members of Ards and North Down Borough Council

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDS AND NORTH DOWN BOROUGH COUNCIL

Opinion on financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDS AND NORTH DOWN BOROUGH COUNCIL

Opinion on financial statements

I have audited the financial statements of Ards and North Down Borough Council for the year ended 31 March 2025 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom supported by UK adopted international accounting standards.

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, of the financial position of Ards and North Down Borough Council as at 31 March 2025 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Ards and North Down Borough Council in accordance with the ethical requirements of the Financial Reporting Council's Ethical Standard and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Ards and North Down Borough Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Ards

and North Down Borough Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Ards and North Down Borough Council is adopted in consideration of the requirements set out in the Code of Practice on Local Authority Accounting, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Statement of Accounts other than the financial statements, the parts of the Remuneration Report described in that report as having been audited, and my audit certificate and report. The Chief Financial Officer is responsible for the other information included in the Statement of Accounts. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities' directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Statement of Accounts for the financial year ended 31 March 2025 is consistent with the financial statements.

Matters on which I report by exception

In light of the knowledge and understanding of Ards and North Down Borough Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Statement of Accounts.

I have nothing to report in respect of the following matters which I report to you if:

- in my opinion:
 - the Annual Governance Statement:

- does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;
- does not comply with proper practices specified by the Department for Communities;
- is misleading or inconsistent with other information I am aware of from my audit; or
 - adequate accounting records have not been kept; or
 - the Statement of Accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
 - I have not received all of the information and explanations I require for my audit, or
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

Responsibilities of the Chief Financial Officer for the financial statements

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing Ards and North Down Borough Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Financial Officer anticipates that the services provided by Ards and North Down Borough Council will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to Ards and North Down Borough Council through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder;
- making enquires of management and those charged with governance on Ards and North Down Borough Council's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Ards and North Down Borough Council's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following area: posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading Council and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

This report is made solely to the Members of Ards and North Down Borough Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities of the Local Government Auditor and Local Government Bodies.

Certificate

I certify that I have completed the audit of accounts of Ards and North Down Borough Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

Colette Kane
Local Government Auditor
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

September 2025

Financial Statements

Comprehensive Income and Expenditure Statement

For the year ended 31 March 2025

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

	Note	2024/25 £'000	2023/24 £'000
Services Expenditure			
Payroll and other labour	7	39,766	37,458
Capital Charges		12,312	12,157
Waste Disposal		7,179	7,154
Maintenance		3,234	2,919
Energy		3,447	3,132
Other Expenditure		18,141	16,823
Income		(14,434)	(12,473)
Cost of Services on Continuing Operations	2	69,645	67,170
Other Operating Expenditure / Income	8	(3,915)	(19)
Financing and Investment Income and Expenditure	9	1,189	1,076
Net Operating Expenditure		66,919	68,227
Taxation and Non-Specific Grant Income	10	(85,554)	(63,382)
Surplus/(Deficit) on the Provision of Services		18,635	(4,845)
Surplus/(Deficit) on revaluation of non-current assets	12	7,245	12,518
Impairment losses on non-current assets charged to the Revaluation Reserve	12	-	-
Re-measurements of the Net Defined Benefit Liability/ (Asset)	22	276	(3,538)
Other Comprehensive Income and Expenditure		7,521	8,980
Total Comprehensive Income and Expenditure		26,156	4,135

Movement in Reserves Statement

For the year ended 31 March 2025

The Statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustment required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2024	6,268	16,261	3,225	25,754	189,627	215,381
Movement in reserves during the year:						
Surplus or (deficit) on the provision of services	18,635	-	-	18,635	-	18,635
Other Comprehensive Income and Expenditure	-	-	-	-	7,521	7,521
Total Comprehensive Income and Expenditure	18,635	-	-	18,635	7,521	26,156
Adjustments between accounting basis & funding under regulations	(13,161)	14,170	(764)	245	(245)	-
Net Increase / (Decrease) before transfers to Statutory and Other Reserves	5,474	14,170	(764)	18,880	7,276	26,156
Transfers to/(from) Statutory and Other Reserves	(4,142)	4,142	-	-	-	-
Increase/(Decrease) in Year	1,332	18,312	(764)	18,880	7,276	26,156
At 31 March 2025	7,600	34,573	2,461	44,634	196,903	241,537

Movement in Reserves Statement

For the year ended 31 March 2024

Comparative Year

	General Fund	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	5,444	16,649	3,656	25,749	185,509	211,258
Movement in reserves during the year:						
Surplus or (deficit) on the provision of services	(4,845)	-	-	(4,845)	-	(4,845)
Other Comprehensive Income and Expenditure	-	-	-	-	8,980	8,980
Total Comprehensive Income and Expenditure	(4,845)	-	-	(4,845)	8,980	4,135
Adjustments between accounting basis & funding under regulations	6,086	(805)	(431)	4,850	(4,862)	(12)
Net Increase / (Decrease) before transfers to Statutory and Other Reserves	1,241	(805)	(431)	5	4,118	4,123
Transfers to/(from) Statutory and Other Reserves	(417)	417	-	-	-	-
Increase/(Decrease) in Year	824	(388)	(431)	5	4,118	4,123
At 31 March 2024	6,268	16,261	3,225	25,754	189,627	215,381

Ards and North Down Borough Council

Balance Sheet

As at 31 March 2025

	Notes	2024/25 £'000	2023/24 £'000
Fixed Assets	12	275,670	265,989
Long Term Debtors	16	55,135	47,635
LONG TERM ASSETS		330,805	313,624
Short Term Investments	17	-	-
Inventories	15	307	274
Short Term Debtors	16	12,194	6,592
Cash and Cash Equivalents	26	12,003	10,503
Assets Held for Sale	12f	530	-
CURRENT ASSETS		25,034	17,369
Bank Overdraft	26	2,664	1,686
Short Term Borrowing	18a	3,669	2,775
Short Term Creditors	19	9,751	7,889
Provisions	20	401	-
CURRENT LIABILITIES		16,485	12,350
Long Term Creditors	19	-	-
Provisions	20	979	696
Long Term Borrowing	18b	59,067	56,875
Other Long-Term Liabilities	22	680	747
Capital Grants Receipts in Advance	24	37,091	44,944
LONG TERM LIABILITIES		97,817	103,262
NET ASSETS		241,537	215,381
USABLE RESERVES			
Capital Receipts Reserve	27a	2,461	3,225
Capital Grants Unapplied Account	27b	19,130	4,935
Revenue Grants Unapplied Account	27c	167	159
Earmarked Fund	27d	15,276	11,167
General Fund	27e	7,600	6,268
		44,634	25,754
UNUSABLE RESERVES			
Capital Adjustment Account	28a	84,057	80,035
Revaluation Reserve	28b	114,278	110,886
Pensions Reserve	28c	(680)	(747)
Accumulated Absences Account	28d	(752)	(547)
		196,903	189,627
NET WORTH		241,537	215,381

Cash Flow Statement

As at 31 March 2025

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

	Notes	2024/25 £'000	2023/24 £'000
Net surplus / (deficit) on the provision of services		18,635	(4,845)
Adjustment for non-cash movements	26a	4,588	18,220
Adjustment for itAems included in the net surplus or deficit on the provision of services that are investing and financing activities	26a	(41)	(194)
Net cash flows from Operating Activities		23,182	13,181
Net Cash flows from Investing Activities	26d	(19,885)	(8,488)
Net Cash flows from Financing Activities	26e	(2,775)	(4,074)
Net increase / (decrease) in cash and cash equivalents		522	619
Cash and cash equivalents at the beginning of the reporting period	26b	8,817	8,197
Cash and cash equivalents at the end of the reporting period		9,339	8,816

Notes to the Financial Statements

1A Accounting Policies**217****General Principles**

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 3 (7) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 also requires disclosure in respect of:

Summary of Significant Accounting Policies**i) Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

ii) Acquisitions and Discontinued Operations

The Council has not acquired operations (or transferred operations under machinery of government arrangements) during the financial year.

The Council has not discontinued any operations (or transferred operations under combinations of public sector bodies) during the financial year.

iii) Provisions for Single Status, Job Evaluation and Pay and Grading Reviews

As both the legacy Councils have already completed the Pay & Grading review under Single Status there is no longer a requirement to make a provision.

Notes to the Financial Statements

For the year ended 31 March 2025

iv) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management. Any bank overdrafts are shown within current liabilities on the balance sheet.

v) Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

vi) Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

vii) Employee Benefits

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday, flexi and time off in lieu entitlements earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required

Notes to the Financial Statements

For the year ended 31 March 2025

to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Most employees of the Council are members of the Northern Ireland Local Government Officers' Pension Fund administered by the Northern Ireland Local Government Officers' Superannuation Committee. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Northern Ireland Local Government Officers' Pension Fund

The Northern Ireland Local Government Officers' Pension Fund is accounted for as a defined benefits scheme.

The liabilities of the Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate based on the Aon GBP Select AA Curve over the duration of the Employer's liabilities.

The assets of the Northern Ireland Local Government Officers' pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – current bid price;
- unquoted securities – professional estimate;
- property – market value;
- unitised securities – current bid price.

The change in the net pension liability is analysed into seven components as follows:

1. Within the cost of services:

- **current service cost** – the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- **past service cost** – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statements. The treatment of past service costs will depend on the decisions of the Council about how they are allocated to service segments;

2. Within Financing Investment Income and Expenditure:

- **Net interest on the net defined benefit liability (asset)** – i.e. net interest expense for the Council, the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement - this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the

Notes to the Financial Statements

For the year ended 31 March 2025

beginning of the period - taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

3. Within Other Comprehensive Income and Expenditure (Re-measurements):

- **the return on plan assets** – excluding amounts recognised in the Net Interest on the Net Defined Benefit Liability (Asset). This includes interest, dividends and other income derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of managing plan assets, and any tax payable by the plan itself other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation;
- **actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserves as Other Comprehensive Income and Expenditure.

4. Within the Movement in Reserves Statement Appropriations:

- **contributions by scheme participants** – the increase in scheme liabilities and assets due to payments into the scheme by employees (where increased contribution increases pension due to the employee in the future).
- **contributions by the employer** – the increase in scheme assets due to payments into the scheme by the employer.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are made to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

5. Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies that are applied to the Northern Ireland Local Government Officers' pension fund.

The Northern Ireland Civil Service Pension Fund

As a result of Local Government Reform on 1 April 2015, staff that transferred from Central Government to the Council retained membership of the Northern Ireland Civil Service (NICS) Pension Scheme. The scheme provides defined benefits to members (retirement lump sums and pensions). However, the arrangements for the NICS Pension Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it was a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

Notes to the Financial Statements

For the year ended 31 March 2025

viii) Events After the Balance Sheet Date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

The Statement of Accounts may subsequently be adjusted up to the date when they are authorised for issue. This date will be recorded on the financial statements and is usually the date the Local Government Auditor issues her certificate and opinion. Where material adjustments are made in this period they will be disclosed.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

ix) Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

x) Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

xi) Financial Instruments

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

Notes to the Financial Statements

For the year ended 31 March 2025

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

However, the bonds issued by the Council in 2019/20 are carried at a lower amortised cost than the outstanding principal, and interest is charged at a marginally higher effective rate of interest than the rate payable to bondholders, as a material amount of costs incurred in its issue is being financed over the life of the stock.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics.

There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure is the amount receivable for the year in the loan agreement.

However, the Council has made a number of loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Notes to the Financial Statements

For the year ended 31 March 2025

Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year - the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price;
- other instruments with fixed and determinable payments – discounted cash flow analysis;

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

Notes to the Financial Statements

For the year ended 31 March 2025

xii) Foreign Currency Translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

xiii) Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due are not credited to the Comprehensive Income and Expenditure Statement until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xiv) Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Notes to the Financial Statements

For the year ended 31 March 2025

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and for any sale proceeds greater than £5,000, the Capital Receipts Reserve.

xv) Inventories & Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula.

Long Term revenue contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

xvi) Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Investment properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

xvii) Leases

Leases are classified as leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Notes to the Financial Statements

For the year ended 31 March 2025

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee - Lease

Finance Leases:

The 2024/25 financial year includes transition to IFRS 16 – Leases within the Code of Practice on Local Authority Accounting (the Code). Under this transition property, plant and equipment held under leases are recognised as right of use assets on the Balance Sheet. The Council has availed of provisions in the Code allowing prospective application of the changes in accounting. This means a prior year restatement of the balance sheet is not required. Provisions in the Code also allow for leases not to be recognised if they are short-term leases (less than one year) and where the asset is of low value. At the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise District Rates to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and impairment losses are therefore replaced by a revenue provision in the General Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases:

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council as Lessor - Lease

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and

Notes to the Financial Statements

For the year ended 31 March 2025

Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease asset (long term debtor) in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease asset (long term debtor) together with any premiums received, and
- finance income (credited to the Financing and Investment income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element for the charge for the acquisition of the interest in the property is used to write down the lease asset (debtor). At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against District rates, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases:

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xviii) Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Held for Sale, they are reclassified back to non-current assets and valued at the lower of its carrying amount before they were classified as Held for Sale: adjusted for depreciation, amortisation or revaluations that would have been

Notes to the Financial Statements

For the year ended 31 March 2025

recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be decommissioned i.e. abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of, or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Summary as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts and credited to the Capital Receipts Reserve. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against District Rates, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

xix) Overheads and Support Services

Overheads and support services are no longer recharged to frontline services, as in previous years. This follows changes to the CIPFA code and the 'telling the story' initiative where the Comprehensive Income and Expenditure Statement is now formatted in the same manner as the Council reports internally.

xx) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets over £5,000 are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

Notes to the Financial Statements

For the year ended 31 March 2025

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase the cash flows of the Council. In the latter case, where the asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost;
- surplus assets – the current value measurement base is fair value, estimated at the highest and best use from a market participant's perspective;
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2008 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of

Notes to the Financial Statements

For the year ended 31 March 2025

the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is charged on a straight-line basis on each main class of asset as follows:

- buildings and infrastructure assets are depreciated on their current value over the estimated useful life of the asset as advised by a suitably qualified officer. Depending on the type of building, installation or fitting the maximum useful life will be in the range of 3 to 69 years.
- plant, vehicles and equipment are depreciated on historic cost using a life of between 3 and 30 years.
- the Council applies a full year depreciation in the year of acquisition and no depreciation in the year of disposal.

Componentisation

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Componentisation is only applicable to larger value land and buildings or equipment assets.

Revaluations

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

xxi) Heritage Assets

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. They are intended to be preserved in trust for future generations because of their cultural, environmental or historic associations and are held by the Council in pursuit of its overall objectives in relation to the maintenance of heritage.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment (see note xviii in this summary of significant accounting policies). The Council will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

Notes to the Financial Statements

For the year ended 31 March 2025

The Council's capitalisation limit for this class of asset is £5,000. Due to the fluctuating nature in value of such assets, the Council will only derecognise assets once they fall below a value of £2,500.

Heritage assets are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

The Council's heritage assets can be classified into one of four main headings as follows:

Paintings and Drawings

It is within this category that most of the Council's heritage assets lie, the most significant of which are paintings which are on display around Bangor Town Hall in corridors and offices. The most important collections are those by James Humbert Craig and the gallery copies of Old Masters by Edwin Long. There is also a good selection of renowned Irish artists including William Conor, Maurice MacGonigal, Georgina Moutray Kyle and Charles Lamb.

Artefacts

Most of these items are small pieces relating to North Down from prehistory to modern day. Among the older artefacts is a fair example of a set of giant Irish elk antlers. However, the most valuable item is the Victoria Cross and other medals awarded to Commander Hon. Edward Barry Bingham for his role in the Battle of Jutland.

There are also some important artefacts relating to the families of Bangor Castle. Of interest are the Raven Maps, a 17th century folio mapping the estate of Sir James Hamilton. Other notable artefacts include the Bangor Bell, a bronze hand bell believed to be from the 9th century and some Blair Mayne memorabilia.

There are also some artefacts, mostly oriental, relating to Sir John Newell Jordan. The majority of these pieces are porcelain or china but there are also scrolls, export chests and a few bronze items including representations of Buddhas.

Furniture of historical interest

This not only encompasses chairs and tables but also large pieces such as cabinets and bookcases. There are a number of 17th century chairs originating from the Ward family. Of particular note is a large Regency bookcase in mahogany.

Other Heritage Assets

Civic Regalia

This collection consists of the Mayor's Gold Chain of Office, Deputy Mayor's Gold Chain of Office, Council Mace and other assorted items received or acquired by the Council as part of its Civic role.

Statues, War Memorials and Public Art

These encompass the Blair Mayne Statue (situated in Conway Square, Newtownards), Gillespie's Monument (situated in the Square, Comber), Cenotaph (situated in Court Square, Newtownards), the Bangor Bell Public Art piece and some other less prominent pieces.

The entire collection is relatively static; acquisitions and donations are infrequent. Where they do occur, acquisitions are initially recognised at cost and donations are recognised at valuation. Valuations are ascertained by a suitably experienced expert in their respective fields. However, there are some for which a nominal value is assigned as this would involve a disproportionate cost in comparison to the benefits to the users of the Council's financial statements. This is because of the diverse nature of the assets held and the lack of comparable values.

Notes to the Financial Statements

For the year ended 31 March 2025

xxii) Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

xxiii) Reserves and Funds

The Council sets aside specific amounts as funds for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against District Rates for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, accumulated absences and retirement benefits and do not represent usable resources for the Council – these reserves are explained in the relevant note to the accounts.

xxiv) Charges to Revenue for Non-Current Assets

Charges to revenue (e.g. services, support services and trading accounts) for non-current assets are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- amortisation of intangible non-current assets attributable to the service.

The Council is not required to raise District Rates to cover depreciation, impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance, referred to as

Notes to the Financial Statements

For the year ended 31 March 2025

Minimum Revenue Provision (MRP) in the General Fund balance. Depreciation, impairment losses and amortisations are therefore replaced by MRP in the General Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

xxv) Revenue Expenditure funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged, so that there is no impact on the level of District Rates.

xxvi) Value Added Tax

All expenditure and income, irrespective of whether it is revenue or capital in nature, is shown net of Value Added Tax, unless it is irrecoverable.

xxvii) Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a. in the principal market for the asset or liability; or
- b. in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – unobservable inputs for the asset or liability.

1B Accounting Standards that have been issued but have not yet been Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires an authority to disclose information relating to the expected impact of an accounting change

Notes to the Financial Statements

For the year ended 31 March 2025

that will be required by a new standard that has been issued but not yet adopted. The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years.

Paragraph 3.3.4.3 and Appendix C of the Code adapt IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2025/26 Code). This means that only the standards listed from a) to c) below are included in the requirements for IAS 8 for standards that have been issued and not yet adopted.

The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- a) **IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)** issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- b) **IFRS 17 Insurance Contracts** issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- c) The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4 of the Code.

It is likely there will be limited application of items a), b) and c).

- As regards a), the frequency and materiality of foreign currency transactions are such that they have a negligible impact on the financial statements. However, the council would need to monitor future funding from for example the Special EU Programmes Body (SEUPB) which may be paid in euros.
- As regards b), IFRS 17 insurance contracts are not applicable to policy holders and the Council does not issue insurance contracts in the commercial sense.
- As regards c), Council will engage with the Land and Property Service which provide the Council with valuations and where business processes need amending, they will be. A Northern Ireland Local Government sector approach may be desired for consistency which may be detailed in future Accounts Directions.

Notes to the Financial Statements

For the year ended 31 March 2025

1C Critical Judgments in Applying Accounting Policies

For the 2024/25 financial year, the Council has not made any critical judgements about complex transactions or those involving uncertainty about future events.

1D Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

i) Insurance Claims

The Council has made a provision of £979k for the settlement of insurance claims, arising from claims submitted to the Council under its self-insurance scheme for public and employee liability. These claims are those that have been received since 1 April 2017, which were still outstanding at 31 March 2025.

This is a general provision, based on average settlement rates and represents an estimated liability in respect of claims lodged but being strongly contested by the Council.

ii) Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The Council's pension provider's actuaries, Aon Hewitt, are engaged to provide the Council with expert advice about the assumptions to be applied.

The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate would result in a decrease of 1.60% in the present value of the pension liability. Further information on the effects on the net pension liability of changes in assumptions is disclosed in note 22e on pages [116 and 117](#).

Notes to the Financial Statements

For the year ended 31 March 2025

2a) Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, service charges and district rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates and services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	2024/25			2023/24		
	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000
Community & Wellbeing HQ	295	3	298	218	1	219
Environmental Health	2,138	26	2,164	1,959	34	1,993
Community & Culture	2,338	90	2,428	2,476	217	2,693
Parks and Cemeteries	4,824	1,457	6,281	4,179	1,525	5,704
Leisure	1,318	4,427	5,745	2,074	4,039	6,113
Environment HQ	212	-	212	204	4	208
Waste and Cleansing	17,285	1,162	18,447	17,209	1,285	18,494
Assets and Property Services	10,192	2,276	12,468	8,910	2,445	11,355
Regulatory Services	537	390	927	448	394	842
Prosperity HQ	151	2	153	144	(2)	142
Economic Dev	961	1,433	2,394	1,063	1,405	2,468
Planning	1,605	15	1,620	1,608	(12)	1,696
Tourism	1,724	58	1,782	1,546	58	1,604
Place HQ	252	3	255	166	-	166
Regeneration	865	218	1,083	1,017	192	1,209
Strategic Capital Development	307	1	308	416	13	429

Notes to the Financial Statements

For the year ended 31 March 2025

	2024/25			2023/24		
	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Services HQ	170	4	174	157	1	158
Internal Audit	110	-	110	96	-	96
Finance	1,282	15	1,297	1,103	22	1,125
Strategic Transformation and Performance	2,507	137	2,644	2,148	159	2,307
HR & OD	1,315	12	1,327	1,096	13	1,109
Administration	4,845	172	5,017	4,239	321	4,560
Chief Executive	389	8	397	924	20	944
Community Planning	219	7	226	169	3	172
Communications and Marketing	902	27	929	802	11	813
Capital Financing	7,068	(7,068)	-	5,791	(5,791)	-
Year End Transactions	(50)	135	85	100	(15)	85
REFCUS	-	874	874	-	565	565
Net Cost of Services	63,761	5,884	69,645	60,262	6,907	67,169
Other Income and Expenditure	(69,235)	(19,045)	(88,280)	(64,022)	1,698	(62,324)
(Surplus) or Deficit	(5,474)	(13,161)	(18,635)	(3,760)	8,605	4,845
Opening General Fund			6,268			5,444
Surplus/ (Deficit) on General Fund Balance in Year			5,474			1,241
Transfers (to)/from Statutory and Other Reserves			(4,142)			(417)
Closing General Fund			7,600			6,268

Notes to the Financial Statements

For the year ended 31 March 2025

2b) Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Adjustments between Funding and Accounting Basis 2024/25				
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory/non-statutory Adjustments	Total
	£'000	£'000	£'000	£'000
Community & Wellbeing HQ	-	2	1	3
Environmental Health	6	20	1	27
Community & Culture	67	13	11	91
Parks and Cemeteries	1,402	28	27	1,457
Leisure	4,379	36	11	4,426
Environment HQ	-	2	(2)	-
Waste and Cleansing	1,046	78	37	1,161
Assets and Property Services	2,238	18	19	2,275
Regulatory Services	357	17	15	389
Prosperity HQ	-	-	2	2
Economic Development	1,422	6	5	1,433
Planning	-	5	10	15
Tourism	38	8	13	59
Place HQ	-	3	-	3
Regeneration	209	4	5	218
Strategic Capital Development	-	4	(3)	1
Corporate Services HQ	-	1	2	3
Internal Audit	-	-	-	-
Finance	-	9	6	15
Strategic Transformation and Performance	126	6	5	137
HR & OD	-	7	5	12
Administration	136	25	12	173
Chief Executive	-	1	8	9
Community Planning	-	1	5	6
Communications and Marketing	13	6	9	28
Capital Financing	(7,068)	-	-	(7,068)
Year End Transactions	135	-	-	135
REFCUS	874	-	-	874
Net Cost of Services	5,380	300	204	5,884
Other Income and Expenditure from the Expenditure and Funding Analysis	(18,945)	(91)	(9)	(19,045)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(13,565)	209	195	(13,161)

Notes to the Financial Statements

For the year ended 31 March 2025

Adjustments between Funding and Accounting Basis 2023/24				
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Total
	£'000	£'000	£'000	£'000
Community & Wellbeing HQ	-	4	(2)	2
Environmental Health	6	48	(20)	34
Community & Culture	194	33	(10)	217
Parks and Cemeteries	1,468	63	(6)	1,525
Leisure	3,950	88	2	4,040
Environment HQ	-	4	-	4
Waste and Cleansing	1,152	192	(59)	1,285
Assets and Property Services	2,407	44	(6)	2,445
Regulatory Services	358	42	(7)	393
Prosperity HQ	-	-	(2)	(2)
Economic Development	1,392	13	-	1,405
Planning	-	10	(22)	(12)
Tourism	43	20	(5)	58
Place HQ	-	4	(3)	1
Regeneration	182	13	(3)	192
Strategic Capital Development	-	11	2	13
Corporate Services HQ	-	3	(2)	1
Internal Audit	-	-	-	-
Finance	-	22	1	23
Strategic Transformation and Performance	141	17	1	159
HR & OD	-	19	(6)	13
Administration	266	62	(8)	320
Chief Executive	14	7	(1)	20
Community Planning	-	4	(1)	3
Communications and Marketing	13	13	(17)	9
Capital Financing	(5,791)	-	-	(5,791)
Year End Transactions	(19)	4	-	(15)
REFCUS	565	-	-	565
Net Cost of Services	6,341	740	(174)	6,907
Other Income and Expenditure from the Expenditure and Funding Analysis	1,259	(270)	709	1,698
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	7,600	470	535	8,605

Notes to the Financial Statements

For the year ended 31 March 2025

Adjustments for Capital Purposes

Adjustments to General Fund Balances to meet the requirements of generally accepted accounting practices, this column adds in depreciation and impairment and revaluation gains and losses in the services line and for:

- i) Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets;
- ii) Financing and investment income and expenditure - the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from financing and investment income and expenditure as these are not chargeable under generally accepted accounting practices; and
- iii) Taxation and Non-Specific Grant Income and Expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pension Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the authority as permitted by statute and the replacement with current service costs and past service costs;
- For Financing and investment income and expenditure - the net interest on the defined benefit liability is charged to the CIES.

Other Statutory Differences

Other statutory adjustments for services represent the accrual of absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March 2025 along with time off in lieu (TOIL) and flexi balances: along with the reversal of the same accrual from the previous year end.

There were no other differences between amounts debited or credited to the Comprehensive Income and Expenditure Statement and amounts payable or receivable to be recognised under statute.

Other Non-Statutory Adjustments

Other non-statutory adjustments represent amounts debited/credited to service segments which need to be adjusted against the 'Other income and expenditure from the Expenditure and Funding Analysis' line to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement.

Notes to the Financial Statements

For the year ended 31 March 2025

2c) Segmental Income and Expenditure

Income and expenditure on a segmental basis are analysed below:

	2024/25		2023/24	
	Revenue from External Customers	Revenues from Transactions with Other Operating Segments of the Authority	Revenue from External Customers	Revenues from Transactions with Other Operating Segments of the Authority
	£'000	£'000	£'000	£'000
Community & Wellbeing HQ	(2)	-	(2)	-
Environmental Health	(701)	-	(713)	-
Community & Culture	(1,526)	(2)	(1,136)	(1)
Parks and Cemeteries	(705)	-	(655)	-
Leisure	(4,512)	(148)	(3,534)	(145)
Environment HQ	-	-	-	-
Waste & Cleansing Services	(1,186)	(60)	(1,192)	(58)
Assets & Property Services	(380)	(93)	(333)	(84)
Regulatory Services	(2,249)	-	(2,200)	-
Prosperity HQ	-	-	-	-
Economic Development	(1,336)	-	(968)	-
Planning	(897)	-	(894)	-
Tourism	(88)	-	(70)	-
Place HQ	-	-	(86)	-
Regeneration	(42)	-	41	-
Strategic Capital Development	(60)	-	-	-
Corporate Services HQ	-	-	-	-
Internal Audit	-	-	-	-
Finance	(3)	-	(2)	-
Strategic Transformation & Performance	(2)	-	-	-
HR & OD	-	(9)	-	(1)
Administration	(433)	-	(440)	-
Chief Executive	-	-	-	-
Community Planning	-	-	(1)	-
Communications and Marketing	-	-	-	-
Capital Financing	-	-	-	-
Year End Transactions	-	-	-	-
Total Income Analysed on a segmental basis	(14,122)	(312)	(12,185)	(289)

Notes to the Financial Statements

For the year ended 31 March 2025

3 Expenditure and Income Analysed by Nature

Expenditure is analysed as follows:

	Note	2024/25	2023/24
		£'000	£'000
Employee Benefits Expenses	7	39,766	37,458
Other Services Expenditure		32,875	30,599
Depreciation, Amortisation, Impairment	4a	11,438	11,586
Interest Payments		3,105	2,912
Other Expenditure	8	160	(19)
Total Expenditure		87,344	82,536

Income is analysed as follows:

	Note	2024/25	2023/24
		£	£
Fees, Charges and other service Income		(14,434)	(12,473)
Interest and Investment Income		(1,915)	(1,836)
District rate income	10e	(64,220)	(59,886)
Government grants and Contributions	10a/c/d	(21,335)	(3,496)
Other Income	8b	(4,075)	-
Total Income		(105,979)	(77,691)
(Surplus) or Deficit on the Provision of Services	2	(18,635)	4,845

Notes to the Financial Statements

For the year ended 31 March 2025

4 Adjustments between accounting basis and funding basis under regulations

4a) Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:

	Notes	2024/25 £	2023/24 £
Impairments (losses & reversals) of non-current assets	12a/b	-	-
Revaluation (increases)/decreases taken to Surplus/Deficit on the Provision of Services	12a/b	52,513	483,090
Depreciation charged in the year on non-current assets	12a/b	11,385,638	11,102,521
		11,438,151	11,585,611
Net Revenue expenditure funded from capital under statute	13	874,036	564,881
Carrying amount of non-current assets sold	26a	175,848	175,204
Proceeds from the sale of PP&E, investment property and intangible assets	26a	(40,656)	(194,169)
		1,009,228	545,916
Net charges made for retirement benefits in accordance with IAS19	22b	5,538,000	5,480,000
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	22b	(5,329,000)	(5,010,000)
Capital Grants and Donated Assets Receivable and Applied in year	10	(3,349,450)	(809,697)
Capital & Revenue Grants Receivable and Unapplied in year	27b/27c	(15,604,638)	258,604
Adjustments in relation to short-term compensated absences	28d	204,834	(174,018)
Statutory provision for the financing of Capital Investment	13	(6,593,121)	(5,460,913)
Direct revenue financing of Capital Expenditure	13	(474,663)	(329,607)
		(25,608,038)	(6,045,632)
Total Adjustments		(13,160,659)	6,085,895

Notes to the Financial Statements

For the year ended 31 March 2025

4b) Net transfers (to)/from Reserves:

		2024/25 £	2023/24 £
Earmarked Fund			
Interest	9b	(522,600)	(504,200)
(From) / to General Fund		(3,619,343)	87,527
	27d	(4,141,943)	(416,673)

5. The Cost of Services on continuing Operations

5a) General Power of Competence

Prior to Local Government Reform on 1st April 2015, expenditure for special purposes was limited under Section 40 of the Local Government Finance Act (Northern Ireland) 2011. This section was repealed by Schedule 10 of the Local Government Act (Northern Ireland) 2014.

Under Section 79 of the Local Government Act (Northern Ireland) 2014, the Council has the power to do anything that individuals generally may do. Councils have the power to do this without charge. The power of competence is not limited to benefiting the area or its residents nor is it limited by existing powers. The actual expenditure incurred during 2024/25 amounted to £Nil (2023/24: £Nil).

5b) External Audit Fees

The Council has incurred the following costs relating to the annual audit of the Statement of Accounts, Performance Improvement Audit and other services provided by the Council's external auditors.

	2024/25 £	2023/24 £
Statement of Accounts Audit	80,850	77,000
Performance Improvement Audit	17,000	18,000
Under/(Over) accrual in previous years	(1,000)	(3,000)
National Fraud Initiative	1,437	-
	98,287	92,000

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above.

6. Leases (as a Lessor and Lessee)

Council as a Lessor

6a) Finance Leases (Council as a lessor)

The Council has a number of properties that are leased on a finance lease with terms ranging from 99 to 10,000 years. As these are long leases they have been treated as disposals for accounting purposes in the year of granting the lease. Any ground rent collected has been recognised in the Comprehensive Income and Expenditure Statement and any residual values are considered immaterial.

Notes to the Financial Statements

For the year ended 31 March 2025

6b) Operating Leases (Council as a lessor)

The Council, in accordance with its statutory and discretionary responsibilities, leases out property under operating leases for the following purposes:

- for the provision of community services, advice services and meeting places for clubs and societies;
- for economic development purposes to provide suitable affordable accommodation for small local businesses; and
- for income generation.

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £723,478 (2023/24: £595,397). No contingent rents were recognised.

The lease terms are between 1 and 95 years. Future minimum lease income is set out below:

	2024/25 £	2023/24 £
Minimum lease rentals receivable:		
No later than 1 year	490,861	230,786
Later than 1 year and no later than 5 years	391,983	389,719
Later than 5 years	2,001,120	1,476,515
	2,883,964	2,097,020

All the assets leased out by the Council to third parties are Land & Buildings with carrying values of:

	2024/25 £	2023/24 £
Cost	37,964,094	41,316,297
Accumulated depreciation and impairments at 1 April	1,785,283	1,704,146
Depreciation charge for the year	(1,785,283)	(1,704,146)
Impairments/Revaluations	19,972,463	16,817,807
	57,936,557	58,134,104

Notes to the Financial Statements

For the year ended 31 March 2025

Council as a Lessee

6c) Leases – Right of use assets (Council as a lessee)

The Council has acquired a number of buildings (e.g. Waste Transfer Station, Balloo; Household Recycling Centre, Balloo) and sites (Bangor Marina; Millisle Beach Park) under leases as well as a number of automated public conveniences. The assets acquired under these leases are carried as property, plant, and equipment in the balance sheet at the following net amounts:

	2024/25	2023/24
	£	£
Other Land and Buildings	5,820,420	-
Vehicles, Plant and Equipment	107,168	-
	5,927,588	-

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that will be payable by the authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	2024/25	2023/24
	£	£
Lease liabilities (net present value of minimum lease payments):		
Current	75,692	-
Non - Current	5,783,958	-
Finance costs payable in future years	17,014,678	-
Minimum Lease Payments	22,874,328	-

The minimum lease payments will be payable over the following periods:

	2024/25		2023/24	
	Minimum Lease Payments £	Lease Liabilities £	Minimum Lease Payments £	Lease Liabilities £
No later than 1 year	392,123	75,692	-	-
Later than 1 year and no later than 5 years	1,465,481	236,662	-	-
Later than 5 years	21,016,724	5,547,296	-	-
	22,874,328	5,859,650	-	-

Notes to the Financial Statements

For the year ended 31 March 2025

7. Employee Costs and Members' Allowances

7a) Employee and Recruitment Agency Costs

	2024/25		2023/24	
	Revenue £	Capital £	Revenue £	Capital £
Salaries and Wages	28,488,108	263,212	26,809,059	219,461
Employer National Insurance	2,676,495	27,765	2,590,498	21,206
Employer Pension costs	5,528,114	48,982	5,052,918	41,363
Apprenticeship Levy	125,349	1,267	118,987	974
Salaries	36,818,066	341,226	34,571,462	283,004
Recruitment Agency Fees	2,358,080	-	2,240,149	-
Pension & Accumulated Absences	590,094	-	646,605	-
Total Employee and Recruitment Agency Costs	39,766,239	341,226	37,458,216	283,004

The Council's contribution rate to the NILGOSC scheme in 2024/25 is 19%. At the last actuarial valuation, dated 31 March 2022, the Fund's assets were £10,231.1M and the past service liabilities (funding target) £9,226.7M, corresponding to a surplus of £1,004.4M and a funding level of 111% (2019: 112%).

7b) Average Number of Employees

The average number of full-time equivalent (FTE) employees and the actual number of employees employed by the Council at 31 March, are set out below.

	2024/25 FTE	2023/24 FTE
Community & Wellbeing HQ	2.00	2.00
Environmental Health	45.31	40.6
Community & Culture	31.11	29.39
Leisure	95.97	98.07
Parks & Cemeteries	92.15	80.15
Environment HQ	2.00	2.00
Waste & Cleansing Services	234.82	232.31
Assets & Property Services	49.67	48.05
Regulatory Services	44.53	43.20
Chief Executive	3.00	3.00
Community Planning	3.00	2.00
Communications & Marketing	12.69	11.39
Prosperity HQ	1.00	1.00
Economic Development	13.52	14.04
Planning	36.55	40.51
Tourism	18.86	17.93
Place HQ	2.00	2.00
Regeneration	12.00	11.00
Strategic Capital Development	10.00	10.00
Corporate Services HQ	1.54	1.54
Finance	22.97	18.97
Strategic Transformation & Performance	14.00	14.00
Human Resources & Organisational Development	16.92	16.61
Administration	45.35	43.63
Data Protection	0.00	1.00
	810.96	784.39

Notes to the Financial Statements

For the year ended 31 March 2025

	Actual Numbers	Actual Numbers
Full-time numbers employed	658	620
Part-time numbers employed	290	293
	948	913

7c) Senior Employees' Remuneration

	2024/25 Number	2023/24 Number
£80,001 to £90,000	-	-
£90,001 to £100,000	5	5
£100,001 to £110,000	-	-
£110,001 to £120,000	1	-
£120,001 to £130,000	-	-
£130,001 to £140,000	-	1
	6	6

See Table 2 in the Remuneration Report on Page 44 for more detailed information regarding Senior Employees' Remuneration.

7d) Members' Allowances

During the year Members' allowances, including Employer's costs, totalled £931,159. The breakdown is as follows:

	2024/25 £	2023/24 £
Basic Allowance	678,514	600,482
Mayor's & Deputy Mayor's Allowance	22,320	21,992
Special Responsibility Allowances	23,560	21,103
Dependents' Carers Allowances	-	-
Employer's Costs	189,108	174,048
Mileage	5,485	5,371
Conferences & Courses	-	-
Travel & Subsistence Costs	4,990	3,617
Miscellaneous	7,181	8,367
	931,158	834,980

7e) Northern Ireland Civil Service Pension Arrangements

29 staff who transferred from central government to the Council during the reform of local government are members of the Northern Ireland Civil (NICS) Service Pension Scheme.

The Northern Ireland Civil Service Pension arrangement is an unfunded multi-employer defined benefit scheme, but the Council is unable to identify its share of the underlying assets and liabilities. As a result of these arrangements the scheme is accounted for as a defined contribution scheme in line with the Code. The most up to date actuarial valuation was carried out as at 31 March 2020. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the Department of Finance Superannuation and Other Allowances Resource Accounts as at 31 March 2025.

Notes to the Financial Statements

For the year ended 31 March 2025

For 2024/25, employers' contributions of £446k were payable to the NICS pension arrangements at one of three rates 34.25% (up to £29,499); 34.25% (£29,500 to £58,699) and 34.25% (£58,700 and over) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2020 was finalised by the Actuary during 2023. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. The contribution rates are set to meet the cost of the benefits accruing during 2024/25 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

No persons retired early on ill-health grounds and therefore no additional accrued pension liabilities were incurred during the year.

8. Other Operating Income & Expenditure

8a. Surplus / Deficit on Non-Current Assets

	2024/25 £	2023/24 £
Proceeds from Sale	(40,656)	(194,169)
Carrying amount of non-current assets sold	175,848	175,204
Total	135,192	(18,965)

The surplus on non-current assets represents a gain on the disposal of those assets or in the case this year a deficit.

8b. Other Operating Income / Expenditure

	2024/25 £	2023/24 £
Income	(4,075,410)	-
Expenditure	25,052	-
Total	(4,050,358)	-

Other operating income and expenditure includes monies received and costs incurred in relation to the special legal regime contingency (see note [25c](#)).

9. Financing and Investment Income and Expenditure

9a Interest Payable and Similar Charges

	2024/25 £	2023/24 £
Lease interest	320,007	-
Government Loan Interest	1,949,392	2,074,815
Commercial Loan Interest	307,024	331,072
Total	2,576,423	2,405,887

Notes to the Financial Statements

For the year ended 31 March 2025

9b Interest and Investment Income

	2024/25	2023/24
	£	£
Statutory Interest (HMRC VAT Claim & DFI Vesting)	(580,916)	(315,957)
Bank Interest	(631,873)	(633,367)
Employee Car Loan Interest	(223)	(44)
Northern Ireland Housing Executive Loan interest receivable	(26,412)	(30,355)
Investment income on fund balances		
Earmarked Fund	(522,600)	(504,200)
Other investment Income & Expenditure	522,600	504,200
	(1,239,424)	(979,723)

9c Pensions Interest Cost

	2024/25	2023/24
	£	£
Net interest on the net defined benefit liability / (asset)	(91,000)	(270,000)

9d Income, Expenditure and changes in Fair Value of Investment Properties

	2024/25	2023/24
	£	£
Income (including rental income)	(62,288)	(76,077)
Expenditure	5,485	2,358
Net Income from investment properties	(56,803)	(73,719)
Proceeds from sale	-	-
Carrying amount of investment properties transferred	-	-
(Surplus)/Deficit on sale of investment properties	-	-
Change in fair value of investment properties	-	(6,000)
Total	(56,803)	(79,719)

The net cost of financing and investing activities is due to the net effect of revaluations carried out on all investment properties in 2024/25.

Financing and Investment Income and Expenditure

	2024/25	2023/24
	£	£
Interest Payable and Similar Charges	2,576,423	2,405,887
Interest and Investment Income	(1,239,424)	(979,723)
Pensions Interest Cost	(91,000)	(270,000)
(Surplus) / deficit on trading operations	-	-
Other Investment Income	(56,803)	(73,719)
Changes in Fair Value of Investment Properties	-	(6,000)
Total	1,189,196	1,076,445

Notes to the Financial Statements

For the year ended 31 March 2025

10. Taxation and Non-Specific Grant Income

10a Revenue Grants

	2024/25 £	2023/24 £
General	(2,379,988)	(2,236,032)
Other	(8,793)	-
	(2,388,781)	(2,236,032)

10b Revenue Grants - Unapplied

	2024/25 £	2023/24 £
Government & Other Grants - Conditions met and not applied in year	25,988	86,000

10c Capital Grants and Donated Assets - Applied

	2024/25 £	2023/24 £
Government & Other Grants - Conditions met and applied in year	(3,349,450)	(809,697)

The taxation and non-specific grant income includes the recognition of capital grants in the Comprehensive Income and Expenditure Statement, as required by the Code when the conditions attached to those grants have been satisfied.

10d Capital Grants - Unapplied

	2024/25 £	2023/24 £
Government & Other Grants - Conditions met and not applied in year	(15,595,845)	(450,000)

10e District Rates

	2024/25 £	2023/24 £
Current year	(63,789,888)	(60,492,243)
Finalisation – Previous Year	(429,735)	607,599
Finalisation – Other Years	-	(1,359)
Totals	(64,219,623)	(59,886,003)

Notes to the Financial Statements
For the year ended 31 March 2025

Taxation and Non-Specific Grant Income	2024/25	2023/24
	£	£
District Rate Income	(64,219,623)	(59,886,003)
Revenue Grants	(2,388,781)	(2,236,032)
Capital Grants and Contributions	(18,945,295)	(1,259,697)
	(85,553,699)	(63,381,732)

11 Acquired and Discontinued - Operations

The Council has not acquired or discontinued any material operations.

Notes to the Financial Statements

For the year ended 31 March 2025

12a) Fixed Assets

Cost or Valuation	Property, Plant and Equipment						Heritage Assets	Investment Properties	Intangible Assets	TOTAL
	Land	Buildings	Vehicles, Plant & Equipment	Com-munity	PP&E Under	Surplus Assets				
	£	£	£	£	£	£	£	£	£	£
At 1 April 2024	31,802,204	218,818,723	26,556,296	70,195	2,018,700	2,704,998	2,243,864	806,000	1,021,948	286,042,929
Additions	5,849,368	2,164,954	1,799,057	-	4,739,094	-	-	-	26,485	14,578,958
Revaluation increases / (decreases) to RR	126,485	(1,687,399)	-	-	114	-	-	-	-	(1,560,800)
Revaluation increases / (decreases) to SDPS	(9,340)	(263,592)	-	-	-	10,000	-	-	(8,500)	(271,432)
De-recognition & Disposals	(33,193)	(129,699)	(335,828)	-	-	-	-	-	(302,270)	(800,991)
Reclassifications & Transfers	-	509,929	(18,061)	-	(491,867)	(530,000)	-	-	-	(530,000)
At 31 March 2025	37,735,524	219,412,916	28,001,464	70,195	6,266,041	2,184,998	2,243,864	806,000	737,663	297,458,664
At 1 April 2024	-	(5)	19,136,518	-	-	-	-	-	916,975	20,053,488
Depreciation Charge	-	9,132,863	2,243,379	-	-	-	-	-	9,396	11,385,638
Depreciation written out on RR	-	(8,806,041)	-	-	-	-	-	-	-	(8,806,041)
Depreciation written out on SDPS	-	(218,919)	-	-	-	-	-	-	-	(218,919)
Impairment losses / reversals to RR	-	-	-	-	-	-	-	-	-	-
Impairment losses / Reversals to SDPS	-	-	-	-	-	-	-	-	-	-
De-recognition & Disposals	-	-	(322,872)	-	-	-	-	-	(302,270)	(625,142)
Reclassifications and Transfers	-	-	-	-	-	-	-	-	-	-
At 31 March 2025	-	107,898	21,057,025	-	-	-	-	-	624,101	21,789,024
Net Book Value At 31 March 2025	37,735,524	219,305,018	6,944,439	70,195	6,266,041	2,184,998	2,243,864	806,000	113,562	275,669,641
Net Book Value At 31 March 2024	31,802,204	218,818,726	7,419,779	70,195	2,018,700	2,704,998	2,243,864	806,000	104,974	265,989,440

Notes to the Financial Statements

For the year ended 31 March 2025

12b) Fixed Assets – Comparative Year

Cost or Valuation	Property, Plant and Equipment						Heritage Assets	Investment Properties	Intangible Assets	TOTAL
	Land	Buildings	Vehicles, Plant &	Com-munity	PP&E Under	Surplus Assets				
	£	£	£	£	£	£	£	£	£	£
At 1 April 2023	29,752,554	216,192,853	23,641,262	76,178	728,773	1,930,498	2,539,533	1,410,000	1,011,994	277,283,645
Additions	-	1,097,837	3,413,976	-	1,415,383	-	-	-	19,955	5,947,151
Revaluation (decreases) to RR	1,952,529	1,844,899	-	-	-	117,713	114,201	-	-	4,029,342
Revaluation (decreases) to SDPS	122,121	(162,581)	-	-	(101,448)	(132,500)	(403,853)	6,000	(10,000)	(682,261)
De-recognition & Disposals	-	-	(522,948)	-	-	-	(12,000)	-	-	(534,948)
Reclassifications & Transfers	(25,000)	(154,287)	24,008	(5,983)	(24,008)	789,287	5,983	(610,000)	-	-
At 31 March 2024	31,802,204	218,818,721	26,556,295	70,195	2,018,700	2,704,998	2,243,864	806,000	1,021,949	286,042,929
At 1 April 2023	-	(5)	17,292,640	-	-	-	-	-	869,021	18,161,656
Depreciation Charge	-	8,687,944	2,366,623	-	-	-	-	-	47,954	11,102,521
Depreciation written out on RR	-	(8,481,436)	-	-	-	(7,337)	-	-	-	(8,488,773)
Depreciation written out on SDPS	-	(199,171)	-	-	-	-	-	-	-	(199,171)
Impairment losses / reversals to RR	-	-	-	-	-	-	-	-	-	-
Impairment losses / Reversals to SDPS	-	-	-	-	-	-	-	-	-	-
De-recognition & Disposals	-	-	(522,744)	-	-	-	-	-	-	(522,744)
Reclassifications and Transfers	-	(7,337)	-	-	-	7,337	-	-	-	-
At 31 March 2024	-	(5)	19,136,519	-	-	-	-	-	916,975	20,053,489
Net Book Value At 31 March 2024	31,802,204	218,818,726	7,419,779	70,195	2,018,700	2,704,998	2,243,864	806,000	104,974	265,989,440

Notes to the Financial Statements

For the year ended 31 March 2025

12c) Intangible Assets

Intangible assets are made up of three different classes of asset:

- market trading rights which, due to their indefinite life, are not amortised;
- public path creation agreements; and
- computer software which is depreciated over a useful life of 4 years.

The net book value of each class of intangible asset at 31 March is:

	2024/25 £	2023/24 £
Market Trading Rights	81,500	90,000
Public Path Creation Agreements	7	7
Computer Software	32,055	14,966
	113,562	104,973

12d) Investment Properties

There were no additions to investment properties in year but the former NIE site at Balloo Road was transferred to surplus assets.

	2024/25 £	2023/24 £
Rental Income from Investment Activities	62,288	76,077
Direct Operating expenses	(5,485)	(2,358)
Net gain/(loss)	56,803	73,719

12e) Heritage Assets

	Artefacts £	Paintings & Drawings £	Historical Furniture £	Other £	Total Heritage Assets £
Cost or Valuation:					
At 1 April 2024	818,400	1,095,250	36,100	294,114	2,243,864
Additions/(Disposals)	-	-	-	-	-
Derecognitions	-	-	-	-	-
Transfers	-	-	-	-	-
Revaluations to Revaluation Reserve	-	-	-	-	-
Revaluations to Surplus/Deficit on the Provision of Services	-	-	-	-	-
At 31 March 2025	818,400	1,095,250	36,100	294,114	2,243,864

The Council's heritage assets are reported in the Balance Sheet at their most up to date insurance valuation, which is based on valuations carried out by independent experts. The latest valuation was carried out during the current financial year 2024/25. See note 1xxi for further details on the Council's policy for heritage assets.

Notes to the Financial Statements

For the year ended 31 March 2025

256

12f) Assets held for Sale

	Assets Held for Sale Current £
Cost or Valuation:	
At 1 April 2024	-
Transferred from Non-Current Assets	530,000
Disposals	-
At 31 March 2025	530,000
Net Book Value at 31 March 2025	530,000
Net Book Value at 31 March 2024	-

As at 31 March 2025, the Hamilton Road site was identified as meeting the criteria for an asset held for sale.

12g) Right of Use Assets held under leases (included within Land and Buildings, Vehicles, and Equipment)

	Land and Buildings £	Vehicles £	Equipment £	Total £
Cost or Valuation:				
At 1 April 2024*	5,820,420	18,959	88,209	5,927,588
Additions	-	-	-	-
Revaluations	-	-	-	-
Disposals	-	-	-	-
At 31 March 2025	5,820,420	18,959	88,209	5,927,588
Depreciation				
At 1 April 2024	-	-	-	-
Disposals	-	-	-	-
Provided for year	-	(3,792)	(28,513)	(32,305)
At 31 March 2025	-	(3,792)	(28,513)	(32,305)
Net Book Value	5,820,420	15,167	59,696	5,895,283

*Opening balances at 1 April 2024 upon the implementation of IFRS16.

12h) Valuations

Valuations of Land and Buildings are carried out externally by Land and Property Services (LPS), in accordance with International Financial Reporting Standards (IFRS) as applied to the UK public sector and interpreted by the CIPFA Code of Practice for Local Authority Accounting, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Global Standards 2022. For the asset revaluations carried out this year, no special assumptions were made. Please refer to Note 1xx for further information on revaluation and depreciation policies.

Notes to the Financial Statements

For the year ended 31 March 2025

The revaluation results for land and buildings, including an analysis of the revaluations amounts taken to the Revaluation Reserve and the Surplus or Deficit on the Provision of Services, are detailed in note [12a](#).

12i) Impairments

Council carried out an impairment review during the year, no impairment issues were identified.

13. Capital Expenditure and Capital Financing

The Capital Financing Requirement measures the Council's underlying need to borrow for a capital purpose. The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that is yet to be financed. The CFR is analysed in the second part of this note.

	Notes	2024/25 £	2023/24 £
Opening Capital Financing Requirement		75,068,159	76,328,196
Capital Expenditure:			
Property, Plant & Equipment	12a/b	14,552,475	5,905,701
Intangible Assets	12a/b	26,485	41,450
Revenue Expenditure Funded from Capital Under Statute (REFCUS)	28a	874,036	564,881
Sources of Finance:			
Capital receipts	27a	(804,425)	(625,292)
Capital Grants & Other Contributions	10c / 27b	(4,751,363)	(1,356,257)
Transfers from Earmarked Fund	28a	(32,643)	-
Sums sets aside from Revenue:			
Direct Revenue Contributions	4,27	(474,663)	(329,607)
Minimum Revenue Provision (MRP)	28a	(6,593,121)	(5,460,913)
Closing Capital Financing Requirement		77,864,940	75,068,159
Explanation of Movements in Year		£	£
Increase / (decrease) in underlying need to borrow		2,796,780	(1,260,037)
Assets acquired under leases		-	-
Assets acquired under PFI/PPP contracts		-	-
Increase/(decrease) in Capital Financing Requirement		2,796,780	(1,260,037)

Notes to the Financial Statements

For the year ended 31 March 2025

14. Future Capital Commitments

As at 31 March 2025, the Council has awarded contracts for capital schemes and other purchases totalling £13.8m, as follows:

	Gross Cost £	Grant Aid £	Net Cost £
Schemes Underway	12,805,185	(7,387,857)	5,417,328
Other Commitments	1,057,500	(250,000)	807,500
Total	13,862,685	(7,637,857)	6,224,828

15. Inventories

The stock of goods held at 31 March was:

	2024/25 £	2023/24 £
Waste Transfer Station, Bangor - Fuel	32,304	31,276
North Road Depot, Newtownards - Fuel	20,917	10,794
North Road Depot, Newtownards – Stores	87,424	89,322
North Road Depot, Newtownards – Vehicle Parts	144,664	121,704
North Down Museum & Tourist Information Shops	9,554	9,780
Bangor Visitor Information Centre	5,955	4,678
Groomsport Visitor Information Centre	615	648
Newtownards Visitor Information Centre	5,299	5,951
Total	306,732	274,153

The cost of inventories recognised as an expense in services at 31 March 2025 amounted to £1,737,065

16. Debtors

	2024/25 £	2023/24 £
16a) Long-Term Debtors		
Government Departments	-	-
Employee Car Loans	10,966	4,667
Capital Grants	54,802,403	47,233,694
NIHE loans ¹	321,406	396,354
Total Long-Term Debtors	55,134,775	47,634,715

Notes to the Financial Statements

For the year ended 31 March 2025

16b) Short-Term Debtors

Government Departments	6,383,514	2,130,333
Other Councils	220,445	122,683
Public Corporations & Trading Funds	1,154	1,610
Bodies External to General Government	-	-
NIHE loans ¹	74,948	73,200
Employee car loans	6,953	2,667
Revenue Grants	1,410,937	815,809
Capital Grants	336,922	1,024,649
Value Added Tax	1,428,733	663,958
Prepayments	586,419	625,489
Other	1,147,909	513,798
Trade receivables	638,287	742,477
Impairment loss - Trade receivables	(41,842)	(124,239)
Total Short-Term Debtors	12,194,379	6,592,434
Total Debtors	67,329,154	54,227,149

¹ This debtor relates to the Northern Ireland Housing Executive (NIHE) debt brought about by the local government re-organisation in 1972 with establishment of the NIHE. However, the loans relating to the assets transferred to the NIHE remain with the Council whilst interest and principal are received annually from NIHE.

17. Investments

17a) Long-Term Investments (more than 12 months)

There were no long-term investments in the reporting period.

17b) Short-Term Investments (more than 3 months)

There were no short-term investments in the reporting period.

The Council also administers deposits held on behalf of third parties, namely the Ards and North Down Mayor's Charity Appeals and the Holywood District Nursing Society. The total balances held as at the 31 March 2025 amount to £14,631.

18. Borrowings

18a) Short-Term Borrowing

	2024/25 £	2023/24 £
Loans re-payable within one year	3,592,852	2,775,070
Finance Lease Principal	75,692	-
Total Short-Term Borrowing	3,668,544	2,775,070

Notes to the Financial Statements

For the year ended 31 March 2025

18b) Long-Term Borrowing

	2024/25 £	2023/24 £
Between 1 and 2 years	3,085,202	3,592,853
Between 3 and 5 years	10,523,690	8,236,989
Between 6 and 10 years	13,418,221	16,207,310
In more than 10 years	26,255,668	28,838,484
Finance Lease Principal	5,783,958	-
Total Long-Term Borrowing	59,066,739	56,875,636
Total Borrowing	62,735,283	59,650,706

Following implementation of IFRS 16 - Leases in 2024/25 The impact on total borrowing has been £5,859,650 due to recognition of additional lease liabilities.

18c) Total Borrowing by Type

	2024/25 £	2023/24 £
Annuity Repayment	19,511,800	21,263,884
Equal Instalments of Principle Borrowings	22,678,161	23,701,150
Maturity Repayment	14,685,672	14,685,672
Finance Lease Principal	5,859,650	-
Total Borrowing	62,735,283	59,650,706

Interest rates on Government Loans range between 2.51% and 9.875%. The average interest rate on all long-term borrowings is 3.87%.

19. Creditors

19a) Short-Term Creditors

	2024/25 £	2023/24 £
Government Departments	630,909	1,208,916
Other Councils	121,971	81,419
Public Corporations and Trading Funds	172,949	152,682
Bodies External to General Government	20,944	34,436
Remuneration due to employees	1,271,970	1,188,062
Accumulated Absences	752,245	547,411
Loan Interest Payable	118,454	119,036
Capital Creditors	2,067,987	534,076
Receipts in advance	863,768	935,876
Trade creditors	3,714,171	3,087,372
Other	16,247	-
Total Short -Term Creditors	9,751,615	7,889,286

Notes to the Financial Statements

For the year ended 31 March 2025

19b) Long-Term Creditors

	2024/25 £	2023/24 £
Total Long-Term Creditors	-	-
Total Creditors	9,751,615	7,889,286

19c) Payment of Invoices

The Council has a target of paying supplier invoices within 30 calendar days. During the 2024/25 financial year the Council paid 21,577 invoices totalling £50,117,590.

Invoices Paid	2024/25		2023/24
	No.	%	%
Within 30 calendar days	20,179	93%	96%
Within 10 working days	14,558	67%	73%
Outside the 30-day target	1,398	6%	4%
Average days to pay	15.82		14.84
Median days to pay	13		13

20. Provisions

Current Year:	At 1 April 2024 £	Increase in provision during year £	Utilised during year £	Unused Reversals £	At 31 March 2025 £
Insurance	696,000	600,270	(304,722)	(12,148)	979,400
Environmental	-	-	-	-	-
Legal	-	400,623	-	-	400,623
Other	-	-	-	-	-
	696,000	1,000,893	(304,722)	(12,148)	1,380,023
Current Provisions	-	400,623	-	-	400,623
Long Term Provisions	696,000	600,270	(304,722)	(12,148)	979,400
	696,000	1,000,893	(304,722)	(12,148)	1,380,023

Comparative Year:	At 1 April 2023 £	Increase in provision during year £	Utilised during year £	Unused Reversals £	At 31 March 2024 £
Insurance	493,700	411,251	(198,993)	(9,958)	696,000
Environmental	50,000	-	(50,000)	-	-
Legal	30,440	-	-	(30,440)	-
Other	729,403	-	-	(729,403)	-
	1,303,543	411,251	(248,993)	(769,801)	696,000
Current Provisions	779,403	-	(50,000)	(729,403)	-
Long Term Provisions	524,140	411,251	(198,993)	(40,398)	696,000
	1,303,543	411,251	(248,993)	(769,801)	696,000

Notes to the Financial Statements

For the year ended 31 March 2025

Insurance Provision

The Council operates a self-insurance scheme for public and employee liability insurance and has a number of claims which require to be settled. A provision at 31 March 2025 has been made on the basis of Council's experience of settlement rates over recent years.

Environmental Provision

There is no environmental provision this financial year. The provision was released last year and related to the need for remedial works to be undertaken to address environmental damage at a property in the Council area. This remediation work was agreed as part of the settlement to mitigate against future run-off of storm water from Council land into a third party's site.

Legal Provision

This provision relates to legal fees in relation to ongoing legal cases and potential contractual obligations.

Other

Court judgments have established the law as requiring employees to receive acknowledgement of overtime payments as part of their holiday pay entitlement calculations, which the Council acknowledges. The Northern Ireland Court of Appeal turned down an appeal by the Police Service of Northern Ireland (PSNI) regarding the potential liability arising to that organisation in this regard. This decision was appealed to the Supreme Court. The Council has a signed agreement with the recognised trade unions.

All but one of the tribunal claims have now been settled following the signing of compromise agreements and payments made. Council is now liaising with its legal advisors regarding concluding arrangements for payments to be made to remaining staff. It is anticipated that this matter will be resolved during the 2025/26 financial year.

21. Financial Instruments

The Council has no material exposure to any of the risk types identified below in its dealings with financial instruments.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Authorised institutions for investments under the Council's Treasury Policy are assessed for financial strength and risk exposure. The provision for bad and doubtful debts reflects the Council's assessment of the risk of non-payment by debtors and as such, there is no additional estimated exposure to default and inability to collect.

Liquidity Risk

The Council's net operating costs are funded through district rates and government grants. Capital expenditure is largely financed by borrowing from the Government Loans Fund. The Council is not therefore exposed to significant liquidity risk. The analysis of financial liabilities is included in notes 18 and 19. All trade and other payables are due for payment within one year.

Notes to the Financial Statements

For the year ended 31 March 2025

Market Risk

Interest Rate Risk

The Council finances capital expenditure in the longer term through fixed rate borrowings in line with its Treasury Management Strategy Statement and its Medium-Term Financial Plan. The Council takes out short-term loans to benefit from the very low interest rates available. This strategy is carried out with advice from the Council's treasury advisors and reviewed at the end of every term to minimise risk. In addition, Council has a limit of 30% of borrowing to be short-term in nature.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no material exposure to loss arising from movements in exchange rates.

Employee Car Loans

The Council makes loans for car purchases to employees in the Council who are in posts that require them to drive regularly on the Council's business. Currently there are three employees who have a loan which is reflected in Note [16](#).

The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets as at 31 March 2025

	Non-Current		Current		Total
	Investments	Debtors	Investments	Debtors	
	£	£	£	£	£
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	-	12,000,000	638,287	12,638,287
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	-	-	-
Total Financial Assets	-	-	12,000,000	638,287	12,638,287
Non-Financial Assets	-	-	-	-	-
Total	-	-	12,000,000	638,287	12,638,287

Notes to the Financial Statements

For the year ended 31 March 2025

Financial Assets as at 31 March 2024

	Non-Current		Current		Total
	Investments	Debtors	Investments	Debtors	
	£	£	£	£	£
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	-	10,500,000	742,477	11,242,477
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	-	-	-
Total Financial Assets	-	-	10,500,000	742,477	11,242,477
Non-Financial Assets	-	-	-	-	-
Total	-	-	10,500,000	742,477	11,242,477

Financial Liabilities as at 31 March 2025

	Non-Current		Current		Total
	Borrowings	Creditors	Borrowings	Creditors	
	£	£	£	£	£
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	53,282,781	-	3,592,852	3,730,418	60,606,051
Total financial liabilities	53,282,781	-	3,592,852	3,730,418	60,606,051
Non-financial liabilities	-	-	-	-	-
Total	53,282,781	-	3,592,852	3,730,418	60,606,051

Financial Liabilities as at 31 March 2024

	Non-Current		Current		Total
	Borrowings	Creditors	Borrowings	Creditors	
	£	£	£	£	£
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	56,875,636	-	2,775,070	3,087,372	62,738,078
Total financial liabilities	56,875,636	-	2,775,070	3,087,372	62,738,078
Non-financial liabilities	-	-	-	-	-
Total	56,875,636	-	2,775,070	3,087,372	62,738,078

Notes to the Financial Statements

For the year ended 31 March 2025

Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value (but for which Fair Value Disclosures are Required).

Except for the financial assets carried at fair value (described in the table above) all other financial liabilities and financial assets held by the authority are classified as loans and receivables and long-term debtors and creditors and are carried in the Balance Sheet at amortised cost. The fair values calculated are as follows.

Financial Assets / Liabilities	31 March 2025		31 March 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	£	£	£	£
Financial liabilities held at amortised cost	56,875,633	50,686,568	59,650,706	55,067,079
Financial assets held at amortised cost	12,000,000	12,002,342	10,500,000	10,505,943

Notes to the Financial Statements

For the year ended 31 March 2025

22. Retirement Benefits

22a) Participation in the Northern Ireland Local Government Officers' Pension Fund

As part of the terms and conditions of employment of its employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Northern Ireland Local Government Officers' Pension Fund administered by the Northern Ireland Local Government Officers' Superannuation Committee (commonly known as NILGOSC). This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

22b) Transactions relating to Retirement Benefits – Comprehensive Income & Expenditure Statement

The Council recognises the cost of retirement benefits in the Cost of Services on Continuing Operations when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against District rates is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement during the year:

	2024/25	2023/24
	£	£
Net cost of services:		
Current service cost	5,629,000	5,746,000
Past service cost/(gain)	-	4,000
(Gains)/Losses on settlements and curtailments	-	-
Net operating expenditure:		
Net Interest on the net defined liability (asset)	(963,000)	(270,000)
Interest on unrecognised asset	872,000	-
Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services	5,538,000	5,480,000
Movement in Reserves Statement:		
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code	(5,538,000)	(5,480,000)
Actual amount charged against the general fund balance for pensions in the year:		
Employers' contributions payable to scheme	5,329,000	5,010,000
Net Adjustment to the General Fund	(209,000)	(470,000)

Notes to the Financial Statements

For the year ended 31 March 2025

The service cost figures include an allowance for administration expenses of £0.138m or 2.45% of current service cost.

Re-measurements recognised in Other Comprehensive Income and Expenditure	2024/25 £	2023/24 £
Liability gains/(losses) due to change in assumptions	29,965,000	6,046,000
Actuarial gains/(losses) due to changes in demographic assumptions	1,247,000	2,567,000
Liability experience gains/(losses) arising in the year	(281,000)	(2,208,000)
Actuarial gains/(losses) on plan assets	(719,000)	8,232,000
Adjustment gain/(losses) due to restriction of surplus	(29,936,000)	(18,175,000)
Total Gains/(Losses) recognised in Other Comprehensive Income and Expenditure	276,000	(3,538,000)

22c) Assets and Liabilities in relation to Retirement Benefits

Reconciliation of present value of the scheme liabilities:	2024/25 £	2023/24 £
Balance as at 1 April	166,768,000	163,638,000
Current service cost	5,629,000	5,746,000
Interest cost	7,911,000	7,605,000
Contributions by members	1,738,000	1,640,000
Re-measurement (gains) and losses:		
Actuarial (gains)/losses arising on liabilities from changes in financial assumptions	(29,965,000)	(6,046,000)
Actuarial (gains)/losses arising from demographic changes	(1,247,000)	(2,567,000)
Actuarial (gains)/losses arising on liabilities from experience	281,000	2,208,000
Past Service Costs / (gains)	-	4,000
Liabilities extinguished on settlements	-	-
Estimated unfunded benefits paid	(83,000)	(78,000)
Estimated benefits paid	(5,742,000)	(5,382,000)
Balance as at 31 March	145,290,000	166,768,000

Reconciliation of present value of the scheme assets:	2024/25 £	2023/24 £
Balance as at 1 April	184,196,000	166,899,000
Interest Income	8,874,000	7,875,000
Contributions by members	1,738,000	1,640,000
Contributions by employer	5,246,000	4,932,000
Contributions in respect of unfunded benefits	83,000	78,000
Re-measurement gains/(losses)	(719,000)	8,232,000
Assets distributed on settlements	-	-
Unfunded benefits paid	(83,000)	(78,000)
Benefits paid	(5,742,000)	(5,382,000)
Balance as at 31 March	193, 593,000	184,196,000

Notes to the Financial Statements

For the year ended 31 March 2025

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual return on scheme assets in the year was a gain of £8,155,000 (2023/24 gain of £16,107,000).

Fair Value of Plan Assets:	2024/25	2023/24
	£	£
Equity investments	77,824,386	73,125,812
Bonds	36,782,670	36,102,416
Property	19,359,300	17,130,228
Cash	22,069,602	22,840,304
Other	37,557,042	34,997,240
	193,593,000	184,196,000

The above asset values are at bid value as required by IAS 19. The bid values were provided by NILGOSC, the administering authority. The amounts included in the fair value of plan assets for property occupied by the Council was £nil.

The Council's share of the Net Pension Liability (included in the Balance Sheet):	2024/25	2023/24
	£	£
Fair Value of Employer Assets	193,593,000	184,196,000
Present value of funded defined benefit obligation	(144,610,000)	(166,021,000)
Funded status	48,983,000	18,175,000
Unrecognised asset	(48,983,000)	(18,175,000)
Additional liability due to minimum funding requirement	-	-
Asset/(Liability) recognised on the balance sheet	-	-
Present Value of Unfunded defined benefit obligation	(680,000)	(747,000)
Net Asset/(Liability) arising from the defined benefit obligation	(680,000)	(747,000)
Amount in the Balance sheet:		
Liabilities	(145,290,000)	(166,768,000)
Assets	144,610,000	166,021,000
Net Asset/(Liability)	(680,000)	(747,000)

22d) Scheme History

Analysis of scheme assets and liabilities	2024/25	2023/24
	£	£
Fair Value of Assets in pension scheme	193,593,000	184,196,000
Present Value of Defined Benefit Obligation	(145,290,000)	(166,768,000)
Surplus/(deficit) in the Scheme	48,303,000	17,428,000

Notes to the Financial Statements

For the year ended 31 March 2025

Amount recognised in Other Comprehensive Income and Expenditure:	2024/25 £	2023/24 £
Actuarial gains/(losses)	30,931,000	6,405,000
Expected Return on Plan Assets	(719,000)	8,232,000
Increase/(decrease) in irrecoverable surplus	(29,936,000)	(18,175,000)
Re-measurements recognised in Other Comprehensive Income and Expenditure	276,000	(3,538,000)
Cumulative actuarial gains and losses	59,209,000	58,933,000
History of experience gains and losses:		
Experience gains and (losses) on assets	(719,000)	8,232,000
Experience gains and (losses) on liabilities	281,000	(2,208,000)

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total assets of £193,593,000 have less of an impact on the net worth of the Council as recorded in the Balance Sheet due to the unrecognised asset, resulting in a net liability of £680,000.

The Council has a net pension asset at the accounting date which is reflected in the reduction of employer contributions to 19% for the next three years (24/25 to 26/27).

Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2026:

	31/03/2026 £	31/03/2026 % of pay
Projected current cost	3,937,000	13.7
Net Interest on the net defined benefit liability (asset)	(158,000)	(0.5)
	3,779,000	13.2

Allowance for administration expenses included in Current Service Cost £144,000 and estimated pensionable payroll over the period £28,713,000.

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the Council in the year to 31 March 2026 is £5,455,470.

History of experience gains and losses

The actuarial gains/losses identified as movements on the Pensions Reserve 2024/25 can be analysed into the following categories, measure as a percentage of assets or liabilities at 31 March 2025.

	2024/25 %	2023/24 %
Experience Gains and (losses) on Assets	(0.37)	4.47
Experience gains and (losses) on Liabilities	(0.19)	1.32

Notes to the Financial Statements

For the year ended 31 March 2025

22e) Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Aon Hewitt Ltd, an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2022.

Mortality assumptions:		2024/25	2023/24
<i>Longevity at 65 current pensioners:</i>	Men	21.6 years	21.7 years
	Women	24.5 years	24.6 years
<i>Longevity at 45 for future pensioners:</i>	Men	22.2 years	22.7 years
	Women	25.2 years	25.6 years
Inflation/Pension Increase Rate		2.50%	2.60%
Salary Increase Rate		4.00%	4.10%
Discount Rate		5.80%	4.80%
Pension Accounts Revaluation Rate		2.50%	2.60%
Take-up of option to convert annual pension into retirement lump sum:			
Service to April 2009		80%	80%
Service post April 2009		80%	80%

Pension Assumptions Sensitivity Analysis

The pension figures disclosed in these financial statements are sensitive to the assumptions used. The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2025 is set out below.

In each case, only the assumption noted below is altered; all other assumptions remain the same and are summarised in the disclosure above.

Discount Rate Assumption

	+0.1% p.a.	-0.1% p.a.
Adjustment to discount rate		
Present value of the total obligation (£Ms)	£142.296	£146.924
% change in the present value of the total obligation	-1.60%	1.60%
Projected service cost (£Ms)	£3.772	£4.106
Approximate % change in projected service cost	-4.20%	4.30%

Rate of General Increase in Salaries

	+0.1% p.a.	-0.1% p.a.
Adjustment to salary increase rate		
Present value of the total obligation (£Ms)	£145.044	£144.176
% change in the present value of the total obligation	0.30%	-0.30%
Projected service cost (£Ms)	£3.937	£3.937
Approximate % change in projected service cost	0%	0%

Notes to the Financial Statements

For the year ended 31 March 2025

271

Rate of Increase to Pensions in Payment, Deferred Pensions Increase Assumption and rate of Revaluation of Pension Accounts Assumption

	+0.1% p.a.	-0.1% p.a.
Adjustment to pension increase rate		
Present value of the total obligation (£Ms)	£146.490	£142.730
% change in the present value of the total obligation	1.30%	-1.30%
Projected service cost (£Ms)	£4.106	£3.772
Approximate % change in projected service cost	4.30%	-4.20%

Post Retirement Mortality Assumption

	-1 Year	+1 Year
Adjustment to the mortality age rating assumption *		
Present value of the total obligation (£Ms)	£147.936	£141.284
% change in the present value of the total obligation	2.30%	-2.30%
Projected service cost (£Ms)	£4.071	£3.799
Approximate % change in projected service cost	3.40%	-3.50%

* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table above for an individual that is 1 year older than them.

22f) Major categories of plan assets as percentage of total plan assets

The Northern Ireland Local Government Officers' Pension Fund's assets consist of the following categories, by proportion of the total assets held:

	31/03/2025	31/03/2024
Equity investments	40.20%	39.70%
Bonds	19.00%	19.60%
Property	10.00%	9.30%
Cash	11.40%	12.40%
Other	19.40%	19%
	100.00%	100.00%

22g) Northern Ireland Civil Service Pension Arrangements

The Northern Ireland Civil Service Pension arrangement is an unfunded multi-employer defined benefit schemes, but the Council is unable to identify its share of the underlying assets and liabilities and therefore has accounted for this scheme as a defined contribution scheme. The most up to date actuarial valuation was carried out as at 31 March 2020. This valuation was then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2025.

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the state pension prior to 6 April 1997. The High Court in England ruled on 26 October 2018 that all GMP benefits in UK pension plans must be equalised for males and females. The outcome of this judgement will affect all UK defined benefit schemes, including public sector pension schemes such as the Schemes, which had been contracted out of the State pension arrangements resulting in members of the scheme having a GMP.

Notes to the Financial Statements

For the year ended 31 March 2025

On 20 November 2020, the High Court in England ruled that pension schemes will need to revisit individual transfer payments made since 17 May 1990 to check if any additional value is due because of GMP equalisation.

For public service pension schemes, including the Schemes, the ruling will be taken forward on a cross scheme basis with HM Treasury in conjunction with legal input. This may require revisiting past Cash Equivalent Transfer Value (CETV) cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before CETVs were equalised from 2019. The scope of any costs is yet to be determined to estimate the potential impact on the Scheme, however, it is expected to be a relatively small uplift for a relatively small subset of members (i.e. those who took a CETV and are in scope for a top up).

23 Donated Assets Account

The Council does not have any donated assets for which conditions have not been met.

24 Capital Grants Received in Advance

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement (CIES).

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

The Council has a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The capital schemes with balances within Grants Received in Advance at the year-end are as follows:

	31/03/2025 £	31/03/2024 £
Opening Balance as at 1 April	44,944,077	41,728,077
Recognise Grants Receivable – conditions not met		
Greenways – Newtownards to Bangor	-	1,608,000
Greenways – Comber to Newtownards	-	1,608,000
Transfer to CIES – conditions now met		
DFI Greenways Newtownards to Bangor	(2,250,636)	
DFI Greenways Comber to Newtownards	(2,386,441)	
Levelling Up Funding Greenways N'ards to Bangor	(1,608,000)	
Levelling Up Funding Greenways Comber to N'ards	(1,608,000)	
Closing Balance as at 31 March	37,091,000	44,944,077

These grants are reflected in Note 16 on page [104](#).

Notes to the Financial Statements

For the year ended 31 March 2025

25 Contingencies

In accordance with the Code (and IAS 37), Councils should disclose by way of note if there is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the authority, or a present obligation that arises from past events but is not recognised because:

- a) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
- b) the amount of the obligation cannot be measured with sufficient reliability.

25a) Self-Insurance Scheme

The Council operates a self-insurance scheme for public and employee liability insurance. As at 31 March 2025, claims with a total value of £607,501 (2024 £1,222,168) had been lodged but continue to be actively challenged. Whilst the Council continues to strongly contest liability in respect of each of these claims, a provision has been made based on the Council's experience of settlement rates over the previous years. Movement on the Insurance Provision during the year is set out in note 20.

25b) Residual Waste Treatment Project

The arc21 Joint Committee has, with the approval of its participant Councils, entered a Contingent Liability Undertaking with the bidding consortium in the procurement for a Residual Waste Treatment Project and Ards and North Down Borough Council has agreed its share of the contingent liability. The risks of any potential financial penalties associated with the procurement process are limited but payments, if any, become due in accordance with this undertaking, they will be funded by the participant Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process.

25c) Special Legal Regime – VAT Tribunal

Following extensive litigation regarding the treatment of leisure services for VAT purposes, HMRC published VATGPB8410 – Other local authority activities: sport and leisure: supplies of sporting services in November 2023. The Council has liaised with HMRC with regard to the interpretation of this guidance and its implication for the Council resulting in revised claims being submitted. The Council has now submitted claims and received refunds totalling £3.8M. One claim remains outstanding for the 2023/24 year, but a prudent accrual has been made in these accounts for the settlement, and it is planned to be submitted before the end of October 2025.

25d) Land Disposal – contingent asset

During the 2022/23 financial year Council disposed of land at Blair Mayne Road South to a developer for residential housing. Within the contract is a condition that should planning permission be obtained for a more intensive development than originally anticipated that Council would receive additional income in line with the formula set out in the contract. This condition has not yet been met; however, it remains active for a further 9 years.

Notes to the Financial Statements

For the year ended 31 March 2025

274

25e) General

The Council has a number of other general litigious matters ongoing. It is uncertain whether these matters will proceed to court or if they do, whether the courts will have reached a decision in relation to them before the Council's financial statements have been certified and published. Council is of the opinion that, in the majority of matters, it is not probable that an outflow of resources will be required to settle the claim. Council is also of the opinion that, in any event, it is not possible to make a sufficiently reliable financial estimate of potential contingent liabilities for disclosure purposes.

26 Other Cash Flow Notes

26a) Analysis of Adjustments to Surplus/Deficit on the Provision of Services

Adjustment to surplus or deficit on the provision of services for non-cash movements:	Notes	2024/25 £	2023/24 £
Depreciation	4	11,385,638	11,102,521
Impairment & downward revaluations (& non-sale de-recognitions)	4	52,513	483,090
(Increase)/Decrease in Inventories		(32,580)	(43,850)
(Increase)/Decrease in Debtors		(6,072,980)	1,560,784
Increase/(Decrease) in impairment provision for bad debts		(82,397)	14,658
Increase/(Decrease) in Creditors		(1,641,497)	5,281,202
Increase/(Decrease) in Interest Creditors		(89,157)	(215,693)
Pension Fund Adjustments	22	209,000	470,000
Carrying amount of non-current assets sold	4	175,848	175,204
AUC written off to Net Cost of Services		-	-
Contributions to Other Reserves/Provisions		684,023	(607,543)
Movement in value of Investment Properties		-	-
Amounts posted to CIES from Donated Assets Account	22	-	-
		4,588,411	18,220,373
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities:			
Proceeds from the sale of PP&E, Investment Property and Intangible Assets		(40,656)	(194,169)
		(40,656)	(194,169)

Notes to the Financial Statements

For the year ended 31 March 2025

26b) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in bank and short-term deposits and investments (considered to be cash equivalents), net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows:

	31/03/2025 £	31/03/2024 £
Cash and Bank balances	2,752	2,878
Short Term Investments (considered to be Cash Equivalents)	12,000,000	10,500,000
Short Term Deposits (considered to be Cash Equivalents)	-	-
Bank Overdraft	(2,663,801)	(1,686,043)
	9,338,951	8,816,835

26c) Cash Flow Statement - Operating Activities

	2024/25 £	2023/24 £
The cash flows from operating activities include:		
Interest received	1,247,112	1,181,264
Interest paid	2,256,417	2,405,887

26d) Cash flows from Investing Activities

	2024/25 £	2023/24 £
Purchase of PP&E, investment property and intangible assets	13,045,049	5,698,455
Proceeds from the sale of PP&E, Investment Property and Intangible Assets	(40,656)	(194,169)
Capital Grants and contributions received	6,880,982	2,983,492
Net Cash flows from Investing Activities	19,885,375	8,487,778

26e) Cash flows from Financing Activities

	2024/25 £	2023/24 £
Cash Receipts from Short and Long-Term Borrowing	-	-
Repayment of Short and Long-Term Borrowing	(2,775,070)	(4,073,842)
Net Cash flows from Financing Activities	(2,775,070)	(4,073,842)

27 Usable Reserves

27a) Capital Receipts Reserve

These are capital receipts which have originated primarily from the sale of assets which have not yet been used to finance capital expenditure.

The Capital Receipts Reserve is credited with the proceeds from fixed asset sales and other monies defined by statute as capital receipts. These are originally credited to the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal and

Notes to the Financial Statements

For the year ended 31 March 2025

posted out via the Movement in Reserves Statement to the Capital Receipts Reserve. The reserve is written down when resources are applied to finance new capital expenditure or set aside to reduce an authority's capital financing requirement (or used for other purposes permitted by statute).

	Notes	31/03/2025 £	31/03/2024 £
At 1 April		3,225,283	3,656,406
Movement			
Disposal of Non-Current Assets/ Capital Sales	4 , 26	40,656	194,169
Capital Receipts used to finance capital expenditure	28a , 13	(804,425)	(625,292)
At 31 March		2,461,514	3,225,283

Capital receipts received on the disposal of non-current assets is made up as follows:

- £41k in relation to land, vehicles and equipment sales disposed of during the year.

27b) Capital Grants Unapplied account

Where a capital grant or contribution (or part thereof) has been recognised as income in the Comprehensive Income and Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date, the grant or contribution shall be transferred to the Capital Grants Unapplied Account (within the usable reserves section of the balance sheet), reflecting its status as a capital resource available to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

When, at a future date, the expenditure to be financed from the grant or contribution is incurred, the grant or contribution (or part thereof) shall be transferred from the Capital Grants Unapplied Account to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer is also reported in the Movement in Reserves Statement or in the notes to the accounts.

	Notes	31/03/2025 £	31/03/2024 £
At 1 April			
Movement			
Received in year		4,935,554	5,032,114
Transferred to CAA in year		15,595,845	450,000
		(1,401,913)	(546,560)
At 31 March		19,129,486	4,935,554

The closing balance is made up of £8,442,882 DAERA Whitespots Country Park, £7,152,963 DFI Comber to Newtownards Greenway & LUF Bangor to Newtownards Greenway, £570,733 COVID 19 Recovery Small Settlements Regeneration Programme funds along with £2,820,423 BRCD Bangor Waterfront funds and £142,484 DfC Bangor Art Installation funds.

Notes to the Financial Statements

For the year ended 31 March 2025

277

27c) Revenue Grants Unapplied account

Where a revenue grant or contribution (or part thereof) has been recognised as income in the Comprehensive Income and Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date, the grant or contribution shall be transferred to the Revenue Grants Unapplied Account (within the usable reserves section of the balance sheet), reflecting its status as a resource available to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

When, at a future date, the expenditure to be financed from the grant or contribution is incurred, the grant or contribution (or part thereof) shall be transferred from the Revenue Grants Unapplied Account to the General Fund, reflecting the application of revenue resources to finance expenditure. This transfer is also reported in the Movement in Reserves Statement or in the notes to the accounts.

	Notes	31/03/2025 £	31/03/2024 £
At 1 April		158,570	867,174
Movement			
Received in year		25,988	86,000
Released from reserve		(17,195)	(794,604)
At 31 March	10b	167,363	158,570

The closing balance is made up of £86,000 Levelling Up Funding; £40,590 TEO Dispersal funding; £40,773 COVID Recovery Small Settlements Regeneration Programme funds.

27d) Earmarked Reserve

The Council has established an Earmarked Reserve under Section 9(1) of the Local Government Finance Act (NI) 2011 for the purposes of setting aside funds required for future purposes, for example to set up an innovation fund or to smooth the cost of elections.

	Notes	31/03/2025 £	31/03/2024 £
At 1 April		11,166,700	10,750,027
Transfers between statutory & other reserves & the General Fund	4b	4,141,943	416,673
Transfers to CAA to finance capital expenditure	12	(32,643)	-
At 31 March		15,276,000	11,166,700

The Earmarked Fund balance is made up of Identified Workstreams £1,700k; Periodic Workstreams £976k; Transformation Fund £3,000k; Sustainability Fund £3,500k; Tax Base development Fund £2,850k, Multi Year Budgeting Fund £2,500, Capital Fund £750.

Notes to the Financial Statements

For the year ended 31 March 2025

27e) General Fund

This reserve shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from District Rates. Councils raise rates to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

	Notes	31/03/2025 £	31/03/2024 £
At 1 April		6,267,531	5,443,473
Applied Capital Grants	4,10c	(3,349,450)	(809,697)
Government & Other Grants – Transfer from receipts in advance		(7,853,077)	
Unapplied Capital Grants received in year	10d	(7,742,768)	(450,000)
Unapplied Revenue Grants rec'd in year		(8,793)	708,603
Direct Revenue Financing	4, 13	(474,663)	(329,607)
Depreciation and Impairment adjustment	4	11,438,151	11,585,611
Statutory Provision for financing Capital Investment	4	(6,593,121)	(5,460,913)
Net Revenue expenditure funded from capital under statute	4, 13	874,036	564,881
Surplus/(Deficit) on the Provision of Services	CIES	18,634,806	(4,845,164)
Transfers between Statutory and Other Reserves and the General Fund	4	(4,141,943)	(416,673)
Net movements on Pension Reserve	4, 22b	209,000	470,000
Disposal of Fixed Assets/Capital Sales	4, 8	135,192	(18,965)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	28d	204,834	(174,018)
Other Movements		-	-
At 31 March		7,599,735	6,267,531

28 Unusable Reserves

28a) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement, with reconciling postings from the Revaluation Reserve to convert fair value figures to an historic cost basis.

Notes to the Financial Statements

For the year ended 31 March 2025

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2008, the date that the Revaluation Reserve was created to hold such gains.

	Notes	31/03/2025 £	31/03/2024 £
At 1 April		80,035,061	81,022,280
Applied Capital Grants	4,10c	3,349,450	809,697
Unapplied Capital Grants transferred to CAA in year	27b	1,401,913	546,560
Direct Revenue Financing	4, 13	474,663	329,607
Depreciation & Impairment adjustment	12	(11,438,151)	(11,585,611)
Statutory Provision for financing Capital Investment	4	6,593,121	5,460,913
Net Revenue expenditure funded from Capital under statute	4, 13	(874,036)	(564,881)
Disposal of Fixed Assets/ Capital Sales	4, 8	(175,848)	(175,204)
Capital Receipts used to finance capital expenditure	13, 27a	804,425	625,292
Other Movements		3,853,668	3,566,408
Transfers between Capital Fund or Repairs and Renewals Fund & CAA to finance capital expenditure	13	32,643	-
At 31 March		84,056,909	80,035,061

28b) Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The reserve is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2008, the date the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

The purpose of this account is to build up a balance based on the revaluation (upwards or downwards) of individual assets. All such revaluations (excluding impairment losses that have

Notes to the Financial Statements

For the year ended 31 March 2025

been debited to Surplus/(Deficit) on the Provision of Services) are mirrored in Other Comprehensive Income and Expenditure. It is a fundamental principle of this account that it

never becomes negative. If an asset was held at current value when derecognised, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

	Notes	31/03/2025 £	31/03/2024 £
At 1 April		110,886,220	101,946,512
Revaluation & Impairment	12	7,245,241	12,518,115
Other Movements		(3,853,668)	(3,578,406)
At 31 March		114,277,793	110,886,220

28c) Pension Reserve

Full details on the Pension Reserve are disclosed in Note 22.

	Notes	31/03/2025 £	31/03/2024 £
At 1 April		(747,000)	3,261,000
Net Movements on Pension Reserve	4 , 22b	(209,000)	(470,000)
Revaluation & Impairment	22b	276,000	(3,538,000)
At 31 March		(680,000)	(747,000)

28d) Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Comprehensive Income and Expenditure Statement from accruing for compensated absences earned but not taken in the year e.g. staff annual leave entitlement carried forward at the end of the financial year. Statutory arrangements are in place to ensure that the impact on the Comprehensive Income and Expenditure Statement is neutralised by transfers to or from this Accumulated Absences Account.

	Notes	31/03/2025 £	31/03/2024 £
At 1 April		(547,411)	(721,429)
Adjustments in relation to short term accumulated absences	4	(204,834)	174,018
At 31 March		(752,245)	(547,411)

29. Significant Trading Operations

The Council did not operate any significant trading operations during the 2024/25 financial year.

Notes to the Financial Statements

For the year ended 31 March 2025

30. Related Party Transactions

A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Council and Trade Unions in the course of their normal dealings with the Council. In addition, where the relationship between the Council and the entity is solely an Agency agreement, this is not deemed to be a Related Party Transaction.

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. They exclude transactions with any other entity that is a related party solely because of its economic dependence on the Council or the Government of which it forms part.

All transactions detailed below have been entered into in full compliance with the Council's Standing Orders.

Organisations in which Councillors have an interest

Councillors have direct control over the Council's financial and operating policies. During the year, the Council paid for works and services amounting to £383k (2023/24: £935k) from organisations in which individual Councillors have an interest. In the majority of cases this was not a personal interest, but rather they were representing Council. The main recipient within this total is £296k (2023/24: £831k) to Northern Community Leisure Trust.

The Council also paid grants and contributions of £578k (2023/24: £597k) to a number of organisations in which Councillors represented the Council's interest. The main grants and contributions were £461k paid to Community Advice Ards and North Down and £48k paid to Northern Community Leisure Trust. These grants and contributions were made with proper consideration of declaration of interests.

Joint Committees and Other Councils

The Council is a member of the arc21 Joint Committee which is established for the purposes of managing waste. arc21 accounts for its funding by the provision of a statement of accounts which is prepared under the Local Government (Accounts and Audit) Regulations 2015. During the year the Council incurred expenditure of £7,263k (2023/24: £7,188k) and received income of £99k (2023/24: £142k).

Council also received services amounting to £630k (2023/24: £498k) from other Councils and provided services of £454k (2023/24: £301k) to other Councils.

Details of all amounts outstanding to Councils and Joint Committees at 31 March 2025 are set out in notes [16](#) and [19](#).

The Council started the year with treasury deposits of £10.5M, representing income received in advance of expenditure plus balances and reserves held. The Council is required to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council made no deposits with local authorities in 2024/25.

Notes to the Financial Statements

For the year ended 31 March 2025

Other Public Bodies

In the course of the year, the Council incurred expenditure of £2,251k (2023/24: £2,128k) to other public bodies. £682k (2023/24: £657k) was in respect of property rates; £85k (2023/24: £98k) was in relation pension contributions. The balance of the amounts mainly relates to services received for example car parking management charges (£77k); OSNI LGMA mapping licence (£54k); valuation and Landweb fees (£112k); annual rentals (£224k). The Council received other income of £919k (2023/24: £1,642k) from other public bodies for services provided.

The Council made principal and interest loan repayments of £4,747k to the Department of Finance. An analysis of amounts outstanding to both the Department and other institutions at 31 March 2025 are set out in note [18b](#).

Details of amounts outstanding are set out in notes [16](#) and [19](#).

Council received grants from other public bodies of £21,325k (2023/24: £3,296k), including £6,605k Department for Infrastructure, £8,501k Department of Agriculture, Environment and Rural Affairs, £3,015k Levelling Up Funding, Department for Communities £2,380k (2023/24: £2,236k).

31. Events after the Reporting Period

There were no events occurring after the 31 March 2025 which require adjustment to the Council's financial statements or additional disclosures.

Accounts Authorised for Issue Certificate

The Chief Financial Officer authorised these for issue on 22 September 2025.

Unclassified

283

ITEM 9**Ards and North Down Borough Council**

Report Classification	Unclassified
Exemption Reason	Not Applicable
Council/Committee	Audit Committee
Date of Meeting	22 September 2025
Responsible Director	Director of Corporate Services
Responsible Head of Service	
Date of Report	28 August 2025
File Reference	
Legislation	
Section 75 Compliant	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Other <input type="checkbox"/> If other, please add comment below:
Subject	Request for a Members Survey
Attachments	

1. Background

At the Audit Committee meeting in May 2025, the Committee asked that a Members survey be conducted which would consider:

1. Length of Meetings
2. Composition of Meetings and Agendas
3. Size of Meeting Packs
4. Timelines for when Meeting Packs were circulated to Members

In addressing the first three points, a similar exercise was undertaken in 2023. The exercise and decisions reached by Council are outlined below.

2. Previous exercise

In October 2023, the then Chief Executive presented to the Group Party Leaders a list of proposed 'good practice' and Standing Order changes to conducting Council and Committee meetings.

Not Applicable

284

Following their consideration, an abridged list of 'good practice' proposals was presented to the Council in December 2023 as follows:

- Officers review the number, frequency and efficacy of Working Groups, Sub-Committees and Workshops outside of the Standing Committees.
- Officers review the Council (where appropriate) and Committee meeting agenda format, taking reports requiring decision/action first, with reports 'to note' grouped together later in the agenda. For Council meetings, the overall aim would be to reduce number of reports taken directly to Council.
- Officers to re-issue guidance to all Members on the appropriate use of Any Other Notified Business.
- Encourage and empower the Chair to be more robust in enforcing the Standing Orders and controlling inputs that are not relevant to the item being debated. As such, Officers should maintain a good understanding of the Standing Orders.
- Review the Scheme of Delegation to give more responsibility to the Corporate Leadership Team. Council agrees the annual Service Plans and budgets with Directors focussed on the delivery, returning to Council on exception for example, for scrutiny of performance or abnormality or if key decisions and approvals are required.

The Council considered and agreed to the above 'good practice' proposals.

2.1 Actions following

Following this decision, Officers then undertook to action as appropriate:

- The agenda format was updated to categorise reports by 'for approval' and 'for noting' both in public session and in confidence.
- It was agreed to commit a formal review of the Scheme of Delegation which was presented to Corporate Services Committee in June 2024 and agreed to review annually thereafter. The latest review was at the Annual Meeting in June 2025.
- Officers continue to regularly review the frequency and efficacy of Working Groups, Sub-Committees and Workshops outside of the Standing Committees
- Officers also continue to run regular, annual training sessions for Committee Chairs and on Standing Orders which includes appropriate use of Any Other Notified Business. The last session was in August 2025 and there are further session scheduled for September.

2.2 Standing Orders

In addition to 'good practice' proposals, the Party Leaders also considered a number of proposals for changes to the Standing Orders. Following their deliberation, a number of these were then considered at the Council meeting in January 2024:

Not Applicable

285

Standing Order 20.15, Duration of Speeches

“Except with the permission of the Council, a Member, in introducing a Motion, shall not speak for more than ~~ten~~ five minutes and in replying, for more than ~~five~~ three minutes. Other speakers shall be allowed one interaction which last no longer than ~~five~~ three minutes. The duration of speeches is not inclusive of the Officer’s response”.

The proposed changes to Standing Order 20.15 were not agreed.

Standing Order 11, Attendance of Members at Committees

Any Elected Member may attend a Committee meeting of which he/she is not a Member, ~~but may not take a Council seat within the main meeting area and instead should sit in the public gallery if~~ and subject to permission of the Chairman of the Committee, shall be given dispensation to speak on a matter that has been referred back to the Committee for consideration, but shall not, unless he/she is a Member of the Committee, vote in any division or propose any resolution or amendment. A matter may only be referred back to the Committee once. Items considered by the Planning Committee may not be referred back by an Elected Member who is not a Member of the Planning Committee. If the public and press are excluded from the meeting the Member is not required to leave the room but rather be bound by the restrictions imposed at that part of the meeting.

The proposed was not agreed and an alternative wording was agreed as follows:

“Any Elected Member may attend a Committee meeting of which he/she is not a Member but may not take a Council seat within the main meeting area and instead should sit in the public gallery save where he/she wishes to speak on an item or items.

To register an interest to speak, a Member should submit a request in writing to the relevant Director at least one working day in advance of the date of the Committee meeting at which they wish to be heard.

Where such a written request has been submitted that member shall be given special dispensation, subject to permission of the Chair, to speak on the item or items requested but shall not (unless he/she is a Member of the Committee) vote in any division or propose or second any resolution or amendment.

Once the item for which the Member has been granted dispensation has been dealt with the Member shall return to the public gallery. If the public and press are excluded from the meeting the Member is not required to leave the room but rather be bound by the restrictions imposed at that part of the meeting.

This section does not apply to planning applications before the Planning Committee which are instead subject to the Protocol for the Operation of the Planning Committee.”

Standing Order 17.1, Motions

Not Applicable

286

*“Notice of every motion, other than a motion which under Standing Order 17.2 may be moved without notice, shall be given in writing, signed by at least two Members of the Council giving the notice, to the Chief Executive not later than at least five working days before the next meeting of the Council. Each motion must have a proposer and seconder. The motion must be clear in meaning otherwise it shall be rejected until such time as it is resubmitted in clear language. **Prior to lodging a notice of motion, members should take the opportunity to engage with the relevant Director on current action being taken and options available to have the subject matter addressed. This may assist members in formulating the terms of notice of motion. The motion must be submitted and not later than five working days before the meeting.**”*

The proposed changes to Standing Order 17.1 were agreed.

Standing Order 17.1.7 –

*“If the subject matter of any motion of which notice has been properly given comes within the remit of any Committee it shall, upon being moved and seconded, stand referred without discussion to that Committee, or to such other Committee as the Council may determine, for consideration and report. The Presiding Chairperson may, if they consider it urgent and necessary to the dispatch of business, allow the motion to be dealt with at the meeting at which it is brought forward. **Where such a motion is deemed urgent, the Presiding Chairperson shall give notice of this decision to the Members at least one day in advance of the meeting at which that motion is to be heard.**”*

The proposed changes to Standing Order 17.1.7 were agreed.

3. Timelines for when Meeting Packs are circulated to Members

To address the final point on timelines for meeting packs, the Local Government Act (Northern Ireland) 2014 requires that agendas and associated papers are circulated to Members within 5 calendar days of the meeting. Ards and North Down Borough Council Standing Orders outlines that agendas and papers are to be published 3 working days in advance.

Taking a sample of the last three months, not including the date of publication or the date of the meeting, the circulation of papers were as follows:

Committee	Month	Date of publication	Date of meeting	Days
Council	April	23 April	30 April	6 calendar days, 4 working days
	May	21 May	28 May	5 calendar days, 3 working days (Bank Holiday)
	June	19 June	25 June	5 calendar days, 3 working days
Community and Wellbeing	April	11 April	17 April	5 calendar days, 3 working days

Not Applicable

287

Committee	Month	Date of publication	Date of meeting	Days
	May	7 May	14 May	6 calendar days, 4 working days
	June	11 June	18 June	6 calendar days, 4 working days
	June	11 June	17 June	5 calendar days, 3 working days
Corporate Services	April	1 April	8 April	6 calendar days, 4 working days
	May	6 May	13 May	6 calendar days, 4 working days
	June	11 June	17 June	5 calendar days, 3 working days
Environment	April	26 March	2 April	6 calendar days, 4 working days
	May	29 April	7 May	6 calendar days, 4 working days (Bank Holiday)
	June	4 June	11 June	6 calendar days, 4 working days
Place and Prosperity	April	27 March	3 April	6 calendar days, 4 working days
	May	30 April	8 May	6 calendar days, 4 working days (Bank Holiday)
	June	6 June	12 June	5 calendar days, 3 working days
Planning	April	25 March	1 April	6 calendar days, 4 working days
	May	29 April	6 May	5 calendar days, 3 working days (Bank Holiday)
	June	3 June	10 June	6 calendar days, 4 working days
Audit	May	20 May	27 May	5 calendar days, 3 working days (Bank Holiday)
	June	19 June	26 June	6 calendar days, 4 working days

Out of 20 circulations outlined in the above table, every circulation met the deadlines outlined in the legislation and Standing Orders. Of those 20, 13 circulations were ahead of schedule.

4. Proposed Actions

Given the work already completed as outlined above and that extensive consideration has been given by Officers and Members to these matters during this electoral term, it is not recommended that Council reconsider any of the previously

Not Applicable

288

proposed mitigations. It is also not considered that a Member’s survey would result in significant or meaningful change beyond what has previously been considered and accepted/rejected by Council.

However, it is recommended that Officers explore introducing a change to how Council considers ‘to note’ reports, whereby such reports are removed totally from the agenda and alternatively, are uploaded to Decision Time for Member’s information. If feasible, a process would be put in place under Standing Orders, similar to ‘Any Other Notified Business’ where Members can request that a ‘to note’ report is added onto the agenda for Committee consideration.

RECOMMENDATION

It is recommended that Council agree to explore implementing a new process around ‘to note’ reports.