March 16th, 2026

<u>Notice Of Meeting</u>

You are requested to attend the meeting to be held on **Monday, 23rd March 2026** at **7:00 pm** in **Hybrid - Church Street, Newtownards & via Zoom.**

Agenda

Agenda

1.   Apologies

2.   Chairman's Remarks

3.   Declarations of Interest

Reports for Noting

4.   Matters Arising from Previous Meetings

a)   Committee Minutes from 15 December 2025

(Attached)

b)   Follow-up Actions

(Attached)

5.   External Audit

a)   Audit Strategy ANDBC 2025-2026

Attached

6.   Internal Audit

a)   ANDBC Audit Committee Progress Report

(Attached)

b) ANDBC Review of the Labour Market Partnership

(Attached)

c) ANDBC Internal Audit - Climate Change Strategy Review

(Attached)

d) ANDBC Internal Audit Annual Report 2025-26

(Attached)

e) ANDBC Draft Annual Audit Plan 2026-27

(Attached)

f) Detailed Outstanding Recommendations Action Plans

(Attached)

7. Corporate Governance

a) Draft Procedure for 'to note' reports

(Attached)

8. Any Other Notified Business

ITEMS 9 - 11 ***IN CONFIDENCE***

9. Single Tender Actions Update Report

(Report to follow)

10. **Fraud, Whistleblowing and Data- Protection Matters (Verbal Update)**

11. **Meeting with NI Audit Office & Internal Audit Service in the Absence of Management (Verbal Update)**

ARDS AND NORTH DOWN BOROUGH COUNCIL

13 March 2026

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 23 March 2026** commencing at **7.00pm**.

Please note that the meeting will be preceded at 6:30pm by a training session for all Committee members.

Yours faithfully

Michael Steele
Acting 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 15 December 2025 (attached)
   b) Follow-up Actions (report attached)

5. External Audit
   a) Audit Strategy ANDBC 2025-2026 (attached)

6. Internal Audit:
   a) ANDBC Audit Committee Progress Report (attached)
   b) ANDBC Review of the Labour Market Partnership (attached)
   c) ANDBC Internal Audit – Climate Change Strategy Review (attached)
   d) Internal Audit Annual Report 2025-26 (attached)
   e) ANDBC Draft Annual Audit Plan 2026-27 (attached)
   f) Detailed Outstanding Recommendations Action Plans (attached)

7. Corporate Governance
   a) Draft procedure for 'to note' reports (report attached)

8. Any Other Notified Business

ITEMS 9-11 ***IN CONFIDENCE***

<u>**Reports for Noting**</u>**:**

9. Single Tender Actions Update Report (report to follow)

10. Fraud, Whistleblowing and Data-protection matters (verbal update)

11. 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 Newman
Councillor Cochrane	Councillor Thompson (Chair)
Councillor Hollywood (Vice-Chair)	Councillor Wray
Mr P Cummings	

ITEM 7.1

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 Monday, 12 December 2025 at 7.35pm.

PRESENT: -

In the Chair: Councillor Thompson

Alderman: Graham
McAlpine

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

In Attendance: NIAO – Anu Kane

Deloitte – Camille McDermott
Prachi Jain

Officers: Acting Chief Executive (M Steele), Acting Director of Corporate Services (C Jackson), Head of Finance (S Grieve), Democratic Services Officer (S McCrea)

1.   APOLOGIES

Apologies had been received from Councillor Hollywood.

NOTED.

2.   CHAIRMAN'S REMARKS

The Chairman welcomed Members to the meeting as well as Deloitte representatives Camile McDermott and Prachi Jain and Northern Ireland Audit Office (NIAO) representative Anu Kane and independent member, Paul Cummings.

NOTED.

3.   DECLARATIONS OF INTEREST

No Declarations of Interest were declared. Members were reminded that they could declare an interest at any time throughout the meeting.

NOTED.

Reports for Noting

(a) Audit Committee Minutes from 22 September 2025

PREVIOUSLY CIRCULATED: Copy of the above minutes.

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

(b) Follow-Up Actions

PREVIOUSLY CIRCULATED: Report from the Acting Director of Corporate Services providing an update of follows ups in relation to requests from previous meetings of the Committee.

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

5.   EXTERNAL AUDIT

[Note, the following three items were proposed together]

(a) Final Report to those Charged with Governance

PREVIOUSLY CIRCULATED: Final Report to those Charged with Governance from the Northern Ireland Audit Office.

RECOMMENDED that the report be noted.

Anu Kane explained that a draft report had been presented at the previous Audit Committee meeting. The audit had now reached its conclusion, being finalised on 30 September 2025. The final report was very similar to that which Members had seen at the previous committee meeting with the exception of one additional finding relating to Right of Use assets. Management had accepted all the recommendations made.

Councillor Wray was pleased to see that digitisation if Title Deeds and Public Right of Way records was ongoing. He queried if there was any update in relation to VAT treatment on sports services. The Head of Finance explained that substantial refunds plus statutory interest had been received from HMRC and that only one last claim remained which he hoped would be concluded in the coming weeks.

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

(b) Annual Audit Letter

PREVIOUSLY CIRCULATED: - Letter from the Northern Ireland Audit Office issued under Regulation 17 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Code of Audit Practice 2021.

RECOMMENDED that the report be noted.

Anu Kane advised that the Annual Audit letter was a statutory requirement which summarised the 2024-25 year.

Alderman McAlpine was pleased to see a decrease in sickness absence and asked how the Council fared in comparison to other local authorities. Anu Kane advised that the Local Government Auditor's Report had been published on 11 December 2025 for the 2023-24 accounts. In that year there was an average of 17.1 days per staff members in local government - a higher number than that recorded for Ards and North Down Borough Council.

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

(c) Performance Improvement Audit and Assessment Report 2025/26

PREVIOUSLY CIRCULATED: Report from the Acting Director of Corporate Services stating that the Local Government Auditor's (LGA) audit and assessment work on the Council's performance improvement arrangements had been concluded. The Audit and Assessment 2025-26 Report to the Council and the Department for Communities under Section 95 of the Local Government (NI) Act 2014 was attached at **Appendix 1** for Members' information.

Summary of the Audit

The LGA had certified the performance arrangements with an unqualified audit opinion, without modification. They certified that an improvement audit and improvement assessment had been conducted. The LGA also stated that, as a result, they believed the Council has discharged its performance improvement and reporting duties under Section 95 of the Local Government Act 2014, including its assessment of performance for 2024-25 and its 2025-26 improvement plan, and had acted in accordance with the guidance.

In their opinion, the Council had demonstrated a track record of ongoing improvement, and they believed that the Council was likely to comply with Part 12 of the Act during 2025-26.

During the audit and assessment, the LGA identified no issues requiring a formal statutory recommendation under the Act.

The LGA made one proposal for improvement as follows (to be considered when developing Internal Audit Plan for 2026/27):

Thematic area	Issue	Proposal for Improvement
Governance arrangements	In both 2023–24 and 2024–25, we highlighted the need for an internal audit review of Performance Improvement. Our review of the 2025-26 audit plan indicates that this area remains unscheduled. Given that the last internal audit of Performance Improvement was conducted in 2017–18, we consider the gap between reviews to be excessive.	While we recognise that Internal Audit completes individual service reviews, the Audit Committee should formally consider scheduling an internal audit of Performance Improvement, as a whole, as part of the 2026–27 audit plan. This would help ensure appropriate oversight and assurance in a key area of the Council's statutory responsibilities.

RECOMMENDED that Council notes the above summary and attached report at Appendix 1.

Anu Kane advised that the report was required under statute and was content that assessments would be delivered as was set out in the 2025-26 plan. There were no statutory recommendations though there was one recommendation for improvement in relation to an internal audit.

Anu Kane thanked the Council Officers involved for their steadfast support during the process to ensure statutory deadlines we met on each of the three reports.

Alderman Graham noted the mention of cyber risks in the Letter from the Audit Office and queried if the Council's insurance would cover any claims in the event of a data leak. The Acting Chief Executive advised that he wasn't sure of all the detail around this but even if he had that information to hand, it would be deemed confidential. He confirmed that he would update members in due course.

On a final note, Anu Kane advised that Colette Kane was retiring as Local Government Auditor, with Brian O'Neill taking over her position. As a result, the NIAO Auditor at the Committee in future would be Tomas Wilkinson.

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

6.   INTERNAL AUDIT

(a) Progress Report

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

RECOMMENDED that the report be noted.

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

Camille McDermott presented a progress update on audit work against the annual Audit Plan, noting that four audit reports had been brought to the Committee and that the remainder of the audit programme was on track to be completed within the financial year, with no matters of concern to report.

Members were advised that Appendix 2 contained issue tracking for outstanding recommendations. This is a quarterly report on progress around the implementation of prior audit recommendations. At the time of the last Audit Committee in September, there were 36 recommendations open, with a further five added through the reports presented at that meeting. Since then, several recommendations had been closed, leaving a total of 31 open, all of which were overdue.

Camille McDermott highlighted that the report was split between recommendations that were 'in progress' and those that had not yet been started, with the latter detailed from page 18 onwards together with management updates. She had highlighted that one priority #1 recommendation remained overdue, with its target completion date updated to September of the following year (2026), while a number of priority #2 recommendations were scheduled for completion during the next calendar year, some of which were expected to be addressed by the end of 2025. She reiterated the importance of timely implementation of recommendations.

Councillor Morgan referred to one recommendation that had been in place from 2019 and others that were overdue from following years. With recommendations existing and not being acted upon for such long periods, she expressed a feeling of little confidence in the process and questioned prioritisation methods, noting that one Head of Service was quoted as stating they had too much other work to focus on. The Head of Finance advised that the priority #1 recommendation from 2019 was 'in process' with significant remedial work being done through the implementation of a new corporate file plan (Electronic Data Records Management System) for the Council. Other delays had been caused by the time taken to introduce a new finance system, which was due to be in place by April 2026. The completion of this significant piece of work would enable a number of recommendations to be closed. He understood and shared the concern at the evident delays detailed in the report and he and the Acting Director of Corporate Services would be focusing on ways to secure further progress in the new year. He highlighted that three years ago the Council had around 100 recommendations and though the current number was high, it was a significant improvement on previous figures.

Councillor Morgan asked for input from Deloitte on their views of the outstanding recommendation total. Camille McDermott advised Deloitte worked with many different clients and that whilst it was true that, in 2019 when their services were engaged by the Council, there had been many more recommendations and progress had been made, this Council would still sit at the higher end of unclosed recommendations. She noted that any action now or plan of action for dealing with the closing of recommendations was welcome and very important.

Paul Cummings shared Councillor Morgan's concerns, suggesting that recommendations should not await actioning for 4-5 years. Though he recognised

progress had been made, what was once an issue of volume now seemed to be an issue of time. This suggested either Council Officers could not be bothered to fix them or they didn't have sufficient resources to do so. He did not believe it was the former so could only assume it was the latter. He raised the potential for significant reputational damage should something untoward occur due to an outstanding recommendation that the Council were aware of but had been unable to act upon. Mr Cummings expressed concern that a Head of Service had been noted as not responding to audit queries – which was unacceptable.

Providing some context, the Acting Chief Executive explained that it was difficult to quantify the very significant amount of work required by some recommendations, compared to others when they were presented in a report as figures. In relation to the Priority 1, a crucial step in its resolution was the introduction of an EDRMS (corporate file plan). This, along with the new finance system, was the most significant project ongoing in the organisation requiring all staff and Members to change how they record and store data. The timescale for implementation of a project of this scale was at least 12-18 months. Many recommendations were not instant fixes and take considerable time to address. Taking time did not mean the management was not taking the recommendations seriously. In relation to the Priority 2 recommendation around Travel and Expenses, which had been delayed by a number of years, it should be noted that it had been assimilated into the list of other priority policies that the Council needed to develop. Management had assessed which policies needed to be progressed first in relation to the risk they posed and as a result Travel and Expenses moved lower on the list.

The Head of Finance added that he would bring back a further report to the next meeting, working with Internal Audit, to provide a more focused update on the priority recommendations. Following a query from Alderman McAlpine it was confirmed that this report would be developed with input from the relevant Heads of Service.

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

(b) Staff Performance Management Review

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

RECOMMENDED that the report be noted.

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

Camille McDermott summarised the audit work undertaken on controls relating to staff performance management, including objective setting, appraisals, and reporting. She explained that three priority #2 findings had been raised, resulting in a limited level of assurance. The first finding concerned the completion of staff appraisals, where a sample of 25 staff revealed instances of non-compliance with policy requirements, inconsistencies in the use of forms, and variations in approvals. It was emphasised that the correct forms should be used and that appraisals and mid-year reviews should be completed in a timely manner.

The second finding related to the monitoring and reporting of the appraisal process. In one example, two services reported 0% completion to the relevant committees, although data indicated closer to 50%, meaning the reported figures appeared worse than in reality. She highlighted that there was no consistent reporting of appraisal completion across directorates. She noted that introducing automated or digital forms for all staff, rather than manual alternatives, could help reduce manual calculations and improve accuracy, with KPIs suggested as part of the reporting process.

The final finding concerned policy inconsistencies. Staff in some services used a Jotform for appraisals but this process was undocumented, leading to minor discrepancies between policy and guidance documents. Camille McDermott confirmed that all recommendations had been accepted by management.

Councillor Morgan proposed, seconded by Councillor McKee, that the report be noted.

Councillor Morgan felt this was a significant risk to the Council – workforce issues being the second highest risk to organisations as outlined in the Audit Committee training. She felt that carrying out of an effective appraisal should be a core competency of managers. The Acting Director of Corporate Services advised that the Head of Strategic Change had working closely with auditors on this report and welcomed the focus on the area, which management had identified was an area of potential weakness. The team were taking the recommendations very seriously and already working on remedial actions. As outlined in the report actions to address a significant number of the recommendations would be completed by April 2026.

Alderman McAlpine was curious as to whether an employee satisfaction survey had been completed. The Acting Director of Corporate Services explained that no survey had been carried out in relation to appraisals, but that the Council was currently undergoing accreditation for Investors In People (IIP) which offered all staff the opportunity to take part in a survey that addressed a wide range of employee related matter. The results of this survey would be provided to the Council in January 2026 and would be used to inform the Organisational Development Action Plan/ People Plan. Alderman McAlpine noted that inconsistencies in approach around appraisals/ development plans would likely result in negativity in the IIP survey results.

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

(c) Community Plan Implementation Review

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

RECOMMENDED that the report be noted.

The Chairman invited Camille McDermott, Deloitte to present the report. Camille McDermott explained to Members that the internal audit of controls on monitoring and reporting of the community plan and its implementation, undertaken in collaboration with partners and stakeholders, had raised two priority #2 findings

and provided a satisfactory level of assurance. The first finding related to the definition of measures of success, noting that while nine of the thirteen workstreams had been established to deliver the plan, there were no formally defined action plans or measures of success in place to ensure outcomes were achieved. The second finding concerned the terms of reference for workstreams, with three of the thirteen lacking formal documentation, which made it difficult to assess from meetings how objectives were being delivered. This created a risk that partnerships and groups could drift away from core objectives. All recommendations were accepted by management, and Members were asked to note that management had advised the actions relating to the second priority #2 finding had already been addressed.

Councillor Wray proposed, seconded by Councillor Morgan, that the report be noted.

Councillor Wray noted that it was concerning that some workstreams had no action plans. He commented that a community grant would not be given out if the requesting organisation could not provide evidence of how it would achieve and measure success. The Council was a grant funding authority and yet was not following similar guidelines. He believed this could easily and quickly be addressed through a workshop for staff and that the November 2026 implementation date seemed long. The Acting Director of Corporate Services advised that she would get further information from the Community Planning Manager on the implementation plan but that it should be noted that these workstreams involve multiple external partners which often meant it took longer to progress and agree new approaches than when the Council was acting alone.

Councillor Morgan referenced the Big Plan, its creation in 2016 and the 9 out of 13 workstream issues mentioned in the report. She referred to the plan as, *"wishy washy"* and questioned whether it would happen at all. Camille McDermott explained that progress against the community plan was not directly evaluated in this audit. While the absence of action plans did not mean no activity was taking place, clear measures of success were needed to demonstrate impact. Given the plan's fifteen-year, outcome-based approach, concern was raised that without defined pathways to achieve outcomes, significant work could be undertaken over time without delivering the core goals.

Councillor Morgan observed that the Council often found itself in a position of having to do the heavy lifting to achieve progress. Concerns were raised that without strong commitment from partners, success was unlikely. Councillor Morgan stressed the need to avoid wasting time and to remain practical about what could realistically be achieved especially since the plan's introduction was back in 2016. The Acting Director of Corporate Services advised that there was no doubt that considerable success has been achieved on some key elements of the Community Plan – as had been highlighted at a milestone event held for partners earlier in the year. She undertook to collate some further information from the Community Planning Manager in this regard.

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

(d) <u>Policing and Community Safety Partnership (PCSP) Review</u>

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

RECOMMENDED that the report be noted.

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

Camille McDermot explained that the annual review of the PCSP, required by funders, focused on processes for grant giving, tendering, and direct delivery contracts. The review, which was conducted each year, resulted in one priority #2 finding and provided a satisfactory level of assurance. The finding related to documentation, specifically the retention of Conflict-of-Interest forms and records of tendering completed in 2022, which were not on file. It was also noted that tenders completed in 2022 had been extended for three months during the financial year to ensure continuity of services while new contracts were put in place. A similar extension had occurred in 2019, which had been approved by Council, but the PCSP had not received reports of the associated increased costs. The recommendation was that such costs should be reported and that Conflict of Interest forms should be consistently retained during tendering.

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

(e) <u>Use of Agency Workers Policies and Processes Review</u>

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

RECOMMENDED that the report be noted.

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

Camille McDermott reported on the audit of agency workers and confirmed that two priority #2 and three priority #3 findings had been raised, resulting in a limited level of assurance. The first priority #2 finding related to recruitment, where in a sample of 22 agency staff, the agency worker policy had not been consistently followed, with issues such as missing purchase orders, lack of evidence of approval, and one case where documentation could not be obtained. It was recommended that all staff adhere to the policy and retain documentation accordingly.

The second priority #2 finding concerned agency staff costs, noting that while Council engaged three to four agencies and received updates such as hourly rates, this information was not collated or reported to the Corporate Leadership Team (CLT). It was recommended that such reporting be introduced to provide oversight of agency use and associated costs.

The priority #3 findings included the process for checking workers' right to work, where agencies provided confirmation, but Council's own sample checks were not documented, and it was recommended that this be recorded for assurance. Another finding related to declarations of interest, with the existing policy not explicitly

covering agency use. An example was proffered of managers employing agency workers who could be relations and as such, it was recommended that the policy be updated. The final finding concerned monitoring staff end dates, where temporary staff could remain in post without clear review. It was recommended that a process be introduced to document and monitor this, with the new electronic purchase order system highlighted as a useful control. Camille McDermott confirmed that all recommendations had been accepted by management.

Councillor McKee asked if this audit review had been undertaken due to a previous in-confidence discussion related to whistleblowing. The Acting Chief Executive advised that this review had been identified in the four-year audit plan but was brought forward for the reason Councillor McKee had mentioned. Councillor McKee believed it was fortunate that the issue had been raised by a former staff member and that the subsequent review would help ensure accountability.

Alderman McAlpine believed that if the overall strategy for recruitment, succession planning and general staff matters (Workforce Plan) was progressed it would greatly help with this issue and reduce risk to the Council.

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

7.   CORPORATE GOVERNANCE

(a) Summary of Statements of Assurance – 1 April-30 September 2025
(File ref: SOA1)

PREVIOUSLY CIRCULATED: Report from the Acting 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. The period of this report was 1 April - 30 September 2025.

As a result of the Council's corporate restructure (Phase 1), some service areas had been amalgamated or moved into different a directorate since 30 September 2025. As such, the assurance statements for this period were the last that would be completed relating to the previous corporate structure.

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/ or appropriate further actions to adequately mitigate or resolve the risk.

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

Section 1 – Strategic and Operational Risk Management

Services reported appropriate controls were currently in place and/or that they had identified satisfactory actions to review, monitor, control, mitigate and resolve issues, where appropriate.

The Parks and Cemeteries Service had reported some issues around Legionella control at a corporate and service level. Training had been organised for staff to address this on the service level and discussions were ongoing at a corporate level.

Regeneration had reported that a recently established forum of 11 Councils and the Department for Communities (DfC) had proven useful for Officers to discuss key elements including risk, project design and delivery via partnerships. They had also reported the successful establishment of the Small Settlements Programme and the Urban Regeneration Programme 2024-2026 with DfC.

The Planning Service had reported that a risk to the ability of the Independent Examiner of the Planning Appeals Commission to run hearings for plans had been identified and raised with the Department for Infrastructure (DfI). Separately the Service had been advised by DfI of an Executive agreement to ringfence £3m up to the end of the 2028-29 financial year for the appointment of Independent Inspectors.

The Economic Development Service had reported that they were awaiting a letter of offer in relation to the Local Economic Partnership from the Department for the Economy which would be issued once they had reviewed the Terms of Reference. Until it was received, the Council was working at risk under the basis of a memorandum of understanding.

The Community Planning Service was reviewing risk assessments, service plans and its risk register to reflect new responsibilities for Climate Change from 1 July 2025.

The Administration Service had reported that the filing rationalisation project was almost complete. The Record of Processing Activities that was found to be required in the Data Protection Audit had a target date for completion of 30/09/2026. A valuer had been appointed for obtaining reinstatement valuations.

The Human Resources and Organisational Development Service had reported that a Talent Continuity Policy was adopted from 1 May 2025 to assist staff with their development and help future proof the Council's workforce.

Section 2 – Internal Control

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

The Communications and Marketing service had launched a programme of internal communications to ensure staff awareness of key issues including the new Corporate File Plan and Financial Management System.

Leisure Services had identified that work was needed to better ensure staff training records were up to standard. They had also reported that staffing levels remained a 'live issue' with an over-reliance on casual and seasonal staff and challenges to maintain minimum levels of staffing.

The Finance Service had successfully implemented the new purchase order monitoring system and has recorded it as a new control measure.

The Regeneration Service had reported 2025/26 as its first year with a dedicated capital budget. A Post Project Evaluation exercise was planned for early 2026/27 to establish if controls were sufficient and if any lessons can be learned.

Economic Development had reported an issue with outstanding debtors. This was being followed up on with the Finance service.

Community Planning had reported the establishment of a Strategic Net Zero board that would assist the Council in meeting its targets and obligations in this area.

The Administration Service had reported the development of a Policy Register, through which the most up-to-date version of all policies could be found and all policies could easily be tracked to ensure reviews took place at the appropriate time. The Service had also reported on audit findings, the most significant of which was the ROPA (Record of Processing Activities) referenced in above. Other actions related to budget reports being a standing item at monthly team meetings and ensuring comprehensive commentary for all significant variances each month.

The Facebook page relating to the market in Bangor which was outside of Council control had been closed.

Section 3 – Governance

The Finance Service had tightened the process for new suppliers. The Team had continued to report on the implications of the interaction of holiday and overtime pay, aiming to complete payment of outstanding entitlements to affected staff by the end of the year.

The Environmental Health, Protection and Development Service had reported that an appeal had been lodged against the Council for failing to revoke caravan site licence conditions for campervans using Council car parks for overnight stays. The review of measures to prevent overnight stays or provision of a compliant facility were ongoing. Separately, the service had also reported two potential data breaches – both have been reported to the Data Protection Officer. Due to the circumstances of one breach, there had been a change in the way Elected Member requests were recorded on Council systems.

The Planning Service were meeting with the Council's legal services providers to seek recommendations on future enforcement action. In addition, the Planning Committee agreed in March 2025 to proceed with a court injunction, the Service was awaiting next steps from their legal advisers.

The Economic Development Service had undertaken a procurement exercise to appoint an operator for Bangor Harbour and Marina and was performing due diligence on the proposed appointment. It had received a request from DfC to pay the final Stage 4 payment for the Academy for People with Disabilities on completion rather than on receipt of the final report (6 months after close). This was processed with a claw back clause that the amount would be retrieved if the programme was not concluded in a satisfactory manner.

Regulatory services continued to seek training in dog handling in response to new demands upon them by the XL Bully regulations.

Deviations from procurement
- Direct award of data migration services in connection with moving to the current financial management system (Finance).
- MOU re refugee funding (Community and Culture)
- Single supplier direct award - beacons for cultural expressions festivals (Community and Culture)
- Single supplier direct award - 'For everyone' initiative (Parks and Cemeteries)
- Extension of contract – web hosting (Communications and Marketing)
- Celebrity Chef Anna Haugh, Comber Earlies and Tide and Turf (Tourism)
- Park and Ride, Translink, Armed Forces Day (Tourism)
- Red Arrows, Armed Forces Day (Tourism)
- Atlas Communications, WiFi for Armed Forces Day (Tourism)
- Extension of the insurance brokerage contract for one year to allow for regional review by SOLACE (Administration)
- Venue hire (Community Planning)

Section 4 – Miscellaneous

The Finance Service had reported that a failure to implement a corporate information management strategy and system was inhibiting service efficiencies and hybrid working.

RECOMMENDED that the Council notes this report.

Councillor Wray proposed, seconded by Councillor Morgan, that report be noted.

Councillor Wray, in reference to the report's mentioning of dog handling training, recalled how the issue had been discussed on previous occasions and through a Notice of Motion and was curious what the barrier to that training was. The Head of Finance advised that XL Bully training was in the budget recommendations for 2026-27 and that a trainer had been identified. This would be progressed in the next financial year, subject to Committee approval of the estimates.

Councillor Morgan felt that there should be mention in Section 3 of the report of outstanding actions from internal audit and whether delivery was delayed due to a lack of available resources. The Head of Finance advised that he would take her suggestion under consideration for the next Audit Committee.

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

Reports for Approval

8.   ANY OTHER NOTIFIED BUSINESS

The Chairman advised that there were no items of notified business.

NOTED.

EXCLUSION OF PUBLIC/ PRESS

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

Reports for Noting

9.   FORMER ARDS LEISURE CENTRE SITE, WILLIAM STREET, NEWTOWNARDS - VESTING – UPDATE

IN CONFIDENCE

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

Council was given an update delayed payment of compensation by the Department for Infrastructure in respect of the lands vested at the old Ards Leisure Centre site. The recommendation was to note the report.

10.   SINGLE TENDER ACTIONS UPDATE REPORT FOR QUARTER 3 2025-26
(File ref: 231329)

IN CONFIDENCE

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

Council was asked to note the fact that there have been no Single Tender Actions brought to the attention of the Procurement Service Unit since the last report.

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 HOLDNG THAT INFORMATION)

Members were advised of 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 HOLDNG THAT INFORMATION)

A meeting was held in the absence of management.

The Acting Chief Executive, Acting Director of Corporate Services, Head of Finance, Democratic Services Officer and Multi-media Technician withdrew from the meeting during the discussion of the item at 20:25 and returned to the Chamber at 20:30

NOTED.

RE-ADMITTANCE OF PUBLIC AND PRESS

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

TERMINATION OF MEETING

The meeting terminated at 20:31.

Unclassified

ITEM 4b

Ards and North Down Borough Council

Report Classification	Unclassified
Exemption Reason	Not Applicable
	If multiple:
Meeting	Audit Committee
Date of Meeting	23 March 2026
Responsible Director	Director of Corporate Services
Responsible Head of Service	Head of Finance
Report title	Follow-up Actions
Attachments	
File Reference (if applicable)	
Legislation	Other Local Government (Accounts and Audit) Regulations 2015
Resource Implications	Staffing Narrative:
Screening Requirements	*The Council will commit to consider the implication of all reports under the categories of Section 75, Rural Needs, Data Protection, Climate and Sustainability:* Screening of report not required
Link to Corporate Plan Priority and Outcome	Priority 1: Economic 7. Ards and North Down Borough Council is a high performing organisation If multiple:

Background

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.

Key Issues

Item	Title	Action	Officer	Status
Dec 23 6b	Audit and Assessment Report	Drafting of formal consultation strategy	Head of Comms and Marketing	In draft Sep-25
Sep 25 9	Request for a Members Survey	Alternatives to current report 'noting' process	Chief Executive	Item 7a
Dec 25 4b	Follow-up actions	Review ToR to reduce change in membership	Head of Finance	Annual Meeting Jun-26
5c	Performance Audit	Consider performance improvement audit for 2026/27	Head of Finance	Item 6f
6a	IA progress report	Report detailing how long-outstanding rec's will be prioritised All HoS to provide responses to follow-up requests	Head of Finance	Item 6e
6c	Community Plan Review	Report on success factors for outcomes based accountability	Community Panning and Climate Manager	Jun 26
7a	Interim Assurance Statements	Review section 3 regarding inclusion of outstanding IA rec's	Head of Corporate Governance	Jun 26

RECOMMENDATION

It is recommended that Council **Notes** this report

Northern Ireland
Audit Office

Audit Strategy

Ards and North Down Borough Council
2025-26

Date Issued

06 March 2026

Contents

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.

1. Key Messages

Background

The Local Government Auditor is the independent external auditor of Ards and North Down Borough Council's ("the Council") Statement of Accounts under the Local Government (Northern Ireland) Order 2005. In addition to the audit of the financial statements, the Local Government Auditor has a statutory duty to be satisfied the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of its resources.

The Local Government Auditor (LGA) is also required to conduct an improvement audit and assessment each year under Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) and the statutory *'Guidance for Local Government Performance Improvement 2016'*, (the Guidance).

Purpose

The purpose of this document is to highlight to the Chief Financial Officer and Audit Committee of Ards and North Down Borough Council:

- how we, on behalf of the Local Government Auditor (LGA), plan to audit the financial statements for the year ending 31 March 2026, including how we will be addressing significant risks of material misstatement to transactions and balances;

- how we, on behalf of the LGA, plan to audit the proper arrangements in place for securing economy, efficiency and effectiveness in the use of resources for the year ending 31 March 2026;

- how we, on behalf of the LGA, plan to conduct an improvement audit and assessment;

- the planned timetable, fees and audit team;

- relevant updates to the Code;

- matters which we are required to communicate to you under International Standards on Auditing (ISAs), including the scope of the audit, our respective responsibilities, and how we maintain independence and objectivity; and

- Public Reporting work undertaken by the LGA that is relevant to the Council

Materiality

When setting materiality, we consider both qualitative and quantitative aspects that would reasonably influence the decisions of users of the financial statements. The overall account materiality is £1.75 million.

Significant Audit Risk

We plan our audit of the financial statements to respond to the risks of material misstatement at both the financial statement and assertion levels, including those related to transactions, account balances, and disclosures. We have identified the following risk for the Council which has the most significant impact on our audit approach:

- Management Override of Controls

Proper Arrangements

We will issue a questionnaire on proper arrangements to the Council. We will review the Council's responses and perform additional work in areas considered to be higher risk. The main financial audit work will also feed into the risk assessment and conclusions of arrangements in place.

Conclusions regarding proper arrangements will be noted in the Report to those charged with Governance including any recommendations for improvement.

Performance Improvement

The LGA will undertake a full assessment of whether the Council is likely to comply with its performance improvement responsibilities under the Act in 2026. In preparation for this, the Council should ensure that:

- it has established adequate performance improvement arrangements;
- it has substantive evidence to demonstrate improvement; and
- it has addressed any outstanding Proposals for Improvement made by the LGA in previous years.

Audit Team and Fee

Tomas Wilkinson will be responsible for the overall audit. The full engagement team is presented in Section 4.

Our audit fee for this year is £82,600 for the financial audit and £17,400 for the performance improvement audit and assessment.

Actions for the Audit Committee

The Audit Committee should discuss:

- whether our assessment of the risks of material misstatement to the financial statements is complete;

- whether management has plans in place to address the risks identified by NIAO and whether these plans are adequate;

- our proposed audit response to address these risks; and

- whether they have knowledge of any

  - actual, suspected or alleged fraud affecting the Council; or

  - instances of non-compliance with laws and regulations that could be expected to have a fundamental effect on the operations of the Council.

2. Materiality

BASIS FOR OVERALL MATERIALITY CALCULATION	OVERALL ACCOUNT MATERIALITY (2%)	ERROR REPORTING THRESHOLD
£87.3m (prior year gross expenditure]	£1,750k	We report to you all misstatements, whether adjusted or unadjusted, above £87,300

A matter is material if its omission or misstatement, individually or in aggregate, could reasonably be expected to influence the decisions of the users of the financial statements. The assessment of what is material is a matter of the auditor's professional judgement and includes consideration of both the amount and the nature of misstatement.

The concept of materiality recognises that absolute accuracy in financial statements is rarely possible. An audit is therefore designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. We apply this concept in planning and performing our audit, in evaluating the effect of identified misstatements on our audit and of uncorrected misstatements, if any, on the financial statements when forming the audit opinion. This includes the statistical evaluation of errors found in samples which are individually below the materiality threshold but which, when extrapolated, suggest material error in an overall population. As the audit progresses our assessment of both quantitative and qualitative materiality may change.

In areas where users are particularly sensitive to inaccuracy or omission, we may treat misstatements as material even below the principal threshold. These areas include:

- the remuneration and staff report;
- movement on reserves;
- our audit fee;
- prior year figures; and
- specific legal settlements or amounts which should be agreed to other accounts.

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3. Audit Approach

Audit Approach

The NIAO audit approach is risk-based, informed by a good understanding of the operations of the Council and the performance of extensive risk assessment procedures to identify risks of material misstatement associated with the financial statements and the use of IT in financial reporting. For each risk of material misstatement identified, we will design responsive audit approaches at the financial statement and audit assertion levels as appropriate using a variety of audit techniques. These will include using the work of experts, testing how management has made accounting estimates, analytical procedures and sampling of transactions. We will review management controls, including IT controls, operated by the Council, which are relevant to the preparation of the financial statements, to the extent necessary to identify and assess risks of material misstatement and risks of material irregularity, and to design appropriate audit procedures. We plan the audit as a continuous process, incorporating updated requirements under the ISAs (UK), ensuring alignment with quality management standards and applying professional scepticism throughout.

Independence

We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard. We have fulfilled our ethical responsibilities in accordance with these requirements and have developed important safeguards and procedures in order to ensure our independence and objectivity.

NIAO quality standards and independence can be found on our website.

Management of Personal Data

During the course of our audit, we have access to personal data to support our audit testing. The NIAO has appointed a Data Protection Officer and has implemented a Data Protection Policy which ensures that personal data (and other sensitive data) used in connection with the audit

is requested, transferred, controlled, processed and destroyed in accordance with the UK General Data Protection Regulation and applicable national law.

Using the work of Internal Audit

We liaise closely with internal audit throughout the audit process and seek to take assurance from their work where their objectives cover areas of joint interest. Following our review of internal audit's plans, we do not aim to take assurance from internal audit but will review their work in order to aid our testing approach.

Using Specialised Skills

In assessing certain account areas requiring specialist knowledge, we will perform procedures to enable us to rely on the skills of specialists in these areas. We will consider the report and assumptions provided by the actuary used in respect of pension schemes. We will also consider the results of NIAO's central review of Land and Property Service in respect of its valuation expertise.

Changes to the Code of Practice in 2025-26

Substantial and significant accounting changes have been made to the 2025-26 Code of Practice as a result of HM Treasury's Thematic Review on Non-Investment Assets. The main changes and sections impacted are set out on pages vii and viii of the Code. Other key changes and updates in the 2025-26 edition of the Code include:

- Section 3.7 has been updated to reflect the change in content of the annual governance statement following the publication of Delivering Good Governance in Local Government: Framework – Addendum covering the annual review of governance and the annual governance statement (2025).
- Section 4.2 has been updated to remove the transitional arrangements for the implementation of IFRS 16 Leases and to reflect IPSAS 43 Leases becoming applicable from 1 January 2025.

- Section 4.3 has been updated to remove the transitional arrangements for the implementation of IFRS 16 Leases.

- A minor update to Section 4.10 to reflect IPSAS 45 Property, Plant and Equipment becoming applicable from 1 January 2025.

- Appendix A of the Code has been updated to reflect the adoption of IFRS 17 and amendments to IAS 21.

- Confirmation in Appendix C (Changes in accounting policies: disclosures in the 2024-25 and 2025-26 financial statements) of the transitional reporting requirements of the new standards introduced in the 2025-26 Code.

- Confirmation in Appendix D (New or amended standards introduced to the 2025-26 Code) of the new standards introduced to the 2025-26 Code.

Audit Scope

The scope of our audit and respective responsibilities can be found on our website.

The Code of Audit Practice issued by the Local Government Auditor extends to not only the audit of financial statements but also to aspects of financial and corporate arrangements to secure the economic, efficient and effective use of resources. The Code can also be viewed on the NIAO website.

Respective Responsibilities in the preparation of the financial statements

In line with Auditing Standards, we are required to agree the respective responsibilities of the Local Government Auditor, the Council's Chief Financial Officer and the NIAO. These responsibilities are set out in the Statement of Responsibilities of Local Government Auditors and Local Government Bodies issued by the Local Government Auditor. The Statement of Responsibilities can be viewed on the NIAO website.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Proper Arrangements in place to secure economy, efficiency and effectiveness

Under the Code of Audit Practice, we are also required to perform an initial assessment of significant risks to the conclusion on proper arrangements in place to secure economy, efficiency, and effectiveness in the use of its resources.

Our initial assessment does not indicate any significant audit risks, however, we noted in our 2024-25 audit that improvements in the following areas were required:

- Updating of a number of policies.

- Fraud training to be provided to all council staff and members.

- Accreditation of the Council's ICT system along with cyber security accreditation.

Performance Improvement

The Local Government (Northern Ireland) Act 2014 prescribes responsibilities for the Local Government Auditor regarding the audit and assessment of performance improvement arrangements in Councils. This work will be conducted in accordance with the Act, the Guidance, the Local Government Code of Audit Practice 2026 and the LGA's Statement of Responsibilities, and includes:

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

The Act also allows the LGA to:

- carry out an assessment for the purpose of determining whether the Council is likely to comply with the requirements of Part 12 of the Act in subsequent financial years; and
- carry out a special inspection of the Council's compliance with the requirements of Part 12 if the LGA is of the opinion that the Council may fail to comply with the requirements of Part 12 of the Act.

The audit team will request access to all relevant documents and Council officers. Sharing our 'audit work programme' in advance of the audit will assist the Council in preparing for the audit fieldwork. We suggest the Council prepares a file of audit evidence in advance of the fieldwork stage, cross referenced to specific paragraphs or sections of the documents providing the necessary evidence. This should help us deliver a more efficient audit.

Significant Audit Risks

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's judgement, requires special audit consideration.

Under ISA (UK) 240, there is a presumed risk of fraud in revenue recognition, albeit rebuttable. We do not believe the risk of fraud in revenue recognition is material to the financial statements of the Council.

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 will:

- Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- Review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material

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misstatement due to fraud;

- Consider significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual.

Other Matters

Replacement Finance IT system

In addition to the significant risk we have identified above, we note that the finance IT system – TOTAL, is scheduled for replacement on 1 April 2026. The 2025-26 financial statements will be prepared on the TOTAL system and any reports, necessary for the audit to progress, will be generated it. However we note that it will be unsupported from 1 June 2026, leaving the system exposed to cyber-attack, data loss and downtime.

While we do not consider this to represent a significant risk of material misstatement in the financial statements this is a matter which we will continue to monitor and respond to as appropriate throughout the audit.

Extended Producers Responsibility (EPR) Initiative

In 2025-26, all Local Authorities in Northern Ireland received funding under the Extended Producer Responsibility (EPR) initiative. This scheme requires UK organisation and businesses to pay fees based on the packaging they supply to or import into the UK market, with the resulting income intended to support the efficient management of household packaging waste.

The statutory purpose of this funding is to cover the Council's net efficient costs incurred in the efficient management of household packaging waste.

However, the specific grant conditions, restrictions, or clawback mechanisms associated with this funding have not been fully clarified. As part of our audit, we will review the grant conditions issued by DEFRA/DAERA and assess whether the Council has appropriately recognised, classified, and disclosed this income in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

4. Audit Timetable, Fees and Staffing

Timetable for Financial Audit

The timetable comprises a final visit commencing on 14 July 2026 (subject to client staff availability) with certification planned for 30 September 2026. We will be working in a hybrid manner and expect relevant staff from the Council's finance team to be available onsite on agreed days for audit queries.

MILESTONE	ESTIMATED DATE
Draft Annual Report and year-end financial statements provided to NIAO	30 June 2026
Council/ Committee Meeting to approve final accounts	21 September 2026
Signed financial statements and Letter of Representation provided to NIAO	23 September 2026
Financial Statements certified by LGA	By 30 September 2026
Draft Report to those charged with governance issued for management response	14 September 2026 (ideally)
Final Report to those charged with governance issued	By 30 November 2026
Annual Audit Letter issued	By 30 November 2026

Submission of Accounts

The Council is required to submit its accounts to the Department for Communities by 30 June following the year end. The Council should also send an electronic version of the accounts, along with the excel spreadsheet underpinning them, to NIAO at the same time as being sent to the Department.

Public Notice

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 requires the Council to give notice, by publication on its website, of the date from which the accounts and other documents are available for public inspection and the date from which the exercise of rights under Article 17 and 18 of the Order may be exercised. In the current audit timeframe, notice should be placed on websites in early July. The LGA usually writes to councils closer to the time to remind them of this requirement as the audit of the accounts cannot be certified as being completed until the notice period has been executed in full.

Objections

The 2005 Order allows objections to be raised from interested parties concerning the Council's accounts. We will hear and carefully consider representations by, and objections from, any such interested parties. In conducting our audit, we may consider the lawfulness of items of account, the conduct of members and officers, instances where it appears a loss may have arisen and our other statutory duties required of the Local Government Auditor.

Improvement Audit and Assessment Timetable

MILESTONE	ESTIMATED DATE
Council publishes Performance Improvement Plan	Not later than 30 June 2026*
NIAO Planning and Fieldwork	September/October 2026
Council to publish an assessment and comparison of its performance	No later than 30 September 2026
Draft S95 report issued to Chief Financial Officer for factual accuracy agreement	14 November 2026
Final S95 report issued to the Council and the Department	30 November 2026
Publication of Council's Annual Improvement Report	No later than 31 March 2027

* The Act indicates that councils should publish their Performance Improvement Plan as soon as practical after the start of the financial year to which it relates. The Guidance recommends this is completed by the end of June to enable the LGA to meet the statutory reporting deadline of 30th November.

Fees

The audit fee for this year is £82,600 (£80,850 in 2024-25) for the financial audit and £17,400 (£17,000 in 2024-25) for the performance improvement audit and assessment.

Completion of our audits in line with the timetable and fee is dependent upon:

- the Council delivering on 30 June 2026 a complete Statement of Accounts of sufficient quality that have been subject to appropriate internal review;
- the Council delivering good quality supporting documentation and evidence, within the agreed timetable for both the financial and improvement audits; and
- appropriate client staff being available during the audit.

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Audit team – Statement of Accounts and Proper Arrangements

TEAM MEMBER	RESPONSIBILITY
Tomas Wilkinson **Engagement Director** 028 9025 1073 Tomas.wilkinson@niauditoffice.gov.uk	Overall responsibility for the audit, for ensuring an appropriate audit opinion is given and for liaison with Ards and North Down Borough Council and its Audit Committee
Anu Kane **Engagement Manager** 028 9025 4301 Anu.kane@niauditoffice.gov.uk	Responsible for day-to-day management of the audit and audit team.
Pamela Dugdale **Lead Auditor** (028) 9025 1079 Pamela.dugdale@niauditoffice.gov.uk	Responsible for detailed planning, fieldwork and completion of the audit.
Lauren Thornberry **Team Member** (028) 9025 1079 Lauren.thornberry@niauditioffice.gov.uk	Responsible for conducting audit fieldwork to NIAO standards.
Niamh O'Hanlon **Team Member** (028) 9025 1062 Niamh.ohanlon@niauditoffice.gov.uk	Responsible for conducting audit fieldwork to NIAO standards.
Katie Williams **Team Member** (028) 9025 1049 Katie.williams@niauditoffice.gov.uk	Responsible for conducting audit fieldwork to NIAO standards.

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Audit team – Improvement Audit and Assessment work

TEAM MEMBER	RESPONSIBILITY
Tomas Wilkinson **Engagement Director** 028 9025 1073 Tomas.wilkinson@niauditoffice.gov.uk	Overall responsibility for the audit, for ensuring an appropriate audit opinion is given and for liaison with Ards and North Down Borough Council and its Audit Committee
Anu Kane **Engagement Manager** 028 9025 4301 Anu.kane@niauditoffice.gov.uk	Responsible for day-to-day management of the audit and audit team.
Lauren Thornberry **Lead Auditor** (028) 9025 1049 Lauren.thornberry@niauditoffice.gov.uk	Responsible for detailed planning, fieldwork and completion of the audit.
Katie Williams **Team Member** (028) 9025 1049 Katie.williams@niauditoffice.gov.uk	Responsible for conducting audit fieldwork to NIAO standards.

Appendix One: Good Practice Guides

The NIAO has produced a series of good practice guides for Northern Ireland public sector bodies. The following guides have been published in the last five years:

- **Effective Audit and Risk Assurance Committees**
  31 March 2025

- **School Governance Good Practice Guide**
  4 July 2023

- **Innovation and Risk Management – A Good Practice Guide for the public sector**
  27 June 2023

- **Planning Fraud Risks**
  1 March 2023

- **Board Effectiveness – A Good Practice Guide**
  22 June 2022

- **Internal Fraud Risks**
  24 February 2022

- **Grant Fraud Risks**
  28 October 2021

- **A Strategic Approach to the Use of Public Sector Assets A Good Practice Guide for Local Government in Northern Ireland**
  21 October 2021

These publications can be found on our website.

Appendix Two: Public Reports

Relevant Public Reports

Public Reporting audit teams within NIAO undertake studies across the public sector. Public reports relevant to local government, published in the last three years, are as follows:

- **Local Government Auditor's Report 2025**
  11 December 2025

- **Waste Crime in Northern Ireland**
  3 July 2025

- **Local Government Auditors Report 2024**
  25 October 2024

- **Public Bodies' Response to Misrepresented Soil Analysis**
  05 July 2024

- **Review of Waste Management in Northern Ireland – Report**
  05 July 2024

- **Local Government Auditors' Report 2023**
  15 December 2023

- **Extraordinary Audit of Causeway Coast and Glens Borough Council**
  07 July 2022

- **Planning in Northern Ireland**
  01 February 2022

- **Local Government Annual Improvement Reports 2021/22**
  31 March 2022

Current and Planned Public Reporting Activities

Other NIAO public reporting examinations currently being completed which have relevance to the local government sector are:

- **A Strategic Review of the Planning Appeals Commission** - A strategic review of the overall role and function of the Planning Appeals Commission, the range of challenges it is currently facing and the options available to improve performance and wider planning outcomes in Northern Ireland.

- **Culture of Raising Concerns –** A review to assess and evaluate current practices related to raising concerns in the public sector and identify any barriers, including culture, which may prevent individuals from reporting their concerns. The review will also consider raising concerns data across the public sector to identify potential trends, as well as identify any possible gaps in data collection.

Proposals for future studies specific to local government are based on gathering an understanding of the sector and identifying areas where value for money might be at risk. This requires ongoing completion of routine survey work by the audit team and more detailed analysis of specific areas which show potential as future study topics. The audit team will liaise with the sector when carrying out this work.

Deloitte.

Ards and North Down Borough Council

Audit Committee Progress Report

March 2026

Contents

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 09/03/2025) is set out below:

Final Report / Complete	Draft Report	Fieldwork	Planning	Yet to Commence	Cancelled/ Deferred	Total
7	3	1	-	-	-	11

Since our previous Audit Committee progress report we have:

- Issued final draft reports for the following reviews:

  - Labour Market Partnership

  - Climate Change Strategy

- Issued draft report for the Digital Services Governance Review.

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

Final Reports

Summary of Findings Identified

Final Report
Labour Market Partnership Review

Background

This assurance review was undertaken as part of the 2025/26 Internal Audit Plan. The purpose of the internal audit was to review the controls that manage the Labour Market Partnership's (LMP's) grants and expenditure.

Overview

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

- Discussions with key members of staff involved in the Labour Market Partnership, including the Head of Economic Development, Labour Market Partnership Manager and Economic Development Manager, to walkthrough key processes.

- Review of key items of documentation such as policies and procedures and contracts, meeting minutes between LMP and the chosen project supplier samples and the Q2 Quarterly Funding Claim Workbook.

- A limited programme of sample testing to assess control operating effectiveness including awarding of a sample of LMP projects, payment of funding to selected sample projects, and review of a sample of committee meeting minutes. Consideration of possible improvements or alternatives for the controls in place.

- 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
-	-	-

Overall Rating

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

Findings

There were no **Priority 1, 2 or 3** findings identified during our review.

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Final Report
Climate Change Strategy Review

Background

This assurance review was undertaken as part of the 2025/26 Internal Audit Plan. The purpose of the internal audit was to review governance and controls in place for the development and implementation of the Council's climate change plans.

Overview

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

- Discussions with key members of staff involved in the Climate Adaption Plan and the Climate Mitigation Action Plan including the Community Planning and Climate Manager and the Climate Change and Sustainability Manager to walkthrough key processes.
- Review of key items of documentation such as the Climate Adaption Plan and the Climate (Mitigation) Action Plan.
- Consideration of possible improvements or alternatives for the controls in place.
- Reporting of findings with practical recommendations.

Priority 1	Priority 2	Priority 3
-	4	-

Overall Rating

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

Findings

There were no Priority 1 findings identified during our review.

There were four Priority 2 findings identified during our review. These can be summarised as follows:
- Inadequate governance structures and processes.
- Absence of a structured workplan for the Climate Adaption Plan.
- Lack of prioritisation on actions and timelines.
- Lack of monitoring and reporting on progress against plans.

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 09/03/2026.

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 7th April 2025	w/c 7th April 2025	Final report presented to September 2025 Audit Committee and issued 26/09/2025.
Use of Agency Staff Policy and Processes	Director of Corporate Services / Head of HR and Organisational Development	10	Complete	Limited	w/c 28th April 2025	28th April 2025	Final report presented to December 2025 Audit Committee and issued 14/01/2026.
Service Review – Community and Culture	Head of Community and Culture	15	Complete	Satisfactory	3rd June 2025	3rd June 2025	Final report presented to September 2025 Audit Committee and issued 26/09/2025.
Staff Performance Management	Director of Corporate Services / Head of HR and Organisational Development	13	Complete	Limited	w/c 9th June 2025	9th June 2025	Final report presented to December 2025 Audit Committee and issued 14/01/2026.
Lease Management	Head of Administration	13	Complete	Satisfactory	w/c 9th June 2025	9th June 2025	Final report presented to September 2025 Audit Committee and issued 26/09/2025.
Quarter 2							
Community Plan Implementation	Community Planning Manager	12	Complete	Satisfactory	w/c 28th July 2025	28th July 2025	Final report presented to December 2025 Audit Committee and issued 14/01/2026.
PCSP	Head of Community and Culture	5	Complete	Satisfactory	w/c 8th September 2025	8th September 2025	Final report presented to December 2025 Audit Committee and issued 14/01/2026.

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							
Digital Services Governance	Head of Strategic Transformation and Performance	13	Draft report issued	-	5th November 2025	5th November 2025	Draft report issued on 06/03/2026.
Quarter 4							
Climate Change Strategy	Director of Corporate Services / Head of Administration	15	Final Draft Report issued	-	w/c 19th January 2026	19th January 2026	Final draft report issued on 09/03/2026. To be presented to March Audit Committee.
Labour Market Partnership	Head of Economic Development	5	Final Draft Report issued	-	w/c 19th January 2026	19th January 2026	Final draft report issued on 02/03/2026. To be presented to March Audit Committee.
Cyber Security	Head of Strategic Transformation and Performance	15	Fieldwork complete	-	w/c 2nd February 2026	2nd February 2026	Closing meeting held on 04/03/2025. Draft report to be issued w/c 09/03/2026.
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

We have engaged with management to prepare the draft 2026/27 Internal Audit Plan which we are presenting to the March 2026 Audit Committee for approval.

Management has asked us to develop a scope for the preliminary review of Leisure Centre Procurement for Synthetic Pitches.

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

Deloitte.

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 third quarter update for 2025/26 will be now reported to the Audit Committee.

Outstanding Recommendations

Annual update as at 09/03/2026

	Priority 1	Priority 2	Priority 3	Total
Total items remaining open as at 13/03/2025	**3**	**22**	**14**	**39**
Items added to tracker during the year	-	15	15	30
Issues closed/superseded during the year	(2)	(12)	(16)	(30)
Issues risk accepted during the year	-	-	(1)	(1)
Total items remaining open as at 09/03/2026	**1**	**25**	**12**	**38**
Items started and overdue	-	6	3	9
Items not started and overdue	1	11	6	18
Items not yet due	-	8	3	11

Outstanding Recommendations

Update as at 09/03/2026

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

Legend: ■ Priority 1 ■ Priority 2 ■ Priority 3

Quarterly Follow-Ups Update

March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
1	Information and Data Protection Review	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). 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. 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: • 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. 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. .	The Council should ensure that: 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: a. Update to the RoPA to reflect links to relevant documents. b. Location of where personal data is stored; and c. 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	1. Data mapping exercise undertaken by British Telecoms (BT) for the digital strategy. 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: a) Update to the RoPA to reflect links to relevant documents. b) Location of where personal data is stored; and c) Records of personal data breaches or a link to the data. 3. The ROPA will include guidance regarding the roles and responsibilities of the DPO and the Heads of Service Units in relation to updates, maintenance, and review of the RoPA	31/05/2025	The Head of Service advised "The Council are currently rolling out a new Corporate Filing System. The principles established for this, along with the Regional Retention and Disposal Schedule and the development of a RoPA for the Council will all form the basis for an Records Management Policy. This is currently underway and will be complete by September 2026. This will include guidance regarding the roles and responsibilities of the DPO and the Heads of Service Units in relation to updates, maintenance, and review of the RoPA. A ROPA has been created as part of the New Corporate Fie Plan. This will will detail all aspects required from a ROPA. We are currently 40% complete and will be 100% complete by September 2026. The Council is the lead in developing a Regional Retention and Disposal Schedule, this is being developed currently and in conjunction with other Councils and PRONI. Once completed this will include version control mechanisms which record the policy approver, approval date and the date of the next review in line with the Council's Policy Development Process." Updated target date of implementation; **31/09/2026** ~~31/05/2025~~

Quarterly Follow-Ups Update

March 2026

Table showing details of all overdue Priority 1 and 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 "A new policy will be drafted, however this is likely to be closely tied with other work streams which will delay progress.." Updated target date of implementation; **31/03/2028** ~~31/12/2026~~ ~~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 "As for the above recommendation" Updated target date of implementation; **31/03/2028** ~~31/12/2026~~ ~~31/12/2025~~ ~~31/03/2026~~ ~~31/03/2025~~ ~~31/03/2024~~ ~~01/10/2023~~ ~~31/03/2022~~

Quarterly Follow-Ups Update

March 2026

Table showing details of all overdue Priority 1 and 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	The Head of Service advised "Investigation of getting a report written by CORE for this has resulted in the Council being advised of a cost of approximately £5000, therefore, it was decided to wait until a Systems Officer was in place to look into this further to find out if there was a less expensive way of recording this information." Updated target date of implementation; **30/06/2026** ~~31/12/2025~~ ~~31/07/2025~~ ~~31/03/2025~~ ~~30/09/2024~~ ~~31/03/2024~~ ~~30/06/2023~~ ~~01/12/2022~~

Quarterly Follow-Ups Update

March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
5	Procurement	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.	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.	2	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. 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. 2. In addition to the above, any corporate reviews that are carried out on an ad hoc basis during 2020/21 will be documented.	01/12/2020	The Head of Service advised 'No formal review of spend has been undertaken due to limited PSU resources. It is anticipated that a Procurement Officer will be appointed in summer 2026 and a spend review/identification of potential Corporate Contracts will be undertaken in Q3 of 2026..' Updated target date of implementation; **30/09/2026** ~~31/03/2026~~ ~~31/03/2025~~ ~~31/03/2024~~ ~~01/01/2025~~ ~~01/05/2024~~ ~~30/04/2023~~ ~~30/04/2022~~

Quarterly Follow-Ups Update

March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
6	HR: Recruitment & Retention	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.	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.	2	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. 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.	01/04/2021	The Head of Service advised "A draft formal Workforce Strategy has been created and is currently under final review by HR and will then be sent to the Working Group Once final draft has been agreed by Senior Management, it will be consulted on with Staff and the Trade Unions." Updated target date of implementation: **31/05/2026** ~~31/03/2026~~ ~~31/09/2025~~ ~~31/12/2025~~ ~~31/03/2024~~ ~~30/09/2023~~ ~~01/04/2022~~

Quarterly Follow-Ups Update

March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
7	Grant Funding	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. Due to an absence of documented policy, we identified the following in relation to grants administered via SLAs: 1. Reconciliation of SLA Expenditure • 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.	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: 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	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	The Head of Service advised "A new policy will be written. This will likely be a stand alone policy rather than a extension of Grants Policy." Updated target date of implementation; 31/12/2026 ~~01/03/2026~~ ~~30/09/2025~~ ~~01/01/2026~~ ~~01/03/2025~~ ~~30/09/2024~~ ~~30/09/2023~~

Quarterly Follow-Ups Update

March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
7	Grant Funding	2. Advance Payment Guidance • 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.	*See previous slide.*	2	*See previous slide.*	31/03/2023	*See previous slide.*

Quarterly Follow-Ups Update

March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
8	HR (Absence Management)	**Absence Trigger Notification** We identified that there is no automatic notification to assist HR in monitoring when the following trigger points are hit; •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). **Return to Work Notification** 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. 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.	Management should examine the possibility of implementing system controls within CORE which allow for HR to create reports which will: •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. Management should remind Line Managers of their responsibility to track unacceptable patterns of absence.	2	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. Further examination of the notification functionality of CORE and/or a separate add on system.	31/05/2024	The Head of Service advised "· The CORE system to date has been unable to create a report which will identify when a 5% trigger has been met, therefore, other software options are being explored. · An HR Systems Support Officer commenced post on 1 January 2026 so options will be explored with this specialised officer once she is up to speed with all the systems in line with the Workforce plan for this position. · Line Managers are reminded of their responsibility to track unacceptable patterns of absence in the Absence Management training and refresher courses." Updated target date of implementation; **30/09/2026** ~~31/03/2026~~ ~~31/07/2025~~ ~~31/03/2025~~ ~~31/05/2025~~

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Quarterly Follow-Ups Update

March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
9	HR (Absence Management)	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: •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.	Management should remind Line Managers to ensure that: 1.All staff should complete a return-to-work interview when they have returned from a period of absence. 2.Line Managers should follow up on any supporting documents not provided in line with Council Absence Management Policy and provide these to HR.	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	The Head of Service advised "Further reminder email will be sent." Updated target date of implementation; **31/03/2026** ~~31/12/2025~~ ~~31/09/2025~~ ~~31/03/2025~~ ~~30/06/2024~~
10	IT General Controls	Privileged access on Core HR is made up of three different categories: Payroll access, HR access and Security access. 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. 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.	In Line with ISO27001:2002 5.18 Access Rights, Management should: 1.Define and implement a Segregation of Duties Matrix, highlighting what roles can and cannot be assigned to Core HR users. 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: •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	1. Agreed 2. Formal review control procedure will be put in place.	30/09/2024	The Head of Service advised 'This will be put in place'. Updated target date of implementation; **30/09/2026** ~~31/12/2025~~ ~~30/09/2025~~ ~~01/03/2025~~ ~~30/09/2024~~

Quarterly Follow-Ups Update

March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
11	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 that an annual declaration of interest email will be sent to remind officers of their duty to submit this form Follow up emails if forms not submitted on time Updated target date of implementation; 31/07/2026 ~~31/03/2026~~ ~~30/09/2025~~

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Quarterly Follow-Ups Update

March 2026

Table showing details of all overdue Priority 1 and Priority 2 recommendations and all overdue open Priority 3 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
12	Community and Culture Service Review	Council Income and Expenditure are grouped into three categories: • Payroll Expenditure • Goods and Service Expenditure • Income 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." 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: 1. Payroll Variance Explanation Rate = 49.6% 2. Goods and Services Variance Explanation Rate = 55.5% 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.	Service Management should: 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.	2	1. Significant issues update added to the agenda for the monthly SUM/HoS meeting. 2. 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.	30/09/2025	The Head of Service advised "Training will be provided by Finance on the new procedures following the introduction of the new financial management system in April." Updated target date of implementation; **30/06/2026**

Quarterly Follow-Ups Update

March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
13	Procurement	The Council's Ordering and Payments Guidance notes an intention dating from 2015 to obtain an electronic procurement system to replace the current system of paper Purchase Order and Goods Received Notes. As of the date of our fieldwork, there had not been a decision taken to progress this intention. The current paper-based system is reliant upon manual checks by Finance of procurement authorisation levels and that invoice details match purchase orders. Physical signatures and handwritten dates are used to document approval. We identified in a sample of 25 items of below-threshold procurement in the year, three instances where authorisation was dated after the invoice date for the procurement, and one instance where the value of procurement on a purchase order (£3,999) exceeded the staff member's authorisation level (£3,000).	The Council should revisit its original intention to implement an electronic procurement system and determine whether to proceed in order to strengthen controls over authorisation levels and provide increased efficiency in the procurement process. In the meantime, staff should be reminded: • that authorisation of Purchase Orders must take place prior to the order of the good or service; and • to ensure that they obtain the correct authorisation per the delegated authorisation levels for all purchase orders.	2	1. The Council already has an electronic procurement system for tenders. The project to introduce an electronic purchasing system was put on hold largely due to the current Finance system provider withdrawing from that market. As a result, it is more appropriate to progress a new Finance system to include electronic purchasing as part of this scope. The potential for this will be reviewed as part of a Strategic Transformation and Efficiency Programme with progression of this subject to prioritisation of competing transformation projects. 2. Reminders will be issues to Staff on the use of Purchase Orders and authorisation. **(Closed)**	01/03/2021	The Head of Service advised "New financial management system, including a fully integrated purchase to pay system, is due to go live imminently." Updated target date of implementation; **31/03/2026**

Quarterly Follow-Ups Update

March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
14	Supplier Payments	For a sample of 40 supplier payments made in the past 12 months, we identified the following: • Seven payments did not have a corresponding purchase order or payment request (where applicable) completed; • One payment had a purchase order in place; however, the cost had not been included. • Three payments where there was a mismatch in cost centre as recorded on the PO and as per payment report; • Six instances where the cost centre was not included on the PO; • One instance with missing goods receipt note, where we would expect this to have been received and retained; and • One instance where the invoice date was prior to the payment request date (22 days). For 41 instances out of all supplier invoices processed during the review period, we noted the invoice date recorded on the system was prior to the actual invoice date. However, on further review of five sample cases it was noted that they were data entry errors.	Management should: i. Ensure that purchase orders or payment requests (where applicable) are completed in advance for each proposed expenditure. ii. Provide refresher training and guidance to ensure all staff members responsible for purchasing are clear of their responsibilities in terms of raising purchase orders prior to ordering and receiving any goods/services. Additionally, in relation to the previous advisory review of supplier payments in July 2020, management should implement the following recommendations: iii. Management should evaluate if there is merit in implementing a purchase to pay system to automate the procurement and supplier payment process (three-way check driven by system).	2	i. Managers will be reminded at the beginning of the new financial year of the need to complete purchase orders and payment requests fully. **(Closed)** ii. Training will be provided following the issue of the updated guidance. **(Closed)** iii. P2P system will be considered.	31/12/2022	The Head of Service advised "New financial management system, including a fully integrated purchase to pay system, is due to go live imminently." Updated target date of implementation; **31/03/2026**

Quarterly Follow-Ups Update
March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
15	Finance Service and Readiness Review	As set out in Section 1, the Council has approved funding for 2023/24 to procure a new finance system. We noted the following observations with regards to Finance system readiness: Requirements of New Finance System i. We noted that a department review (Focus Groups/Interviews/Questionnaires) involving all stakeholders who will be using the system has not been undertaken to date by the Finance team, to obtain information on what the Council needs from the new finance system, to streamline finance tasks and ensure that the new finance system fulfils the needs of the organisation to mitigate system compatibility risks. In addition, we noted that a department review has not been completed to date to assess the drawbacks of the current system across the four management functions, in order to ensure the current issues with the finance system are addressed in the new finance system. Lessons Learned from Implementation of Core HR/Payroll system. ii. Management advised that a formal lessons learned review has not been completed to date on the recent implementation of the Core HR/Payroll system, because there is still one module on the system that has to be completed. Section five of the business case for the new finance system notes that a lesson learned review on the Core HR/Payroll system will be completed, however there is no timeframe noted advising when the review will be completed. Identification of Skills & Training Needs Within Existing team	We recommend that: i. A formal review is undertaken to identify the Council's needs for the new finance system and drawbacks of the current finance system. ii. A lesson learned review is carried out immediately on the Core HR system, and that a final lesson learned review can be completed following the implementation of the of the final Core HR/Payroll module. iii. A formal skills assessment is completed for all intended users of the system after the Council has identified their needs from the new finance system.	2	i. A review to establish the benefits and drawbacks of the current system will be carried out before a new system will be procured. **(Closed)** ii. A post project evaluation will be carried out. **(Closed)** iii. Training needs for users will be built into the implementation plan for the new system.	31/03/2024	The Head of Service advised "New financial management system, including a fully integrated purchase to pay system, is due to go live imminently. A training reassessment has been completed and training will be finished by the end of March." Updated target date of implementation; **01/04/2026**

Quarterly Follow-Ups Update

March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
15	Finance Service and Readiness Review	iii. We noted that a formal review has not been undertaken to date to identify the skills and training needs within the existing Finance team regarding the implementation of the new finance system. We noted that although the Council's pride in performance process identifies general skills and training needs within the Finance Service it does not specifically call out skill training needs to address the transition to and implementation of the new finance system and address user adoption risks. Management advised that when they have identified the needs of the new finance system they will perform a formal skills assessment to evaluate staff skills resources and training needs.	*See previous slide.*	2	*See previous slide.*	31/03/2024	*See previous slide.*

Quarterly Follow-Ups Update
March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
16	Information and Data Protection Review	We reviewed Council's Data Protection Policy, Information Access Policy, and the Retention and Disposal Schedule and identified the following: 1. Data Protection Policy: • The Data Protection Policy has passed its next review date of June 2024, with the last review date being August 2021. Management advised that the review would be carried out following the completion of Internal Audit to include any recommendations made. • The policy does not include the UK GDPR requirement to maintain a RoPA. • The policy does not outline permitted methods of disclosing information to the requestor when the Council receives a Subject Access Request (SAR) - for example via email or links provided by the Police Service of Northern Ireland (PSNI). 2. The Information Access Policy is required to be reviewed every 3 years. We identified that the policy was last reviewed and approved by the Council in 2017. Management advised that the existing policy is updated and currently going through Trade Union consultation process. Following this it will be presented to the Council for approval. 3. The Retention and Disposal Schedule has not been reviewed since 2016. We identified that the current schedule does not capture the date of last review or date of Council approval. We also note that the policy does not reference relevant legislation and guidelines, standards, or frameworks, such as the UK GDPR 2018 and DPA 2018.	The Council should ensure that: 1. The Data Protection Policy should be reviewed and updated to include permitted methods of sharing information with the requestor. 2. The Information Access Policy and the Retention and Disposal Schedule should be reviewed and updated to include reference to relevant legislation and guidelines, standards, or frameworks, such as the UK GDPR 2018 and DPA 2018. 3. The Retention and Disposal Schedule should be reviewed and updated to include version control mechanisms which record the policy approver, approval date and the date of the next review.	2	1. The Data Protection Policy has been reviewed and updated to include permitted methods of sharing information with the requestor. 2. Information Access Policy is awaiting ratification by December Council. This will include all the recommendations. **(Closed)** 3. Retention and Disposal Policy is currently under review and will include all the recommendations. This will be done as part of the Council's move to an EDRMS. **(Closed)**	31/05/2025	The Head of Service advised "'The Council is the lead in developing a Regional Retention and Disposal Schedule, this is being developed currently and in conjunction with other Councils and PRONI. Once completed this will include version control mechanisms which record the policy approver, approval date and the date of the next review in line with the Councils Policy Development Process." Updated target date of implementation; **30/09/2026**

Quarterly Follow-Ups Update

March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
17	Governance Framework	1. The Council has defined and implemented a suite of policies, procedure documents and guidance materials to support its governance framework. From our review of these, we identified the following: a. Gifts and Hospitality Policy – Council Staff: this Policy was last reviewed on 25th November 2015. There is no version control, including Policy review process. b. Gifts and Hospitality Policy – Elected Members: this Policy was last reviewed in December 2016. There is no defined Policy review process. c. Declaration of Interest Policy and Procedure (Employees) – the Policy and Procedure document makes reference to a requirement for employees paid at National Joint Council (NJC) scale point 29 to declare their interest annually. However, in practice, only officers at or above NJC Scale point 24 are required to declare their interest annually. Management advised that the scale point was nationally changed from 29 to 24. 2. We also noted there is no defined period for review of the Council's Standing Orders.	The Council should ensure that: 1. Policies, procedure documents and guidance materials outlined in the finding are updated to accurately reflect current approved processes and requirements relating to the Council's Governance Framework. 2. The documents outlined in the finding are updated to define a version control section, owner and approver. 3. The Council should document and implement a review period for the Council's Standing Orders.	2	1. Policies, procedure documents and guidance materials outlined in the finding will be updated to accurately reflect current approved processes and requirements relating to the Council's Governance Framework. 2. The documents outlined in the finding will be updated to define a version control section, owner and approver. 3. The Council has documented and implemented a review period for the Council's Standing Orders. **(Closed)**	30/09/2025	The Head of Service advised "'Policies will be updated accordingly." Updated target date of implementation; **30/09/2026**

Quarterly Follow-Ups Update
March 2026

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

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
18	Social Media	a. Strategy and KPI Good practice denotes that a social media strategy(s) is developed that is aligned with other corporate strategies and appropriately communicated, and that metrics are established to monitor the successful implementation and use of social media. We noted the absence of a social media strategy and KPIs either as a stand-alone document or as part of their Service Level Strategy or Annual Plan for the following channels: • AND Leisure Facebook • Visit Strangford Lough Facebook b. Reporting Good practice denotes that periodic reporting on social media activity and engagement is reported to the respective Head of Service and relevant Council Committees for the Service in line with the strategy. We noted that formal reporting on social media activity and engagement is not in place for the following channels: • AND Leisure Facebook • Visit Strangford Lough Facebook	i. Social media strategy and KPIs (either as a stand-alone document or as part of the annual Service Plan) should be developed for the following channels: - AND Leisure Facebook - Visit Strangford Lough Facebook ii. Formal reporting on social media activity and engagement should be made to the respective Head of Service and relevant Council Committees for the Service for the following channels either as a stand-alone report or reporting as part of the annual Service Plan: - AND Leisure Facebook - Visit Strangford Lough Facebook	2	1. A strategic review of the Visit Strangford Lough Channel commenced in June 2021 to consider its fit with the wider social media strategy. The review will include a monthly engagement report to head of service during that period in the same format as current reporting for Visit AND channels. The strategic review is due for completion in September 2021 and will include recommendations for the long-term future of the channel and any relevant KPIs agreed as required. As this channel was set up jointly with Newry Mourne and Down, a strategic discussion is scheduled in June with Newry Mourne and Down DC key stakeholders to determine their position with regards to the channel. 2. Agree KPIs for leisure page and provide monthly performance report to Operations Manager Leisure. **(Closed)**	01/09/2021	The Head of Service advised "Create a plan to transfer Visit Strangford Lough Facebook page onto Visit AND and Visit Mournes Gullion and Strangford pages respectively by May 2026. Maintain existing management arrangements until transfer is complete A weekly content plan for posting on the VSL page by trained officers using the Meta Business Suite online. Report on the annual KPI on the Tourism, Arts and Heritage Service Plan in 2025/26." Updated target date of implementation; **30/06/2026**

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

March 2026

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Ards and North Down Borough Council

Review of the Labour Market Partnership (LMP) – Final Draft Report

March 2026

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Contents

Version Control:

Version:	Issued by:	Date:
Draft Report	Deloitte	17/02/2026
Final Draft Report	Deloitte	09/03/2026

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1. Overview

1.1 Introduction

This audit was undertaken as part of the 2025/2026 Internal Audit Plan to review the controls that manage the Labour Market Partnership's (LMP's) grants and expenditure.

1.2 Overview

Ards and North Down Borough Council ('the Council') established its Labour Market Partnership in August 2021 when the Department for Communities (DfC) in Northern Ireland made funding available for the establishment of Labour Market Partnerships (LMP) within each of the 11 Councils in Northern Ireland.

The aim of Ards and North Down's Labour Market Partnership is to help improve employability outcomes and labour market conditions locally. The Council has identified that the LMP will work through coordinated, collaborative, multi-agency partnerships to meet their regional objectives whilst being flexible to meet the needs presented by localised conditions and helping to connect employers with employees. On 15th May 2025, DfC approved funding of £402,571.61 to the Council for the costs associated with the LMP for 2025/26. Further funding of £109,792.26 was allocated on 11th November 2025, bringing the total approved funding to £512,363.86.

Expenditure Monitoring

The monitoring process for expenditure and progress against project objectives takes place within bi-weekly meetings held with the group responsible for delivery of the project. These bi-weekly meetings provide verbal progress updates, which are documented in formal meeting minutes. Initially, the meetings are bi-weekly and then occur monthly once the project has been established.

Within the funding agreement between the Council and the project supplier, conditions for payment are outlined. This includes the right for the Council to clawback 10% payment for underperforming projects where performance targets are not being met.

Contract Monitoring

Contract monitoring arrangements are outlined within each project's funding agreement. Project progress is monitored via meetings held with the project supplier. These meetings are held bi-weekly and then monthly once the project has been up and running for a few months. If there are issues with the performance, for example, a project has not attracted as many people as the contract outlined, the Council re-evaluates the funding to that project and reallocates funding accordingly.

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Reporting

The LMP team within the Council responsible for delivering the LMP report to the Place and Prosperity Committee on a quarterly basis. Reporting to the Council is for information purposes only, with the Council not making any LMP decisions. The report includes updates on the funding received from DfC and the progress of LMP projects.

The team reports on LMP programme progress to DfC on a quarterly basis. The LMP team maintain a quarterly Funding Claim Workbook. This workbook captures all ongoing LMP projects mapped against the strategic priorities laid out in the action plan. Details such as the project start and end dates, the supplier of the projects, and the active targets as well as the actual achievements of each project, are recorded. It also includes information on the expenditure of projects and invoice numbers. A claim summary for LMP running costs and project costs against the allocated budget is completed and signed off by the Economic Development Manager and the Performance Accountant from the Finance Team before submission to DfC.

The LMP team also report to the LMP, which includes key external stakeholders and the Council Officers. These bi-monthly meetings are held in person. These meetings include progress updates against the action plan and any finance/budget-related updates.

1.3 Scope and Objectives

The scope of this internal audit included a review of the governance arrangements of the LMP and controls to manage grants and expenditure. The key objectives of the Internal Audit were to:

Expenditure Monitoring

- Determine if the controls in place to monitor expenditure by the LMP and monitor adherence to conditions set in the Department for Communities (DfC) Funding Agreement are operating effectively.

- For projects which are completed by the Council internally, ensure that expenditure is monitored as an externally awarded project is.

- For a sample of Council projects funded as part of the LMP during the 2025/2026 period:

  o Ensure that funding has been awarded in line with LMP conditions and with relevant Council financial policies and procedures.

  o Determine if project monitoring was completed.

  o Determine if there were processes in place to withhold funds for underperforming projects.

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Contract Monitoring

- Determine if there are periodic monitoring meetings held with contractors to discuss performance against contract obligations.

Reporting

- Determine if there are adequate reporting structures within the Council to report progress against budget and overall programme progress.

1.4   Approach

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

- Discussions with key members of staff involved in the Labour Market Partnership, including the Head of Economic Development, Labour Market Partnership Manager and Economic Development Manager, to walkthrough key processes.
- Review of key items of documentation, such as policies and procedures, contracts, meeting minutes between LMP and the chosen project supplier, samples and the Q2 Quarterly Funding Claim Workbook.
- A limited programme of sample testing to assess control operating effectiveness, including awarding of a sample of LMP projects, payment of funding to selected sample projects, and review of a sample of committee meeting minutes.
- 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 during January and February 2026.

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1.5   Summary of findings

We have not identified any Priority 1, Priority 2 or Priority 3 issues which should be brought to the attention of management and the Audit and Risk Committee.

Priority 1	Priority 2	Priority 3
-	-	-

1.6   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.

Ards and North Down Borough Council – Internal Audit of LMP – FINAL DRAFT REPORT

This report is intended solely for the information and internal use of Ards and North Down Borough Council and should not be used or relied upon by any other person or entity.

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2. 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.

David Kinsella

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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.

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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.

Ards and North Down Borough Council – Internal Audit of LMP – FINAL DRAFT REPORT

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Agenda c) / Item 6c - ANDBC Internal Audit Climate Change Strategy Revie...

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Ards and North Down Borough Council

Internal Audit - Climate Change Strategy Review – Final Draft Report

March 2026

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.

Ards and North Down Borough Council – Internal Audit Climate Change Strategy Review – FINAL DRAFT REPORT

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Draft Report	Deloitte	23/02/2026
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1. Overview

1.1 Introduction

The 2025/26 Annual Internal Audit Plan includes provision for an assurance review of the governance and controls in place for the development and implementation of the Council's climate change plans.

1.2 Process Overview

As part of the Ards and North Down Borough Council ("ANDBC", "the Council") Corporate Plan, '*Towards a Sustainable Borough 2024-2028*', one of the key priorities for the Council is '*Reducing carbon emissions as we transition to net zero*'. As part of the process, the Council has developed a 'Climate Action Plan' which sets out how the Council will reduce its own emissions and prepare for a low-carbon future. According to the Council, "*It is about more than carbon - it is about saving money, modernising services, complying with future law, and creating healthier communities.*"

The Council has also developed a 'Climate Adaptation Plan' ,with full input from all Directorates, which has been assessed alongside a Northern Ireland (NI)-wide Risk Assessment methodology and aligns with the Council's own Corporate Risk Assessment.

Governance Structures & Processes

Corporate Services Committee

The Corporate Services Committee is responsible for decisions relating to finance, strategic transformation and performance, human resources and administration. The Corporate Services Committee reports to the Council on Community Planning and Climate Services.

Environment Committee

The Environment Committee is responsible for decisions relating to building maintenance, car parks, estate management, marinas and harbours, public conveniences, recycling, waste management and cleansing, parks and cemeteries. The Environment Committee reports to the Council on implementation of climate mitigations and integration into plans and budgets.

Net Zero Board

The Council's climate governance is centred around the Net Zero Board ("the Board"). This Board was recently set up in October 2025 and currently has a limited scope overseeing progress on the two key emission reducing targets listed below:

1. Reducing Scope 1 and Scope 2 emissions by 48% by 2030.

Ards and North Down Borough Council – Internal Audit Climate Change Strategy Review – FINAL DRAFT REPORT

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2. Achieve net zero emissions by 2050.

The Board comprises of key Heads of Services and is chaired by the Director of Environmental Services. The Board meets bi-monthly, with the aim to move to quarterly meetings once progress is established. The Chair of the Board has direct access to the Corporate Leadership Team (CLT).

Climate Action and Sustainability Working Group (the 'Working Group')

The Council also has a Climate Change and Sustainability Working Group, consisting of Directors, Heads of Service and representatives from across all council services, which meets quarterly to drive departmental ownership of climate and sustainability actions. This Working Group has been established to support the Council in its declaration of a Climate Emergency and its commitment to net zero carbon. The Working Group includes over 30 representatives from various departments.

Resource Planning

Climate Action Plan - The Community Planning Climate Manager (CPCM) and Climate Change Sustainability Manager (CCSM) are in the process of identifying and allocating existing resources to the Climate Action Plans. The CPCM and CCSM have drafted a spreadsheet named 'Costed Extended Climate Mitigation Action' which includes Climate Action Plan objectives broken down into specific actions, timelines, budgets, cost of doing nothing, responsibility and rating high/medium/low in terms of carbon savings. The CPCM and CCSM are working to allocate key action owners against each action item based on climate and environment projects that could help achieve/implement those actions.

Climate Adaptation Plan - The CPCM and CCSM intend to replicate their approach used for the Climate Action Plan for the Climate Adaptation Plan. They will develop a similar spreadsheet and allocate action owners for implementation of actions. At the date of concluding our fieldwork for this internal audit this had not commenced.

Prioritisation Process

Climate Mitigation Action Plan - The Council has a Climate Mitigation Action Plan 2025 – 2030. The main targets include 48% reduction in Council emissions (Scope* 1 and 2) by 2030 (from 2019/20 baseline), and Net Zero Council emissions by 2050. The Climate Mitigation Action Plan is further classified into themes with specific objectives and actions for each theme. Each action is assessed for carbon saving potential and rated High, Medium, or Low.

Climate Adaptation Plan – A Climate Adaptation Plan has been developed with input from all Directorates. It has been assessed using an NI-wide approved Risk Assessment methodology and aligns with the Council's own Corporate Risk Assessment. The Climate Adaptation Plan includes objectives, actions, lead departments and timeframes for completion.

Ards and North Down Borough Council – Internal Audit Climate Change Strategy Review – FINAL DRAFT REPORT

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Monitoring and Reporting of Progress against Actions and Targets

The Council utilises a Carbon Dashboard ("the Dashboard"), developed using Power BI, to display energy consumption metrics. The dashboard can be segmented by different Council buildings and sites or departments. This enables oversight of mitigation efforts and highlights progress towards reducing carbon emissions. Outputs from the dashboard are reported to the Board to provide updates against the two key emission reducing targets for Zet Zero.

The Council submitted its first Climate Mitigation Report to the Department of Agriculture, Environment and Rural Affairs (DAERA) in October 2025. Climate Mitigation Reports are required to be submitted to DAERA on a three-yearly basis from the first issuance. The Council is also in the process of preparing to report to DAERA for the first time in March 2026 on progress towards its Climate Adaption Plan. Adaption reports are required to be submitted to DAERA on a five-yearly basis following the first report issuance.

The Council operate an ISO 14001 accredited management system which monitors any alterations in relevant environmental regulations. To keep up to date with changing regulations, the CCSM and another team member sit on the Climate NI group (a public group set up to understand and enable adaption and mitigation actions in NI), Through their participation, these members provide the Council with timely information, expert guidance and collaborative opportunities that help ensure the Council remain up to date and compliant with environmental regulations. These two individuals also sit on a Sustainable NI group which provides updates to the Council on the work that other Councils across NI are doing to address climate change.

1.3   Scope and Objectives

The scope of this internal audit included a review of the governance and controls in place for the development and implementation of the Council's climate change plans.

Governance Structures & Processes
- Assess the governance structures to oversee the development, implementation, and delivery of the Council's climate adaptation and mitigation action plans, including how risks are escalated, and non-compliance or progress is fed into statements of assurance.

Resource Planning
- Assess the process for identifying resource requirements (financial, human, technological) including capacity planning and skills assessment relevant for the delivery of the climate adaptation and mitigation action plans.

Prioritisation Process
- Determine whether there are documented and agreed criteria and methodology to prioritise actions within the adaptation and mitigation action plans, e.g. considering factors such as impact on emissions reduction and regulatory compliance, cost-effectiveness, and stakeholder expectations.
- Determine whether there is a mechanism for periodic review and re-prioritisation of actions based on progress and changing circumstances.

Monitoring and Reporting of Progress against Actions and Targets
- Assess the processes to monitor and report on implementation of the adaptation and mitigation action plans and achievement of overarching climate change objectives including statutory reporting and appropriate benchmarking by the Council.

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1.4   Approach

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

- Held discussions with key members of staff involved in the Climate Adaption Plan and the Climate Mitigation Action Plan including the Community Planning and Climate Manager and the Climate Change and Sustainability Manager to walkthrough key processes.
- Reviewed key items of documentation such as the Climate Adaption Plan and the Climate (Mitigation) Action Plan.
- Provided consideration of possible improvements or alternatives for the controls in place.
- Reported 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 January and February 2026.

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:

Priority 1	Priority 2	Priority 3
-	4	-

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

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

- Inadequate governance structures and processes (See Section 2.1)
- Absence of a structured workplan for the Climate Adaption Plan (See Section 2.2)
- Lack of prioritisation on actions and timelines (See Section 2.3)
- Lack of monitoring and reporting on progress against plans (See Section 2.4)

There were no Priority 3 findings identified during our review.

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

1.6   Conclusion

Overall, there were four (4) Priority 2 findings identified during the internal audit. There were inherent gaps identified within the governance structure and processes, the need to develop a structured workplan for climate adaptation, lack of prioritisation of actions, and the need to expand existing monitoring processes across all climate (mitigation and adaptation) actions. Based on the Internal Audit work undertaken, we have given a '**limited'** level of assurance that the system objectives will be achieved. Refer to **Appendix I** for a definition of the assurance level given.

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2. Detailed findings and recommendations

2.1. Inadequate governance structures and processes in place

Finding	Recommendation	Priority
1. Insufficient reporting to the Corporate Leadership Team (CLT) During the internal audit, we enquired on the reporting process to the CLT. Management advised that the Chair of the Net Zero Board is a member of the Corporate Leadership Team (CLT). There is also no standing agenda item for progress towards Climate Mitigation and Adaptation Plan or Net Zero issues in the CLT meetings, despite the Corporate Plan 2024–2028 emphasising a vision of a 'Sustainable Borough' **2. Insufficient oversight over Climate Mitigation Action Plan and no remit for Climate Adaptation Plan by Net Zero Board.** The scope of the Net Zero Board is limited and does not include monitoring and oversight over the 'Climate (Mitigation) Action Plan' and 'Climate Adaption Plan.' We were informed by management that the scope for the Net Zero Board will be broadened with time to cover wider sustainability matters. **3. Effectiveness of the Working Group** The Working Group consists of over 30 representatives from different departments within the Council. We recognise that an update meeting with 30+ individuals may be challenging and may limit the ability to achieve the purpose of meeting. We understand that the intention is to amend the purpose of the Working Group from a monitoring and reporting group to a more information sharing group on how to embed climate change and sustainability messages across the Council and to remind stakeholders about the Council's vision towards sustainability. We also noted that the Terms of Reference (TOR) of the Working Group has not been reviewed since it was agreed in October 2021.	We recommend: 1. Develop a formal process of reporting to the Corporate Leadership Team (CLT) by the Net Zero Board to highlight progress made against the climate mitigation and adaptations plans. This should include a regular (e.g. bi-monthly) agenda item within the CLT meetings dedicated to providing updates on Net Zero/Climate initiatives. 2. Management should consider the need to broaden the scope of the Net Zero Board to include actions within; and monitoring progress towards; the wider climate ambitions such as the Climate (Mitigation) Action Plan and Climate Adaptation Plan. 3. A standing item is introduced to Net Zero Board meetings to ensure progress, targets, actions and implementation timelines for each objective within both Climate Actions (Mitigation and Adaptation) are discussed. 4. The Working Group TOR should be reviewed on a periodic basis (for example every one or two years) to ensure it remains relevant with the remit of the Working Group.	Priority 2

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Potential Impact

- Lack of oversight over the Climate (Mitigation) Action and Adaptation Plans may lead to strategic objectives not being achieved.
- The effectiveness and productivity of the Working Group may be compromised with too many individuals in attendance in a Working Group meeting.

Management response		
Action Plan	**Owner/ Title**	**Target Date of Implementation**
Create a diagram to clarify the governance arrangements across the Climate Action Plans (Mitigation and Adaptation), the remit of the Climate Action Board (formerly Net Zero Board) and the reporting arrangements to CLT, HoST and Council (including what is reported via council committees). This diagram will be supported by an agreed schedule of reporting.	Community Planning and Climate Manager	30/04/2026
Rename the Net Zero Board the Climate Action Board and develop new Terms of Reference to expand its oversight role to include all actions within the Climate (Mitigation) Action Plan and the Climate Adaptation Plan.	Community Planning and Climate Manager	30/04/2026
Rename the Climate Change and Sustainability Champions Working Group to the Climate and Sustainability Forum, update the Terms of Reference to reflect its refined purpose and remit as a cross-council collaboration group and hold a workshop with the group to communicate this.	Community Planning and Climate Manager	30/06/2026
See actions in section 2.4 re Climate Mitigation and Adaptation Officer posts that will support the explained remit of the Climate Action Board.		

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2.2   Controls over resource allocation, ownership and workplan for Mitigation and Adaptation Action Plans

Finding	Recommendation	Priority
A detailed work plan (spreadsheet) has been developed outlining the key actions, milestones, indicative carbon savings, associated costs and the departments responsible for delivery. This work program was shaped by an internal assessment undertaken by the Climate Team, with input from other council services, to determine the resources and budget needed to advance priority mitigation actions and support the budget panel.

We were advised that delivery responsibility for climate-related actions rests with individual departments. Prioritisation is therefore carried out through established Service planning and annual budgeting processes which consider statutory obligations, corporate priorities and financial constraints. This means climate actions are embedded within existing Council planning mechanisms rather than managed through a standalone centralised prioritisation model.

For the Climate Adaptation Plan, although departmental owners are identified, a detailed adaptation workplan equivalent to the mitigation spreadsheet has not yet been developed. As a result, adaptation actions are not currently organised into a structured schedule with timelines, milestones, indicative costs, or progress indicators. This, combined with limited organisational capacity, has contributed to slower progress on adaptation in comparison with mitigation.

Potential Impact

The absence of a structured adaptation work plan may limit the ability of departments to prioritise, resource, and track adaptation activities leading to inefficiencies or project delays. | We recommend the Council should:

Mitigation

1. Continue to refine and implement the work plan (spreadsheet) for the Climate (Mitigation) Action Plan as the core tool for departmental planning, monitoring and budgeting.

Adaptation

2. Develop a detailed Climate Adaptation Work Program mirroring the structure of the Mitigation Work Program currently in development, to allow a consistent needs assessment process across both plans.
3. Once developed, incorporate this adaptation work program into Service planning and budgeting discussions to support more consistent prioritisation.
4. Provide training and targeted support to departments to embed climate actions within their own service/operations. | Priority 2 |
| **Management response** | | |

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Action Plan	Owner/ Title	Target Date of Implementation
Develop a more detailed structured Climate Adaptation Workplan using the risk assessment methodology to prioritise actions and use the Climate Action Board (formerly Net Zero Board) to consider this in parallel with preparations for future Budget Panels	Community Planning and Climate Manager	31/12/2026*
Use the Climate Adaptation Workplan to identify where additional support is needed to facilitate other services implementing the prioritised actions – this may be one 2 one support or more formalised training. (action also linked to Climate Officer Posts outlined referenced in actions to be taken under 2.4)	Community Planning and Climate Manager	31/03/2027

*Climate Adaptation Officer post included in 2026/27 budget, ability to do this exercise will be dependent on securing resource.

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2.3   Lack of prioritisation on actions and timelines

Finding	Recommendation	Priority
We reviewed the Climate (Mitigation) Action and Adaptation Plans and enquired on the approach used to determine the prioritisation and timelines for implementation of the objectives and actions within the plans. We were advised that the degree of structure, clarity and consistency of how actions are prioritised varies across the two plans. Climate (Mitigation) Action Plan - The prioritisation is influenced by statutory duties, existing corporate commitments, available budgets and operational capacity within each department. Climate Adaptation Plan – The Adaptation Plan was implemented before the CPCM and CCSM took up their roles, therefore they are unclear of the basis used for setting out the prioritisation and timelines within the plan. Following the submission of the adaptation reporting to DAERA, an updated risk assessment is planned which may lead to refined actions. There is no corporate mechanism to assess the relative priority, impact or feasibility of climate actions across the departments, and as a result prioritisation happens within individual departments. **Potential Impact** • Without clear prioritisation, critical tasks may be delayed, causing the overall project timeline to slip. • Resources (time, personnel, budget) may be spent on less important activities, leaving high-priority tasks under-resourced.	For both the Climate (Mitigation) Action and Climate Adaptation Plans management should: 1. Conduct an assessment on the objectives and actions to determine the priority ratings for each objective. Prioritisation of actions should at minimum include consideration of cost, impact, feasibility and resources. 2. Based on the assessment above, management should work out realistic timelines for implementation/completion for each action. 3. Expand the remit of the Net Zero Board to consider cross-departmental prioritisation to strengthen governance, support more transparent decision-making and help ensure climate actions are aligned to available capacity and strategic objectives.	Priority 2
Management response		

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Action Plan	Owner/ Title	Target Date of Implementation
See previous action in section 2.1 regarding the Climate Action Board, its expanded role and clarity around climate governance		
See action in section 2.4 regarding Climate Mitigation and Climate Adaptation Officers.		
Climate Action Board (formally Net Zero Board) to review all 'direct**' actions within the Climate Action Plans (Mitigation and Adaptation) and rank them in order of priority using a matrix to consider impact of action versus investment required.	Community Planning and Climate Manager	31/12/2026

**Direct actions are considered to be the ones that council has complete control over the investment required and the budget.

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2.4 Lack of Monitoring and Reporting on Progress against Plans

Finding	Recommendation	Priority
The Council are required to provide updates to DAERA on a three-yearly basis on their climate mitigation action plans, with Adaption plan reporting required every five years. The Climate Team is planning to report annually on both the mitigation and adaptation activities. Considering the limited role/nature of the Net Zero Board, there is no formalised process and/or a forum for action owners to provide regular progress updates on both the Climate (Mitigation) Action Plan and Climate Adaptation Plan. The Climate Adaption Plan was launched in 2024, yet the first scheduled update to the Climate Team is not due until early 2026, coinciding with the reporting deadline to DAERA in March 2026. Management advised that capacity within the Climate Team was limited and when the adaptation plan was established, there were a few months where there were no dedicated resources allotted to drive the ambition. Upon securing a resource, the priority shifted towards developing the Climate Mitigation Action Plan and the carbon dashboard to ensure compliance with Council's statutory duty to report mitigation updates to DAERA in October 2025. **Potential Impact** Absence of periodic updates could hinder timely identification of issues, reducing the ability to take corrective actions and potentially causing project delays.	For both the Climate Mitigation Action and Climate Adaptation Plans management should: 1. On a periodic basis (e.g. quarterly) hold meetings with the action owners to discuss progress, possible delays, and any deviation from the plan. 2. On a periodic basis (e.g. quarterly) hold meetings with the Net Zero Board to provide onwards feedback received from the action owners. (Also refer to Section 2.1 - Recommendation 2). 3. Clearly assign responsibility and accountability for each action and target, ensuring action owners understand their responsibility for reporting. 4. Establish a centralised tracking system to consolidate progress updates and monitor progress against milestones.	Priority 2
Management response		

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Action Plan	Owner/ Title	Target Date of Implementation
Climate Adaptation Officer and Climate Mitigation Officer posts appointed to expand monitoring capability of the Climate Team, increase liaison with action owners and to effectively report progress and challenges to the Climate Action Board (formerly Net Zero Board).	Community Planning and Climate Manager	31/08/2026
Develop an action tracker spreadsheet (aligned with the prioritisation process) to communicate action implementation to the Climate Action Board, CLT, Host and Council	Community Planning and Climate Manager	31/12/2026
Produce an annual (plain English) report for publication on Council's website providing a summary of climate action (mitigation and adaptation) and an assessment of progress towards our 2030 carbon reduction targets.	Community Planning and Climate Manager	30/06/2026 (and then annually)

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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.

David Kinsella

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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.

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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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Internal Audit
Annual Report 2025/26 (Draft)

Ards and North Down Borough Council

March 2026

Contents

1. Executive summary

1.1   Introduction

This report provides our statement on the overall adequacy and effectiveness of Ards and North Down Borough Council's framework of governance, risk management and internal control as it operated during the year to 31 March 2026 (FY2025/26). Our approach to this Annual Assurance report is consistent with the Public Sector Internal Audit Standards.

The statement is based on the Internal Audit programme of work performed during the year designed to focus on areas of risk identified by management. The planned Internal Audit programme was reviewed and approved by the Audit Committee at its meeting in March 2025. Results of Internal Audit work, including action taken by management to address issues included in prior year internal audit reports, have been regularly reported to management and the Audit Committee.

Our statement has not been limited by any shortfall in resources, absence of skills, or any significant limitation of scope of internal audit activity which would adversely affect our ability to form a view.

1.2   Role of Internal Audit

The role of Internal Audit is to provide an independent and objective view to the Audit Committee in relation to risk management, control, and governance. The work of Internal Audit is an element of the control framework that the Audit Committee and the Chief Executive need to inform the completion of the annual Governance Statement. Other elements include the system of monitoring, the risk management framework, and reports from managers. No view or assurance can ever be absolute and is by definition, an extrapolation only of the evidence available. The work of Internal Audit does not supersede management's responsibility for risk, control, and governance. Our statement of responsibility is set out at **Section 4**.

1.3   Acknowledgement

We would like to take this opportunity to thank the management and staff of Ards and North Down Borough Council for their assistance and the cooperation received in completing internal audits within this period.

2.   Annual Summary

In line with good practice and the requirements of the Public Sector Internal Audit Standards, we provided an overall classification for each assurance review completed during the period. In accordance with the requirements of DAO (DoF) 07/16, there are three categories by which we classify Internal Audit assurance over the systems we examine, being:

- Satisfactory;
- Limited; and
- Unacceptable.

We have provided details of assurance ratings for the ten assurance reviews completed under the 2025/26 Internal Audit Plan. For a full definition of each assurance rating, refer to **Appendix 1**.

Our reporting process ensures that all issues identified as part of our assurance Internal Audits are categorised as being either a Priority 1, 2, or 3, in accordance with the requirements of DAO (DoF) 07/16 and are dependent on the associated significance of the finding and risk to be mitigated. Advisory recommendations are not assigned a priority rating. Full definitions for each of the priority ratings can be found at **Appendix 1**.

Internal Audit Area	Priority 1	Priority 2	Priority 3	Assurance Level
Service Review – Administration	-	1	1	Satisfactory
Use of Agency Staff Policy and Processes	-	2	3	Limited
Service Review – Community and Culture	-	1	-	Satisfactory
Staff Performance Management	-	3	-	Limited
Lease Management	-	2	-	Satisfactory
Community Plan Implementation	-	2	-	Satisfactory
PCSP	-	1	-	Satisfactory
Digital Services Governance	-	2	1	Satisfactory
Climate Change Strategy	-	4	-	Limited
Labour Market Partnership	-	-	-	Satisfactory
Cyber Security Follow-up	-	-	-	N/A
Follow-ups	-	-	-	N/A
TOTAL	-	**18**	**5**	

During the 2025/26 year, we continued to follow-up on Internal Audit recommendations. Under our approach, Internal Audit set up and maintains the database of Internal Audit recommendations and seeks quarterly management updates for all open recommendations (including all from previous years which remain open) as follows:

- Priority 1 findings - Internal Audit will conduct sample testing to evidence the implementation of the recommendation if management reports it as closed

- Priority 2 findings – Internal Audit will seek documentary evidence of the closure of the recommendation

- Priority 3 findings – Internal Audit will take management representation as to the closure of the recommendation and will not conduct any testing

The first quarterly report status of recommendations was presented to the May 2025 Audit Committee meeting and a report on the final quarter status update is presented to the March 2026 Audit Committee. In addition, at the end of the year in February 2026, we carried out an annual exercise to test a sample of recommendations (Priority 3) that have been reported as closed to confirm the implementation and the operational effectiveness of the implemented action.

The table below presents a summary of the status of Internal Audit recommendations per the status update in March 2026:

	Priority 1	Priority 2	Priority 3	Total
Total open issues as at **13/03/2025**	**3**	**22**	**14**	**39**
Items added to the tracker during last year	-	15	15	30
Issues closed / superseded during the year	(2)	(12)	(16)	(30)
Issues risk accepted during the year	-	-	(1)	(1)
Total items remaining open as at 09/03/2026	**1**	**25**	**12**	**38**
Items started and overdue		6	3	9
Items not started and overdue	1	11	6	18
Items not due yet	-	8	3	11

3.   Statement of Annual Assurance

As defined in the Public Sector Internal Audit Standards, the prime responsibility of the Internal Audit service is to provide the Audit Committee, the Chief Executive as Chief Financial Officer and the other managers of the Council assurance on the adequacy and effectiveness of risk management, control, and governance arrangements.   In assessing the arrangements in place, we take into account:

- All Internal Audits undertaken between 1 April 2025 and 09 March 2026;

- Whether recommendations have been accepted by management and where they have not, the consequent risks;

- The actions agreed in response to our audit recommendations and an assumption that management will implement the agreed action;

- Follow-up review of the status of implementation of prior Internal Audit recommendations performed within this period; and

- Whether or not any limitations have been placed on the scope of Internal Audit.

During the course of delivery of our 2025/26 Internal Audit Plan, where notified by management and where applicable, we have familiarised ourselves with the work completed by other assurance providers. Whilst we cannot place reliance on their work, we have considered any findings in forming our overall view.

Based on the conclusions of our work during the year 1 April 2025 to 09 March 2026, we can provide the Chief Executive as Ards and North Down Borough Council's Chief Financial Officer with a satisfactory level of assurance in relation to the Council's arrangements for governance, risk management and control, with the exception of Use of Agency Staff Policy and Processes, Staff Performance Management and Climate Change Strategy where we have given a limited assurance.

We note also that there remain a significant number of Internal Recommendations that have yet to be fully implemented. The volume and ageing of these recommendations could present a risk to the Council that the Corporate Leadership Team should review and seek to close as soon as practicable. Additionally, the acting Chief Executive and Director of Corporate Services should consider the impact these outstanding recommendations have on the effectiveness of the Council's control environment.

Internal Control

Our 2025/26 Internal Audit Plan provided assurance to Ards and North Down Borough Council around the Council's system of internal control. Our work focused on a range of key risk areas such as the Climate Action Plan, the Climate Adoption Plan, the Community Plan Implementation, staff performance management, a review of the implementation of recommendations raised in previous cyber security internal audit reports, and a review of the implementation of recommendations raised in previous internal audit reports.

Risk and Governance

The Council's Corporate Risk Register is a key driver of Internal Audit coverage. Our Service reviews considered processes for risk management and performance monitoring. Our work also included a review of the governance framework with regards to the Climate Change Strategy, Use of Agency Staff, Staff Performance Management, Lease Management and Digital Service Governance. .

4.   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 (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.

Partner

For and on behalf of

The Ewart, 3 Bedford Square,

Belfast, BT2 7EP

Northern Ireland

Date:

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Appendix 1: Classification of Levels of 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.

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Draft

Ards and North Down Borough Council

Draft Annual Audit Plan 2026/27

March 2026

Contents

Draft

1. Introduction

In line with good practice, we have worked in partnership with Senior Management to prepare a four-year Internal Audit Strategic Plan and Annual Internal Audit Plan which is based on the current and emerging risks for the Council, in line with the Public Sector Internal Audit Standards (PSIAS) and the standards of the Chartered Institute of Internal Auditors.

1.1 The Role of Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Our role is to provide an independent opinion for the Audit Committee on risk management, internal control and corporate governance. In order to provide this opinion, we are required to review annually the risk management, internal control and governance processes within the Council.

1.2 The Internal Audit Strategy and Internal Audit Plan

The Strategic Internal Audit Plan approved by the Audit Committee on 20th March 2023 allows an organisational wide view of current and emerging risks for the Council over a four-year period. This will help ensure the most efficient and effective use of Internal Audit resources and enable us to focus on areas at greater risk.

In line with the PSIAS, on an annual basis we provide the Audit Committee and Senior Management with a risk based Internal Audit Plan. The Annual Internal Audit Plan enables Internal Audit to facilitate:

- The provision to the Audit Committee of an overall opinion each year on the Council's risk management, control and governance;
- Review of the Council's risk management, control, governance systems through periodic audit plans in a way which affords suitable priority to the organisation's objectives and risks;
- Provision to management of recommendations arising from Internal Audit work;
- The identification of audit resources required to deliver an Internal Audit service which meets required professional standards;
- Effective co-operation with External Auditors and other review bodies; and
- Provision of both assurance and advisory services by Internal Audit, to enhance and protect organisational value by delivering insight and assurance.

The Internal Audit Strategy and Internal Audit Plan are aligned to the Council's current risk profile, and will be updated at least annually. The Audit Committee is therefore requested to approve the Annual Internal Audit Plan 2026/27.

The work of Internal Audit fits within the framework of assurance already established within the Council. It will complement the ongoing risk management framework and other assurance mechanisms, and thus is not to be considered as the only source of assurance for the Audit Committee.

2. Approach

Draft

Approach

Our approach to the development and preparation of the Internal Audit Strategy and Internal Audit Plan is delivered through a tried and tested methodology and our understanding of the Council and the assurance requirements. This Internal Audit Plan 2026/27 is presented to the Audit Committee for approval. A summary of the approach is outlined below:

Review of the Corporate Risk Registers and internal audit coverage in recent years

Discussion on the risks and proposed areas of internal audit with management (Appendix 1)

Development of a 'long list' of auditable areas in the forthcoming four years

Drafting of a focused FY2026/27 Internal Audit Plan (Section 5) which considers strategic and operational cyclical priorities

CURRENT STAGE: Management provide comments and guidance to ensure the plan is truly tailored

Audit Committee review of the Draft Internal Audit Strategy and Internal Audit Plan 2026/27

Final revisions to draft Internal Audit Strategy and Internal Audit Plan

Finalisation of the Internal Audit Strategy and Internal Audit Plan and communication to senior staff

Audit Needs Assessment

3. Risk Universe

Draft

The diagram below sets out the Corporate risks impacting upon the Council. These risks have been used in developing the Internal Audit Strategy and Annual Plan. Risks in the diagram below have been taken from the Corporate Risk Register, February 2026, and colour coded to reflect management's assessment of severity as documented in the risk register.

Corporate Risk Areas

CR4 Climate/ Environment	**CR5** Compliance with Net Zero targets	**CR11** Decline in non-domestic tax base	**CR15** Burial grounds	**CR17** Loss of land assets	**CR2** Lack of adequate staff resources to deliver Services
CR6 Partnerships	**CR7** Community and stakeholder engagement	**CR8** Health and safety	**CR9** IT and Cyber	**CR10** Data protection	**CR13** Business continuity planning
CR18 Leakage of Confidential Papers	**CR14** Key capital projects	**CR3** Corporate plan delivery	**CR1** Integrated Strategy for Tourism, Regeneration and Economic Development	**CR16** Land and property development/ maintenance	**CR12** Critical incident / emergency planning
CR19 Loss of Internet and WAN connectivity	**CR20** Lost Mobile Phones				

4. Internal Audit Plan 2026/27   **Draft**

In the following table we have set out the proposed assignments to be delivered during 2026/27.

Key to Icons	
Assurance review	☑
Core team	👥

Audit Area	Days	Assurance or Advisory	Senior Management Lead	Deloitte Team	Cyclical	Related Corporate Risk	Proposed start date	Audit Scope and Additional Comments
Strategic								
Waste Management	17	☑	Director of Environmental Services	👥	-	CR4	May 2026	Review of the governance and controls in place for the Council's Waste Management Strategy, including consideration of how effectiveness and efficiency of waste collection and disposal processes are assessed; performance monitoring over waste management activities; risk management related to landfill; and monitoring of waste expenditure and revenue against strategy.
Performance Improvement	12	☑	Director of Corporate Services & Deputy CEO	👥	-	CR3	June 2026	Review of the governance and controls in place related to the Council's statutory Performance Improvement Process including processes for identifying performance gaps, developing the annual improvement plan, and monitoring delivery against the plan.
Workforce Planning Strategy	12	☑	Head of Strategic Change	👥	-	CR2	February 2026	Review of the governance and controls around Council's Workforce Planning Strategy including processes for workforce analysis, forecasting, and strategic alignment with the annual budget cycle.

4. Internal Audit Plan 2026/27 (continued)　　　　　　　　**Draft**

Audit Area	Days	Assurance or Advisory	Senior Management Lead	Deloitte Team	Cyclical	Related Corporate Risk	Proposed start date	Audit Scope and Additional Comments
Operational								
HR Grievance Processes	12	☑	Head of HR	👥	-	CR2, CR3	October 2026	Review of the Council's HR Grievance Processes to include grievance receipt, resolution and reporting.
PCSP	5	☑	Interim Head of Community and Wellbeing	👥	✓	CR1, CR3, CR6, CR7	September 2026	Review of the controls to manage the grants and tendering processes operated by the PCSP.
Labour Market Partnership (LMP)	5	☑	Head of Economic Growth	👥	✓	CR1, CR3, CR6, CR7	January 2027	Review of the controls to manage LMP grants and expenditure.
Fleet Management	13	☑	Head of Estates	👥	-	CR3	August 2026	Review of the governance and controls around fleet management including processes to support operator license compliance, vehicle maintenance, transition towards a green fleet and follow-up on previous recommendations from Internal Audit Review of Vehicle Management in 2023/24.
Contract management - Leisure Services Contract(s)	14	☑	Head of Leisure	👥	-	CR1	June 2026	Review of the governance and controls in place for management of the Leisure Services Contracts including performance monitoring, risk management and reporting.
Grant Funding/ Management	13	☑	Head of Finance	👥	-	CR3, CR6, CR7	October 2026	Review of the governance and controls for the issue of Council grants (except for PCSP and LMP), including grants management and monitoring, and reporting within the Council.
Facilities Management	13	☑	Head of Estates	👥	-	CR1	November 2026	Review the governance and controls over facilities management, including both planned and reactive property maintenance and energy management.

4. Internal Audit Plan 2026/27 (continued)

Draft

Audit Area	Days	Assurance or Advisory	Senior Management Lead	Deloitte Team	Cyclical	Related Corporate Risk	Indicative audit start date	Audit Scope and Additional Comments
Financial								
Payroll, Travel and Subsistence	15	☑	Head of Finance	👥	-	CR9, CR10	December 2026	Review of the Council's key processes and controls around (i) payroll including payroll calculation, authorisation and approval, payment processing, and payroll reconciliations; and (ii) travel and subsistence including expense claim submission, validation and approval, and compliance with Council's Policy.
Other areas								
Follow-ups	17	N/A	Head of Finance / HoST	👥	✓	N/A	Quarterly	Quarterly status update on all open Internal Audit recommendations. Review of evidence of implementation for Priority 1 and 2 recommendations reported in year as being closed. Annual sample assessment exercise for Priority 3 recommendations reported in year as being closed.
Contract Management	8	N/A	CLT and HoST	-	-	N/A	N/A	Contract management (including attendance at progress and Audit Committee meetings, and preparation of progress reports and Audit Committee reports).
Strategic and annual audit planning	2	N/A	CLT and HoST	-	-	N/A	N/A	Refresh of the Strategic Audit Plan and development of the Annual Audit Plan.
Total Days	**158**							

5. Strategic Internal Audit Plan 2023-2027 (Updated March 2026)   Draft

Internal Audit Plan   122

Risk Area	Internal Audit	Related Corporate Risk	23/24	24/25	25/26	26/27
Strategic	Service reviews	CR1 CR3, CR5, CR7, CR9	✓	✓	✓	
	Information and Data protection	CR13, CR4		✓		
	Climate Change Strategy	CR7			✓	
	Governance	CR5		✓		
	Workforce Planning Strategy	CR1, CR7, CR3				✓
	Digital Transformation	CR5, CR7, CR3		✓		
	Performance Improvement*	CR3				✓
	Waste Management**	CR4				✓
	Transformation programme and project management	CR1, CR3, CR5, CR7, CR8		✓		
Operational	PCSP	CR1, CR3, CR7	✓	✓	✓	✓
	Labour Market Partnership	CR1, CR3, CR7	✓	✓	✓	✓
	Licensing	CR3, CR6, CR7	✓			
	Fleet Management	CR3, CR6, CR7				✓
	Vehicle Management	CR3, CR6, CR7	✓			
	Contract management - Leisure Services Contracts	CR3, CR7				✓
	Contract Management	CR3, CR7	✓			
	Lease Management	CR3, CR7			✓	
	HR (Use of Agency Staff Processes)	CR2			✓	
	Staff Performance Management	CR2			✓	
	HR (Absence Management)	CR2	✓			
	HR (Grievance Processes)	CR2				✓
	Grant Funding/ Management	CR3				✓
	Events Management	CR6	✓			
	Emergency Planning	CR6	✓			
	Stores (stock and fuel management)	CR3, CR7				✓
	Community Plan implementation	CR1			✓	

5. Strategic Internal Audit Plan 2023-2027 (Updated March 2026) (continued)

Risk Area	Internal Audit	Related Corporate Risk	23/24	24/25	25/26	26/27
Financial	Payroll	CR3				✓
	Budgetary Control	CR3		✓		
	Travel and subsistence	CR3				✓
	Cash Handling	CR3		✓		
	Procurement - above tender threshold	CR3, CR9	✓			
	Procurement - below tender threshold	CR3, CR9		✓		
ICT	Digital Service Governance	CR4, CR13			✓	
	Cyber security	CR4, CR13			✓	
	General IT controls	CR4, CR13	✓			
Other	Follow-ups	-	✓	✓	✓	✓
	Contract management	-	✓	✓	✓	✓
	Strategic and annual audit planning	-	✓	✓	✓	✓

Internal Audit Plan header spans columns 23/24, 24/25, 25/26, 26/27.

Key changes from prior Indicative Plan

* Performance Improvement review has been included in 2026/27 plan following a recommendation to Council by the External Auditors

** Waste Management Review has been included in the 2026/27 plan at the request of the management and we have therefore proposed deferring the Service reviews to a future year.

Other Areas Considered

The CLT also considered an internal audit around General IT Controls as part of 2026/27 Plan in place of Workforce Planning Strategy. It was agreed to focus on Workforce Planning Strategy for now, with the option to replace this with General IT Controls depending on the progress of development and implementation of the Workforce Planning Strategy later in 2026 (Strategy is currently at drafting stage).

Appendix I: Background and Approach
Draft

1.1 The Development of our Four-Year Internal Audit Strategy and the 2026/2027 Internal Audit Annual Plan

As required by best practice Public Sector Internal Audit Standards (PSIAS), the Chief Audit Executive is required to develop a risk based Internal Audit Strategy. The four-year strategy was approved by the Audit Committee on 20th March 2023. This Annual Internal Audit Plan for the 2026/27 period is included in the strategy.

1.2 Our approach to your Internal Audit Annual Plan

Our approach to developing the plan is consistent with the standards of the PSIAS. We have taken into consideration any changes ongoing/planned for the Council to ensure that the work we deliver adds value.

The 2026/27 plan, in line with the overall four-year Strategy, is risk-based and aligned to the Council's Corporate Risk Register. We have also consulted with interim Director of Corporate Services, Head of Finance and the Corporate Leadership Team (CLT) to review the coverage and assurance requirements for this period.

Some key questions we consider as part of this process include:

- Has the risk profile changed from the previous year?
- Will any of the areas under review include controls that External Auditors may be planning to place reliance on?
- Does a third party require assurance on the risk area under our review and does our scope meet those requirements?
- Do the outputs of the risk registers suggest other risk areas not already highlighted by management for internal audit review?
- Are we aware of any significant issues previously reported that should be revisited to provide assurance for management?

Appendix I: Background and Approach

1.3 Typical contents of our Annual Plans

Each of our Annual Internal Audit Plans follow a similar agreed format which includes as a minimum:

- An overview of the scope and objectives of each audit and any key considerations;
- Days allocated to each assurance and advisory review;
- Proposed timeframe for commencement; and
- Any advisory inputs.

1.4 Deciding the appropriate audit response

We regard every individual Internal Audit we undertake as an opportunity to add value and therefore, it is a core part of our approach for each Internal Audit. We adopt an innovative and robust approach for individual areas by ensuring that our strategy and annual operational plans appropriately focus on operational risks.

We will respond to each risk proportionately and use a range of audit techniques to provide senior management and the Audit Committee with assurance and advisory recommendations.

1.5 Communication and reporting protocols

We have clear communication and reporting protocols in place which allows for a frequent two way flow of information between the Internal Audit team and Management.

We attend all Audit Committee meetings in order to maintain our understanding of the current and emerging risks faced by the Council. This allows us to flex the Internal Audit Plan where deemed appropriate (and as approved by Audit Committee) in line with the Council's evolving risk profile.

We also meet with the Director of Corporate Services and Head of Finance on a monthly basis to discuss progress against the Internal Audit Plan. This allows any 'red flags' to be highlighted to Senior Management early, supporting a robust response to absent/ineffective controls where necessary.

Appendix 2: Historic internal audit coverage   **Draft**

	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Chief Executive's Office									
Corporate & business planning & performance management									✓
Community planning									✓
Social media					✓				✓
Corporate Services									
Service Review –Administration	✓								
Use of Agency Staff Policy and Processes	✓								
Business Technology Governance	✓								
Climate Change Strategy	✓								
Contract Management and Contractor Monitoring Repairs and Maintenance								✓	
Governance		✓							
Travel and Subsistence								✓	
Tenders and Contracts								✓	
Cash Handling		✓						✓	
Payroll						✓			✓
Procurement		✓	✓	✓			✓		
Overtime, TOIL and Flexi							✓		
Business continuity and emergency planning						✓			
Budgetary control		✓							
Lease Management	✓								
Supplier Payments					✓				
Treasury Management				✓					
Income Management					✓				
Risk Management								✓	
Information Governance and Data Protection		✓						✓	
Freedom of Information								✓	
Staff Performance Management	✓							✓	
Safeguarding									✓
Whistleblowing arrangements									✓
Equality and Disability Action Planning									✓
Staff Training & Development									✓
Digital Transformation		✓							

Appendix 2: Historic internal audit coverage

Draft

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	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Corporate Services (Cont'd)									
Property & lease management					✓				✓
HR: recruitment & retention							✓		
HR: Absence management				✓					
Customer Service					✓				
General IT Controls				✓	✓				
Cyber Security	✓					✓		✓	
Service Review – HR and Organisational Development					✓				
Service Review - Finance				✓					
Emergency planning				✓					
Transformation programme and project management		✓							
Prosperity									
Planning – enforcement and development control					✓			✓	
Contract Management & Operations – Exploris								✓	
Event management				✓					✓
Grant Funding					✓			✓	
Labour Market Partnership	✓	✓	✓	✓					
Service Review - Tourism				✓		✓			
Service Review – Economic Development		✓							
Place									
Service Review - Regeneration						✓		✓	
Capital Projects						✓			
Capital Project Management						✓		✓	
Environment									
Building Control								✓	
Fleet management									✓
Health & Safety – Harbours									✓
Contract management – Waste									✓
Waste management					✓				
Stores: stock and fuel management			✓						✓
Service Review – Assets and Property Services				✓					

Appendix 2: Historic internal audit coverage

Draft

	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Environment (Cont'd)									
Fixed Assets						✓			
Vehicle Management		✓							
Asset management						✓			
Service Review – Regulatory Services						✓			
Service Review – Waste Services					✓				
Licensing (including Dog Licensing and Enforcement)			✓						
Community and Wellbeing									
Partnership Arrangements								✓	
PCSP	✓	✓	✓	✓	✓	✓	✓	✓	✓
Grant Funding					✓			✓	
Contract management: Aurora Leisure and Aquatic Centre									✓
Health & Safety						✓			
Service Review – Environmental Health					✓				
Service Review – Leisure and Amenities							✓		
Service Review – Parks and Cemeteries		✓							
Service Review – Community and Culture	✓								
Community Plan Implementation	✓								

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Unclassified

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ITEM 6f

Ards and North Down Borough Council

Report Classification	Unclassified
Exemption Reason	Not Applicable
	If multiple:
Meeting	Audit Committee
Date of Meeting	23 March 2026
Responsible Director	Director of Corporate Services
Responsible Head of Service	Head of Finance
Report title	Detailed Outstanding Recommendations Action Plans
Attachments	
File Reference (if applicable)	
Legislation	Other Local Government (Accounts and Audit) Regulations
Resource Implications	Budget and Staffing Narrative:
Screening Requirements	*The Council will commit to consider the implication of all reports under the categories of Section 75, Rural Needs, Data Protection, Climate and Sustainability:* Screening of report not required
Link to Corporate Plan Priority and Outcome	Priority 1: Economic 7. Ards and North Down Borough Council is a high performing organisation If multiple:

Background

Council keeps a register of internal audit recommendations that are not fully implemented in order to track implementation and allow Deloitte to test actions taken to ensure they satisfy the recommendation.

Key Issues

At its meeting in December Members expressed concern at both the number of recommendations and the length of time taken to implement some of them. The Committee therefore requested Officers to bring back a report to the next meeting detailing definite courses of action to see all recommendations implemented as soon as possible. This report fulfils that request.

Human Resources

Rec Ref	84	Year	2019	Status	Overdue
Recommendation		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.			
Action Plan		Investigation of getting a report written by CORE for this has resulted in the Council being advised of a cost of approximately £5000, therefore, it was decided to wait until a Systems Officer was in place to look into this further to find out if there was a less expensive way of recording this information Option 1 - pay £5000 to CORE to write this report Option 2 – do nothing Option 3 – Approach new systems officer to see if they have any other solutions			
Deadline		30 June 2026			

Rec Ref	86	Year	2019	Status	Overdue
Recommendation		1. The Overtime, Stand By and Call Out Payments Policy should be added to the induction checklist to ensure that all staff, including those without access to a computer, are made aware of the Policy and associated procedures. 2. Consideration should be given to updating the Overtime, Stand By and Call Out Payments Policy to include a specified time limit by which employees must submit their overtime claim form to management for approval.			
Action Plan		Recommendation 1 has been completed Recommendation 2 – the policy will be updated once it undergoes a review, this has been delayed due to other work priorities			
Deadline		31 May 2026			

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Rec Ref	107	Year	2020	Status	**Overdue**
Recommendation		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.			
Action Plan		A draft formal Workforce Strategy has been created and is currently under final review by the Working Group Once final draft has been agreed by Senior Management, it will be consulted on with Staff and the Trade Unions			
Deadline		31 March 2026– Final Draft to be completed for consultation 31 May 2026 – Consultation to have taken place and final policy agreed by Council for implementation			

Rec Ref	245	Year	2024	Status	**Partially Completed / Overdue**
Recommendation		The Council should update the following policies to include date of last and next review; • Gifts and Hospitality Policy, • Declaration of Interests Policy and Procedure, • Grants Policy.			
Action Plan		• Gifts etc – this policy is to be updated to assess if the policy is still working as it should and that the amounts are correct in line with inflation etc. • Declaration etc - Completed • Grants – Completed			
Deadline		Update Gifts and Hospitality Policy by 31 July 2026			

Rec Ref	248	Year	2024	Status	**Overdue**
Recommendation		Management should examine the possibility of implementing system controls within CORE which allow for HR to create reports which will: • 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. Management should remind Line Managers of their responsibility to track unacceptable patterns of absence.			
Action Plan		• The CORE system to date has been unable to create a report which will identify when a 5% trigger has been met, therefore, other software options are being explored • An HR Systems Support Officer commenced post on 1 January 2026 so options will be explored with this			

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	specialised officer once she is up to speed with all the systems in line with the Workforce plan for this position • Line Managers are reminded of their responsibility to track unacceptable patterns of absence in the Absence Management training and refresher courses
Deadline	30 September 2026

Rec Ref	249	Year	2024	Status	Overdue
Recommendation		Management should remind Line Managers to ensure that: 1. All staff should complete a return-to-work interview when they have returned from a period of absence. 2. Line Managers should follow up on any supporting documents not provided in line with Council Absence Management Policy and provide these to HR.			
Action Plan		Further reminder email will be sent			
Deadline		31 March 2026			

Rec Ref	250	Year	2024	Status	Overdue
Recommendation		Management should ensure that Heads of Service are informed of absence rates and repeat causes of absence on a periodic basis.			
Action Plan		Absence dashboard has been updated to assist Heads of Service to have access to absence figures and causes, however, now that an HR Systems Specialist has been appointed, further work will be carried out to see if any further improvements can be made			
Deadline		30 September 2026			

Rec Ref	260	Year	2024	Status	Overdue

Recommendation		In Line with ISO27001:2002 5.18 Access Rights, Management should:
		1. Define and implement a Segregation of Duties Matrix, highlighting what roles can and cannot be assigned to Core HR users.
		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:
		  • 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.
Action Plan	This will be put in place
Deadline	30 September 2026

Rec Ref	274	Year	2025	Status	Overdue
Recommendation		The Council should ensure that: 1. Policies, procedure documents and guidance materials outlined in the finding are updated to accurately reflect current approved processes and requirements relating to the Council's Governance Framework. 2. The documents outlined in the finding are updated to define a version control section, owner and approver.			
Action Plan		Policies will be updated accordingly			
Deadline		30 September 2026			

Rec Ref	275	Year	2025	Status	Overdue
Recommendation		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.			
Action Plan		Send annual declaration of interest email to remind officers of their duty to submit this form Follow up emails if forms not submitted on time			
Deadline		31 July 2026			

Rec Ref	297	Year	2025	Status	Not Yet Due
Recommendation		The Council should: 1. Ensure that all applicable staff members follow processes in compliance with the procedures noted within the Agency Worker Policy. This can be implemented by issuing a communication to all Line Managers reminding them: • PO numbers should be assigned to each Agency worker request form before issuing to HoS for approval. • All extensions to Agency worker's tenure beyond 26 weeks must obtain HoS approval. • Of the importance of the completion of Agency worker request forms. • All Agency worker request forms must receive HoS approval before issuing to Agency suppliers. • Two CVs must be obtained for all requested Agency posts, unless there is an appropriate reason why this may not be feasible.			

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	• Supporting documentation related to the appointment should be held securely so it can be accessed by respective Line Managers. 2. Consider implementing periodic monitoring of the hiring process to capture the recruitment of a sample of Agency staff
Action Plan	Send email with a reminder of process to be followed by Managers – this has been completed
Deadline	31 January 2026

Rec Ref	298	Year	2025	Status	Not Yet Due
Recommendation		The Council should establish clear and defined regular reporting requirements for updates to the CLT regarding the use of Agency workers. This should include regular reports on the number of Agency workers, total hours worked, and associated costs. The Council should break this down to cost per Service, if possible.			
Action Plan		Process will be established for giving updates to CLT with regard to the use of Agency Workers			
Deadline		30 June 2026			

Rec Ref	299	Year	2025	Status	Not Yet Due
Recommendation		Management should formally document their existing process for the sample verification checks on due diligence completion by Agency suppliers. Regular confirmation should be sought from Agencies that they have completed due diligence checks and have retained evidence to support these.			
Action Plan		A process for carrying out verification checks will be explored and put in place			
Deadline		30 June 2026			

Rec Ref	300	Year	2025	Status	Not Yet Due
Recommendation		The Council should update their Declaration of Interests Policy and procedure to ensure that the procedures are also to be complied with throughout the recruitment of Agency workers.			
Action Plan		The Declaration of Interests policy will be updated to reflect this			
Deadline		30 April 2026			

Rec Ref	301	Year	2025	Status	Not Yet Due
Recommendation		The Council should establish a formal process for documenting and monitoring the end dates of agency workers. Further, ensure that these details are consistently recorded in a centralised system accessible to relevant departments.			
Action Plan		A formal process for documenting and monitoring end dates of agency workers will be put in place			
Deadline		30 June 2026			

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Finance

Rec Ref	56	Year	2018	Status	Overdue
Recommendation		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.			
Action Plan		A new policy will be drafted, however this is likely to be closely tied with other work streams which will delay progress.			
Deadline		31 March 2028			

Rec Ref	57	Year	2018	Status	Overdue
Recommendation		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.			
Action Plan		As for Recommendation 56			
Deadline		31 March 2028			

Rec Ref	102	Year	2020	Status	Overdue
Recommendation		The Council should revisit its original intention to implement an electronic procurement system and determine whether to proceed in order to strengthen controls over authorisation levels and provide increased efficiency in the procurement process.			
Action Plan		New financial management system, including a fully integrated purchase to pay system, is due to go live imminently.			
Deadline		1 April 2026			

Rec Ref	174	Year	2022	Status	Overdue
Recommendation		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: 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.			
Action Plan		A new policy will be written. This will likely be a stand-alone policy rather than an extension of Grants Policy.			
Deadline		31 December 2026			

Rec Ref	195	Year	2022	Status	Overdue
Recommendation		Management should:			

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	i. Ensure that purchase orders or payment requests (where applicable) are completed in advance for each proposed expenditure. ii. Provide refresher training and guidance to ensure all staff members responsible for purchasing are clear of their responsibilities in terms of raising purchase orders prior to ordering and receiving any goods/services. Additionally, in relation to the previous advisory review of supplier payments in July 2020, management should implement the following recommendations: iii. Management should evaluate if there is merit in implementing a purchase to pay system to automate the procurement and supplier payment process (three-way check driven by system).
Action Plan	New financial management system, including a fully integrated purchase to pay system, is due to go live imminently.
Deadline	1 April 2026

Rec Ref	228	Year	2024	Status	**Overdue**
Recommendation		We recommend that: i. A formal review is undertaken to identify the Council's needs for the new finance system and drawbacks of the current finance system. ii. A lesson learned review is carried out immediately on the Core HR system, and that a final lesson learned review can be completed following the implementation of the of the final Core HR/Payroll module. iii. A formal skills assessment is completed for all intended users of the system after the Council has identified their needs from the new finance system.			
Action Plan		New financial management system, including a fully integrated purchase to pay system, is due to go live imminently. A training reassessment has been completed and training will be finished by the end of March			
Deadline		1 April 2026			

Strategic Change

Rec Ref	101	Year	2020	Status	**Overdue**
Recommendation		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			

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	contracts / putting out to tender for areas where similar goods or services are obtained.
Action Plan	No formal review of spend has been undertaken due to limited PSU resources. It is anticipated that a Procurement Officer will be appointed in summer 2026 and a spend review/identification of potential Corporate Contracts will be undertaken in Q3 of 2026.
Deadline	31 December 2026

Rec Ref	156	Year	2021	Status	**Overdue**

Recommendation		1. Management should define a timeframe to review and approve the ANDBC IT policies and procedures.
		2. Management should document and approve exception policies taking into consideration the following points:
		   • Any deviation from IT policies and standards must be reviewed for appropriateness
		   • Exception requests that create significant risks without compensating controls must not be considered
		   • Exception to the policies must be periodically reviewed and consistently evaluated in accordance with ANDBC risk acceptance practice.
		3. Management should communicate the reviewed and approved policies to all employees while ensuring that the policies are readily available."			

Action Plan		Policy going to Digital and Data Governance Board (DDGB) in February 2026. Full consultation process will follow and it is anticipated that the policy will go to Corporate Services Committee for approval in June 2026.			
Deadline		June 2026			

Rec Ref	273	Year	2025	Status	**Complete**
Recommendation		The Council should ensure that the induction training template is revised to incorporate a section requiring line managers to confirm completion of role-specific training for new employees, including areas such as cash handling and till operation.			
Action Plan		The induction training template was updated during 2025 to include a section that prompts line managers to ensure role-specific training is completed for new starters (such as cash handling, till operation etc). Template emailed.			
Deadline		-			

Rec Ref	292	Year	2025	Status	**Not Yet Due**
Recommendation		We recommend that: 1. Employee Appraisals (including 6-month Appraisal Reviews) are completed for all applicable employees			

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	within the standard periods as required by the Council's Appraisal Scheme Policy.
	2. Standard 6-month Appraisal Review Form is used by applicable Services for their 6-month reviews, where the Jot Form approach is used. The standard form should adequately align with the provisions on the Core platform.
	3. Employees and Line Managers are reminded of the appropriate process of signing off on the initial objectives set and the 6-month reviews in Core. Management should consider if it is possible to enable a feature in the Core platform for Employees and Line Managers to update signoffs in instances of errors in signoffs.
	4. Employees are encouraged to set objectives that are specific, measurable, achievable, relevant and time-bound (SMART).
	5. The status of objectives set by Employees and agreed with Line Managers are recorded as "Approved" on Core, post sign offs.
Action Plan	The OD Service is currently procuring Jot Form to be rolled out across all employees, both operational and desk based. This standardised approach will help ensure timely completion of appraisals through automated 'push' reminders functionality. The entire appraisal process will be simplified and streamlined, resulting in greater compliance across the entire organisation.
Deadline	1 April 2026

Rec Ref	293	Year	2025	Status	Not Yet Due
Recommendation		We recommend that:			

We recommend that:
1. The Services report up to date completion status of Employee Appraisals to their relevant Service Council Committee every 6 months.
2. A process is developed and implemented for the Organisational Development team to provide the Employee appraisal completion status data to be included in the 6-Month KPI reporting for each Service.
3. One digital form for desk based and operational employees should be considered for implementation, to support the accurate collection, monitoring and reporting of completion statuses of employee appraisals.
4. A quality assurance process is implemented to ensure accuracy of the Employee Appraisal completion status data presented by each Service to the relevant Council Committees.
5. Where a manual process is used, criteria for the calculation of the completion status of Employee appraisals is implemented across the Council.

	6. An overall annual report is prepared and presented to Corporate Leadership Team or the Council/ Council Committee on the status of Council wide completion of Employee appraisals, post appraisal cycles. 7. There is periodic reporting on Employee Appraisals completion to the Line Manager, Heads of Service Team and the Corporate Leadership Team.
Action Plan	As above – recommendation 292
Deadline	1 April 2026

Corporate Governance

Rec Ref	34	Year	2019	Status	Overdue
Recommendation		It is recommended that an updated Records Management Policy be adopted for the new Council.			
Action Plan		The Council are currently rolling out a new Corporate Filing System. The principles established for this, along with the Regional Retention and Disposal Schedule and the development of a RoPA for the Council will all form the basis for an Records Management Policy. This is currently underway and will be complete by September 2026. This will include guidance regarding the roles and responsibilities of the DPO and the Heads of Service Units in relation to updates, maintenance, and review of the RoPA. A ROPA has been created as part of the New Corporate Fie Plan. This will will detail all aspects required from a ROPA. We are currently 40% complete and will be 100% complete by September 2026. The Council is the lead in developing a Regional Retention and Disposal Schedule, this is being developed currently and in conjunction with other Councils and PRONI. Once completed this will include version control mechanisms which record the policy approver, approval date and the date of the next review in line with the Councils Policy Development Process.			
Deadline		September 2026			

Rec Ref	146b	Year	2021	Status	Closed
Recommendation		1. The Council should complete an annual reconciliation of the insurance schedule against the Fixed Asset Register to ensure that all properties and land are specified within the relevant insurance schedule. 2. Formal guidance should be established detailing the required frequency of property reinstatement valuations, for insurance purposes. 3. The Council should document a formal procedure for notifying the Risk Manager of any changes in land and property, including acquisitions, transfers and disposals. This should be communicated to all relevant staff.			

Action Plan	Evidence supporting this is available in the form of emails from compliance to Risk detailing property changes to notify us and allow us to update the insurance schedule. See emails from Lewis Porter 06 November 2025 13:03 and 09/12/2025 16:01 as examples. The details in the policy are section 5.5 on page 10. Emails sent to Deloitte on 29/01/26
Deadline	-

Rec Ref	268	Year	2025	Status	**Overdue**
Recommendation		The Council should ensure that: 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: a. Update to the RoPA to reflect links to relevant documents. b. Location of where personal data is stored; and c. 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.			
Action Plan		The Council are currently rolling out a new Corporate Filing System. The principles established for this, along with the Regional Retention and Disposal Schedule and the development of a RoPA for the Council will all form the basis for an Records Management Policy. This is currently underway and will be complete by September 2026. This will include guidance regarding the roles and responsibilities of the DPO and the Heads of Service Units in relation to updates, maintenance, and review of the RoPA. A ROPA has been created as part of the New Corporate File Plan. This will detail all aspects required from a ROPA. We are currently 40% complete and will be 100% complete by September 2026. The Council is the lead in developing a Regional Retention and Disposal Schedule, this is being developed currently and in conjunction with other Councils and PRONI. Once completed this will include version control mechanisms which record the policy approver, approval date and the date of the next review in line with the Councils Policy Development Process.			
Deadline		September 2026			

Rec Ref	270	Year	2025	Status	**Overdue**
Recommendation		The Council should ensure that: 1. The Retention and Disposal Schedule should be reviewed and updated to include version control mechanisms which record the policy approver, approval date and the date of the next review."			
Action Plan		The Council is the lead in developing a Regional Retention and Disposal Schedule, this is being developed currently and in conjunction with other Councils and PRONI. Once completed this will include version control mechanisms which record the policy approver, approval date and the date of the next review in line with the Councils Policy Development Process.			
Deadline		September 2026			

Rec Ref	287	Year	2025	Status	**Closed**
Recommendation		We recommend that: 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.			
Action Plan		IA obtained a copy of the monthly manager meeting agenda and noted that 'Budget Management' is a standing item on the agenda.			
Deadline		-			

Rec Ref	289	Year	2025	Status	**Due**
Recommendation		Management should: 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.			
Action Plan		Lands has compiled a schedule of Lessees where inspections necessary (Evidence emailed to Deloitte on 04/02/26 - attachment)			

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	Lease Licence register updated to include fields for inspections. Screenshot sent to Deloitte as evidence email 04/02/2026 Officers from relevant departments met in January 2026. This is included in the Land and Property review and will be going to Council for approval in March. Once approved, Lands will be contacting lessees to initiate inspection process.
Deadline	31 March 2026

Rec Ref	290	Year	2025	Status	**Due**
Recommendation		The Council should ensure that all lease agreements are signed per the Land and Property Policy. Signed agreements should be retained and stored securely.			
Action Plan		Still await response from Licensee with regards to renewal. This is being followed up.			
Deadline		31 March 2026			

Community Development

Rec Ref	30	Year	2019	Status	**Overdue**
Recommendation		Council should develop a short guidance note for partnership working which should advise of what to consider when developing a partnership: • Why is a partnership appropriate? • Aims and objectives • Membership • Governance • Operation staffing • Budget The guidance should also cover monitoring and reporting the progress of partnerships.			
Action Plan		A draft will be consulted on at HoST during the spring and then will go to committee for approval			
Deadline		30 June 2026			

Rec Ref	31	Year	2019	Status	**Overdue**
Recommendation		A short guidance document should be prepared for Councillors who sit on partnership committees to ensure their role is clearly understood by all parties involved.			
Action Plan		A draft will be consulted on at HoST during the spring and then will go to committee for approval			
Deadline		30 June 2026			

Rec Ref	291	Year	2025	Status	**Overdue**
Recommendation		Service Management should: 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.			
Action Plan		Training will be provided by Finance on the new procedures following the introduction of the new financial management system in April			
Deadline		30 June 2026			

Rec Ref	296	Year	2025	Status	**Partially Complete / Overdue**
Recommendation		1. Implement a formalised contract variation and expenditure reporting process that ensures all additional costs, including extensions and variations, are promptly documented and escalated to the PCSP for review and approval. 2. Ensure that completed Conflict of Interest forms are securely retained in line with the Retention and Disposal Policy.			
Action Plan		1. This will be actioned before the summer. 2. All conflict of interest forms are saved in a dedicated folder on SharePoint.			
Deadline		30 June 2026			

Community Planning and Climate

Rec Ref	294	Year	2025	Status	**Not Yet Due**
Recommendation		The Council should implement the following: • Define measures of success for achievement of Big Plan outcomes that are within the Council's control for each workstream; • These measures of success should be mapped to the relevant Big Plan outcome, and include specific actions to be taken, action owners and timelines for achievement; • Monitor these measures of success internally on a regular basis and include in the annual report to SCPP.			
Action Plan		A Community Planning Tracker Spreadsheet has been developed that lists the workstreams, monitoring arrangements (including primary reporting mechanism which			

	is sometimes a funder rather than the Strategic CP Partnership). Tracker records reporting frequency, status of action plan, measures of success, timeline, Terms of Reference and a rag status that indicates if the workstream is on track, delayed but still progressing or if an urgent review is required. Tracker to be discussed and approved by SCPP on 4 February 2026. This tracker will be integrated into the annual Progress Update Report presented to the SCPP at its October/November meeting.
Deadline	November 2026

Rec Ref	295	Year	2025	Status	Closed
Recommendation	The Council should ensure that a TOR is implemented for all the workstream groups, which outlines the following; • Purpose of the group, • Scope and deliverables of the group • The roles and responsibilities of the members. • Reporting lines and frequency. • Workstreams should ensure (and meeting minutes should document) that the scope and deliverables per the TOR are being addressed in meetings.				
Action Plan	Terms of Reference in place and adopted by all workstreams that include community partnership working arrangements. Meeting action notes rather than minutes used to record discussions. Some workstreams (or sub-groups) have been established and are led by external organisations. We do not have control over these ToRs and we are not responsible for the meeting notes/ minutes, but these are still considered as helping contribute to the Big Plan outcomes.				
Deadline	-				

Estates

Rec Ref	256	Year	2024	Status	Closed
Recommendation	3) 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. 4) 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.
Action Plan	Closed
Deadline	-

Capital Development

Rec Ref	281	Year	2025	Status	Overdue
Recommendation		The Council should ensure that the ToR for the CPPB is reviewed, updated and finalised in line with review frequency in the ToR.			
Action Plan		An updated ToR was issued as part of the April 2025 CPPB meeting papers for ratification. Due to several meeting cancellation, and phase 1 re-structuring, the TOR update approval has been put on hold until after the newly appointed Head of Capital Development got the opportunity to review in March 2026 and re-submit for ratification.			
Deadline		30 September 2026			

Tourism, Arts and Heritage

Rec Ref	151a	Year	2021	Status	Overdue

Recommendation		i. Social media strategy and KPIs (either as a stand-alone document or as part of the annual Service Plan) should be developed for the following channels:
		    • AND Leisure Facebook
		    • Visit Strangford Lough Facebook
		ii. Formal reporting on social media activity and engagement should be made to the respective Head of Service and relevant Council Committees for the Service for the following channels either as a stand-alone report or reporting as part of the annual Service Plan:
		    • AND Leisure Facebook
		    • Visit Strangford Lough Facebook			

Action Plan		AND Leisure Complete. Create a plan to transfer Visit Strangford Lough Facebook page onto Visit AND and Visit Mournes Gullion and Strangford pages respectively by May 2026. Maintain existing management arrangements until transfer is complete A weekly content plan for posting on the VSL page by trained officers using the Meta Business Suite online. Report on the annual KPI on the Tourism, Arts and Heritage Service Plan in 2025/26.			
Deadline		30 June 2026			

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Waste and Cleansing

Rec Ref	213	Year	2023	Status	**Overdue**
Recommendation		Management should ensure that in the absence of the NI Waste Strategy, an initial review of the Waste Management Plan is completed with a full review completed following the finalisation and implementation of the NI Waste Strategy by DAERA.			
Action Plan		A review of kerbside collections has been carried out but Council has decided not to proceed until the DAERA publishes its departmental response to the Recycling Strategy consultation. A report on a 'recycling on the go' trial is coming Environment Committee in March for approval. The Waste Working Group (of Members) will meet on 24 March which will chart the way forward.			
Deadline		Dependant on DAERA.			

Next Steps

Management will now proceed with implementation of the actions noted and report back to the May meeting.

RECOMMENDATION

It is recommended that Council **Notes** the report.

ITEM 7a

Ards and North Down Borough Council

Report Classification	Unclassified
Exemption Reason	Not Applicable
	If multiple:
Meeting	Audit Committee
Date of Meeting	23 March 2026
Responsible Director	Chief Executive
Responsible Head of Service	
Report title	Proposed new process around 'to note' reports
Attachments	
File Reference (if applicable)	
Legislation	Local Government Act (Northern Ireland) 2014
Resource Implications	None Narrative:
Screening Requirements	*The Council will commit to consider the implication of all reports under the categories of Section 75, Rural Needs, Data Protection, Climate and Sustainability:* Screening of report not required
Link to Corporate Plan Priority and Outcome	Priority 3: Social 7. Ards and North Down Borough Council is a high performing organisation If multiple:

Purpose

At its meeting in September 2025, the Committee agreed to explore implementing a new process around 'to note' reports, whereby such reports were removed totally from the agenda and alternatively, uploaded to Decision Time for Member's

information only. Such reports would follow similarly to 'Any Other Notified Business' where Members could request that a 'to note' report was added onto the agenda for the Committee's consideration.

Background
Officers have since undertaken to explore this option with another Council who operate a similar system, referred to as the 'Information and Correspondence Schedule' (ICS).

In practice, the ICS is a separate entry on Decision Time to the Committee meeting. For example, if the Committee meeting is scheduled to take place from 7pm-9pm, the ICS is scheduled for 9.30pm. This 'meeting' includes reports for noting as well as copies of relevant correspondence.

The ICS papers are also circulated by Democratic Services in line with the deadlines set out in the Local Government Act (Northern Ireland) 2014, which requires that agendas and associated papers are circulated to Members within 5 calendar days of the meeting.

Officers were advised that in the case of ICS reports, Members typically raise questions with the Director directly in advance of the meeting, rather than on the floor of the Committee.

Governance and Transparency
Officers have discussed options from a governance perspective, as the Council is required to have a clear procedural framework of its decisions.

Some concern has been flagged around the decision making and formal record keeping of decisions if items are not contained in one meeting and on one agenda. For example, a report circulated in the ICS 'meeting', which is then not raised on the floor of the Committee, will not automatically be included in the minutes and will not be ratified at full Council.

The Local Government Act (Northern Ireland) Act 2014 outlines at 43(1), "*Copies of the agenda for a meeting of a council and, subject to subsection (2), copies of any report for the meeting must be open to inspection by members of the public at the offices of the council [or on the council's website] in accordance with subsection (3)…*

Any document which is required by subsection (1) to be open to inspection must be open to inspection at least five days before the meeting, except that—

(a)where the meeting is convened at shorter notice, the copies of the agenda and reports must be open to inspection from the time the meeting is convened, and

(b)where an item is added to an agenda copies of which are open to inspection by the public, copies of the item (or of the revised agenda), and the copies of any report for the meeting relating to the item, must be open to inspection from the time the item is added to the agenda.

4) An item of business may not be considered at a meeting of a council unless either—
(a)a copy of the agenda including the item (or a copy of the item) is open to inspection by members of the public in pursuance of subsection (1) for at least five days before the meeting or, where the meeting is convened at shorter notice, from the time the meeting is convened; or

(b)by reason of special circumstances, which must be specified in the minutes, the chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency."

To be in line with the Act, it is the view of Officers that any reports on Council business should appear on the agenda and in the public domain within the appropriate deadlines.

Scheme of Delegation
Consideration would also be required around 'to note' reports that fall under Council Reserved Matters, which are considered at the parent Committee but upon which the Committee do not have delegated authority to make the decision. Such reports would be required to be placed on the agenda of the main Committee meeting, to ensure they are contained in the minutes and ratified at full Council.

Standing Order changes
Should the Council agree to implement a new system in the style of the ICS system as outlined, the Standing Orders would need to change. In line with the Scheme of Delegation, this can only be done at full Council. Therefore, a report would be required at the next Council meeting outlining the Committee's recommendations and therefore proposing changes to the Standing Orders.

If the Council agrees to proceed with the ICS system, it is recommended that the Standing Orders would be changed as follows:

<u>Standing Order 4 - Notice and Summons of Meetings</u>
4.4 Any Other Notified Business (AONB) cannot be considered at Council meetings or the Planning Committee but may be considered at all other Committee meetings.

AONB must be submitted in writing to Democratic Services not later than 4pm one working day prior to the meeting. This should also be copied to the Chairperson and Director of the relevant Committee. AONB should be of an urgent nature and usually for information and can be accepted or denied at the discretion of the Chair. It should not be a matter that should be raised as a Notice of Motion.

Insert as new **4.5**:

Requests for items from the Information and Correspondence (ICS) schedule to be added to the Committee meeting agenda must be submitted in writing to Democratic Services and the Director not later than 4pm, one working day prior to the meeting. This should also be copied to the Chairperson.

Members should note when making these decisions, that under Standing Order 30 – Suspension and Amendment of Standing Orders – any motion to, add to, vary or revoke the Standing Orders will, when proposed and seconded, stand adjourned and be referred without discussion to the next ordinary meeting of the Council and any resultant amendment will be ratified at the meeting.

As such, should the committee wish to change the Standing Orders, a report will be placed on the agenda of the next full Council meeting outlining the proposed suspension and amendment at which point the relevant Standing Order will be stood down until the next full Council meeting when the resultant amendment will be debated and ratified.

Options
The Committee should consider the following options:

1. **Introduce an ICS system**
   When making this decision, Members should consider the governance and transparency issues outlined above. At this time, further work would need to be done to ensure such a system is compliant with the Act.

   Member should also note that reports for noting are not the same type of business as AONB, which is of urgent nature and for information and should not be something that could otherwise be a NOM. Reports, however, regularly stem from Notices of Motion. Careful consideration would be required on the nature of such items uploaded to the ICS system.

   Furthermore, consideration should be given to the resource impact on the repeated publication of papers to the public, when reports are added to the agenda on an ad-hoc basis.

   Given these implications, Officers are not proposing this as a reasonable model.

2. **Introduce further changes to the agenda format**
   Members will be aware that in 2024 the agenda format was updated to categorise reports by 'for approval' and 'for noting' both in public session and in confidence. This was an effort to help address the length of Committee meetings.

   An alternative option is that the Council do not proceed with an ICS system for 'to note' reports or items for information. Instead, the agenda format is updated again to take all reports for noting into a new section 'Not for Discussion' whereby a proposal would be put to take these items 'en bloc'. In order for a single report to be considered, it would have to be decoupled from the rest and proposed as such. It would be similar to how 'Circulated for Information' items are considered at Council.

   The agenda format would look as follows:
   - **Public (for approval)**

- **Not for Discussion: Reports noted en bloc.**
- **In Confidence (for approval)**
- **Not for Discussion: Reports noted en bloc.**

Members should consider whether this option would address any concerns around the length of Committee meetings. It is recommended that this option is more favourable than implementing an ICS system.

3.   **Do nothing**
      Members should consider whether the most appropriate course of action would be to do nothing or alternatively, refer the contents of this report to full Council for consideration.

Summary
Members should consider the options outlined in the report on the balance of whether changes are required to how reports are considered at Committee, as well as Council.

RECOMMENDATION

It is recommended that Council **Agrees** to not implement a new process around 'to note' reports and agrees to keep the agenda format as it is.