

## **ARDS AND NORTH DOWN BOROUGH COUNCIL**

11 May 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, 18 May 2026** commencing at **7pm**.

Yours faithfully

Susie McCullough  
Chief Executive  
Ards and North Down Borough Council

### **A G E N D A**

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

#### **Reports for Noting:**

4. Matters Arising from Previous Meetings
  - a) Committee Minutes from 23 March 2026 (attached)
  - b) Follow-up Actions (report attached)
  - c) Community Planning Implementation Review (report attached)
5. External Audit
  - a) Code of Audit Practice (attached)
  - b) Statement of Responsibilities of LGA and Local Government Bodies (attached)
  - c) Raising Concerns in the Northern Ireland Public Sector (attached)
  - d) Raising Concerns Self Assessment Checklist (attached)
6. Internal Audit:
  - a) Annual Assurance Statement 2025/26 (attached)
  - b) Progress Report (Attached)
  - c) Digital Services Governance Review (report attached)
  - d) Cyber Security Follow-up Review (report attached)
7. Corporate Governance

- a) Summary of Statements of Assurance – April 2025 - March 2026 (report attached)
  - b) Corporate Risk Register – May 2026 (report attached)
8. Workplan for 2026/27 (report attached)
9. Review of Terms of Reference (report attached)
10. Any Other Notified Business

#### **ITEMS 11-14 \*\*\*IN CONFIDENCE\*\*\***

##### **Reports for Noting:**

- 11. Single Tender Actions Update (report attached)
- 12. Independent Member Update (verbal update)
- 13. Fraud, Whistleblowing and Data-protection matters (verbal update)
- 14. 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
Alderman Graham	Councillor Thompson (Chair)
Councillor Hollywood (Vice-Chair)	Councillor Wray
Mr P Cummings	

## **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, 23 March 2026 at 7.00pm.

### **PRESENT: -**

**In the Chair:** Councillor Thompson

**Aldermen:** Graham  
McAlpine

**Councillors:** Harbinson (Zoom) Newman  
McKee (Zoom) Wray

**In Attendance:** Mr Paul Cummings – Independent Member

NIAO – Tomas Wilkinson

Deloitte – Camille McDermott  
Prachi Jain

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

### **1. APOLOGIES**

The Chairman (Councillor Thompson) sought apologies at this stage.

Apologies had been received from Councillors Hollywood and Morgan.

**NOTED.**

### **2. CHAIRMAN'S REMARKS**

The Chairman welcomed Members to the meeting and continuing he also welcomed Deloitte and Northern Ireland Audit Office (NIAO) representatives as well as Independent Member Mr Paul Cummings.

**NOTED.**

### 3. DECLARATIONS OF INTEREST

The Chairman sought Declarations of Interest at this stage.

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

**NOTED.**

#### Reports for Noting

### 4. MATTERS ARISING FROM PREVIOUS MEETINGS

#### (a) Audit Committee Minutes from 15 December 2025

PREVIOUSLY CIRCULATED:- Copy of the above minutes.

**AGREED TO RECOMMEND, on the proposal of Councillor Wray, seconded by Alderman Graham, that the minutes be noted.**

#### (b) Follow-Up Actions

(File ref: AUD02)

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

#### **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

Item	Title	Action	Officer	Status
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

RECOMMENDED that Council notes the report.

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

## **5. EXTERNAL AUDIT**

### **a. ANDBC Audit Strategy 2025-2026**(Appendix I)

PREVIOUSLY CIRCULATED: - ANDBC Audit Strategy 2025-2026 from the Northern Ireland Audit Office (NIAO).

RECOMMENDED that the report be noted.

The Chairman invited Tomas Wilkinson (NIAO) to speak to his report.

Mr Wilkinson provided members with an overview of the report highlighting the salient points within it including:

- One significant Audit risk had been identified, that being Management Override of Control.
- The Audit fees for the year would be £82,600 for the Financial Audit and £17,400 for the Performance Improvement Audit and Assessment.
- The replacement of the Finance IT System to take effect on 1 April 2026 and would see it being unsupported from 1 June 2026, leaving the system exposed to cyber-attack, data loss and downtime.

The Chairman thanked Mr Wilkinson for his comments and invited questions from Members.

In respect of the reference made to the Finance IT system, Councillor Wray sought further clarity around that.

Mr Wilkinson indicated that a potential risk had been identified whereby the new system would be unsupported from 1 June 2026 which could see data being lost and potential for risk from cyber attack. As such he believed that it was important to move to the new system as soon as possible.

The Head of Finance reassured Members that his team were actively working on this with preparations well underway to go live on 1 April 2026.

**AGREED TO RECOMMEND, on the proposal of Alderman Graham, seconded by Councillor McKee, that the report be noted.**

## **6. INTERNAL AUDIT**

### **a. ANDBC Audit Committee Progress Report (Appendix II)**

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

RECOMMENDED that the report be noted.

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

Ms McDermott advised that two Internal reports were being presented to the Committee, those being:

- Review of the Labour Market Partnership
- Climate Change Strategy Review

Continuing Ms McDermott reported that there were no changes to the Plan and all additional pieces of work had been undertaken. In respect of Follow Up work, that was set out on Page 14 of report and detailed that:

- 39 Outstanding Recommendations remained in March 2025.
- 30 Items were added to the tracker throughout the year.
- 30 issues had been closed during the year.
- 38 items remained open as at 9 March 2026.

The Chairman thanked Ms McDermott for her comments and invited questions from Members.

Councillor Newman welcomed the report and in particular the review of Leisure Centre procurement arrangements for the provision of synthetic pitches. She was aware that had caused a number of issues for Bangor Hockey Club and other clubs and as such she would look forward to reading the findings around that in due course.

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

### **(b) ANDBC Review of the Labour Market Partnership (Appendix III)**

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

RECOMMENDED that the report be noted.

The Chairman invited Prachi Jain, Deloitte to present her report.

Ms Jain highlighted the salient points and audit priorities within the report and noted there were no Priority 1, Priority 2 or Priority 3 recommendations and an overall satisfactory level of assurance given.

There were no queries from Members.

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

(c) **ANDBC Internal Audit – Climate Change Strategy Review**  
(Appendix IV)

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

RECOMMENDED that the report be noted.

The Chairman invited Prachi Jain, Deloitte to present her report.

Ms Jain highlighted the salient points and audit priorities within the report and noted there were no Priority 1 recommendations, four Priority 2 recommendations and no Priority 3 recommendations. An overall limited level of assurance had been given.

There were no queries from Members.

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

d. **Internal Audit Annual Report 2025-26** (Appendix V)

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

RECOMMENDED that the report be noted.

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

Ms McDermott guided Members through the report highlighting the salient points within it. It was noted there were 18 Priority 2 issues and five Priority 3 issues and a Satisfactory level of Assurance had been given.

Queries from Members were sought at this stage.

Alderman McAlpine welcomed that the number of Recommendations had reduced however on reviewing the previous report at Item 6a she had noted that a number of those had been extended. As some of those would now have taken almost nine years to resolve she asked what the major issues were around getting those successfully resolved.

In response Ms McDermott acknowledged that capacity to undertake some of the recommendations had been a challenge particularly as a number of significant transformation projects had been ongoing by the Council.

The Director of Corporate Services advised that in relation to the Travel and Subsistence outstanding recommendation, it was the intention to include that as part of a wider negotiation around Terms and Conditions including Job Evaluations with Trade Unions etc in the future. Continuing he commented that some of the recommendations would require significant large scale projects and added that one of the biggest large scale projects was the Corporate File Plan which commenced last September and was due to be completed in September 2026. It was noted planning for that had commenced six months prior to September 2025. Members were further advised that some items would require other items to be completed and as such there was a knock on effect for many of those which remained outstanding. As such the Director believed, as was often the case, the numbers did not reflect the amount of work which was ongoing in the background.

Alderman McAlpine suggested that it would be helpful if that level of detail could be highlighted in future reports.

Referring to Page 6 of the report, Statement of Assurance, Mr Cummings noted the following statement:

“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”.

He believed that a formal response to that should be sought by the Committee to that request to consider the full effect of the 38 recommendations.

The Director of Corporate Services indicated that would be given further consideration and reported back to the Committee in due course.

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

**e. ANDBC Draft Annual Audit Plan 2026-27 (Appendix VI)**

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

RECOMMENDED that the report be noted.

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

Ms McDermott guided Members through the report highlighting the salient points within it.

There were no queries from Members.

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

**f) Detailed Outstanding Recommendations Action Plans (Appendix VII)**

PREVIOUSLY CIRCULATED: - Report from the Director of Corporate Services detailing that Council kept a register of internal audit recommendations that were 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 2025, 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 fulfilled that request.

RECOMMENDED that the report be noted.

The Head of Finance advised that the report had been prepared following a request from the Committee at its last meeting and it provided fuller responses and actions from Management in respect of each of the outstanding Actions.

Queries from Members were sought at this stage.

Welcoming the report, Councillor Wray indicated that he had a number of questions and referring to recommendation number 84 noted there were three options and he sought further clarification around those.

In response the Head of Finance advised that the Council's Human Resources service had subsequently appointed a full time Systems Assistant and as an internal candidate they had prior knowledge of the system. It was noted that while a workplan was already in place, the Member's comments would be passed on to Human Resources officers.

Continuing Councillor Wray referred to recommendation number 248 which considered the Council's 5% absence trigger on the system however he noted the commentary around that which was that Line Managers should be reminded that was their responsibility to manage.

The Director of Corporate Services advised that Line Managers often had significant other tasks to complete associated with their jobs and as such what was being considered was a system where reminder emails would be sent to Line Managers once the 5% trigger had been reached by their staff.

Councillor Newman indicated that she wished to make reference to recommendations 195 and 101 which had been started in 2022 and 2022 respectively. She sought clarity that nothing had changed in respect of 195 and suggested that if there had been movement on that the situation currently around Ward Park and Aurora Hockey pitches and carpets could have been prevented.

The Head of Finance indicated that he could not make comment on that particular matter out of confidence, however he confirmed the issue was related to the Council's new finance system which would go live on 1 April 2026. There remained however a number of issues with this and once the system was automated there would be much stronger compliance demands. Members were further advised that significant training had already been undertaken.

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

## **7. CORPORATE GOVERNANCE**

### **a) Draft Procedure for 'to note' Reports**

PREVIOUSLY CIRCULATED: - Report from the Chief Executive stating that 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 had since undertaken to explore this option with another Council who operated a similar system, referred to as the 'Information and Correspondence Schedule' (ICS).

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

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

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

#### **Governance and Transparency**

Officers had discussed options from a governance perspective, as the Council was required to have a clear procedural framework of its decisions.

Some concern had been flagged around the decision making and formal record keeping of decisions if items were not contained in one meeting and on one agenda. For example, a report circulated in the ICS 'meeting', which was then not raised on

the floor of the Committee, would not automatically be included in the minutes and would not be ratified at full Council.

The Local Government Act (Northern Ireland) Act 2014 outlined 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 was 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 were considered at the parent Committee but upon which the Committee did 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 were 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 could 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 agreed to proceed with the ICS system, it was recommended that the Standing Orders would be changed as follows:

**Standing Order 4 - Notice and Summons of Meetings**

***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 would, when proposed and seconded, stand adjourned and be referred without discussion to the next ordinary meeting of the Council and any resultant amendment would be ratified at the meeting.

As such, should the Committee wish to change the Standing Orders, a report would be placed on the agenda of the next full Council meeting outlining the proposed suspension and amendment at which point the relevant Standing Order would be stood down until the next full Council meeting when the resultant amendment would 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 was compliant with the Act.

Members should also note that reports for noting were not the same type of business as Any Other Notified Business, which was of urgent nature and for information and should not be something that could otherwise be a Notice of Motion. Reports, however, regularly stemmed 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 were added to the agenda on an ad-hoc basis.

Given these implications, officers were not proposing this as a reasonable model.

## 2. Introduce further changes to the agenda format

Members would 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 was that the Council did not proceed with an ICS system for 'to note' reports or items for information. Instead, the agenda format was 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 was recommended that this option was 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 were required to how reports were considered at Committee, as well as Council.

RECOMMENDED that Council agrees to not implement a new process around 'to note' reports and agrees to keep the Agenda format as it is.

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

The proposer Councillor Wray acknowledged that this was a big decision for the Council adding that if any changes were to be made that should be debated by the Full Council. As such he asked if this proposal was noted could other Members with an interest in this matter comment on it at the Full Council meeting when the minutes were ratified.

The Director of Corporate Services advised that the minutes of this meeting would be ratified at the April 2026 Full Council Meeting. The report was the result of significant debate at a previous meeting of the Committee and following a benchmarking exercise it was the view of officers that Council continued with its existing approach on the basis of transparency. He confirmed that the minutes would go to April 2026 meeting of the Full Council and Members would have an opportunity to comment at that stage.

The seconder, Councillor McKee stated that he supported the recommendation and understood the reasoning behind the report before them. Committees had previously been running a lot longer than what they did now and as such what was detailed in the report was not necessary as that problem was no longer a significant issue.

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

## **8. ANY OTHER NOTIFIED BUSINESS**

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

**NOTED.**

## **EXCLUSION OF PUBLIC/PRESS**

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

### **Reports for Noting**

## **9. SINGLE TENDER ACTIONS UPDATE (FILE 231329)**

(File Ref: 231329)

**\*\*\*IN CONFIDENCE\*\*\***

### **NOT FOR PUBLICATION**

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

The Committee was asked to consider an update on Single Tender Actions (STA's). Each STA is reported to Council by the relevant directorate to request the setting aside of Standing Orders. Three Single Tender Actions were brought to the attention of the Procurement Service Unit since its last report.

## **10. FRAUD, WHISTLEBLOWING AND DATA PROTECTION MATTERS**

**\*\*\*IN CONFIDENCE\*\*\***

**NOT FOR PUBLICATION**

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

Members were advised of any new incidences of fraud, whistleblowing and data protection.

## **11. MEETING WITH NI AUDIT OFFICE AND INTERNAL AUDIT OFFICE IN THE ABSENCE OF MANAGEMENT**

**\*\*IN CONFIDENCE\*\***

**NOT FOR PUBLICATION**

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

A meeting was held in the absence of management.

The Chief Executive, Director of Corporate Services, Head of Finance, Community Planning Manager and Democratic Services Officer all withdrew from the meeting during the discussion of the item at 7.57 pm and returned to the Council Chamber at 7.59 pm.

## **RE-ADMITTANCE OF PUBLIC AND PRESS**

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

## **TERMINATION OF MEETING**

The meeting terminated at 7.59pm.

Unclassified

**ITEM 4b****Ards and North Down Borough Council**

Report Classification	Unclassified
Exemption Reason	Not Applicable
	If multiple:
Meeting	Audit Committee
Date of Meeting	18 May 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 2006
Resource Implications	Staffing Narrative: Minor implications
Screening Requirements	<i>The Council will commit to consider the implication of all reports under the categories of Section 75, Rural Needs, Data Protection, Climate and Sustainability:</i>  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.

Item	Title	Action	Officer	Status
Dec 2023 6b	Audit and Assessment Report	Drafting of formal consultation strategy	Head of Comms and Marketing	In draft Sep 2025
Dec 2025 4b	Follow-up actions	Review ToR to reduce change in membership	Head of Finance	Item 9 & Annual Meeting Jun 2026
6c	Community Plan Review	Report on success factors for outcomes based accountability	Community Planning and Climate Manager	Item 4c
7a	Interim Assurance Statements	Review section 3 regarding inclusion of outstanding IA rec's	Head of Corporate Governance	Item 7a
Mar 2026 6a	Internal Audit progress report	Report on cumulative effect of so may outstanding recommendations	Heads of Corporate Governance & Finance	Included in Item 7a
	Internal Audit progress report	Outstanding recommendations to feature in Governance Statement	Head of Finance	Jun 2026

## RECOMMENDATION

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

Unclassified

**ITEM 4c****Ards and North Down Borough Council**

Report Classification	Unclassified
Exemption Reason	Not Applicable
	If multiple:
Meeting	Audit Committee
Date of Meeting	18 May 2026
Responsible Director	Chief Executive
Responsible Head of Service	Head of Community Planning and Climate
Report title	Community Planning Implementation Review
Attachments	
File Reference (if applicable)	
Legislation	Local Government Act (Northern Ireland) 2014
Resource Implications	None
	Narrative:
Screening Requirements	<i>The Council will commit to consider the implication of all reports under the categories of Section 75, Rural Needs, Data Protection, Climate and Sustainability:</i>  Screening of report not required
Link to Corporate Plan Priority and Outcome	Multiple Multiple If multiple: Community Planning cuts across all Corporate Plan outcomes and priorities

## Background

Community planning has been a statutory duty for councils since 2015, with Ards and North Down Borough Council's Community Plan (*The Big Plan*) first agreed in 2016. The Plan is intentionally long-term (15 years) and outcome-focused, recognising that many of the complex social, economic and environmental challenges facing communities cannot be resolved by a single organisation or within a short timeframe.

The recent Internal Audit provided satisfactory assurance, while identifying a finding relating to the absence of clearly defined action plans and measures of success across some workstreams.

This report provides the additional information requested by Members at the December 2025 Audit Committee meeting, following consideration of the Internal Audit review of Community Plan monitoring and reporting arrangements.

## What Community Planning Has Achieved to Date

While the audit did not assess delivery against outcomes, significant progress has been achieved through the community planning framework over the past ten years. This progress has been independently recognised and was formally reflected at the Big Community Planning 10-Year Summit, held in May 2025, which brought together over 100 partners, community organisations and residents to reflect on impact and future direction.

### 1. Establishing and Sustaining Partnership Infrastructure

Community planning has established a stable governance and collaboration framework that did not previously exist. This includes the ongoing operation of the Strategic Community Planning Partnership, bringing together senior representatives from statutory, voluntary and community sectors, and the development of outcome-aligned workstreams to coordinate activity and reduce duplication. The establishment of these partnerships, and the relationships within them, proved integral during the Covid-19 pandemic and enabled a rapid and coordinated response to emerging community need.

### 2. Tangible Partnership-Led Initiatives

Community planning in Ards and North Down has increasingly focused on practical, partnership-led initiatives that deliver visible benefits for residents, while also influencing how wider systems operate across health, wellbeing and place-making.

Key examples include dementia safeguarding initiatives progressed through community planning structures, supporting a more coordinated approach between the Council, health partners, community organisations and carers, with a focus on prevention, awareness and safer community environments. Community planning has also supported inclusive access to public spaces, including securing external funding for inclusive beach facilities at Groomsport, ensuring people with mobility needs can safely enjoy the coastline alongside other residents and visitors.

Through community planning, there has been a deliberate shift towards co-design approaches, with residents, community groups and partners increasingly involved in shaping initiatives from the outset rather than being consulted at the end. This

approach underpins initiatives such as the forthcoming Considerate Parking campaign, which responds directly to community-identified concerns around accessibility, safety and the shared use of public space.

Similarly, work currently being developed through the Sustainable Tourism workstream will demonstrate how community planning has brought together tourism bodies, local businesses, residents and environmental interests to agree shared principles for responsible and sustainable visitor behaviour.

Community planning has also enabled pilot activity that connects wellbeing, environment and access, including external funding support for open-water swimming masterclasses, helping residents safely engage with natural assets while promoting physical and mental health. Initiatives such as this align with a broader emphasis on preventative health and place-based wellbeing, delivered collaboratively rather than through single-agency programmes.

The Big Digital Guide to Wellbeing provides a further example of how community planning has moved towards shared ownership and shared delivery. Rather than being solely maintained by the Council, responsibility for content, promotion and rollout is increasingly shared with partners across the health, community and voluntary sectors. This approach improves sustainability, helps ensure information remains current and relevant, and reinforces the principle that community planning is a collective endeavour rather than a Council-only function.

Age-Friendly initiatives, the Labour Market Partnership, the Community Resuscitation Group, and the Reading Borough Project are all delivered through community planning structures. These examples demonstrate that, while not always branded as “community planning projects”, the framework adds value by connecting activity, aligning priorities and supporting collective impact.

While the Council often undertakes a greater coordination and facilitation role, this reflects the breadth of our responsibilities, the range of services provided, and the capacity and capability we can bring to partnership working.

Beyond individual projects, community planning has strengthened the Council’s strategic influence within wider partnership structures, ensuring that local insight and community priorities inform decision-making beyond the Council’s direct remit. This includes active engagement within the Ards and North Down Locality Planning Group and the South Eastern Outcomes Group led by the South Eastern Health and Social Care Trust, helping to align local community priorities with regional health and wellbeing planning. Community planning also maintains ongoing involvement in the Protect Life Implementation Group, supporting a coordinated, partnership-based approach to suicide prevention across the borough.

### Next Steps

Members expressed concern about the absence of clearly defined action plans and measures of success for some workstreams.

In response, at its meeting in February 2026, the Strategic Community Planning Partnership agreed to adopt a standardised progress tracker to be used consistently across all workstreams. This tracker will:

- clearly set out agreed actions, responsible partners, timescales and expected outcomes for each workstream.
- include measures of success and progress updates, enabling proportionate scrutiny without creating unnecessary bureaucracy.
- provide a transparent mechanism for identifying where progress is being made and where further intervention or partner commitment is required; and
- support more structured reporting and ensure audit recommendations are fully embedded.

This approach reflects the point raised by Members regarding the importance of applying the same principles of accountability and evidence to partnership activity as would be expected of organisations receiving Council funding.

### Summary

Community planning has delivered clear value over the past decade by establishing durable partnerships, enabling collaborative action and providing a shared long-term vision for improving wellbeing across Ards and North Down. While the Internal Audit rightly identified areas for improvement in monitoring and reporting, these findings do not negate the significant progress achieved.

The adoption of a strengthened progress-tracking approach, alongside the refreshed Big Plan, revised governance arrangements and the introduction of workplans across each workstream, will ensure that future activity is more clearly articulated, measurable and accountable, addressing Members' concerns and strengthening assurance going forward.

## RECOMMENDATION

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



# Code of Audit Practice 2026

In relation to the functions of the Local Government Auditor in the audit of Local Government Bodies in Northern Ireland

**Report by the Local  
Government Auditor**

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Published  
April 2026

## **Code of Audit Practice 2026**

### **In relation to the functions of the Local Government Auditor in the audit of Local Government Bodies in Northern Ireland**

Laid before the Northern Ireland Assembly under Article 5(7) of the Local Government (Northern Ireland) Order 2005 by the Department for Communities on 24 February 2026 and approved by a resolution of the Assembly on 14 April 2026.

Published April 2026

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# Preface

The Local Government Auditor is responsible for preparing a Code of Audit Practice (the Code) which sets out the framework for auditing Local Government bodies in Northern Ireland. This newly updated Code of Audit Practice will be in place for the next five years.

The Code of Audit Practice continues to be a principles-based approach derived from legal requirements and the current professional international auditing standards and professional practices in operation at this time. Should there be any subsequent changes to legislation affecting the duties of the Local Government Auditor, the implications for this Code will be considered and revised if necessary. In particular, I am aware of the NI Assembly's governance review in 2022, which recommended a number of changes to public sector audit in Northern Ireland including the role of the Local Government Auditor, which will require legislative changes.

Public sector audit is carried out in the public interest and therefore the scope of public sector audit is wider than that of the private sector. It is essential for holding public bodies and representatives to account for their spending and stewardship of public money. It also makes an important contribution to the corporate governance mechanisms in place designed to deliver public services which are in the public interest.

The Local Government Auditor will continue to seek opportunities to carry out comparative and other studies on the local government sector and to publicly report the findings of this work over the next five years. In addition, the Local Government Auditor will continue to seek to identify and report on examples of good practice that may be applied to local government organisations. Many of the reports published by the Comptroller and Auditor General include recommendations which are also applicable to local government. As central and local government continue to work closely together, the Local Government Auditor may choose to report on public spend in conjunction with the Comptroller and Auditor General.

The principles set out in this Code will support the Local Government Auditor to meet statutory obligations and will ensure that auditors' contributions are maximised to improve local government financial accountability, performance and transparency.

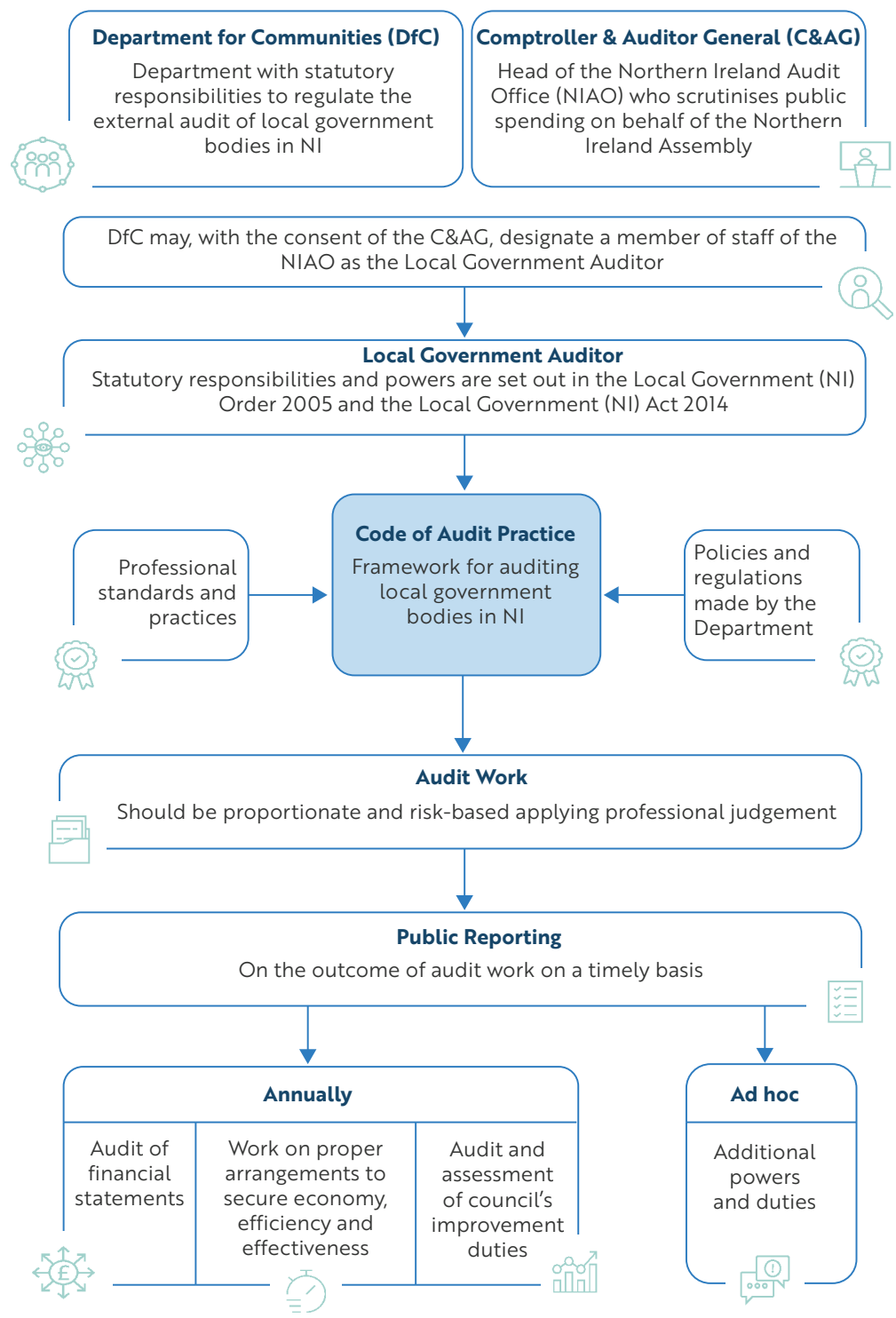


**Brian O'Neill**  
Local Government Auditor

# Background

The Code of Audit Practice (the Code) sits at the centre of the arrangements for public audit of Local Government in Northern Ireland (NI). This is illustrated below. The Code reflects the legal requirements for local government audit. It also reflects the professional and ethical standards with which auditors must comply and covers the wider scope of public audit compared to the private sector.

## Arrangements for the audit of local government bodies in Northern Ireland



## Independent appointment of the Local Government Auditor

The Local Government (Northern Ireland) Order 2005 (the Order) provides that the Department for Communities may, with the consent of the Comptroller and Auditor General (C&AG), designate a member of staff of the Northern Ireland Audit Office (the NIAO) as the Local Government Auditor. Once designated, this Auditor carries out statutory responsibilities, and exercises their professional judgement, independently of the Department and the C&AG.

## The roles of the Department, Comptroller and Auditor General, and the Northern Ireland Audit Office

The Department with regulatory responsibility (the Department) is a central government department with statutory responsibilities to regulate the external audit of local government bodies in Northern Ireland – currently the Department for Communities.

The C&AG is an Officer of the Northern Ireland Assembly to which they report the results of their work. The C&AG is head of the NIAO who supports in the delivery of their functions, including the external audit of central government bodies in Northern Ireland.

Whilst the designated Local Government Auditor is independent and has responsibility for the functions to which this Code relates, operationally much of the work is delegated to staff within NIAO. Additionally, NIAO has in place contractual arrangements with some private audit firms to assist with this audit work.

Consequently, in this Code the use of the terms 'auditor' and 'auditors' apply collectively to:

- the Local Government Auditor;
- employees of NIAO; and
- any persons contracted to provide audit services to NIAO.

NIAO has established arrangements for the training and development of audit staff, the provision of advice and support on technical matters and regulating the quality of audit work.

## The role of the Local Government Auditor

The Local Government Auditor has a statutory responsibility to give an independent opinion on local government bodies' financial statements, referred to in legislation as the 'statement of accounts'. The annual audit must also include a review and report on aspects of the arrangements put in place by local government bodies to ensure the proper conduct of its financial affairs, management of its performance and use of its resources.

The external audit for the Northern Ireland local government sector has three distinct features:

- The Local Government Auditor is appointed independently from the bodies being audited and is a member of staff from NIAO.

- The Local Government Auditor's work covers not only the audit of financial statements but also includes aspects of corporate governance, arrangements to secure the economic, efficient and effective use of resources, performance improvement, value for money studies and grant certification.
- The Local Government Auditor may report aspects of the work to the public and other key stakeholders.

These features are consistent with the 'principles of public audit' as defined by the Public Audit Forum which comprises all the national audit agencies in the United Kingdom (UK).

## Statutory responsibilities and powers of the Local Government Auditor

The statutory responsibilities and powers of the designated Local Government Auditor relating to local government bodies are set out in the Order and the Local Government (Northern Ireland) Act 2014 (the Act). These are summarised in **Schedule 1**.

The Local Government Auditor issues a Statement of responsibilities of Local Government Auditor and Local Government Bodies which aligns to this Code and serves as the formal terms of engagement between the Local Government Auditor and local government bodies. It summarises where the different responsibilities of the Local Government Auditor and of the local government bodies begin and end, and what is expected of both parties.

In discharging the Local Government Auditor's specific statutory responsibilities and powers, auditors are required to carry out their work in accordance with this Code of Audit Practice.

There are three main strands of work undertaken each year:

- the audit of the financial statements of all local government bodies (**Chapter Two**);
- a review of proper arrangements in place to secure economy, efficiency and effectiveness in the use of resources of all local government bodies (**Chapter Three**); and
- to determine and report on whether a council has met its duties for performance improvement and whether a council is likely to secure continuous improvement in the exercise of its functions (**Chapter Four**).

There are a number of additional powers and duties available to the Local Government Auditor when certain circumstances permit, and these are outlined in more detail in **Chapter Six**.

## The Code of Audit Practice

Legislation requires the Local Government Auditor to prepare, and keep under review, a Code of Audit Practice (the Code) which prescribes the way in which the functions under that legislation are to be carried out and embodies, "what appears to the Local Government Auditor to be the best professional practice with respect to the standards, procedures and techniques to be adopted by the Local Government Auditor".

The Code must be read in conjunction with any policies or regulations made by the Department regarding the preparation of accounts and the audit of local government bodies.

The Local Government Auditor is committed to keeping the Code up to date to reflect changes in the operating environment of audited bodies and statutory legislation, as well as auditing standards and practices. The Code may be amended where appropriate, in the light of practical experience.

The Code must be approved by a resolution of the Northern Ireland Assembly at intervals of not more than five years. In the intervening period, the Code may be amended by the Local Government Auditor in consultation with councils and other appropriate bodies and persons.

## The Local Government Auditor's approach

This revised Code relates to the audits of all local government bodies in Northern Ireland and a list of these bodies is given in **Schedule 2**. In line with other UK regions, a principles-based, rather than a rules-based framework has been adopted. This framework enables the Local Government Auditor to:

- prepare a concise, high level code applicable to the audit of all local government bodies within the local government audit model established by legislation;
- provide a clear methodology that will fulfil statutory duties;
- ensure the Code does not quickly become out of date as the regulatory environment continues to evolve; and
- adopt a flexible and responsive approach to sector developments and to the specific circumstances at each local government body.

The scope of work required to perform a good quality audit may vary in response to the individual circumstances of each local government body. Although auditors should discuss the audit scope with the audited body, the audit coverage will be a matter for the auditors' independent, professional judgement and must be consistent with International Standards on Auditing.

The successful delivery of an audit under the Code is dependent upon the audited body meeting its statutory responsibilities to provide the auditor with the facilities and information the Local Government Auditor reasonably requires for the purposes of fulfilling functions, in a timely manner and to an appropriate standard.

## Chapter One:

# Status of the Code, application and general principles

- 1.1** This chapter covers the status of the Code, provides details on its application and sets out principles which should underpin the conduct and work of the auditor in discharging their statutory duties.

## Status of the Code

- 1.2** The Local Government Auditor is required to prepare the Code under Article 5(3) of the Local Government Order 2005 (the Order) and to lay it before the Northern Ireland Assembly for approval.
- 1.3** The Code was laid before the Northern Ireland Assembly on 24 February 2026 and approved by a resolution of the Assembly on 14 April 2026. The Code comes into effect from 15 April 2026. It replaces the Code that had been in effect from April 2021.
- 1.4** The Code is applicable to the audit of all Northern Ireland local government bodies' financial statements from the financial year 2025-26 onwards and until the Code is replaced.
- 1.5** The Code also applies to the audit and assessment of councils' performance improvement duties established under the Local Government Act (Northern Ireland) 2014 (the Act).

## Application of the Code

- 1.6** The Code prescribes the way in which the Local Government Auditor should carry out statutory functions. The Code applies to the audit of relevant bodies as set out in **Schedule 2**.
- 1.7** As with any code that attempts to cover a wide variety of circumstances, the application of the Code in any particular case will depend on specific circumstances, relevant supplementary guidance, policies or directions made by the Department and the Local Government Auditor's assessment of what is reasonable and appropriate in those circumstances. All the provisions of the Code are to be read and applied with that necessary qualification.
- 1.8** This Code cannot guarantee the quality of judgements made by the auditor nor prevent significant failure or wrongdoing by a local government body. Indeed, it is the responsibility of local government bodies to have in place effective governance, financial management and internal control arrangements. It is the responsibility of auditors to apply professional standards in terms of both the ethical conduct of the audit and the quality of the audit work performed.

## Principles

- 1.9** The Code takes as its starting point general principles of public audit shared across the UK: Wider scope of public audit; Independence of auditors; and Public reporting of audit findings, and then builds on them as set out below.

### Code of Audit Practice principles of public audit



## Wider scope of public audit

- 1.10** The audit of a public sector organisation is wider in scope than that of a private sector body. Additional accountability and scrutiny is attached to the use of public money and the conduct of local government business. As a result, the scope of external audit is extended to not only consider and report on the truth and fairness of the financial statements of local government bodies, but also on aspects of the stewardship of public funds including:
- the arrangements in place for securing economy, efficiency and effectiveness in the use of resources;
  - the arrangements in place to secure continuous performance improvement in the exercise of a council's functions; and
  - to report on matters that are in the public interest.

- 1.11** The Local Government Auditor does not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 1.12** Auditors should, however, ensure that arrangements are open and transparent and recognise their responsibilities to local government bodies and to local taxpayers. The audit should add value to the local government body through applying the highest professional standards to audit work and publicly reporting on audit recommendations and areas of good practice.

## Cooperation

- 1.13** Local government bodies can operate, commission and deliver services in a range of partnerships and other forms of joint working or contracts with other public, private or third sector bodies. In meeting the statutory duties the Local Government Auditor should consider how best to obtain assurance over such arrangements, working effectively with other auditors and organisations where appropriate.
- 1.14** Auditors should build effective coordination arrangements with internal audit, using the work of internal audit where, in the auditor's judgement and in line with professional standards, it is considered appropriate.
- 1.15** Auditors should adopt an integrated approach where the knowledge gathered and work carried out, in support of each of the Local Government Auditor's statutory and reporting obligations, informs the overall judgments and conclusions reached.
- 1.16** The legislation allows the Local Government Auditor to access documents held by third parties in carrying out statutory duties, including work on comparative and other studies or investigations directed by the Department. However, an auditor's access will be limited to the papers and records which relate to the local government body and not to the general business of the third party.
- 1.17** Where access to a third party is required, the auditor will liaise with the relevant local government body in advance, explaining the purpose and scope of the intended work and agreeing an effective coordination approach with the third party.
- 1.18** The auditor should ensure that audit teams comply with statutory and other relevant requirements relating to the security, transfer, holding, disclosure and disposal of information, particularly personal information received or obtained during the course of their audit work.

## Proportionality and professionalism

- 1.19** Auditors must carry out their work in compliance with the requirements of the Code which itself requires compliance with international and national standards, where relevant, issued by a relevant regulatory body, such as the Financial Reporting Council. The auditor's work should be:

- **Risk-based** - Auditors should apply their professional judgement to tailor their work to the circumstances in place at the audited body and the assessed audit risks;
- **Proportionate** - Whilst this applies to all audited bodies, it is particularly relevant for smaller local government bodies where expenditure is low and systems are non-complex;
- Designed to meet the Local Government Auditor's statutory responsibilities;
- Conducted economically, efficiently, effectively and in as timely a way as possible; and
- Sufficiently transparent, considering the legal and professional framework the auditor operates within, so that audited bodies understand the purpose, scope and nature of the audit work being undertaken.

**1.20** There may be circumstances in which it appears to the auditor that aspects of the Code need to be applied in a certain way in order to meet the specific circumstances of certain bodies. For example, smaller local government bodies may have a limited range of activities and relatively small amounts of public money that they control. In these circumstances, auditors will apply their professional judgement.

**1.21** Whilst auditors are required to undertake certain duties and must obtain information and explanations to provide evidence of meeting these responsibilities, they are not expected to review all aspects of an audited body's arrangements, system or records.

## Independence, integrity and objectivity

**1.22** Auditors must carry out their work with integrity and objectivity to underpin and safeguard their independence at all times. Auditors also need to comply with the ethical standards established by the Financial Reporting Council and relevant professional institutions or statutory guidance. The Local Government Auditor will report in public and make recommendations on findings without being influenced by any other parties.

**1.23** Auditors exercise their professional judgement and act independently of both the Department and the audited body. Auditors must be, and should be seen to be, impartial and independent. A lack of independence creates audit risk as it may mean that the auditor is unduly influenced, or may be seen to be unduly influenced, in their decision-making and professional judgement. Auditors need to consider threats to independence. Accordingly, they should not carry out any other work for an audited body, if that work would impair their independence in carrying out any of the Local Government Auditor's statutory duties, or might reasonably be perceived as doing so. Auditors must remain independent when responding to requests for advice from audited bodies, ensuring they do not compromise the Local Government Auditor's ability to report on a matter or to apply statutory functions.

## Professional scepticism

- 1.24** In carrying out their work, the auditor's attitude should be characterised by professional scepticism and professional judgement. Professional scepticism means maintaining professional distance, remaining open-minded and having an alert and questioning attitude when assessing the sufficiency and appropriateness of evidence obtained throughout the audit. Auditors should obtain and document such information and explanations as they consider necessary to provide sufficient, appropriate evidence in support of the Local Government Auditor's judgements. Auditors should meet the requirements of the legislation, the Code and, where applicable, professional standards.

## Public reporting

- 1.25** The Local Government Auditor has a range of means available, as set out in relevant legislation, whereby findings may be reported publicly. The Local Government Auditor should be able to report on a timely basis without fear or favour, using professional judgement on the most appropriate and effective means of reporting.
- 1.26** The auditor should use judgement in deciding the most appropriate and effective means of reporting. Auditors should adopt a constructive and positive approach to their work.
- 1.27** In making recommendations the auditor should set out clearly the judgements made and the evidence on which such judgements were based, explain the impact on the audited body and the actions the body should take in response. To support and encourage worthwhile change, auditors should also consider carefully the practical and resource implications for the audited body when framing recommendations.

## Appropriate skills

- 1.28** To undertake audits effectively in accordance with these principles, the auditor should ensure they have the necessary skills and knowledge to discharge their functions effectively and have arrangements in place to ensure that audit teams have sufficient knowledge of the local government financial reporting, regulatory and legislative frameworks.

## Audit quality

- 1.29** The Local Government Auditor should obtain assurance that audits meet the highest professional standards on quality control. Comprehensive audit quality arrangements apply to all audit work.
- 1.30** In line with the requirements of the Financial Reporting Council's International Standard on Quality Management (ISQM1), NIAO has established arrangements for the training and development of audit staff, the provision of advice and support on technical matters and regulating the quality of audit work. An evaluation of the system of quality management is undertaken at least annually.

## Chapter Two:

# Audit of the financial statements

- 2.1** The statutory responsibilities for the Local Government Auditor's audit of the financial statements of Northern Ireland local government bodies are summarised in **Schedule 1: The Local Government Auditor's statutory responsibilities**.

## Responsibilities of the audited body

- 2.2** The specific responsibilities of audited bodies regarding the production and reporting of financial statements and other information are set out in relevant legislation, regulations, accounting frameworks and Departmental policy circulars. All audited bodies are expected to have effective corporate governance arrangements in place to deliver their objectives. The publication of the financial statements is an essential means by which an audited body accounts for its stewardship and use of public money at its disposal.
- 2.3** The precise form and content of the audited body's financial statements, and any additional schedules or returns for consolidation purposes, should reflect the requirements of the relevant accounting and reporting framework in place and any additional guidance issued in support of the accounting and reporting framework as directed by the Department.
- 2.4** The audited body may also be required to prepare a return to facilitate the preparation of HM Treasury's Whole of Government Accounts.

## Responsibilities of the Local Government Auditor

- 2.5** To meet the duties in respect of the audit of the financial statements, auditors should comply with auditing standards currently in force in the United Kingdom, as amended from time to time, having regard to any other relevant guidance and advice issued by the Financial Reporting Council, including Ethical Standards.
- 2.6** Auditors should undertake work to support the provision of the Local Government Auditor's audit report to the audited body. In respect of the audit of the financial statements, the Local Government Auditor's report should include the following components:

## Opinion on the audited body's financial statements

- whether the financial statements give a true and fair view of the financial position of the audited body and its income and expenditure for the year in question; and
- whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other Departmental direction.

## Opinion on other matters

- whether other information published together with the audited financial statements is consistent with the financial statements; and
- where required, whether the part of the remuneration report to be audited has been properly prepared in accordance with the relevant accounting and reporting framework.

## Conclusions relating to going concern

- whether the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- whether any identified material uncertainties, relating to events or conditions that individually or collectively, have been disclosed in the financial statements that may cast significant doubt over the body's ability to continue to adopt the going concern basis.

## Opinion which will be reported by exception

- 2.7** There are a number of other matters, which the Local Government Auditor will report by exception:
- If the Annual Governance Statement does not reflect compliance with proper practices, as required by the Department or is misleading or inconsistent with other evidence gathered during the audit.
  - If adequate accounting records have not been kept.
  - The financial statements and the part of the Remuneration Report to be audited are not in agreement with accounting records.
  - If the Local Government Auditor has not received all of the information and explanations required for the audit.
  - Matters reported in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005.
  - Any recommendations made to the audited body under Article 12 of the Local Government (Northern Ireland) Order 2005.

- Application to the High Court for a declaration that an item of account is contrary to law under Article 19 of the Local Government (Northern Ireland) Order 2005.
- Certification of a loss caused by a failure to account or wilful misconduct under Article 20 of the Local Government (Northern Ireland) Order 2005.
- Application for judicial review under Article 21 of the Local Government (Northern Ireland) Order 2005.

**2.8** Other information published together with the audited financial statements covers material that the audited body chooses, or is required, to provide alongside its financial statements, for example the narrative report and the governance statement. In reading the information given with the financial statements, auditors should take into account the knowledge of the audited body, including that gained through audit work in relation to the body's proper arrangements for securing economy, efficiency and effectiveness in its use of resources and performance improvement.

## Certificate signifying completion

**2.9** At the close of an audit, a certificate is issued to a local government body which marks the point at which the Local Government Auditor's statutory responsibilities, in respect of the audit of the financial statements for that period, have been discharged. This should only be issued when all statutory and legal considerations have been concluded.

## Chapter Three:

# The Local Government Auditor's work on proper arrangements and comparative and other studies

- 3.1** The Local Government Auditor has statutory duties in respect of the local government body's arrangements in place to secure economy, efficiency and effectiveness in the use of its resources, often referred to as 'proper arrangements'. The Local Government Auditor also has statutory power in relation to the undertaking of comparative and other studies on local government bodies designed to lead to improvements in economy, efficiency and effectiveness in the provision of services. Further details of these duties are set out in **Schedule I: The Local Government Auditor's statutory responsibilities**.

## Proper arrangements

### Responsibilities of the audited body

- 3.2** Local government bodies are required to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives, while safeguarding and securing value for money from the public funds and other resources at their disposal. It is their responsibility to put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources and to ensure proper stewardship and governance. The adequacy and effectiveness of its system of internal control should be regularly reviewed.
- 3.3** A local government body is required to bring together commentary on its governance framework and how this has operated during the period in an annual governance statement.
- 3.4** In preparing its governance statement, the audited body should tailor the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This must include a description of the arrangements for ensuring that its functions and services are delivered in a manner which represents the best use of resources, considering measures for economy, efficiency and effectiveness.

## Responsibilities of the Local Government Auditor

- 3.5** The Local Government Auditor has a statutory responsibility to be satisfied that the audited body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.
- 3.6** In meeting this responsibility, auditors should ensure that sufficient work is undertaken to be able to assess whether, in their view, the audited body has put proper arrangements in place that support the achievement of value for money. In carrying out this work, the auditors are not required to conclude upon whether the audited body has achieved value for money during the reporting period. However, should evidence of poor value for money come to auditors' attention during the course of an audit, they should consider the implications of this for their audit.
- 3.7** The auditors' work should be underpinned by consideration of the proper arrangements the audited body is expected to have in place. This should be based on any relevant requirements, guidance or good practice.
- 3.8** Auditors should take into account their knowledge of the local government sector as a whole, and the audited body specifically, to identify any risks that, in their judgement, are relevant to the Local Government Auditor's work on proper arrangements. An understanding of the sector includes the relevant regulatory framework, which may influence the auditors' assessment of the risk.
- 3.9** The auditors' work should be designed to enable the Local Government Auditor to form a view of the arrangements management has made and report a conclusion to those charged with governance that the audited body has (or has not) put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the relevant financial year. The Local Government Auditor may make recommendations for improvements to the arrangements in place and report on examples of good practice.
- 3.10** In reviewing the audited body's value-for-money arrangements, it is not part of the auditor's function to question the merits of the audited body's policy decisions. However, the auditor may examine the arrangements by which policy decisions are reached and implemented. In making recommendations, the auditor should avoid any perception that they have any role in the decision-making arrangements of the audited body.

## Comparative and other studies

- 3.11** In addition to the assessment of proper arrangements, the Local Government Auditor may and, if required by the Department, undertake comparative and other studies which are designed to make recommendations to local government bodies for improving economy, efficiency and effectiveness in its provision of services. Where required under legislation, the Department and the relevant bodies will be consulted on the studies proposed. The results of this work shall be published.

- 3.12** As central and local government continue to work closely together, the Local Government Auditor may choose to report on public spend in conjunction with the C&AG. NIAO publishes an annual Public Reporting Programme incorporating all proposed studies and good practice for both central and local government sectors. This programme may include a schedule of value-for-money studies or good practice guides relating to local government activities.

## Chapter Four:

# The Local Government Auditor's work on performance improvement

- 4.1** The Local Government Auditor must carry out audit work relating to the performance improvement duties of councils as outlined in **Schedule 1: The Local Government Auditor's statutory responsibilities**.

## Responsibilities of the audited body

- 4.2** Councils have a general duty to make arrangements to secure continuous improvement in the exercise of their functions and to set improvement objectives for each financial year. Councils will be required to gather information to assess improvements in their services and to issue a report annually on their performance against indicators which they have either set themselves or that have been set by departments. Councils' performance improvement plans, and the arrangements made to deliver on those plans, will be audited by the Local Government Auditor.

## Responsibilities of the Local Government Auditor

- 4.3** The Local Government Auditor has a statutory responsibility for each financial year to determine and report on whether:
- a council has discharged its duties in relation to improvement planning, published the required improvement information and the extent to which the council has acted in accordance with any guidance issued by the Department in relation to those duties; and
  - a council is likely to comply with its statutory requirements to make arrangements to secure continuous improvement in the exercise of its functions.

- 4.4** To discharge these functions, the Local Government Auditor will:
- undertake improvement information and planning audits, to ascertain whether a council has discharged its duties for publishing improvement planning and performance information;
  - carry out improvement assessments, to determine whether a council is likely to comply with its statutory requirements to make arrangements to secure continuous improvement in the exercise of its functions; and
  - report on improvement audit and assessment work.
- 4.5** The Local Government Auditor will conduct improvement audit and assessment functions:
- consistently between councils;
  - proportionately so as not to impose an unreasonable burden on councils; and
  - with a view to assisting councils to comply with their duties in relation to securing continuous improvement.
- 4.6** In certain circumstances the Department may direct the Local Government Auditor, or the Local Government Auditor may decide in consultation with the Department, to carry out a special inspection of a council's compliance with its duties in relation to securing continuous improvement.
- 4.7** Each year when carrying out performance improvement assessments, auditors will assess whether councils have given due regard to sustainability and other aspects of improvement in their arrangements to secure continuous improvement.
- 4.8** If the Local Government Auditor thinks it appropriate, recommendations may be made to the Department to provide assistance to a council or give it a direction. The Local Government Auditor will clearly outline the rationale for making such recommendations, based on improvement audit, assessment or inspection findings.

## Chapter Five:

# Reporting the results of the Local Government Auditor's work

- 5.1** Effective reporting is the primary means by which auditors' work achieves its impact. The ability of public auditors to communicate the results of their work and to make them available to the public is a fundamental principle of public audit. Auditors should use their professional judgement to apply the principles of effective reporting through the range of reporting available to them.
- 5.2** The Local Government Auditor has statutory duties for reporting the results of the audit, as summarised within **Schedule 1: The Local Government Auditor's statutory responsibilities**. The Local Government Auditor may report the results of audit work using a range of outputs at an appropriate point in the audit process, as set out below.

## Planning the audit

- 5.3** Audit strategy documents set out how the Local Government Auditor intends to carry out duties in respect of a local government body's annual financial statements, in accordance with auditing standards and the approach to performance improvement audit work. Audit strategy documents encompass the auditors planned work to meet obligations in respect of:
- Forming an opinion on the truth and fairness of the financial statements;
  - Reviewing the arrangements in place to secure value for money through the economic, efficient and effective use of resources;
  - Assessing arrangements for securing continuous improvement in the exercise of a council's functions; and
  - Where considered necessary, to fulfil additional powers and duties available to the Local Government Auditor (outlined in **Chapter Six**).
- 5.4** The responsibility for establishing the overall audit strategy and the audit plan rests solely with the auditor. Auditors should discuss the risk assessment and planned approach set out in the audit strategy document with management and those charged with governance.

## Completion of audit fieldwork

- 5.5** A report to those charged with governance will be prepared, at least annually, in support of the completion of audit work. The report should comply with auditing standards and may include any matters which the Local Government Auditor wishes to bring to the body's attention.

## Conclusion of the audit

- 5.6** An audit report is issued to express an opinion on matters, as set out at paragraphs 2.6 to 2.8 of this Code. This will include, by exception, any report by the Local Government Auditor on a range of additional matters, if appropriate.
- 5.7** An audit completion certificate will be issued at the conclusion of the audit by the Local Government Auditor which usually forms part of the audit report. The effect of the certificate is to close the audit. This marks the point when the Local Government Auditor's responsibilities in respect of the audit of the period covered by the certificate have been discharged. There may be occasions when the Local Government Auditor is able to issue the audit report but cannot certify completion of the audit because certain, non-material issues remain outstanding. In such circumstances, the Local Government Auditor should consider whether to issue an audit report ahead of certifying closure of the audit.
- 5.8** An annual audit letter will be produced which should provide a clear, readily understandable commentary on the results of both the financial statement audit and the work on proper arrangements. It should also highlight any issues that the Local Government Auditor wishes to draw to the attention of the public. The Local Government Auditor will issue the annual audit letter as soon as possible after the audit is certified as complete. Whilst it is the responsibility of the council to publish the annual audit letter, the Local Government Auditor may also publish each annual audit letter on the NIAO website to enhance the transparency of public reporting.
- 5.9** An audit and assessment report will be issued to the Chief Executive of each council and the Department. The report will state whether the Local Government Auditor believes that the council is likely to comply with the statutory duty to make arrangements to secure continuous improvement during the current financial year and may also comment on whether the council is likely to comply in subsequent years.
- 5.10** Annual improvement reports for each council will be published by the Local Government Auditor that summarises all of the work done in relation to the performance and improvement duties. These will also be published on the NIAO website.
- 5.11** Once all the audits have been completed, the Local Government Auditor will issue an annual report to the Chief Executive of each council and the Department. The main objective of this report is to provide an overview of all the Local Government Auditor's functions in that year and share key messages from audits performed during that period. This will also be published on the NIAO website.

## Any stage during the audit

**5.12** Auditors may progress the actions and outputs identified below at any stage during their work:

- **communication on specific elements of their work** – auditors should maintain regular communication with the audited body to ensure that emerging findings are raised on a timely basis, in the form and at the level within the audited body, they judge appropriate.
- **reports in the public interest** – the Local Government Auditor should consider whether, in the public interest, to report on any matter that comes to notice so that it is brought to the attention of the audited body and the public:
  - When preparing and issuing reports in the public interest, the Local Government Auditor should tailor the approach to the urgency and significance of the concerns. The Local Government Auditor should make a report during the audit if it is considered the matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency. This may include matters that are already in the public domain however the Local Government Auditor considers it is in the public interest to publish an independent view.
  - If the Local Government Auditor issues a report in the public interest, this should be referred to in the audit report and the annual audit letter.
- **written recommendations** – the Local Government Auditor should consider whether to use the powers the Order provides to make written recommendations to the audited body which need to be considered by the body and responded to publicly. Where the Local Government Auditor considers it necessary to make such recommendations, these can be made during or at the end of the audit and can be included, where relevant, within other written outputs from the audit (including the audit report), or they may be the subject of a specific report to the audited body. Where the Local Government Auditor makes a recommendation under the Order, it should be clearly distinguished from other, more general, recommendations for improvement that may arise during an audit (or as a result from an objection).
- **special investigations** – if the Local Government Auditor is of the opinion that a council may fail to comply with its performance improvement duties, or if the Department directs the Local Government Auditor to carry out an inspection, then the Local Government Auditor may carry out a special inspection of the council. Such inspections may relate to some or all of a council's functions. Before deciding whether to inspect, the Local Government Auditor must consult the Department.

## Reporting options at a glance

Timing	All local government bodies (including councils)	Councils only
<b>Planning the audit</b>	Audit Strategy for the Financial Statements	Audit Strategy for Performance Improvement audit work
<b>Completion of audit fieldwork</b>	Report to those Charged with Governance	
<b>Conclusion of the audit</b>	Audit Report (opinion on the financial statements)	Performance Improvement Audit Assessment Report
	Audit Completion Certificate	Annual Improvement Report
	Annual Audit Letter	

Timing	Concerning individual local government bodies	Concerning all local government bodies
<b>Annually</b>		Annual Local Government Auditor's Report (to encompass all audit work completed in the period)
<b>Anytime during the audit</b>	Interim Reports to those Charged with Governance  Reports in the Public Interest  Written recommendations  Special investigation regarding performance improvement duties (Councils only)	
<b>Ad hoc reports</b>	Comparative and other studies	Comparative and other studies

## Chapter Six:

# The Local Government Auditor's additional powers and duties

- 6.1** The Local Government Auditor under legislation has the use of certain additional powers and duties relating to all local government bodies in Northern Ireland, and these are summarised below.

## Additional powers and duties

Additional powers and duties	Legislation
<p><b>Objections</b></p> <p>To give interested persons the opportunity to raise questions with the Local Government Auditor about the accounts and for the Local Government Auditor to consider and decide upon objections received in relation to the accounts.</p>	Articles 17 and 18 Local Government (Northern Ireland) Order 2005
<p><b>Items contrary to law</b></p> <p>To consider whether to apply to the court for a declaration that an item of account is contrary to law.</p>	Article 19 Local Government (Northern Ireland) Order 2005
<p><b>Wilful misconduct</b></p> <p>To consider whether there has been a loss or deficiency caused by a failure to account or wilful misconduct.</p>	Article 20 Local Government (Northern Ireland) Order 2005
<p><b>Judicial review</b></p> <p>To consider whether to make an application for judicial review.</p>	Article 21 Local Government (Northern Ireland) Order 2005
<p><b>Extraordinary audits</b></p> <p>To perform an extraordinary audit of the accounts of any local government body if, at any time, it is directed by the Department.</p>	Article 22 Local Government (Northern Ireland) Order 2005

Additional powers and duties	Legislation
<p><b>Audit accounts of a local government officer</b></p> <p>To audit the accounts of a local government officer where that officer is in receipt of money or other property on behalf of a local government body or for which he/she ought to account to that body.</p>	<p>Article 23 Local Government (Northern Ireland) Order 2005</p>
<p><b>Certifying claims</b></p> <p>To make arrangements, if so required by a local government body, for certifying claims, returns or accounts in respect of certain grants or subsidies.</p>	<p>Article 25 Local Government (Northern Ireland) Order 2005</p>
<p><b>VFM Studies</b></p> <p>To undertake comparative and other studies designed to make recommendations for improving economy, efficiency and effectiveness in the provision of services by local government bodies and to publish the results and recommendations.</p>	<p>Article 26 Local Government (Northern Ireland) Order 2005</p>

- 6.2** In exercising any of the additional powers and duties, the Local Government Auditor should tailor the approach to the particular circumstances of the matters under consideration and having regard to proportionality as outlined in **Chapter One**.
- 6.3** Where any representations are made to or relevant matters otherwise come to the attention of the Local Government Auditor, consideration should be given as to whether the matter needs investigation and action under these additional powers and duties or whether it can be considered more effectively within planned work programmes and reporting arrangements under the Local Government Auditor's other audit engagement responsibilities.
- 6.4** In considering whether to exercise any of the additional powers and duties, and in determining the time and resource to be spent on dealing with such matters the Local Government Auditor should consider the relevant requirements of the Order and:
- the significance of the subject matter;
  - whether there is wider public interest in the issues raised and/or whether it would be in the public interest for the Local Government Auditor to comment publicly on an issue;
  - whether the substance of the matter has been considered previously by the Local Government Auditor;
  - the costs of dealing with the matter when set against the sums involved and the size of the local government body, bearing in mind that these costs are borne by the taxpayer and so should be proportionate and in the public interest; and
  - in the case of objections, the rights of both those subject to objection and of the objector.

## Raising concerns

- 6.5** The Local Government Auditor is a prescribed person under the Public Interest Disclosure (Prescribed Persons) (Amendment) Order (Northern Ireland) 2022. This means that any relevant concern brought to the attention of the Local Government Auditor from local government employees and third parties in relation to the proper conduct of local government business, value for money, and fraud and corruption can be considered. NIAO published updated guidance on this matter in March 2026.

## Fraud notifications

- 6.6** With the consent of the Department, local government bodies agreed to voluntarily submit returns about all actual, suspected and attempted frauds involving public money to the Local Government Auditor. These returns should be used by the auditor to identify potential control weaknesses and to provide an overview of risks across the sector. The Local Government Auditor may exercise the powers and duties to report on such matters if it is considered in the public interest to do so.

## National Fraud Initiative

- 6.7** The National Fraud Initiative is a major two-yearly data matching exercise operated by the Public Sector Fraud Authority in which all local councils participate. Their payroll and trade creditors' data is matched with the data of other organisations across Northern Ireland, England, Scotland and Wales using sophisticated computer-based data matching techniques, to help identify potentially fraudulent and duplicate transactions. The Local Government Auditor may review data matches generated by this exercise, including a council's approach to investigating such matches, in the interests of the detection and prevention of fraud.

## Schedule 1:

# The Local Government Auditor's statutory responsibilities

This schedule summarises relevant sections of the Local Government (Northern Ireland) Order 2005 and the Local Government Act (Northern Ireland) 2014. However, for further details of the statutory provisions in place, the relevant legislation should be referred.

Local Government Auditor's statutory responsibilities	Statute
<b>Audit scope</b>	
To be satisfied that the accounts comply with statutory requirements.	Article 6(1)(a)(b) Local Government (Northern Ireland) Order 2005
To be satisfied that proper practices have been observed in compiling the accounts.	Article 6(1)(c) Local Government (Northern Ireland) Order 2005
To be satisfied that proper arrangements have been made for securing economy, efficiency and effectiveness in the use of resources.	Article 6(1)(d) Local Government (Northern Ireland) Order 2005
To be satisfied that a council has discharged its performance improvement duties and acted in accordance with any guidance.	Section 93 Local Government Act (Northern Ireland) 2014
To determine whether a council is likely to comply with its performance improvement duties in the financial year and in subsequent financial years.	Section 94 Local Government Act (Northern Ireland) 2014

Local Government Auditor's statutory responsibilities	Statute
<b>Reporting</b> To comply with the Code of Audit Practice prepared by the Local Government Auditor and approved by the Northern Ireland Assembly.	Article 6(2) Local Government (Northern Ireland) Order 2005
To consider whether, in the public interest, to report on any matter that comes to the attention of the auditor so that it may be considered by the body concerned or brought to the attention of the public.	Article 9 Local Government (Northern Ireland) Order 2005
To certify the completion of the audit.	Article 10(1)(a) Local Government (Northern Ireland) Order 2005
To express an opinion on the accounts.	Article 10(1)(b) Local Government (Northern Ireland) Order 2005
To consider whether a written recommendation should be made to the audited body requiring it to be considered and responded to publicly.	Article 12(2) Local Government (Northern Ireland) Order 2005
To issue an 'audit and assessment report' each financial year in respect of each council certifying whether a council has discharged its performance improvement duties and acted in accordance with any guidance. In addition, the report will include a statement from the Local Government Auditor stating whether or not the council is likely to comply with its performance duties.	Section 95 Local Government Act (Northern Ireland) 2014
To publish an 'annual improvement report' in relation to each council which summarises or reproduces the Section 95 report and the results of any special inspection work.	Section 97 Local Government Act (Northern Ireland) 2014
For each financial year, prepare a report on the exercise of the Local Government Auditor's functions in that year and send a copy of the report to each council and the Department.	Article 4(5) Local Government (Northern Ireland) Order 2005

Local Government Auditor's statutory responsibilities	Statute
<p><b>Additional powers and duties</b></p> <p>To give interested persons the opportunity to raise questions with the Local Government Auditor about the accounts and for the Local Government Auditor to consider and decide upon objections received in relation to the accounts.</p>	<p>Articles 17 and 18 Local Government (Northern Ireland) Order 2005</p>
<p>To consider whether to apply to the court for a declaration that an item of account is contrary to law.</p>	<p>Article 19 Local Government (Northern Ireland) Order 2005</p>
<p>To consider whether there has been a loss or deficiency caused by a failure to account or wilful misconduct.</p>	<p>Article 20 Local Government (Northern Ireland) Order 2005</p>
<p>To consider whether to make an application for judicial review.</p>	<p>Article 21 Local Government (Northern Ireland) Order 2005</p>
<p>To perform an extraordinary audit of the accounts of any local government body if, at any time, it is directed by the Department.</p>	<p>Article 22 Local Government (Northern Ireland) Order 2005</p>
<p>To audit the accounts of a local government officer where that officer is in receipt of money or other property on behalf of a local government body or for which he/she ought to account to that body.</p>	<p>Article 23 Local Government (Northern Ireland) Order 2005</p>
<p>To make arrangements, if so required by a local government body, for certifying claims, returns or accounts in respect of certain grants or subsidies.</p>	<p>Article 25 Local Government (Northern Ireland) Order 2005</p>
<p>To undertake comparative and other studies designed to enable him/her to make recommendations for improving economy, efficiency and effectiveness in the provision of services by local government bodies and to publish the results and recommendations.</p>	<p>Article 26 Local Government (Northern Ireland) Order 2005</p>
<p><b>Access rights</b></p> <p>To have access at all reasonable times to every document relating to a local government body.</p>	<p>Article 7 Local Government (Northern Ireland) Order 2005</p>
<p>To restrict disclosure by the Local Government Auditor of information obtained during the course of their work to third parties.</p>	<p>Article 27 Local Government (Northern Ireland) Order 2005</p>

## Schedule 2:

# List of local government bodies covered by the Code as at April 2026

### List of local government bodies covered by the Code as at April 2026

- Antrim and Newtownabbey Borough Council
- ARC21
- Ards and North Down Borough Council
- Armagh City, Banbridge and Craigavon Borough Council
- Belfast City Council
- Causeway Coast and Glens Borough Council
- Derry City and Strabane District Council
- Fermanagh and Omagh District Council
- Lisburn and Castlereagh City Council
- Local Government Staff Commission
- Mid and East Antrim Borough Council
- Mid Ulster District Council
- Newry, Mourne and Down District Council
- North West Regional Waste Management Group

# Glossary

<b>The Accounting standards</b>	Accounting standards are authoritative statements of how transactions and balances are to be recognised, measured, presented and disclosed in financial statements. The Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 and the relevant accounts direction issued by the Department require bodies to comply with the CIPFA: Code of Practice on Local Authority Accounting in the UK, which is based upon current accounting standards and their application to the local government sector, and is updated each year.
<b>Act ‘the’</b>	The Local Government (Northern Ireland) Act 2014.
<b>Annual Audit Letter</b>	Report issued by the Local Government Auditor to an individual audited body, which summarises the audit work carried out in the period, the Local Government Auditor’s opinions or conclusions (where appropriate) and significant issues arising from audit work.
<b>Annual Governance Statement</b>	<p>Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 requires local government bodies to prepare an annual governance statement in accordance with proper practices on internal control.</p> <p>A governance statement brings together in one place a local government body’s disclosures about its governance framework, including risk management and internal control arrangements, and how it has operated during the year.</p>
<b>Audited body, local government body, body</b>	A body to which the Department is responsible for assigning the local government auditor, comprising both the members of the body and its management (the senior officers of the body). Those charged with governance are the members of the audited body. (See also ‘members’ and ‘those charged with governance’).
<b>Audit Report</b>	The Local Government Auditor must prepare a report on the financial statements each year which complies with Auditing Standards. This report concludes the results of the audit work for relevant statutory functions. The content of this report is described in Chapter Two.
<b>Auditor(s)</b>	<p>This term includes the terms ‘auditor’ and ‘auditors’ refers collectively to:</p> <ul style="list-style-type: none"> <li>• the Local Government Auditor;</li> <li>• employees of the Northern Ireland Audit Office; and</li> <li>• any person who is contracted to provide audit services to the NIAO.</li> </ul>
<b>Auditing standards</b>	Standards issued by the Financial Reporting Council which the Local Government Auditor is required to comply with when conducting an audit of the financial statements.

<b>Comptroller and Auditor General (the)</b>	The Comptroller and Auditor General (C&AG) is an Officer of the Northern Ireland Assembly and is the head of the Northern Ireland Audit Office. The C&AG is responsible for the external audit of central government bodies in Northern Ireland and in their role as Comptroller, is responsible for authorising the issue of money from the Consolidated Fund of Northern Ireland to Northern Ireland departments.
<b>Code (the)</b>	The Code of Audit Practice issued by the Local Government Auditor and approved by the Northern Ireland Assembly.
<b>Consolidated accounts</b>	Financial statements of a group in which the assets, liabilities, reserves, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity. Consolidated accounts are also referred to as group accounts.
<b>Corporate governance</b>	The system of structures, rights, duties and obligations by which organisations are directed and controlled.
<b>Department (the)</b>	The central government Department, currently the Department for Communities, with statutory responsibilities to regulate the external audit of local government bodies in Northern Ireland and to promote improvement in the provision of services by local government bodies.
<b>Ethical Standards</b>	Standards issued by the Financial Reporting Council, intended to maintain integrity, independence and objectivity that auditors are required to comply with when conducting their work.
<b>External audit</b>	The audit of the accounts of an audited body, which comprises the audit of the financial statements and other work to meet the Local Government Audit's statutory responsibilities under the Local Government (Northern Ireland) Order 2005. In addition, it includes performance improvement audits and assessments under Part 12 of the Local Government (Northern Ireland) Act 2014.
<b>Financial Reporting Council (FRC)</b>	The Financial Reporting Council is an independent regulator in the UK and Ireland, responsible for regulating auditors, accountants and actuaries, and setting the UK's Corporate Governance and Stewardship Codes. It promotes transparency and integrity in organisations and is aimed at those who rely on financial statements, audit reports and high-quality risk management.
<b>Financial statements (also see Statement of Accounts)</b>	The financial statements, or Statement of Accounts, are statements that audited bodies are required to prepare which set out what they spend and receive and what they own and owe. For the purpose of providing the auditor's opinion, the Code interprets relevant references in the Order to the 'statement of accounts' and the 'accounts' in respect of the general duties of auditors as equivalent to 'financial statements'.
<b>Improvement audit</b>	An audit to determine whether a council has carried out its duties under the Act and relevant guidance issued by the Department.

<b>Improvement assessment</b>	An assessment to determine whether a council is likely to comply with the requirements of the Act in the period. An assessment may also be made of a council's likely compliance in subsequent financial years.
<b>Internal audit</b>	Internal audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisations objectives. Local government bodies are required to have an internal audit function under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.
<b>Local government bodies</b>	A council or a committee of a council for which accounts are separately kept, or a joint committee of two or more councils (as defined in Article 3(2) of the Order).
<b>Members</b>	The elected councillors or appointed members of local government bodies who are responsible for the overall direction and control of the audited body. (See also 'those charged with governance' and 'audited body').
<b>Narrative report</b>	This is an annual report produced along with the financial statements which describes the aims, performance and achievements of an audited body during a particular year.
<b>NIAO</b>	Northern Ireland Audit Office. The NIAO supports the C&AG in delivery of their functions and scrutinises public spending on behalf of the Northern Ireland Assembly.
<b>Order (the)</b>	The Local Government (Northern Ireland) Order 2005.
<b>Professional standards</b>	In the context of the Code, professional standards comprise accounting standards, auditing standards, ethical standards and quality control standards – these are defined in this glossary.
<b>Quality control standards</b>	International Standard on Quality Management (UK) 1 (ISQM1) issued by the Financial Reporting Council or any other relevant standards with which the Local Government Auditor is required to comply.
<b>Regulations</b>	Secondary legislation made by the Department using powers conferred by the Northern Ireland Assembly.
<b>Remuneration Report</b>	A remuneration report provides details of members' and senior management's salary, pension and other benefits.
<b>Report by exception</b>	Reporting only when information or the results of the Local Government Auditor's work is materially inconsistent with the understanding of the body or the requirements placed on the body.

<b>Should</b>	The Code of Audit Practice is approved by the Northern Ireland Assembly. It has the status of secondary legislation and the Local Government Auditor's compliance with the Code is mandatory. The use of 'should' highlights a specific requirement placed on the Local Government Auditor within the Code.
<b>Studies for improving economy, efficiency and effectiveness</b>	Under Article 26 of the Order, the Local Government Auditor may, and if required by the Department, shall, carry out 'value for money' studies in local government, to enable the Local Government Auditor to make recommendations for improving economy, efficiency and effectiveness in the provision of services by local government bodies.
<b>Statement of accounts</b> (also see <b>Financial Statements</b> )	The financial statements, or Statement of Accounts, are statements that audited bodies are required to prepare which set out what they spend and receive and what they own and owe. For the purpose of providing the auditor's opinion, the Code interprets relevant references in the Order to the 'statement of accounts' and the 'accounts' in respect of the general duties of auditors as equivalent to 'financial statements'.
<b>Third Sector</b>	The third sector includes voluntary and community organisations, social enterprises and cooperative and mutual organisations.
<b>Those charged with governance</b>	The persons with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process.
<b>Value for money</b>	Arrangements in place to make the best use of resources through: <ul style="list-style-type: none"> <li>• economy – careful management of resources, keeping costs as low as possible whilst meeting appropriate standards and objectives;</li> <li>• efficiency – obtaining an optimal relationship between the resources used and the outputs/impacts achieved; and</li> <li>• effectiveness – achieving alignment between intended and actual outcomes.</li> </ul>
<b>Whole of Government Accounts</b>	The Whole of Government Accounts (WGA) are the consolidated financial statements for the whole of the United Kingdom public sector, showing what the United Kingdom government spends and receives and what it owns and owes.



Published and printed by CDS  
CDS 346958



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# Statement of responsibilities of the Local Government Auditor and Local Government Bodies – issued by the Local Government Auditor 2026

April 2026



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## The purpose of this Statement

1. The Department with regulatory responsibility (the Department<sup>1</sup>) has, with the consent of the Comptroller and Auditor General (the C&AG) for Northern Ireland, designated a member of the staff of the Northern Ireland Audit Office ((NIAO) as the Local Government Auditor<sup>2</sup>.
2. The Local Government Auditor may make arrangements with the C&AG for members of the staff of the NIAO to assist in the performance of his/her functions.
3. The Local Government Auditor is required to prepare, and keep under review, a Code of Audit Practice (the Code) at intervals of no more than five years. The Code prescribes the way in which he/she, as the auditor of local government bodies, carries out his/her functions. The current Code was approved by resolution of the Northern Ireland Assembly on 14 April 2026.
4. This Statement is aligned to, and should be read in conjunction with, the current Code and serves as the formal terms of engagement between the Local Government Auditor and local government bodies (see paragraph 5). It summarises where the different responsibilities of the Local Government Auditor and of the local government bodies begin and end, and what is expected of both parties. It relates to the full programme of work performed during a financial year, including:
  - the audit of the financial statements of all local government bodies;
  - a review of proper arrangements in place to secure economy, efficiency and effectiveness in the use of resources of all local government bodies;
  - the performance improvement audit and assessment of councils, including determining and reporting on whether a council has met its duties for improvement planning and whether a council is likely to secure continuous improvement in the exercise of its functions; and
  - any other work required relating to specific powers or duties under the Local Government (Northern Ireland) Order 2005 (the Order).
5. Throughout this Statement, the term 'local government body' is used to refer to all local government bodies, which include councils and joint

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<sup>1</sup> The Department for Communities

<sup>2</sup> Local Government (Northern Ireland) Order 2005, as amended by the Local Government Act (Northern Ireland) 2014.

committees. In the case of councils, the term covers both the members of the local government body (elected members) and its management (the senior officers). The Local Government Auditor is also the independent external auditor of the financial statements of Northern Ireland Local Government Officers' Superannuation Committee under the Local Government Pension Scheme (Administration) Regulations (Northern Ireland) 2009. However, under legislation this is not a local government body and is treated, from an audit perspective, as a non-departmental public body. This Statement is therefore not applicable to this body.

6. A small number of local bodies may fall within the category of 'smaller local government bodies', as defined in the Local Government (Accounts and Audit) Regulations Northern Ireland 2015 and supplemented by relevant directions issued by the Department.

7. The responsibilities of the Local Government Auditor are defined in statute - principally the Order and the Local Government (Northern Ireland) Act 2014(the Act). Nothing in this Statement is intended to limit or extend the statutory responsibilities of the Local Government Auditor or local government bodies. Where legislation or statutory guidance is amended during the period covered by the Code, this Statement will be applied in a manner consistent with those changes. Local government bodies should note that, because the Local Government Auditor must not prejudice his/her independence, the audit role does not include providing financial, performance improvement or legal advice, or consultancy services to a local government body.

8. The Local Government Auditor may refer to this Statement in audit planning documents, annual audit letters, reports and other audit outputs.

## Introduction to responsibilities



9. Those responsible for the conduct of public business and for spending public money are required to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

10. In discharging these responsibilities, local government bodies are responsible for putting in place proper arrangements for the governance of their affairs and the stewardship of the resources at their disposal. They are also required to report on their arrangements in their published Annual Governance Statement.

11. Councils have a general duty to make arrangements to secure continuous improvement in the exercise of their functions and to set improvement objectives for each financial year. Councils are required to gather information to assess improvements in their services and to publish a report annually on their performance against indicators which they have either set themselves or that have been set by departments. The arrangements put in place by councils to meet their performance improvement duties are subject to audit and assessment by the Local Government Auditor.

12. In carrying out the programme of audit work, the Local Government Auditor and his/her support staff<sup>3</sup> (collectively referred to as auditors) will:

- plan and perform the audits in accordance with the Code and International Standards on Auditing (UK), applying a risk based and proportionate approach;
- plan and manage the audits in a timely, professional and efficient manner;
- plan to complete work within agreed deadlines;
- maintain close liaison with the local government body;
- provide appropriate and adequate resources and assign responsibilities to staff with the relevant expertise and experience;

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<sup>3</sup> Support staff include employees of the Northern Ireland Audit Office as well as contracted private audit firms who may carry out audit work on behalf of the Local Government Auditor.

and

- give due consideration throughout the audit to Departmental guidance.

13. In meeting their responsibilities, auditors will obtain representations from management (and where appropriate, those charged with governance), both orally and in writing, on specific aspects of the audits.

14. Where private audit firms are appointed to undertake a programme of work (see paragraph 4) or audits on behalf of the Local Government Auditor, they will undertake the detailed work to support the Local Government Auditor's audit opinion. On a day-to-day basis the audit will be managed by the private audit firm, and all audit work will be completed by their staff, under the direction and supervision of the Local Government Auditor/NIAO. The responsibility for the audit opinion remains with the Local Government Auditor.

## Responsibilities in relation to the financial statements



15. The financial statements are an essential means by which a local government body accounts for its stewardship of the resources at its disposal and reports its financial performance and position in the use of those resources.

16. A local government body has statutory responsibility for ensuring that:

- financial management is adequate and effective;
- it has a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk;
- it undertakes an adequate and effective internal audit of its accounting records and of its system of risk management, internal control and governance processes using internal auditing standards in force from time to time;
- proper accounting records are maintained;
- accounting practices comply with any relevant regulations and Departmental guidance; and
- its financial statements are prepared and published in accordance with regulations, proper accounting practices and in the form and content directed by the Department.

17. A local government body is also responsible for preparing and publishing with its financial statements, an Annual Governance Statement, in accordance with the Department's Accounts Direction issued for the relevant financial year and consistent with the principles of good governance set out in the CIPFA/SOLACE publications *Delivering Good Governance in Local Government: Framework (2016)* and *Addendum (2025)*.

18. The Local Government Auditor expects that in preparing its financial statements local government bodies will:

- prepare realistic plans for the preparation of its financial statements that include clear targets and achievable timetables;
- assign responsibilities clearly to staff with the appropriate expertise and experience;
- provide necessary resources to enable delivery of the plan;

- ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;
- ensure that, following the Chief Financial Officer's certification, the Statement of Accounts is formally approved by a committee or members of the body and signed by the presiding member, before presentation to the auditor; and
- maintain adequate documentation in support of the financial statements and, at the start of the audit, provide a complete set of working papers, with unrestricted access to documents and information, that provide an adequate explanation of the entries in those financial statements.

19. If draft financial statements and working papers of appropriate quality are not available at the agreed start date of the audit, the Local Government Auditor may not be able to commence the audit as planned and consequently may not be able to meet the planned audit timetable.

20. The audit fee is calculated on the basis that the draft financial statements and detailed working papers are provided to an agreed timetable, are of an acceptable standard and that the relevant council officers are available to answer any queries arising. If information is not provided to this timetable, is provided to an unacceptable standard, or officers are unavailable to answer queries, the NIAO may incur additional costs in carrying out any extra work that is necessary. These additional costs are borne by the local government body.

21. In carrying out their responsibilities in relation to the financial statements, auditors will conduct their work in accordance with International Standards on Auditing (UK) and have regards to any other applicable guidance or ethical requirements issued by the Financial Reporting Council and the NIAO on behalf of the Local Government Auditor, as well as the Code.

## The financial audit process



22. Auditors plan and perform their audit in compliance with the above requirements (see paragraph 12) and with relevant quality management standards. Their work is risk based and proportionate and designed to meet the Local Government Auditor's statutory responsibilities, applying the auditors' professional judgement to tailor their work to the circumstances in place at the local government body and the audit risks to which they give rise. The auditors conduct their work economically, efficiently and effectively, and in as timely a way as possible.

23. Auditors plan and perform their work to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and exercise professional judgement and scepticism throughout. Reasonable assurance is a high level of assurance but is not a guarantee and because of the inherent limitations of an audit, there is an unavoidable risk that some material misstatements may not be detected.

24. Auditors will examine selected transactions and balances on a test basis and assess the significant estimates and judgements made by the local government body in preparing the financial statements. In carrying out their work, auditors exercise professional scepticism and obtain and document such information and explanations as they consider necessary to enable sufficient, appropriate audit evidence to be obtained. This evidence supports the opinions formed by the Local Government Auditor.

25. To support the Local Government Auditor's opinion on the financial statements (see paragraph 36), auditors evaluate the design and implementation of relevant financial systems and associated internal controls, and where appropriate, test their operational effectiveness. Where significant deficiencies are identified, auditors communicate them to management and those charged with governance in an appropriate form, noting that audit procedures are not designed to identify all weaknesses that may exist.

26. Auditors' work on internal control is undertaken solely to inform the audit of the financial statements. It does not provide assurance on the effectiveness of the audited body's internal control. A financial statements audit provides reasonable, not absolute, assurance and is not designed to identify all matters relevant to the internal control and cannot be relied upon to do so.

27. As part of the audit process, auditors will request from management written representations on matters material to the financial statements, including general representations that management has fulfilled its responsibilities and provided all relevant information, and specific representations where other sufficient, appropriate evidence cannot reasonably be obtained. These representations are set out in a Letter of Representation.

28. Auditors obtain an understanding of internal audit to identify and assess the risks of material misstatement of the financial statements. Auditors will assess the internal audit function when this is relevant to the risk assessment and, where they intend to use specific internal audit work, will evaluate and perform audit procedures on that work to confirm its adequacy for their purposes. Auditors do not use internal auditors to provide direct assistance in the external audit, and using internal audit work may not always be appropriate for the purposes of the audit of the financial statements.

29. For local government bodies who prepare Group accounts<sup>4</sup>, auditors using the work of a component auditor, they will consider how that work affects the audit strategy and plan, evaluate the competence and capabilities of the component auditor, and perform procedures to determine whether the work provides sufficient, appropriate audit evidence for their purposes. NIAO's group engagement team remains responsible for the direction, supervision and review of such work.

30. Where the audit uses information from a management's expert, auditors evaluate the expert's competence, capabilities and objectivity, and the appropriateness of that work as audit evidence for the relevant assertions.

31. Where auditors judge that it is appropriate to use the work of an auditor's expert they will:

- obtain sufficient, appropriate audit evidence that such work is adequate for the purposes of the audit;
- evaluate the professional competence and capabilities of the expert;
- evaluate the objectivity of the expert;
- agree and ensure that the scope of the work of the expert is

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<sup>4</sup> Group accounts are the financial statements of a group in which the assets, liabilities, reserves, income, expenses and cash flows of the parent (reporting authority) and its subsidiaries plus the investments in associates and interests in joint ventures are presented as those of a single economic entity – (*Code of Practice on Local Authority Accounting in the UK 2025/26*)

adequate for their purposes; and

- evaluate the appropriateness of the expert's work as audit evidence for the relevant assertions.

32. Auditors review whether the Annual Governance Statement and Remuneration Report are presented in accordance with relevant requirements and report if they do not meet those requirements or if they are misleading or inconsistent with other information of which they are aware. For the Remuneration Report, auditors also audit the parts specified to be audited and report if these have not been properly prepared. In doing so, auditors take into account their knowledge of the local government body gained through their work on:

- the audit of the financial statements;
- the body's arrangements for securing economy, efficiency and effectiveness in the use of resources; and
- performance improvement work.

33. The Local Government Auditor is not required to consider whether the Annual Governance Statement covers all financial risks and controls, and does not provide a separate opinion on the effectiveness of the local government body's governance, risk management or internal control.

34. The Local Government Auditor reads other information published by the local government body alongside the financial statements and considers whether it is materially inconsistent with the financial statements or with knowledge obtained during the audit. If a material inconsistency or apparent material misstatement of fact is identified and not corrected, the Local Government Auditor reports the matter to those charged with governance and considers the implications for the auditor's report.

35. At the conclusion of the audit of the financial statements, the Local Government Auditor gives his/her opinion as set out in Chapter 2 of the Code.

## Independent auditor's report

36. The Local Government Auditor will provide an audit report which will contain an opinion on whether the local government body's financial statements:

- give a true and fair view of the financial position of the audited body and its income and expenditure for the year in question; and
- have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other Department direction.



37. The Local Government Auditor may also report on whether other information published together with the audited financial statements, for example, the Narrative Report, is materially consistent with the financial statements and the auditor's knowledge obtained during the audit. In addition, the Local Government Auditor may report the following matters by exception:

- if the Annual Governance Statement does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom, does not comply with proper practices specified by the Department, or is misleading or inconsistent with other information the Local Government Auditor is aware of from their audit;
- matters reported in the public interest under Article 9 of the Order;
- any recommendations made to the audited body under Article 12 of the Order;
- declaration that an item of account unlawful under Article 19 of the Order;
- recovery of an amount not accounted for, etc. under Article 20 of the Order; and
- application for judicial review under Article 21 of the Order.

## Electronic publication of the financial statements



38. Where the local government body publishes its financial statements electronically, it is responsible for ensuring that the publication presents accurately the financial statements and the Local Government Auditor's report (which includes the opinion) on those financial statements. This responsibility also applies to the presentation of any financial information published in respect of prior periods.

39. The Local Government Auditor's report on the financial statements should not be reproduced or referred to electronically without the Local Government Auditor's prior written consent.

40. The examination of the controls over the electronic publication of local government Statement of Accounts is beyond the scope of the audit of the financial statements and the Local Government Auditor cannot be held responsible for changes made to local government information after the initial publication of the Statement of Accounts and the Local Government Auditor's report.

41. In accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 local government bodies are required to publish on their website their Statement of Accounts, together with any certificate, opinion or report issued by the Local Government Auditor, by 30 September following the end of the financial year. Where the audit has not been concluded by that date, the local government body must publish a notice on its website as soon as reasonably practicable on or after 30 September stating that it has not been able to approve the accounts and explaining the reasons for the delay.

## Responsibilities in relation to arrangements for securing economy, efficiency and effectiveness



42. It is the responsibility of the local government body to put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Local government bodies are required to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives whilst safeguarding and securing value for money from the public funds at their disposal.

43. The local government body is responsible for reporting on these arrangements as part of its Annual Governance Statement.

44. Auditors have a responsibility to satisfy themselves that the local government body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In carrying out this work, the auditor is not required to conclude on whether the local government body actually achieved value for money during the reporting period.

45. In planning this work, and throughout the audit, auditors consider and assess the risks, giving particular focus to those that are significant risks, of reaching an inappropriate conclusion on the local government body's arrangements for securing economy, efficiency and effectiveness. The auditor's assessment of what is significant is a matter of professional judgement and includes consideration of both quantitative and qualitative factors.

46. Auditors take into account their knowledge of the local government sector as a whole, and the local government body specifically, to identify risks that, in the auditor's judgement, could lead to an inappropriate conclusion on the local government body's arrangements.

47. In assessing risks, auditors have regard to:

- the local government body's Annual Governance Statement and any additional reporting by the body on the arrangements it has in place to manage risks to the achievement of value for money through the economic, efficient and effective use of its resources;
- evidence that the local government body's arrangements were in place during the reporting period;
- evidence obtained from the auditor's other work – including

previous proper arrangements work, work completed as part of the audit of the financial statements, work completed as part of the performance improvement audits and assessments, and the local government body's response to this work;

- the work of third parties, where the results are relevant to the auditor's proper arrangement responsibilities. Where reliance is placed on such work, the auditor will evaluate the competence and objectivity of those performing it, the adequacy of scope, and perform procedures to confirm its suitability for the auditor's purposes; and
- any other evidence source that the auditor regards as necessary to facilitate the performance of their statutory duties.

48. In reviewing the local government body's arrangements for securing economy, efficiency and effectiveness in its use of resources, it is not part of auditors' functions to question the merits of the policies of the local government body, but auditors may examine the arrangements by which policy decisions are reached and consider the effects of the implementation of policy. It is the responsibility of the local government body to decide whether and how to implement any recommendations made by auditors and, in making any recommendations, auditors must avoid giving any perception that they have any role in the decision-making arrangements of the local government body.

49. The Local Government Auditor does not provide assurance to local government bodies on the operational effectiveness of specific aspects of their arrangements. Neither can the work of auditors be relied on to have identified every weakness or every opportunity for improvement. Local government bodies should consider auditors' conclusions and recommendations in their broader operational, governance, or other relevant context.

50. Audit work in relation to the local government body's governance arrangements does not remove the possibility that breaches of proper standards of financial conduct, or fraud and corruption, have occurred and remain undetected. Nor is it auditors' responsibility to prevent or detect such breaches, however, auditors remain alert to the possibility of fraud and to indications of non-compliance with laws or regulations or other impropriety, and act promptly if grounds for suspicion come to their notice.

51. At the conclusion of the audit, the Local Government Auditor provides a conclusion within an Annual Audit Letter as to whether he/she is satisfied that the local government body has (or has not) put in place proper arrangements to secure economy, efficiency and effectiveness in the use of its resources for the relevant financial year.

52. In accordance with s17 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 as soon as reasonably practicable after receipt of the annual audit letter from the Local Government Auditor a local government body must publish the letter on the local government body's website, notify the local government auditor of the date of publication, and make copies available for purchase by any person on payment of a reasonable sum.

## Specific powers and duties of the Local Government Auditor

53. The Local Government Auditor has specific powers and duties under the Order in relation to the following:



- to consider whether, in the public interest, to report on any matter that comes to the attention of the auditor so that it may be considered by the body concerned or brought to the attention of the public (Article 9 of the Order);
- to consider whether to make a written recommendation and designate it for consideration and to be notified of the decisions made and to approve the published summary of those decisions (Articles 12 and 13 of the Order);
- to give interested persons the opportunity to raise questions with the Local Government Auditor about the accounts, and to consider and decide upon objections received in relation to the accounts (Articles 17 and 18 of the Order);
- to consider whether to apply to the High Court for a declaration that an item of account is unlawful (Article 19 of the Order).
- to consider whether to certify recovery of an amount not accounted for, etc., where loss or deficiency is caused by failure to account or wilful misconduct (Article 20 of the Order);
- to consider whether to make an application for judicial review (Article 21 of the Order);
- to perform an extraordinary audit of the accounts of any local government body if, at any time, directed by the Department. (Article 22 of the Order); and
- to certify claims, returns or subsidies as requested (Article 25 of the Order).

54. Fees arising arising from the Local Government Auditor's exercise of these powers and duties are payable by the local government body. In addition, any expenses incurred by the auditor in connection with proceedings are, so far as not recovered from any other source, recoverable from that body.

## Reporting the results of financial statements and proper arrangements audit work



55. The Local Government Auditor provides:

- an Audit Strategy/planning document;
- oral and/or written reports or memoranda to officers and, where appropriate, members on the results of, or matters arising from, specific aspects of auditors' work;
- a Report to Those Charged with Governance, normally presented to the audit committee, summarising the work of the Local Government Auditor;
- an independent auditor's report, including the Local Government Auditor's opinion on the financial statements;
- a certificate that the audit of the accounts has been completed in accordance with statutory requirements; and
- an Annual Audit Letter.

56. Outputs arising from the exercise of the Local Government Auditor's specific powers and duties (see paragraph 53), the need for which may arise at any point during the audit, are issued by the Local Government Auditor as and when appropriate.

57. When considering the action to be taken on audit reports, local government bodies should bear in mind the scope of the audit and responsibilities of the Local Government Auditor, as set out in the Code and further explained in this Statement. Matters raised by the Local Government Auditor will be drawn from those that come to his/her attention during the audit. The audit cannot be relied upon to detect all errors, weaknesses or opportunities for improvement in management arrangements that might exist. Local government bodies should assess the Local Government Auditor's conclusions and recommendations for their wider implications before deciding whether, and how, to accept or implement them.

58. Although annual audit letters and reports may be addressed to officers or members of the local government body, they are prepared for the sole use of the local government body. The Local Government Auditor does not accept or assume responsibilities to officers or members in their individual capacities, nor to third parties that choose to place reliance upon auditors' reports. This does not affect the Local Government Auditor's statutory powers in respect of electors' rights.

## Other relevant reporting matters under other legislation



59. Other information may be reported to the Local Government Auditor in a specified format to enable him/her to carry out functions outside the Order and the Act where relevant. This can include matters relating to the raising of concerns or to assist other bodies, such as the Northern Ireland Audit Office, in carrying out its functions, such as data matching exercises (conducted under the Audit and Accountability (Northern Ireland) Order 2003, as amended by the Serious Crime Act 2007. Such reporting may arise at any point during the audit process.

60. Whole of Government Accounts (WGA) is a consolidated set of financial statements for the UK public sector, produced by HM Treasury using information provided by designated public bodies. Local government bodies may be designated for WGA purposes and, where designated, are required to provide financial information (in the form and to the timetable specified) to the Department of Finance for onward submission to HM Treasury.

## Responsibilities in relation to the improvement audits and assessments



61. Part 12 of the Act sets the statutory framework for continuous improvement in the delivery of council services, in the context of strategic objectives and issues that are important to service users. Councils are under a general duty to make arrangements to secure continuous improvement in the exercise of their functions.

62. Councils are required to set improvement objectives and put in place arrangements to deliver the objectives and publish this information in an annual improvement plan. In addition, they are required to gather information to assess improvements in their services and to issue a self-assessment report annually on their performance against indicators which they have either set themselves, or that have been set by departments.

63. The Local Government Auditor is responsible for conducting an annual improvement assessment (conducted under section 94 of the Act) for each council to determine whether a council is likely during that year to comply with the requirements of Part 12 of the Act. The Local Government Auditor also undertakes an improvement information and planning audit (as required under section 93 of the Act) to ascertain whether the council has discharged its duties under section 92 during the year, and the extent to which it has acted in accordance with Departmental guidance about those duties.

64. In preparing and operating their improvement arrangements, the Local Government Auditor expects that councils will:

- prepare a realistic improvement plan for discharging its improvement responsibilities that include clear targets and achievable timetables;
- assign responsibilities clearly to staff with the appropriate expertise and experience;
- provide necessary resources to enable delivery of the improvement plan;
- maintain adequate documentation in support of the improvement plan and the self-assessment report and, at the start of the audit and assessment, provide a complete set of relevant working papers that support their content;
- ensure that senior management monitors, supervises and reviews

work to meet agreed standards and deadlines; and

- ensure that a senior individual at top management level personally reviews and approves the improvement plan and self-assessment report before publication.

65. If the improvement plan or self-assessment report, together with supporting documentation of appropriate quality, are not available by the agreed dates for the audit and assessment, the Local Government Auditor may be unable to commence the programme of work as planned and, consequently, may not be able to meet the planned audit and assessment timetable.

66. The audit and assessment fee is calculated on the basis that the improvement plan, the self-assessment report, and all supporting documentation are provided in accordance with an agreed timetable and are of an acceptable standard and that the relevant council officers are available to answer any queries arising. If information is not provided to this timetable, or is provided to an unacceptable standard, or officers are unavailable to answer queries the NIAO may incur additional costs in carrying out any extra work that is necessary. These additional costs are borne by the council.

67. In carrying out their responsibilities in relation to the performance improvement framework, auditors must comply with the legislation and the Code and have regard to relevant guidance issued by the Department.

68. The Local Government Auditor will provide a report, or reports, to the council and the Department, which will:

- certify that the Local Government Auditor has carried out an audit under section 93 of the Act in respect of the previous financial year;
- state whether, as a result of the audit, the Local Government Auditor believes:
  - i. That the council has discharged its duties under section 92; and
  - ii. That the council has acted in accordance with any guidance issued by the Department about the council's duties under section 92;
- include a certification that the Local Government Auditor has carried out an assessment under section 94 in respect of the financial year;
- state whether, as a result of the assessment, the Local Government Auditor believes that the council is likely to comply with the requirements of Part 12 of the Act during the financial year;
- if appropriate, recommend any action that the council should take in order to comply with the requirements of Part 12 of the Act or act in accordance with Departmental guidance about the council's duties

under section 92;

- if appropriate, recommend that the Department should give a direction under section 100 of the Act and, if so, the type of direction; and
- state whether, in light of the audit and assessment, the Local Government Auditor is minded to carry out a special inspection under section 98 of the Act.

69. Auditors plan and perform their audit and assessment in compliance with the requirements of the Code and with relevant quality management and auditing standards. The auditors' work is proportionate and designed to meet the Local Government Auditor's statutory responsibilities, applying professional judgement to tailor the work to the council's circumstances. Auditors conduct their work economically, efficiently and effectively, and as timely as possible.

70. In carrying out their work, auditors exercise professional scepticism. They obtain and document such information and explanations as they consider necessary to provide sufficient, appropriate evidence in support of their judgements, which the Local Government Auditor uses to form his/her conclusions.

71. Auditors evaluate relevant performance improvement systems, and associated internal controls, for the purpose of supporting the Local Government Auditor's assessment. However, they do not provide assurance to the councils on the operational effectiveness of specific systems and controls or their wider system of internal control. Where auditors identify any weaknesses in such systems and controls, they will be brought to the attention of the council, but auditors cannot be expected to identify all weaknesses that may exist.

72. Auditors review whether the improvement plan and self-assessment report have been presented in accordance with relevant requirements and report if they do not meet those requirements. In doing so, auditors take into account their knowledge of the council gained through their work on the audit of the financial statements and through their work on the council's arrangements for securing economy, efficiency and effectiveness in the use of its resources.

## Reporting the results of improvement audit and assessment work



73. The Local Government Auditor provides:

- an audit and assessment planning document;
- an annual report (or reports) to the council and the Department under section 95 of the Act, to be sent by 30th November in the financial year during which the audit was carried out or to which the assessment relates, or by such other date as the Department may specify by order;
- a special inspection report (where required); and
- an annual improvement report for each financial year, which summarises or reproduces the section 95 report(s) and (where relevant) any special inspection report which the Local Government Auditor must publish. This is typically published on the NIAO website by 31 March of the following financial year end.

74. When considering the action to be taken on these reports, councils should bear in mind the scope of the audit and assessment, and responsibilities of the Local Government Auditor, as set out in the Act, the Department's guidance, the Code, and this Statement. Matters raised by the Local Government Auditor will be drawn from those that come to his/her attention during the audit and assessment. The audit and assessment cannot be relied upon to detect all weaknesses or opportunities for improvement in the council's performance improvement arrangements that may exist. Councils should assess the Local Government Auditor's conclusions and any recommendations for their wider implications before deciding whether, and how, to accept or implement them.

75. Although reports issued under schedule 95 of the Act may be addressed to officers or members of the council and to the Department, they are prepared for the sole use of the council and the Department. Auditors do not accept or assume responsibilities to officers or members in their individual capacities, or to third parties that choose to place reliance upon these reports.

## Ad hoc requests for the Local Government Auditor's views



76. There may be occasions when local government bodies seek the views of auditors on the legality, accounting treatment or value for money of a transaction before embarking upon it. In such cases, auditors will be as helpful as possible, but are precluded from giving a definite view in any case because auditors:

- must not prejudice their independence by being involved in the decision-making processes of the local government body;
- are not financial, legal or performance improvement advisers to the local government body; and
- must not act in any way that might fetter their ability to exercise the special powers conferred upon the Local Government Auditor by statute.

77. In response to such requests, the Local Government Auditor can offer only an indication as to whether anything in the information available to him/her at the time of forming a view could cause them to consider exercising the specific powers conferred upon him/her by statute. Any response from the Local Government Auditor should not be taken as suggesting that the proposed transaction or course of action will be exempt from challenge in future, whether by the Local Government Auditor or others entitled to raise objection to it. It is the responsibility of the local government body to decide whether to embark on any transaction.

## Access to information

78. The Local Government Auditor has wide-ranging rights of access to documents and information for the purposes of audit under Article 7 of the Order. These rights apply not only to documents and information held by the local government body and its members and staff (including documents held in electronic form), but also to any person holding or accountable for documents relating to the body, such as its partners and contractors. These access rights sit alongside the duty on the local government body to provide the auditor with every facility and all information reasonably required.



79. The Freedom of Information Act 2000 (FOIA) applies to the Northern Ireland Audit Office (which includes the Local Government Audit function undertaken by the Local Government Auditor). Where a local government body receives a Freedom of Information request for information obtained from the Local Government Auditor, it should assess the request under the FOIA and, where disclosure might prejudice the auditor's functions, consult with the Local Government Auditor before deciding to disclose.

## Proceeds of Crime reporting

80. Under regulation 103 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (2017 Regulations), certain specified bodies and persons (including the C&AG) must, if they know or suspect or have reasonable grounds for knowing or suspecting that a person is or has engaged in money laundering or terrorist financing, as soon as practicable, inform the National Crime Agency. While the duty rests legally with the C&AG under the 2017 Regulations, NIAO staff (including the Local Government Auditor) provide the mechanism through which the C&AG fulfils this obligation and are required to report suspicions or knowledge of money laundering, internally to the Money Laundering Reporting Officer, who makes the external report to the National Crime Agency.



81. There is an offence under section 342 of the Proceeds of Crime Act 2002 which applies to all persons. This offence occurs where a person knows or suspects that an appropriate officer (such as an officer from the National Crime Agency) is acting (or proposing to act) in connection with a money laundering investigation which is being or about to be conducted, and makes a disclosure which is likely to prejudice the investigation, or falsifies, conceals, destroys or otherwise disposes of, or causes or permits the falsification, concealment, destruction or disposal of, documents which are relevant to the investigation. Accordingly, it is not normal practice to discuss the existence or content of such disclosures with the audited body.

82. Since 2016, councils have agreed to voluntarily report suspected and actual frauds to the Local Government Auditor on the same basis, and through the same proforma used by central government bodies. Informing the auditors or being aware of the auditors' knowledge or suspicion of a fraud, does not absolve the audited body of this responsibility.

## The Bribery Act

83. NIAO have implemented procedures to ensure compliance by all staff with obligations under the Bribery Act 2010. These procedures require all staff to report any known or suspected fraud or corruption (including bribery).



## Grant claims and returns – certification

84. The Local Government Auditor agrees to make certification arrangements in accordance with the framework set out in the “Statement of Responsibilities of Grant-Paying Bodies, Local Government Bodies and the Chief Local Government Auditor in relation to Claims and Returns” (June 2013) and the “Chief Local Government Auditor’s Claims & Returns Certification Instructions” (June 2013). The responsibility for ensuring the completion, accuracy and completeness of grant claims and returns lies with the local government body. Grant-paying bodies may require independent examination as a condition of their acceptance of claims and returns and may ask the Local Government Auditor to make arrangements for certification of claims and returns. The Local Government Auditor will have regard to what is appropriate, practically and professionally, to expect of the certification process and auditors before agreeing to make certification arrangements.





# Raising Concerns

**A Good Practice Guide**

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Published March 2026

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# Part One: Introduction

## Purpose of this Guide

- 1.1** This updated Guide is aimed at helping public sector organisations to understand the value of an open and honest reporting culture, where concerns can be raised and dealt with effectively as part of normal business, leading to strengthened governance.

### Key principles when dealing with concerns

This guide identifies a number of important principles that public organisations should follow when dealing with raising concerns. They include the following:



- Public bodies should promote an open and supportive culture that values raising concerns



- Public bodies should have clear and accessible policies to deal with raising concerns



- Public bodies should ensure confidentiality and protection against victimisation



- Public bodies should investigate concerns promptly, fairly, and transparently



- Public bodies should monitor, review and learn from raising concerns



- Public bodies should ensure there is appropriate oversight of raising concerns

## What is a concern?

- 1.2** Raising a concern in the public interest is the action of telling someone in authority, either internally or externally (e.g. regulators or media), about wrongdoing, risk or malpractice.
- 1.3** The term 'whistleblowing' does not exist in law. It is a word that has become commonly associated with the action of raising a concern, usually by an employee or worker, about what they believe is wrongdoing within their organisation. However, the term 'whistleblowing' can have negative connotations and can contribute to some of the barriers that prevent concerns being raised.
- 1.4** Concerns raised provide public bodies with an important source of information that may highlight serious risks, potential fraud or corruption. Workers are often best placed to identify deficiencies and problems before any damage is done, so the importance of their role as the 'eyes and ears' of organisations cannot be overstated.

## A concern, a grievance or a complaint?

- 1.5 The nature of the issue being raised will determine whether it is a concern, a grievance or a complaint, and therefore the appropriate policy under which it should be addressed.

### A Concern:

- 1.6 When someone raises a concern, the person raising the concern is usually not directly or personally affected, they are simply trying to alert others who can address the issue. For this reason, they should not be expected to prove the malpractice. Such concerns should be handled in line with an organisation's raising concerns policy.
- 1.7 A concern may be raised by someone internal to the organisation, generally a member of staff, or by someone external to the organisation.

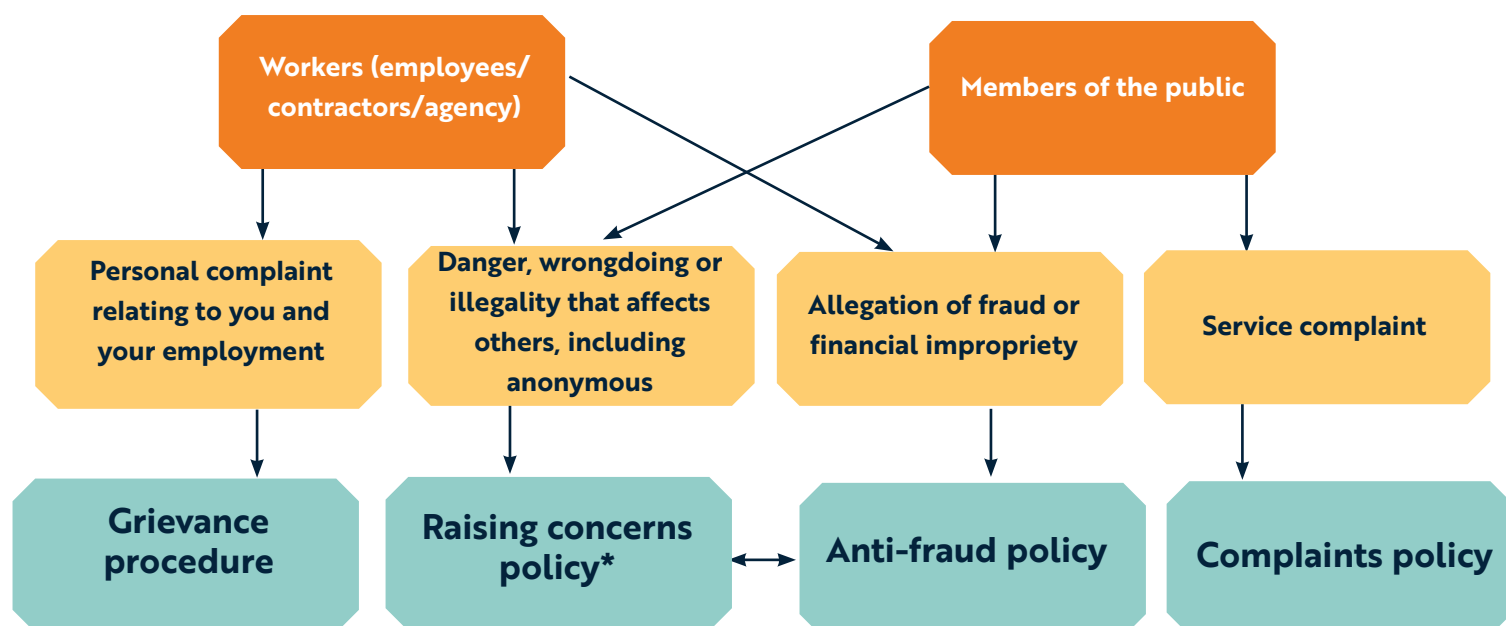
### A Grievance:

- 1.8 When a worker in an organisation raises a grievance, they are saying that they personally have been treated poorly. This may involve, for example, a breach of their individual employment rights or bullying, and the person is seeking redress or justice for themselves. They therefore have a vested interest in the outcome and, for this reason, are expected to prove their case. Such issues should be handled in line with an organisation's grievance policy.

### A Complaint:

- 1.9 A customer or service user may complain about a product supplied or a service provided to them. They will have been personally affected by a faulty product or poor service and will be seeking some form of compensation or redress. Such issues should be handled in line with an organisation's complaints policy.

**Figure 1 summarises the types of issues that may be raised and the relevant policies which should apply**



\*Organisations should have a raising concerns policy which can deal with issues raised both by workers and members of the public. This policy should be readily accessible to both staff members and members of the public.

## What if it's not clear cut?

- 1.10** There can be instances where a person raises an issue which has elements both of a wider concern affecting others and of personal interest. The challenge for organisations is to disentangle the issues and deal with each in accordance with the relevant policy.

## Concerns from members of the public

- 1.11** A member of the public can raise concerns directly with any public sector organisation. As Figure 1 shows, the nature of the issue raised will determine the policy under which the organisation should consider the matter.
- 1.12** Such concerns must be treated seriously and should be dealt with in the same way as concerns raised by staff members. It is the issue being raised which is important, not the person raising it.
- 1.13** Although not covered by the Public Interest Disclosure legislation, concerns raised by the general public can play a vital role in identifying wrongdoing, risk or malpractice within the Northern Ireland public sector.

# Part Two:

# Key principles

## Key principle 1: Public bodies should promote an open and supportive culture that values raising concerns

- 2.1** An organisation that is serious about addressing misconduct, risk, abuse and wrongdoing, must take steps to instil a culture in which workers have the confidence to raise concerns openly. It must also listen to all concerns raised and protect those who speak up.
- 2.2** As part of this, an organisation's policy for raising concerns and its code of conduct should include a clear commitment from senior management to develop and maintain an open and ethical culture. The head of the organisation should strongly endorse the policy. There should be a clear message that no issue or concern is too small.



### There are a number of factors that will encourage workers to raise concerns:

- a supportive organisational culture where raising concerns is welcomed;
- clear and explicit management commitment, from the top of the organisation, to an open and honest culture;
- a strong policy and code of conduct reinforcing the expectation of ethical behaviour from staff at all levels;
- clear roles and responsibilities in relation to dealing with concerns;
- clear procedures and lines of reporting for workers wishing to raise concerns;
- consistent handling of concerns raised, which should all be treated seriously;
- an individual with detailed knowledge of raising concerns, who can provide advice to management and staff and be an alternative to line management for workers wishing to raise a concern;
- effective awareness training for all staff so they know what concerns they can raise and how to raise them;
- effective training for line managers in dealing with concerns raised;
- a clear understanding of the benefits of raising concerns;
- continuing communication of the organisation's commitment to an open and ethical culture, for example through circulars, posters, emails and the intranet; and
- regular attitude surveys to determine the level of confidence staff have in arrangements for raising concerns.

## Visible leadership is an important part of establishing a positive culture around raising concerns

- 2.3** The right kind of leadership, at different levels throughout an organisation, is essential to creating a culture where people feel comfortable raising concerns.
- 2.4** If senior managers and board members have a presence across an organisation and speak with staff informally on a regular basis, they are better placed to influence the culture, encourage openness and get a better understanding of the issues which are important to staff.

## Culture is key to offering protection for those raising concerns

- 2.5** An open and honest culture and good practice by employers is the key protection for those wishing to raise concerns in their place of work. While public interest disclosure legislation may provide a legal remedy, it may only be accessed after things have gone wrong internally.

## Public bodies should work to normalise raising concerns

- 2.6** Staff may feel content to mention a concern to their line manager but fear “whistleblowing”, seeing it as something more formal and serious, with potential repercussions. In reality, however, raising concerns and whistleblowing are the same thing.
- 2.7** Some concerns, by their nature and scale, will require a more formal process of review and investigation than others, but the fundamental purpose in every case is the same - to bring into the open an issue of concern so that it can be properly addressed by those in authority, thereby avoiding or minimising harm, risk, wrongdoing or malpractice, and protecting the reputation of the organisation. The issue being raised is the key thing, not the person raising it.
- 2.8** Organisations should strive to establish a culture in which raising concerns is regarded as natural and routine. An open, honest culture, which seeks to learn and not apportion blame, is essential.
- 2.9** To ensure a positive culture around raising concerns, organisations should consider appointing a ‘Speak Up Champion’. This is an important role in promoting and developing a positive culture around raising concerns. Champions are responsible for raising awareness about raising concerns and encouraging a culture of curiosity and challenge. They can also be a key resource for connecting the organisation to service users and the wider public.

## Raising concerns should be a normal part of business, not an exceptional act



### There are practical steps an organisation can take to make raising concerns a part of normal business. These include:

- Have regular manager-led team meetings and encourage informal discussion around raising concerns. In this way, staff should become more relaxed about raising a concern, when it is part of normal business.
- Publicise examples of concerns that have been raised and dealt with effectively. This can be done via staff newsletters or the organisation's intranet. This will help staff see the positive value of raising concerns.
- Focus on the issue being raised and not on the person raising the issue. If staff see evidence of concerns being listened to and responded to effectively, they will be happier to raise concerns in the course of normal business.
- Regular internal communications of how and why to raise concerns – this helps to raise awareness and foster a positive culture.
- Have a policy and procedures that encourage all concerns to be raised, no matter how small, giving examples. If staff can become more comfortable raising minor everyday issues, this will help them feel comfortable raising more serious concerns. Always treat low level concerns seriously – the person may be “testing the system” before raising a major issue.

## Key principle 2: Public bodies should have clear and accessible policies to deal with raising concerns

- 2.10** It is vital that all organisations have a raising concerns policy in place. Policies should be clear and accessible and accompanied by strong procedures. Policies should also be easily accessible on the organisations website to those who are external to the organisation, including members of the public.
- 2.11** All policies related to raising concerns should be publicly visible and easy to access, with clearly designated contact points to support a streamlined and inclusive reporting process. This includes providing anonymous reporting channels to foster a secure environment where individuals – both internal staff and external stakeholders can express concerns freely and without fear of punishment.
- 2.12** Policies should be written in a way that is easy to understand and avoids legal jargon where possible. It is also important that policies are regularly reviewed to ensure that they remain relevant and up to date.

### Key criteria for an effective policy include:

#### Commitment, clarity and tone from the top

- 2.13** The policy should make clear that all concerns are welcomed and will be treated seriously. It should reassure those who may be thinking of raising a concern that the organisation's leadership will take the concern seriously and will not punish the employee if the concern turns out to be untrue, as long as they had reasonable suspicion of wrongdoing.

#### Structure

- 2.14** The policy should be easy to use so that readers are clear about how they should raise concerns. It should be clear, concise and avoid including irrelevant detail that might confuse readers. Flow charts or diagrammatic representations that outline the step-by-step process are useful techniques to support a well laid out policy.

#### Openness, confidentiality and anonymity

- 2.15** The policy should make sensible and realistic statements about respecting the confidentiality of those raising concerns and outline the potential issues that could arise from employees and those external to the organisation reporting concerns anonymously.

#### Offering an alternative to line management

- 2.16** Concerns may relate to behaviours of line management, or employees may be unwilling to discuss concerns with immediate management. The policy should offer alternative reporting channels inside the organisation.

## Access to external bodies

- 2.17** The policy should make employees and external stakeholders aware of how they can raise concerns outside the organisation, e.g. to an external auditor or prescribed person.

## Access to independent advice

- 2.18** Employees may need advice where they feel unsure or unaware of how to raise a concern. The policy should indicate where employees can seek advice, e.g. Protect.

## Reassuring those who may wish to raise a concern

- 2.19** The policy should make clear that it is an offence for management and staff to victimise employees who may raise a concern.

## Addressing concerns and providing feedback

- 2.20** The policy should set out procedures for handling concerns. It should reassure employees and external stakeholders that their concerns will be taken seriously and that, where instances of malpractice are identified, they will be dealt with appropriately.

## Organisations should provide training and build capacity

- 2.21** Whilst a policy is essential, it is, in itself, not enough. Organisations must ensure that staff are aware of the policy and how to use it. To achieve this, policies must be made accessible. This is typically achieved by ensuring they are widely communicated and made easily accessible, normally on the internet and intranet and included within induction packs.
- 2.22** It is important that all staff receive training on the raising concern policy and what protections exist for those who raise concerns. Line managers and those who handle concerns should receive appropriate, and extensive specialist training. Training should be refreshed regularly.

## Key principle 3: Public bodies should ensure confidentiality and protection against victimisation

### Organisations should ensure confidentiality where appropriate

- 2.23** A concern raised anonymously means that the person raising the concern does not reveal their identity to anyone. If a concern is raised anonymously this can make it difficult to:
- investigate the concern;
  - liaise with the individual;
  - seek clarification or further information; and
  - assure the individual and give them feedback.
- 2.24** Organisations may still receive anonymous concerns and these should not be ignored. They still need to assess the information provided and take appropriate action in line with the organisation's policy. Policies should emphasise, however, that by making their identity known, workers are more likely to secure a positive outcome.
- 2.25** If an organisation receives a significant proportion of concerns anonymously, this may be an indication that the organisational culture is not open and ethical, and that cultural change is required.
- 2.26** While openness is the ideal, in practice some staff will feel anxious about identifying themselves at the outset and so any policy for raising concerns should ensure they can also approach someone confidentially. This means that their identity will only be known by the person with whom they raise their concern, and will not be revealed further without their consent, unless this is required by law.



#### **There are practical steps that an organisation can take to protect the confidentiality of those raising concerns. These include:**

- ensuring that paper files are properly classified as confidential and held securely, and that electronic files are password protected;
- ensuring that the minimum number of people have access to case files;
- being discreet about when and where any meetings are held with the individual; and
- ensuring that confidential case papers are not left on printers or photocopiers.

## Victimisation

- 2.27** Victimisation can be a concern that prevents people from speaking up. Therefore, supporting and protecting those who raise concerns is potentially beneficial for both the individual and the organisation.
- 2.28** Bodies must ensure that, where the identity of the person raising a concern becomes known, they are protected and supported. As such, it is important that all policies make it clear that there is a zero tolerance approach to the victimisation of those who raise a concern. Appropriate and timely action must be taken against anyone who victimises them, regardless of seniority.
- 2.29** There are practical steps that organisations can take. These include providing training for those dealing with raising concerns on how to handle victimisation and engaging with those who raise concerns to highlight risks and discuss potential means of mitigating those risks.
- 2.30** As victimisation can be both subtle and long term, it is also worth considering checking in with those who raise concerns after any investigation.

## Key principle 4: Public bodies should investigate concerns promptly, fairly, and transparently

### All concerns must be treated seriously

- 2.31** Public bodies must take all concerns raised seriously. Some concerns, by their nature and scale, will require a more formal process of review and investigation than others. The policy for raising concerns should set out the range of possible actions. The action taken will depend on the nature of each case, for example:
- Explaining the context of an issue to the person raising a concern may be enough to alleviate their worries.
  - Minor concerns might be dealt with straight away by line management.
  - A review by internal audit as part of planned audit work might be sufficient to address the issue, e.g. through a change to the control environment.
  - There may be a role for external audit in addressing the concerns raised and either providing assurance or recommending changes to working practices.
  - There may be a clear need for a formal investigation.
- 2.32** Having considered the options, it is important the rationale for the way forward is documented on the case file. The raising concern policy should make clear whose responsibility it is to decide on the appropriate action to be taken. If necessary, advice and guidance can be sought from the relevant prescribed person.

### Manage expectations

- 2.33** While those raising concerns should expect their concerns to be taken seriously and given due consideration, not all cases will require a full investigation. Policies should explain the possible courses of action that may be taken and, if appropriate, those raising concerns should be notified as to what the proposed course of action will be.
- 2.34** Policies should make clear that when individuals raise a concern, they may not always get the outcome they want or expect. However, they should always expect to be taken seriously and have confidence that the matter will be handled fairly and properly, in accordance with documented procedures.

### Keeping contact and providing feedback

- 2.35** As part of the investigation plan, a reasonable level and frequency of contact should be agreed with the person who raised the concern. This will give them assurance that appropriate action is being taken in relation to the issue they raised. However, a person may want minimal contact once they have raised a concern and this should be respected.

## Formal investigations

- 2.36** It is important that investigations are undertaken by people with the necessary expertise and experience. If an organisation does not have such staff, they should consider engaging external resources.
- 2.37** Internal auditors may be able to advise on this but may not be the best people to undertake the work if they do not have investigative qualifications. Where internal auditors carry out investigations under arrangements for raising concerns, and may also be involved in providing assurance on the effectiveness of those arrangements, any potential or perceived conflict of interest needs to be actively managed.
- 2.38** All bodies should have documented procedures in place to be followed when conducting an investigation. These may be adapted from the fraud response plan or set out in a standard operating procedure.



### Key considerations for any investigative process should include:

- employing investigators with the necessary skills;
- ensuring no conflict of interest between the investigator and the issue being investigated;
- having clear terms of reference;
- setting a clear scope for the investigation and drawing up a detailed investigation plan;
- clarifying what evidence needs to be gathered and how it will be gathered (document search, interviews etc.);
- deciding how best to engage with the person raising concerns and manage their expectations; and
- ensuring that all investigative work is clearly documented.

## A good investigation has a number of factors



### **In his review of the reporting culture in the NHS, 'Freedom to Speak Up', Sir Robert Francis identified a number of factors essential to a good investigation process:**

- The investigation should be done as quickly as possible to an agreed timetable. This should be set at the start and any changes should be notified to the person raising the concern.
- There must be a degree of independence, proportionate to the gravity and complexity of the issue being investigated. The investigator may be someone from a different part of the organisation who is independent of the issue being investigated. However, there may be circumstances where external independence would be desirable.
- The investigation must be conducted by appropriately qualified and trained investigators, who are given the requisite time to conduct and write up their investigation.
- The investigation must seek to establish the facts by obtaining accounts from all involved and examining relevant records.
- The investigation should result in feedback to the person who raised the concern.
- The investigation must be separate from any disciplinary process involving anyone associated with the concern, where possible.
- The outcome of the investigation should be considered at a level of seniority appropriate to the gravity of the issues raised, along with a programme of proposed action where relevant.
- Learning from the investigation should be shared across the organisation and beyond, where appropriate.
- Someone should keep in touch with the person who raised the concern at all times, to keep them abreast of progress and monitor their wellbeing.

## Key principle 5: Public bodies should monitor, review and learn from raising concerns

### Organisations must record, monitor and report caseload

**2.39** Concerns raised by workers and members of the public are an important source of information for any organisation. It is important that key aspects of the concerns and the process for handling them are captured, so that the value of arrangements can be determined and lessons learned, where appropriate. Government departments should have procedures in place for receiving information about concerns raised in all arm's length bodies for which they are responsible. This can help identify concerns of a systemic nature.

#### Record

**2.40** In addition to individual case files, organisations should maintain a central record of all concerns raised, in a readily accessible format such as a database. Any system for recording concerns should be proportionate, secure, and accessible by the minimum number of people necessary.

**2.41** The types of information recorded may include:

- the date the concern was raised;
- the category of the concern and/or the risk highlighted;
- Whether the individual is internal or external to the organisation;
- with whom the concern was initially raised;
- whether confidentiality was requested;
- the approach adopted;
- who is investigating the concern;
- key milestone dates from the agreed investigation timetable;
- the outcome, in terms of whether the concern was founded or unfounded;
- whether feedback was given to the person raising the concern;
- whether the person was satisfied with the outcome and if not, why not; and
- the date the case was closed.

#### Monitor

**2.42** Monitoring concerns raised has two important aspects: firstly, to ensure the handling of the concern is progressed in line with the agreed timetable and secondly, to facilitate data capture for management information purposes.

**2.43** The central record of concerns should be periodically reviewed by a responsible officer and used to request updates on cases or generate reminders for action, as appropriate.

- 2.44** Analysis of the information captured will allow organisations to identify trends or business risks which may need to be addressed.



**It will also provide useful management information on the operation of procedures for raising concerns, such as:**

- the number and types of concerns raised;
- how concerns were dealt with;
- the length of time taken to resolve concerns; and
- the individuals satisfaction with the procedures.

## Report

- 2.45** In his review of arrangements in the NHS, 'Freedom to Speak up', Sir Robert Francis highlighted that in a number of high profile cases, senior management and the Board had not been aware of the scale and types of problems that existed in their organisation.
- 2.46** It is therefore essential that an analysis of concerns raised in any organisation, and the action taken in response to those concerns, is reported regularly to senior management, the Audit and Risk Assurance Committee and the Board. This will help inform those charged with governance that arrangements in place for workers to raise concerns are operating satisfactorily or will highlight improvements that may be required. It will also provide them with assurance that appropriate steps have been taken, and lessons learned have been disseminated.
- 2.47** An organisation's annual report and accounts should include a section on concerns raised and improvements made in the organisation as a result. This will help demonstrate to staff that the organisation is open and transparent and that raising concerns yields results.

## Key principle 6: Public bodies should ensure there is appropriate oversight of raising concerns

- 2.48** Arrangements for raising concerns must be effective, and must be seen to be effective, otherwise workers will be reluctant to speak up and organisations will not have the opportunity to address issues before they have potentially serious consequences. It is not enough for organisations to have a policy and procedures in place. Bodies need positive assurance that arrangements for raising concerns are working effectively.
- 2.49** Arrangements for raising concerns should be regularly reviewed, both to ensure their effectiveness and to confirm that workers have confidence in the arrangements, including by performing periodic pulse surveys to measure staff awareness.

### Audit and Risk Assurance Committees have a key role in oversight

- 2.50** Audit and Risk Assurance Committees have a key role in ensuring effective arrangements for raising concerns are in place. The Committee is part of the control environment of the organisation and should provide a challenge function when it receives management information about concerns raised.
- 2.51** Audit and Risk Assurance Committees should:
- Discuss raising concerns as a regular agenda item;
  - Engage with the organisation's Designated Officer or equivalent,
  - Be satisfied that organisations have the appropriate capacity and capability to investigate and manage concerns; and
  - Seek assurance that raising concerns are treated in line with the policy.



#### The Audit and Risk Assurance Committee Handbook provides some key questions which the Audit and Risk Committee should ask:

- How do we know that there are appropriate and effective practices in place for raising concerns?
- How do we know that these provide suitable channels for staff and others to raise their concerns?
- How do we know that the policies appropriately cover the issues of confidentiality and anonymity?
- How do we know that those raising concerns are offered appropriate support and provided with suitable and timely feedback?
- How do we know that concerns raised are dealt with properly and reported to senior management?

**2.52** Supplementary questions to help answer the key questions may include:

- Is there evidence that the board regularly considers procedures for raising concerns as part of its review of the system of internal controls?
- Is there a comprehensive record of the number and types of concerns raised, follow-up action taken and the outcomes of investigations?
- Are there issues or incidents which have otherwise come to the board's attention which they would have expected to have been raised earlier under the organisation's procedures for raising concerns?
- Are there adequate procedures for retaining evidence in relation to each concern?
- Have confidentiality issues been handled effectively? Have there been any failures to maintain confidentiality?
- Is there evidence of timely and constructive feedback to the person raising the concern?
- Is there evidence of satisfactory feedback from individuals who have used the arrangements?
- Have any events come to the committee's or the board's attention that might indicate that a worker has been victimised or unfairly treated as a result of raising their concerns?
- Has there been a review of staff awareness, trust and confidence in the arrangements?
- Where appropriate, has internal audit performed any work that provides additional assurance on the effectiveness of the procedures for raising concerns?

## Benchmarking arrangements

**2.53** Benchmarking an organisation's arrangements for raising concerns against wider good practice and against similar organisations can highlight further improvements to be made.

**2.54** The charity Protect, which provides advice and guidance to employers and workers about raising concerns, has developed a benchmarking tool to help organisations assess the effectiveness of their current arrangements. It has produced a set of standards under three key headings:

- Governance:
  - Accountability
  - Written policy and procedures
  - Review and reporting
- Engagement:
  - Communications
  - Training
- Operations:
  - Support and protection
  - Recording and investigations
  - Resolution and feedback.

**2.55** Information on acquiring access to the benchmarking tool can be obtained by contacting Protect at: [business@protect-advice.org.uk](mailto:business@protect-advice.org.uk)

## Figure 2: Summary of Raising Concerns roles and responsibilities across the Public Sector



Source: NIAO based on NI Departments' Raising a Concern: Policy Framework; Departmental raising concerns guidance; NIAO Good Practice Guide.

# Appendices

## Appendix 1: Good practice self assessment checklist

A downloadable copy of the checklist is available on the [NIAO website](#).

Good Practice statement:	Yes ✓	Evidence:	No ✓	Action required:
<b>Public bodies should promote an open and supportive culture that values raising concerns</b>				
This organisation has an open and transparent culture which encourages the raising of concerns.				
There is clear and explicit management commitment from the top of the organisation to an open and honest culture.				
This organisation recognises the benefits of hearing about concerns so that they can be properly considered.				
Senior managers and Board members are visible across the organisation and clearly demonstrate the importance and value they attach to hearing from people at all levels.				
There is a code of conduct in place that reinforces the expectation of ethical behaviour from workers at all levels of the organisation.				
There is continuing communication of this organisation's commitment to an open and ethical culture, through circulars, posters, emails and the intranet.				
<b>Public bodies should have clear and accessible policies to deal with raising concerns</b>				
This organisation has a raising concerns policy in place, which includes all the key criteria listed in this Guide.				
All workers are made aware of the policy.				
The policy is readily available to both workers and members of the public. This is normally done by publishing on the organisation's website.				
There is effective awareness training for all staff so they know what concerns they can raise and how to raise them.				
Staff awareness of the raising concern policy and its practices is actively monitored and measured.				
Training is provided to all staff on the content of the policy.				

Good Practice statement:	Yes ✓	Evidence:	No ✓	Action required:
There is a Designated Officer and/or Speak Up Champion with detailed knowledge of raising concerns who can provide advice to management and staff and those external to the organisation.				
The policy sets out clear procedures and lines of reporting for workers wishing to raise concerns, which are well publicised.				
The policy offers alternative ways of raising concerns, including externally.				
The raising concerns policy directs workers to available sources of support and advice, for example Protect or their union.				
This organisation recognises that there may be validity in a concern raised, regardless of a person's motivation for raising it.				
This organisation encourages all concerns to be raised, no matter how small. How is this done?				
This organisation provides a single point of contact for members of the public wishing to raise public interest concerns. This person has the requisite skills to ensure that concerns are processed effectively.				
This organisation gives proper consideration to public interest concerns raised by the wider public.				
This organisation offers the person raising the concern a meeting to discuss their concern and provide any evidence they may have.				
This organisation ensures that members of the public who raise concerns in the public interest are made aware of alternative points of contact.				
This organisation provides appropriate feedback to third parties who have raised concerns.				

Good Practice statement:	Yes ✓	Evidence:	No ✓	Action required:
<b>Public bodies should ensure confidentiality and protection against victimisation</b>				
All practical steps are taken to protect the confidentiality of workers raising concerns. This includes: <ul style="list-style-type: none"> <li>• ensuring that paper files are properly classified as confidential and held securely, and that electronic files are password protected;</li> <li>• ensuring that the minimum number of people have access to case files;</li> <li>• being discreet about when and where any meetings are held with the individual worker; and</li> <li>• ensuring that confidential case papers are not left on printers or photocopiers.</li> </ul>				
The raising concerns policy makes clear that this organisation will not tolerate harassment of anyone raising a concern.				
<b>Public bodies should investigate concerns promptly, fairly and transparently</b>				
There are clear roles and responsibilities in place for handling concerns raised.				
There is sufficient resource capacity to cope with raising concerns and to conduct investigations.				
Staff responsible for managing and handling concerns have received appropriate, regular and extensive specialist training.				
There is effective training for line managers who may have to deal with concerns raised.				
This organisation has access to trained fraud investigators, should an investigation be required.				

Good Practice statement:	Yes ✓	Evidence:	No ✓	Action required:
<p>Public bodies should ensure there is appropriate oversight of raising concerns</p> <p>The Audit and Risk Assurance Committee plays an important role in raising concerns in our organisation.</p> <p>The Audit and Risk Assurance Committee should:</p> <ul style="list-style-type: none"> <li>• Discuss raising concerns as a regular agenda item;</li> <li>• Engage with the organisation’s Designated Officer or equivalent;</li> <li>• Be satisfied that organisations have the appropriate capacity and capability to investigate and manage concerns; and</li> <li>• Seek assurance that raising concerns are treated in line with the policy.</li> </ul>				
There are regular attitude surveys to determine the level of confidence staff have in arrangements for raising concerns.				
This organisation encourages concerns to be raised as part of normal business, for example at team meetings.				
This organisation focuses on the concern being raised and not on the person raising it.				



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## Good practice self assessment checklist

Good Practice statement:	Yes ✓	Evidence:	No ✓	Action required:
<b>Public bodies should promote an open and supportive culture that values raising concerns</b>				
This organisation has an open and transparent culture which encourages the raising of concerns.				
There is clear and explicit management commitment from the top of the organisation to an open and honest culture.				
This organisation recognises the benefits of hearing about concerns so that they can be properly considered.				
Senior managers and Board members are visible across the organisation and clearly demonstrate the importance and value they attach to hearing from people at all levels.				
There is a code of conduct in place that reinforces the expectation of ethical behaviour from workers at all levels of the organisation.				
There is continuing communication of this organisation's commitment to an open and ethical culture, through circulars, posters, emails and the intranet.				

Good Practice statement:	Yes ✓	Evidence:	No ✓	Action required:
<b>Public bodies should have clear and accessible policies to deal with raising concerns</b>				
This organisation has a raising concerns policy in place, which includes all the key criteria listed in this Guide.				
All workers are made aware of the policy.				
The policy is readily available to both workers and members of the public. This is normally done by publishing on the organisation's website.				
There is effective awareness training for all staff so they know what concerns they can raise and how to raise them.				
Staff awareness of the raising concern policy and its practices is actively monitored and measured.				

Good Practice statement:	Yes ✓	Evidence:	No ✓	Action required:
Training is provided to all staff on the content of the policy.				
There is a Designated Officer and/or Speak Up Champion with detailed knowledge of raising concerns who can provide advice to management and staff and those external to the organisation.				
The policy sets out clear procedures and lines of reporting for workers wishing to raise concerns, which are well publicised.				
The policy offers alternative ways of raising concerns, including externally.				
The raising concerns policy directs workers to available sources of support and advice, for example Protect or their union.				

Good Practice statement:	Yes ✓	Evidence:	No ✓	Action required:
This organisation recognises that there may be validity in a concern raised, regardless of a person's motivation for raising it.				
This organisation encourages all concerns to be raised, no matter how small. How is this done?				
This organisation provides a single point of contact for members of the public wishing to raise public interest concerns. This person has the requisite skills to ensure that concerns are processed effectively.				
This organisation gives proper consideration to public interest concerns raised by the wider public.				

<b>Good Practice statement:</b>	<b>Yes</b> ✓	<b>Evidence:</b>	<b>No</b> ✓	<b>Action required:</b>
This organisation offers the person raising the concern a meeting to discuss their concern and provide any evidence they may have.				
This organisation ensures that members of the public who raise concerns in the public interest are made aware of alternative points of contact.				
This organisation provides appropriate feedback to third parties who have raised concerns.				

Good Practice statement:	Yes ✓	Evidence:	No ✓	Action required:
<b>Public bodies should ensure confidentiality and protection against victimisation</b>				
<p>All practical steps are taken to protect the confidentiality of workers raising concerns. This includes:</p> <ul style="list-style-type: none"> <li>• ensuring that paper files are properly classified as confidential and held securely, and that electronic files are password protected;</li> <li>• ensuring that the minimum number of people have access to case files;</li> <li>• being discreet about when and where any meetings are held with the individual worker; and</li> <li>• ensuring that confidential case papers are not left on printers or photocopiers.</li> </ul>				
<p>The raising concerns policy makes clear that this organisation will not tolerate harassment of anyone raising a concern.</p>				

Good Practice statement:	Yes ✓	Evidence:	No ✓	Action required:
<b>Public bodies should investigate concerns promptly, fairly and transparently</b>				
There are clear roles and responsibilities in place for handling concerns raised.				
There is sufficient resource capacity to cope with raising concerns and to conduct investigations.				
Staff responsible for managing and handling concerns have received appropriate, regular and extensive specialist training.				
There is effective training for line managers who may have to deal with concerns raised.				
This organisation has access to trained fraud investigators, should an investigation be required.				

Good Practice statement:	Yes ✓	Evidence:	No ✓	Action required:
<p>Public bodies should ensure there is appropriate oversight of raising concerns.</p> <p>The Audit and Risk Assurance Committee plays an important role in raising concerns in our organisation.</p> <p>The Audit and Risk Assurance Committee should:</p> <ul style="list-style-type: none"> <li>• Discuss raising concerns as a regular agenda item;</li> <li>• Engage with the organisation's Designated Officer or equivalent;</li> <li>• Be satisfied that organisations have the appropriate capacity and capability to investigate and manage concerns; and</li> <li>• Seek assurance that raising concerns are treated in line with the policy.</li> </ul>				
<p>There are regular attitude surveys to determine the level of confidence staff have in arrangements for raising concerns.</p>				
<p>This organisation encourages concerns to be raised as part of normal business, for example at team meetings.</p>				
<p>This organisation focuses on the concern being raised and not on the person raising it.</p>				



# Internal Audit Annual Report 2025/26

Ards and North Down Borough Council

March 2026

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# 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
<b>TOTAL</b>	-	<b>18</b>	<b>5</b>	

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 <b>13/03/2025</b>	<b>3</b>	<b>22</b>	<b>14</b>	<b>39</b>
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)
<b>Total items remaining open as at 09/03/2026</b>	<b>1</b>	<b>25</b>	<b>12</b>	<b>38</b>
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
<b>Satisfactory</b>	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.
<b>Limited</b>	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.
<b>Unacceptable</b>	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	
<b>Priority 1</b>	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.
<b>Priority 2</b>	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.
<b>Priority 3</b>	Failure to implement the recommendation could lead to an increased risk exposure.

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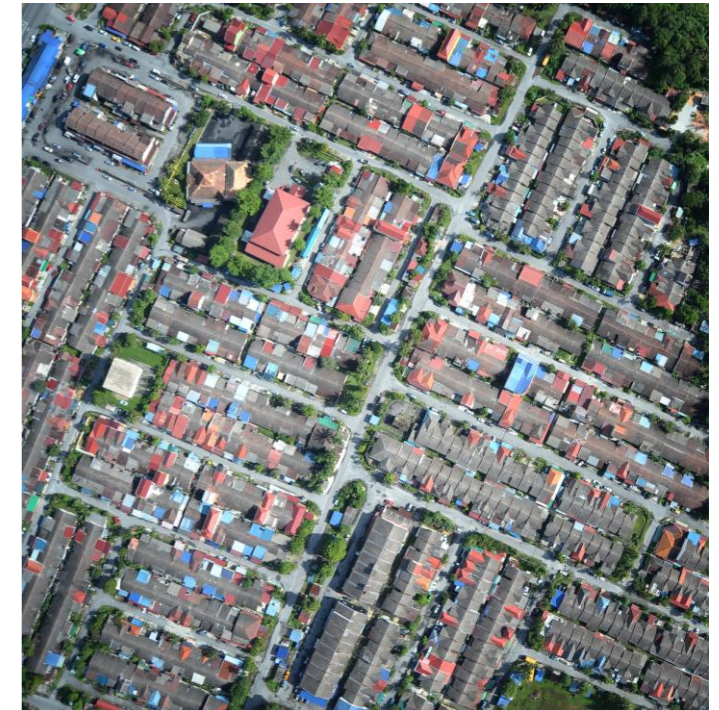


## Ards and North Down Borough Council Audit Committee Progress Report

May 2026

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# Progress to Date

## Summary Status of the 2025/26 Plan

# Progress to Date

## Summary Status of the 2025/26 Plan

We have completed the delivery of the 2025/26 Plan. An overview of our progress on the 2025/26 Plan (as at 30/04/2026) is set out below:

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

Since our previous Audit Committee progress report we have:

- Issued final draft reports for the following reviews:
  - Digital Services Governance
  - Cyber Security

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

# Final Reports

## Summary of Findings Identified

# Final Report

## Digital Services Governance 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 Ards and North Down Borough Council's ("the Council") processes and controls around the digital services governance.

### Overview

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

- Discussions with key members of the Digital Services team such as the Head of Strategic Transformation and Performance, and Digital Services Manager.
- Desktop review of relevant policies and procedures, and other supporting documentation including :
  - Strategic Transformation and Performance Service Plan and Risk Register,
  - Draft System Mandatory Control Set, IT Disaster Recovery Plan (DRP),
  - Draft updated Information Security and ICT Management Policy,
  - Supporting Standard Operating Procedures (SOPs – including New User Onboarding SOP, Microsoft (MS) 365 SOP, Back-Up and Restore SOP,
  - Job descriptions and documented Segregation of Duties document for the Digital Services team,
  - Sample of Digital and Data Governance Board meeting minutes and terms of reference (TOR).
- Consideration of possible improvements or alternatives for the controls in place.
- Reporting of findings with practical recommendations for improvement where appropriate.

Priority 1	Priority 2	Priority 3
-	2	1

### Overall Rating

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

### Findings

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

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

- Updates required to the draft Information Security and ICT Management Policy
- Gaps in the Digital Services risk management framework

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

- Finalisation of a digital skills training offering

# Final Report

## Cyber Security Follow-Up

### Background

In September 2019, Ards and North Down Borough Council (“the Council”) requested Internal Audit to perform a high-level advisory Cyber Maturity Assessment of its corporate network and systems. The scope of this internal audit was to validate evidence of implementation of recommendations from the Cyber Maturity Assessment. This follow-up work focused on all 12 High Priority recommendations reported by management as implemented and a sample of 5 Medium Priority recommendations reported as implemented.

### Overview

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

- Discussions with key members of staff involved in the implementation of the 2019 Cyber Maturity Assessment recommendations including the Assistant Digital Services Manager.
- Sought evidence to confirm the status as reported by management.
- Reviewed evidence made available to confirm implementation status.
- Held meetings as necessary with the individual Recommendation Action Owner for the 17 actions in scope.
- Performed a limited programme of sample testing, as required, to assess control operating effectiveness.
- Held a close out meeting with the Audit Sponsor and relevant stakeholders to discuss findings.
- Prepared a draft report.
- Prepared a final report, including, if appropriate, updated management action plans in response to the outstanding recommendations.

### Overall Rating

As this was a follow up review, there was no level of assurance provided.

### Findings

Based on our follow-up review, we validated that 11 of the 17 recommendations covered in our review have been fully implemented. The remaining six recommendations (three high-priority and three medium-priority) are partially implemented.

The updated target dates for the completion of these partially implemented actions are detailed below:

1. **Report Reference 8.2** – 31 August 2026
2. **Report Reference 10.4** – 30 September 2026
3. **Report Reference 14.1** – 30 June 2026
4. **Report Reference 5.2** – 31 August 2026
5. **Report Reference 6.2** - 31 August 2026
6. **Report Reference 13.2** - 30 September 2026

# Progress to Date

## Summary Status of the 2026/27 Plan

# Progress to Date

## Summary Status of the 2025/26 Plan

We have begun the delivery of the 2026/27 Plan. An overview of our progress on the 2026/27 Plan (as at 30/04/2025) is set out below:

Final Report / Complete	Draft Report	Fieldwork	Planning	Yet to Commence	Cancelled/ Deferred	Total
-	-	-	1	10	-	-

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

# Appendix I

## Progress to Date 2025/26

# Progress to Date

## Update on Annual Internal Audit Plan – 2025/26

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In this section, we have provided an overview of our progress regarding the 2025/26 Internal Audit Plan as at 30/04/2026.

Review Area	Sponsor	Planned Days	Audit Status	Assurance Level	Planned Start Date	Actual Start Date	Notes
<b>Quarter 1</b>							
Service Review – Administration	Head of Administration	15	Complete	Satisfactory	w/c 7 <sup>th</sup> April 2025	w/c 7 <sup>th</sup> 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 28 <sup>th</sup> April 2025	28 <sup>th</sup> 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	3 <sup>rd</sup> June 2025	3 <sup>rd</sup> 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 9 <sup>th</sup> June 2025	9 <sup>th</sup> 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 9 <sup>th</sup> June 2025	9 <sup>th</sup> June 2025	Final report presented to September 2025 Audit Committee and issued 26/09/2025.
<b>Quarter 2</b>							
Community Plan Implementation	Community Planning Manager	12	Complete	Satisfactory	w/c 28 <sup>th</sup> July 2025	28 <sup>th</sup> 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 8 <sup>th</sup> September 2025	8 <sup>th</sup> 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

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Review Area	Sponsor	Planned Days	Audit Status	Assurance Level	Planned Start Date	Actual Start Date	Notes
<b>Quarter 3</b>							
Digital Services Governance	Head of Strategic Transformation and Performance	13	Final Draft Report for May ARC	-	5 <sup>th</sup> November 2025	5 <sup>th</sup> November 2026	Final Draft report issued 13/03/2026. To be presented to May 2026 Audit Committee for approval.
<b>Quarter 4</b>							
Climate Change Strategy	Director of Corporate Services / Head of Administration	15	Complete	-	w/c 19 <sup>th</sup> January 2026	19 <sup>th</sup> January 2026	Final report issued 30/03/2026. Presented to March 2026 Audit Committee.
Labour Market Partnership	Head of Economic Growth	5	Complete	-	w/c 19 <sup>th</sup> January 2026	19 <sup>th</sup> January 2026	Final report issued 02/03/2026. Presented to March 2026 Audit Committee.
Cyber Security	Head of Strategic Transformation and Performance	15	Final Draft Report for May ARC	-	w/c 2 <sup>nd</sup> February 2026	2 <sup>nd</sup> February 2026	Final Draft report issued 25/03/2026. To be presented to May 2026 Audit Committee for approval.
<b>Other Areas</b>							
Follow-ups	Head of Finance / HoST	17	Complete	n/a	Quarterly	-	Complete – Last Audit Committee for 2025/26 reported to in March.

# Appendix II

## Progress to Date 2026/27

# Progress to Date

## Update on Annual Internal Audit Plan – 2026/27

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In this section we have provided an overview of our progress regarding the 2026/27 Internal Audit Plan as at 30/04/2026.

Review Area	Sponsor	Planned Days	Audit Status	Assurance Level	Planned Start Date	Actual Start Date	Notes
<b>Quarter 1</b>							
Performance Improvement	Head of Strategic Change	12	Planning commenced	-	w/c 29 <sup>th</sup> June 2026	-	Planning meeting scheduled for 6 <sup>th</sup> May 2026.
<b>Quarter 2</b>							
Waste Management	Head of Waste and Cleansing	17	Planning to commence	-	w/c 3 <sup>rd</sup> August 2026	-	Planning to commence.
Fleet Management	Head of Estates	13	Planning to commence	-	w/c 3 <sup>rd</sup> August 2026	-	Planning to commence
Contract management - Leisure Services Contract(s)	Head of Leisure	14	Planning to commence	-	w/c 24 <sup>th</sup> August 2026	-	Planning to commence
PCSP	Interim Head of Community and Wellbeing	5	Planning to commence	-	w/c 7 <sup>th</sup> September 2026	-	Planning to commence
<b>Quarter 3</b>							
Grant Funding/Management	Head of Finance	13	Planning to commence	-	w/c 12 <sup>th</sup> October 2026	-	Planning to commence
HR Grievance Processes	Head of HR	12	Planning to commence	-	w/c 27 <sup>th</sup> October 2026	-	Planning to commence
Facilities Management	Head of Estates	13	Planning to commence	-	w/c 30 <sup>th</sup> November 2026	-	Planning to commence
Payroll, Travel and Subsistence	Head of Finance	15	Planning to commence	-	w/c 11 <sup>th</sup> January 2027	-	Planning to commence

# Progress to Date

## Update on Annual Internal Audit Plan – 2026/27

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Review Area	Sponsor	Planned Days	Audit Status	Assurance Level	Planned Start Date	Actual Start Date	Notes
<b>Quarter 4</b>							
LMP	Head of Economic Growth	5	Planning to commence	-	w/c 11 <sup>th</sup> January 2027	-	Planning to commence
Workforce Planning Strategy	Head of Strategic Change	12	Planning to commence	-	w/c 1 <sup>st</sup> February 2027	-	Planning to commence.
<b>Other Areas</b>							
Follow-ups	Head of Finance / HoST	17	Ongoing	n/a	Quarterly	-	In progress for May 2026 Audit Committee.

# Changes to the Internal Audit Plan and AOB

## Amendments and AOB to be noted by the Audit Committee

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We are currently completing our fieldwork on Preliminary Review of Leisure Centre Procurement for Synthetic Pitches and will report our findings to the Director of Corporate Service and the Head of Finance.

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 III

## Outstanding Recommendations Update



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

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

The results from first quarter update for 2026/27 will be now reported to the Audit Committee.

# Outstanding Recommendations

Update as at 30/04/2026

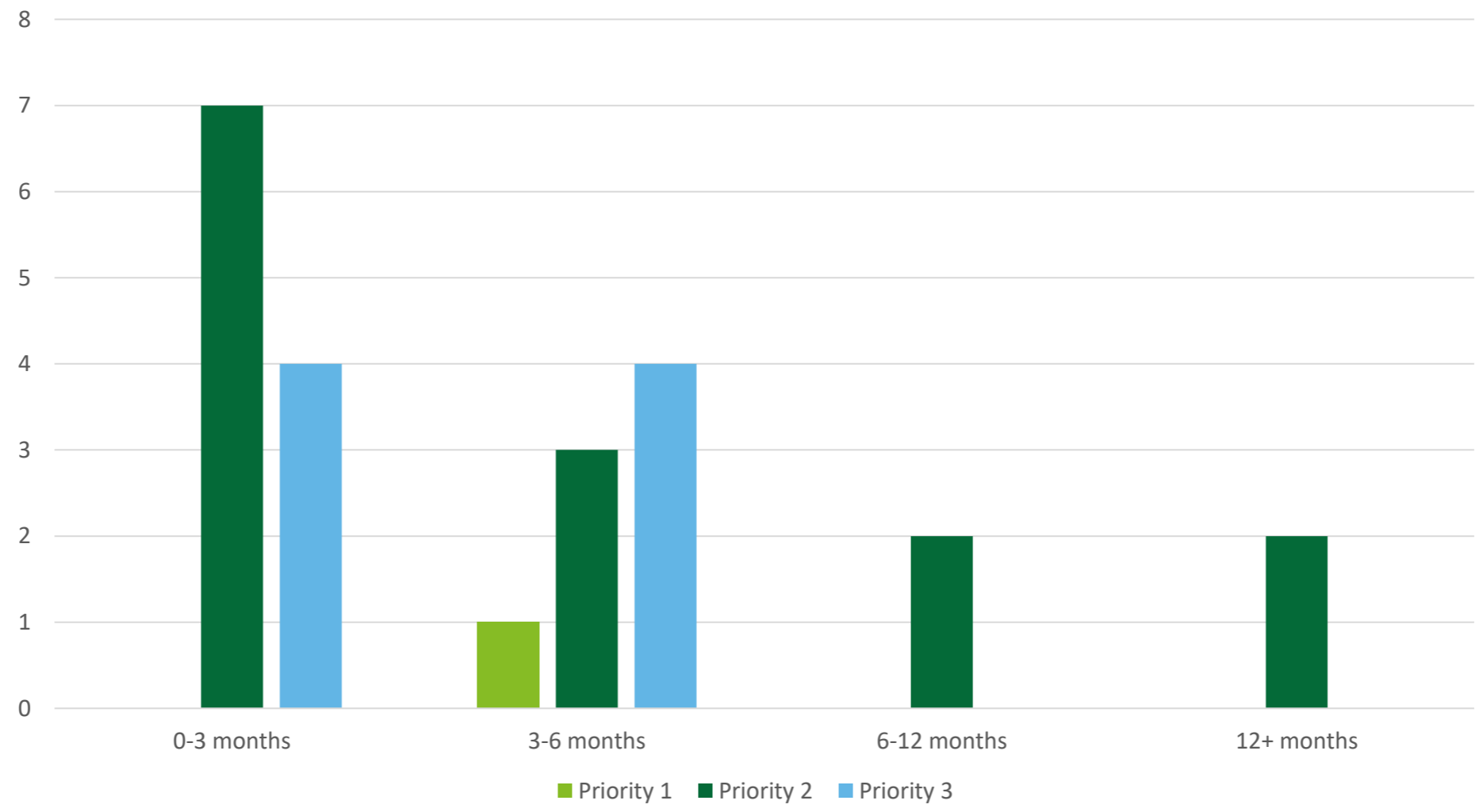
150

	Priority 1	Priority 2	Priority 3	Total
<b>Total items remaining open as at last AC 23/03/2026</b>	<b>1</b>	<b>25</b>	<b>12</b>	<b>38</b>
Items added to tracker since the last AC	-	4	-	4
Issues closed/superseded since the last AC	-	(4)	-	(4)
Issues risk accepted since the last AC	-	-	-	(0)
<b>Total items remaining open as at 30/04/2026</b>	<b>1</b>	<b>25</b>	<b>12</b>	<b>38</b>
Items started and overdue	1	4	3	8
Items not started and overdue	-	13	8	23
Items not yet due	-	8	1	9

# Outstanding Recommendations

Update as at 30/04/2026

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



# Quarterly Follow-Ups Update

May 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	<p>Article 30 of the General Data Protection Regulation (GDPR) requires the Council to maintain a written record of processing activities referred to as the Record of Processing Activities (RoPA).</p> <p>Data Mapping Exercise: The Information Commissioner’s Office (ICO) Guidance states that a formal, documented, comprehensive and accurate RoPA is based on a data mapping exercise that is reviewed regularly. We identified that there has been no comprehensive data mapping exercise undertaken within the Council to provide a clear understanding of what information is held and where this is stored.</p> <p>Incomplete RoPA: We noted that the Record of Processing Activities (RoPA) for the Council is still in draft and not currently in use, although GDPR came into effect in 2018. Furthermore, good practice guidance by the ICO suggests the following, which currently is not included in the draft RoPA:</p> <ul style="list-style-type: none"> <li>• The RoPA should include links to other relevant documentation, such as contracts or records as a matter of good practice.</li> <li>• Location of personal data; and</li> <li>• Records of personal data breaches or link to the data.</li> </ul> <p>Absence of documented guidance around completeness of RoPA: There is a lack of documented guidance and defined roles and responsibilities of the Data Protection Officer (DPO) and the Heads of Service Units in relation to the maintenance, update, and review of the RoPA. .</p>	<p>The Council should ensure that:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. The RoPA is completed and finalised for all Service Units, using outputs from the completed data mapping exercise, in line with ICO guidance and good practice, as soon as possible to ensure compliance with Data Protection legislation. This should include:                     <ol style="list-style-type: none"> <li>a. Update to the RoPA to reflect links to relevant documents.</li> <li>b. Location of where personal data is stored; and</li> <li>c. Records of personal data breaches or a link to the data.</li> </ol> </li> <li>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.</li> </ol>	1	<ol style="list-style-type: none"> <li>1. Data mapping exercise undertaken by British Telecoms (BT) for the digital strategy.</li> <li>2. Draft ROPA underway, ROPA will be finalised. This will be done as part of the Council’s move to an Electronic Document Records Management System (EDRMS). This will include:                     <ol style="list-style-type: none"> <li>a) Update to the RoPA to reflect links to relevant documents.</li> <li>b) Location of where personal data is stored; and</li> <li>c) Records of personal data breaches or a link to the data.</li> </ol> </li> <li>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</li> </ol>	31/05/2025	<p>The Head of Service advised that the following project is now at 90% completion: “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 detail all aspects required from a ROPA. 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.”</p> <p>Updated target date of implementation; <b>31/09/2026</b> <del>31/05/2025</del></p>

# Quarterly Follow-Ups Update

## May 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 Travel and Subsistence Policy will be drafted however this is likely to be closely tied with other workstreams which require Trade Union negotiation, which will delay progress'.  Updated target date of implementation; <b>31/03/2028</b> <del>31/12/2026</del> <del>31/12/2025</del> <del>31/03/2026</del> <del>31/03/2025</del> <del>31/03/2024</del> <del>01/10/2023</del> <del>31/03/2022</del>
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; <b>31/12/2028</b> <del>31/03/2028</del> <del>31/12/2026</del> <del>31/12/2025</del> <del>31/03/2026</del> <del>31/03/2025</del> <del>31/03/2024</del> <del>01/10/2023</del> <del>31/03/2022</del>

# Quarterly Follow-Ups Update

## May 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	<p>The Head of Service advised "Internal Systems officer now in place, who will be approached to re-look at this to see if this report can be set up, previously informed it would cost £5000 for Core to right a report for this, so need to see if systems officer can find an alternative solution."</p> <p>Updated target date of implementation;  <b>30/06/2026</b>  <del>31/12/2025</del>  <del>31/07/2025</del>  <del>31/03/2025</del>  <del>30/09/2024</del>  <del>31/03/2024</del>  <del>30/06/2023</del>  <del>01/12/2022</del></p>

# Quarterly Follow-Ups Update

May 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	<p>We completed an analysis of individual invoices under £30,000 during the previous 12 months and identified 121 suppliers where the cumulative procurement for a similar service during the year exceeded the £30,000 tender threshold. Among the top 60 of these suppliers by spend, there were four suppliers identified where a competitively tendered contract was not in place. The spend for these 4 suppliers was £105k, £80k, £66k and £62k. We noted that the Procurement Handbook specifies an annual frequency of review by the Procurement Service Unit of cumulative spend to identify areas where competitive tenders should be obtained, but that this was in practice an ad-hoc review due to staff capacity and had not been documented or resulted in a formal report in the previous year.</p>	<p>To support value for money and efficiency in procurement, an analysis of spend should be produced and documented by Procurement on an annual basis, with input sought from budget holders on the feasibility of obtaining corporate contracts / putting out to tender for areas where similar goods or services are obtained.</p>	2	<p>1. The Procurement Handbook outlines an approach for review of spend with responsibility primarily with respective Services, with the Handbook advising for Procurement to be contacted where there are potential tendering opportunities. Corporately, spend is reviewed by the Procurement Manager when resources permit. It's accepted that there would be value in more frequent, formalised and wholesale reviews though the ability to achieve this will be dependent upon resource availability.</p> <p>A previous audit recommended that "Management should consider supporting the current Procurement Unit to allow the issue of corporate contracts to be addressed, potentially leading to ANDBC to make significant savings". A business case was submitted to this end though is not currently provided for in the draft 2020/21 budget due to competing pressures. It is likely this will continue to restrict the ability to realise the full potential of corporate spend reviews. The business case will be reviewed again for the 2021/22 budget process, if not prior to this under the Council's Strategic Transformation and Efficiency Programme, launching in 2020.</p> <p>2. In addition to the above, any corporate reviews that are carried out on an ad hoc basis during 2020/21 will be documented.</p>	01/12/2020	<p>The Head of Service advised 'No formal review of spend has been undertaken 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..'</p> <p>Updated target date of implementation;  <del>31/12/2026</del>  <del>30/09/2026</del>  <del>31/03/2026</del>  <del>31/03/2025</del>  <del>31/03/2024</del>  <del>01/01/2025</del>  <del>01/05/2024</del>  <del>30/04/2023</del>  <del>30/04/2022</del></p>

# Quarterly Follow-Ups Update

## May 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 OD has now moved from the HR service to the Strategic Change. The aim is to present the draft plan to Council in September 2026, with a roll out for October 2026”  Updated target date of implementation: <del>31/05/2026</del> <del>31/03/2026</del> <del>31/09/2025</del> <del>31/12/2025</del> <del>31/03/2024</del> <del>30/09/2023</del> <del>01/04/2022</del>

# Quarterly Follow-Ups Update

May 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	<p>A Grants Policy is in place across the Council which outlines the processes for awarding grant funding through an open call process. This policy does not apply to grants administered through SLAs and we were advised that there is currently no documented policy to provide guidance over the processes to be followed in the administration of grants through SLAs.</p> <p>Due to an absence of documented policy, we identified the following in relation to grants administered via SLAs:</p> <ol style="list-style-type: none"> <li>Reconciliation of SLA Expenditure <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul> </li> </ol>	<p>The Council should ensure that a policy is developed to outline the processes to be followed when administering financial contributions via SLAs including the following:</p> <ol style="list-style-type: none"> <li>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.</li> <li>Guidance on administering advance payments through SLAs, including guidance on the amount to be distributed and any supporting documentation to be obtained.</li> </ol>	2	<ol style="list-style-type: none"> <li>A financial assistance policy will be developed for approval by Council.</li> <li>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.</li> </ol>	31/03/2023	<p>The Head of Service advised “A new policy will be written. This will likely be a stand alone policy rather than an extension of Grants Policy. Delays have largely been down to other work priorities. Like the grants policy, this policy will also involve consultation with a number of services to tackle a difficult issue.”</p> <p>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</p>

# Quarterly Follow-Ups Update

May 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	<p>2. Advance Payment Guidance</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	See previous slide.	2	See previous slide.	31/03/2023	See previous slide.

# Quarterly Follow-Ups Update

## May 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 )	<p><b>Absence Trigger Notification</b>                      We identified that there is no automatic notification to assist HR in monitoring when the following trigger points are hit;</p> <ul style="list-style-type: none"> <li>Recorded at least 5% absence rate in total of short-term absences (whether self-certified or medically certified) – monitored via HR spreadsheet OR</li> <li>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</li> <li>Reached 4 weeks’ continuous absence – monitored via HR spreadsheet (long term absence).</li> </ul> <p><b>Return to Work Notification</b>                      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.</p>	<p>Management should examine the possibility of implementing system controls within CORE which allow for HR to create reports which will:</p> <ul style="list-style-type: none"> <li>Identify when the 5% absence trigger is hit.</li> <li>Notify HR and Managers when the return to work has been completed and uploaded on to CORE.</li> </ul> <p>Management should remind Line Managers of their responsibility to track unacceptable patterns of absence.</p>	2	<p>Line Managers are responsible for calculating absence figures and assessing trigger points. HR had initially requested that the CORE system have the capability to calculate % absence rates and to notify Line Managers and HR if any target set has been breached.                      Further examination of the notification functionality of CORE and/or a separate add on system.</p>	31/05/2024	<p>The Head of Service advised “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. Options being explored by Systems officer”</p> <p>Updated target date of implementation;  <b>30/09/2026</b>  <del>31/03/2026</del>  <del>31/07/2025</del>  <del>31/03/2025</del>  <del>31/05/2025</del></p>

# Quarterly Follow-Ups Update

May 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	IT General Controls	<p>Privileged access on Core HR is made up of three different categories: Payroll access, HR access and Security access.</p> <p>1. During our review, it was identified that two accounts, one end-user and one generic account, have privileged level access to both Payroll and Security menus resulting in a Segregation of Duties conflict. While management confirmed there are manual monitoring controls in place within the business to detect unauthorised actions, having both IT and Business privileged access does not adhere to best practice guidelines.</p> <p>2. It was also noted during our review that there is no formal procedure in place to review privileged level users' access on Core HR to ensure that they are appropriate and aligned with the user's job responsibilities on a frequent basis. While management informed Deloitte this process takes place on an ad-hoc basis, there is no formal procedure and formal documentation is not maintained of this review.</p>	<p>In Line with ISO27001:2002 5.18 Access Rights, Management should:</p> <p>1. Define and implement a Segregation of Duties Matrix, highlighting what roles can and cannot be assigned to Core HR users.</p> <p>2. Implement a review control to ensure privileged users on Core HR are assigned appropriate access rights for their job duties. This review should include:</p> <ul style="list-style-type: none"> <li>• A formally documented review control procedure outlining the steps and personnel involved in conducting the review:</li> <li>• 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.</li> <li>• Controls to ensure no user is signing off on their own access as part of the review.</li> <li>• Formally documented evidence of the review to act as an audit trail.</li> </ul>	2	<ol style="list-style-type: none"> <li>1. Agreed</li> <li>2. Formal review control procedure will be put in place.</li> </ol>	30/09/2024	<p>The Head of Service advised:</p> <ol style="list-style-type: none"> <li>1. 'further work being carried out to assist managers manage absence.'</li> <li>2. "This will be put in place."</li> </ol> <p>Updated target date of implementation;  <b>30/09/2026</b>  <del>31/12/2025</del>  <del>30/09/2025</del>  <del>01/03/2025</del>  <del>30/09/2024</del></p>

# Quarterly Follow-Ups Update

## May 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
10	Information and Data Protection Review	<p>We reviewed Council’s Data Protection Policy, Information Access Policy, and the Retention and Disposal Schedule and identified the following:</p> <p>1. Data Protection Policy:</p> <ul style="list-style-type: none"> <li>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.</li> <li>The policy does not include the UK GDPR requirement to maintain a RoPA.</li> <li>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).</li> </ul> <p>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.</p> <p>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.</p>	<p>The Council should ensure that:</p> <ol style="list-style-type: none"> <li>The Data Protection Policy should be reviewed and updated to include permitted methods of sharing information with the requestor.</li> <li>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.</li> <li>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.</li> </ol>	2	<ol style="list-style-type: none"> <li>The Data Protection Policy has been reviewed and updated to include permitted methods of sharing information with the requestor. <b>(Closed)</b></li> <li>Information Access Policy is awaiting ratification by December Council. This will include all the recommendations. <b>(Closed)</b></li> <li>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.</li> </ol>	31/05/2025	<p>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. Aiming for providing to PRONI for approval by September 2026.”</p> <p>Updated target date of implementation; <b>30/09/2026</b></p>

# Quarterly Follow-Ups Update

## May 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 <del>31/03/2026</del> <del>30/09/2025</del>

# Quarterly Follow-Ups Update

## May 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
12	Governance Framework	<p>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:</p> <p>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.</p> <p>b. Gifts and Hospitality Policy – Elected Members: this Policy was last reviewed in December 2016. There is no defined Policy review process.</p> <p>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.</p> <p>2. We also noted there is no defined period for review of the Council’s Standing Orders.</p>	<p>The Council should ensure that:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. The documents outlined in the finding are updated to define a version control section, owner and approver.</li> <li>3. The Council should document and implement a review period for the Council’s Standing Orders.</li> </ol>	2	<ol style="list-style-type: none"> <li>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.</li> <li>2. The documents outlined in the finding will be updated to define a version control section, owner and approver.</li> <li>3. The Council has documented and implemented a review period for the Council’s Standing Orders. <b>(Closed)</b></li> </ol>	30/09/2025	<p>The Head of Service advised “Policies will be updated accordingly.”</p> <p>Updated target date of implementation; <b>30/09/2026</b></p>

# Quarterly Follow-Ups Update

May 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	Social Media	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• AND Leisure Facebook</li> <li>• Visit Strangford Lough Facebook</li> </ul> <p>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.</p> <p>We noted that formal reporting on social media activity and engagement is not in place for the following channels:</p> <ul style="list-style-type: none"> <li>• AND Leisure Facebook</li> <li>• Visit Strangford Lough Facebook</li> </ul>	<p>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:</p> <ul style="list-style-type: none"> <li>- AND Leisure Facebook</li> <li>- Visit Strangford Lough Facebook</li> </ul> <p>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:</p> <ul style="list-style-type: none"> <li>- AND Leisure Facebook</li> <li>- Visit Strangford Lough Facebook</li> </ul>	2	<ol style="list-style-type: none"> <li>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.</li> <li>2. Agree KPIs for leisure page and provide monthly performance report to Operations Manager Leisure. <b>(Closed)</b></li> </ol>	01/09/2021	<p>The Head of Service advised “As of 23 April 2026 this has been progressed, ANDBC will no longer post content on the Visit Strangford Lough Facebook channel. Ownership of the channel remains with another council and it cannot therefore be closed by ANDBC. Any residual risk will be tolerated. This is controlled by Newry, Mourne and Down District Council. To check on the status of Ards Leisure Facebook as this doesn’t sit with my service area.”</p> <p>Updated target date of implementation; <b>30/06/2026</b></p>

# Quarterly Follow-Ups Update

## May 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	Lease Management Review	<p>We selected a sample of 15 Council properties currently leased, where the Council is the lessor to assess controls for monitoring lease compliance and receipt of rental income. We identified the following points:</p> <p>1. There is no defined process/methodology for inspecting leased properties to ensure there is no damage or otherwise to the leased property, which would break a tenant’s covenant. Management advised that there are inspections carried out although not at a defined frequency. We note that 4/15 of our sampled properties underwent at least one inspection. These inspections are carried out by qualified Council staff/3rd party providers.</p> <p>2. We noted that 2/11 properties which had not been inspected have a lease with a duration of 999 years. Management advised that longer term leases (for example, 999 years in length) are treated as disposals and not subject to Council inspection, however this requirement is not documented.</p> <p>3. Furthermore, the Land and Property Policy outlines within section 9.2 that the Lease and License Register should include the following information:</p> <ul style="list-style-type: none"> <li>• Maintenance responsibility and date of previous / due date of next Tenant’s Statement of Assurance.</li> <li>• Date of last property inspection and due date of next inspection.</li> </ul> <p>We reviewed the Lease and License Register and noted this information is not included</p>	<p>Management should:</p> <ol style="list-style-type: none"> <li>1. Develop an inspection process for current and future Council leases, where the Council is the lessor.</li> <li>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).</li> <li>3. Implement an inspection schedule for a sample of pre-existing Council leases, using an agreed approach and timeframe.</li> </ol>	2	<ol style="list-style-type: none"> <li>1. Develop an inspection process for current and future Council leases, where the Council is the lessor.</li> <li>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). <b>(Closed)</b></li> <li>3. Implement an inspection schedule for a sample of pre-existing Council leases, using an agreed approach and timeframe.</li> </ol>	31/03/2026	<p>The Head of Service advised “Land and Property policy was signed off by Council at end of March. Letters to go to lessees to advise them of inspections shortly.”</p> <p>Updated target date of implementation; <b>30/09/2026</b></p>

# Quarterly Follow-Ups Update

## May 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	Lease Management Review	<p>We selected a sample of 15 Council properties currently leased to determine that they were approved in line with the Policy, and stored securely. We were unable to obtain evidence of a signed agreement for 1/15 lease agreements.</p> <p>Section 9.3.1 of the Council’s Land and Property Policy requires lease agreements to be countersigned by the Mayor and the Chief Executive. Management advised that the lease agreement was dated 2014 and would likely have been signed, however it may have been misplaced during the process of transitioning to electronic storage of lease agreements.</p>	<p>The Council should ensure that all lease agreements are signed per the Land and Property Policy. Signed agreements should be retained and stored securely.</p>	2	<p>The licence audited is due for renewal and will be signed in accordance with policy if a renewal is approved by the Council. There has been a change in staff since this licence was finalised and all licences are signed in accordance with the current Land and Property policy.</p>	31/03/2026	<p>The Head of Service advised “Contact made with Licensee with regards to renewal. Still awaiting response from licensee. Officers are planning to do a site visit to see if they can get this ”</p> <p>Updated target date of implementation; <b>30/09/2026</b></p>

# Quarterly Follow-Ups Update

May 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	Community and Culture Service Review	<p>Council Income and Expenditure are grouped into three categories:</p> <ul style="list-style-type: none"> <li>• Payroll Expenditure</li> <li>• Goods and Service Expenditure</li> <li>• Income</li> </ul> <p>The Budgeting Policy specifies: “A variance is significant if actual is more than a set percentage difference from budget and over a de-minimis threshold. These thresholds should be set to explain 80% of the variance of each category and will consequently vary from month to month. Commentary will be expected from budget managers in respect of significant issues.”</p> <p>Upon reviewing the Community and Culture Service’s Significant Variances Reports for February 2025, we noted that the proportion of variance explanations received fell short of the 80% target, as detailed below:</p> <ol style="list-style-type: none"> <li>1. Payroll Variance Explanation Rate = 49.6%</li> <li>2. Goods and Services Variance Explanation Rate = 55.5%</li> </ol> <p>Additionally, we observed several cases (outlined below) where variances were identified but sufficient commentary explaining the reasons for these variances was not provided. We noted that where the variances were “unfavourable”, they were considered a significant variance as a percentage.</p>	<p>Service Management should:</p> <ol style="list-style-type: none"> <li>1. Ensure that Finance is provided with adequate commentary for all variances which exceed the significant variances threshold.</li> <li>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.</li> </ol>	2	<ol style="list-style-type: none"> <li>1. Significant issues update added to the agenda for the monthly SUM/HoS meeting.</li> <li>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.</li> </ol>	30/09/2025	<p>The Head of Service advised “Some training provided and further training ongoing on new procedures following the introduction of the new financial management system”</p> <p>Updated target date of implementation; <b>30/06/2026</b></p>

# Quarterly Follow-Ups Update

May 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	Staff Performance Management review	<p>We selected a sample of 25 staff across 16 Services (16 staff - Core Platform and 9 – Jot Form) and identified the following:</p> <p>No Appraisal for Employees</p> <p>a. We noted 2/25 instances (Employee IDs 20056 and 20972) where there were no appraisals carried out for the Employees, within the scope period.</p> <p>No 6-month Appraisal Reviews for Employees</p> <p>b. We noted 4/25 instances (Employee IDs 20899, 20963, 20652 and 20756) where there were no 6-month reviews carried out for the Employees, post initial objective setting.</p> <p>Use of Unofficial 6-month Appraisal Review Forms (For Services Opting to use Jot Form Process)</p> <p>c. We noted 5/25 instances (Employee IDs 20519, 20807, 20030, 20141 and 20183) where the 6-month review was completed using unofficial 6-month review appraisal jot forms.</p> <p>Inconsistencies in Signoffs on Core Platform</p> <p>d. We noted 3/25 instances (Employee ID 21522, 20861, 20262) where both the Employees and Line Managers signed off on 6-month reviews in Core, in an average of 14 days post sign off on initial appraisals. Management advised that the above was because no training carried out on how to complete Appraisals digitally on Core at the initial stages of implementation of Core, and that training has now been delivered to address this issue.</p> <p>Non-Alignment with SMART Principle</p> <p>e. We noted 1/25 instance (Employee ID 20265 – Administration Service) where the objectives had not been drafted in a way that was fully SMART. Per the form, it was stated that the four objectives were not attainable or measurable.</p> <p>Inaccurate Status of Objectives Set</p> <p>f. We noted 3/25 instances (Employee ID 21010, 20652, 20861) where the status of the objectives set by the Employees were "Draft" although the relevant Line Managers had signed off on the objectives.</p>	<p>We recommend that:</p> <ol style="list-style-type: none"> <li>1. Employee Appraisals (including 6-month Appraisal Reviews) are completed for all applicable employees within the standard periods as required by the Council's Appraisal Scheme Policy.</li> <li>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.</li> <li>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.</li> <li>4. Employees are encouraged to set objectives that are specific, measurable, achievable, relevant and time-bound (SMART).</li> <li>5. The status of objectives set by Employees and agreed with Line Managers are recorded as "Approved" on Core, post sign offs.</li> </ol>	2	<ol style="list-style-type: none"> <li>1. The OD Service will review internal communications on the completion of Appraisal (including 6-month Reviews). An annual list of agreed communications at increased and defined times is the intended approach. NB The direct training for all line managers on appraisal completion in the period April to August 25 assisted in improving completion rates. The OD Service will also review when and how often completion reports are provided to Corporate Leadership Team (CLT), Heads of Service Team (HoST) and Service Unit Managers. Moreover, a system of digital automated 'push' reminders to line managers is preferential and will be used, if such a digital solution can be sourced.</li> <li>2. Due to the difficulties experienced with completing appraisals on both the Core system and online Jot Form tool, the OD Service intends to review the current digital forms used for both the Appraisal and Review with the aim of sourcing one digital form for the Appraisal and one digital form for the Review for all employees. This is subject to the ANDBC Policy Review process.</li> </ol>	01/04/2025	<p>The Head of Service advised "The OD Service is currently procuring JotForm 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." The HOS further advised that the system is being implemented in w/c 27 April 2026.</p> <p>Updated target date of implementation; <b>30/04/2026</b></p>

# Quarterly Follow-Ups Update

## May 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	Staff Performance Management review	The findings 'a' – 'f' related to 10 out of 16 sampled Services. Management advised that the findings above were as a result of inadequate training held for Line Managers and Employees during the implementation of the objective setting process. Subsequently, training on completing appraisals on Core have been provided to all Line Managers between April to June 2025, with the event recording, guidance and useful documentation sent post training (in first appraisal period only skills-based training on the interactive skills needed was rolled out for Line Managers).	<i>See previous slide.</i>	2	<ol style="list-style-type: none"> <li>3. Should the Council agree on the implementation of one digital form for the Appraisal and one digital form for the Review for all employees, an employee's objectives would be agreed during the Appraisal at the outset of the annual process, and the detail reviewed at the Review meeting. This solution would avoid errors occurring in the sign off process as both the Appraisal and Review meetings would include signing off both the meeting and the agreed objectives when the meeting actually occurs.</li> <li>4. The direct training for all line managers on appraisal completion in the period April to August 25 outlined importance of setting SMART objectives (SMART). The direction was extended to line managers of operational employees in line with audit advice. Going forward, should one digital form for the Review for all employees be approved, an employee's objectives would be agreed during the Appraisal at the outset of the annual process, and these SMART objectives then reviewed at the Review meeting.</li> <li>5. Should one digital form for the Review for all employees be approved, an employee's objectives would be agreed during the Appraisal at the outset of the annual process, and these SMART objectives then reviewed at the Review meeting.</li> </ol>	01/04/2026	<i>See previous slide.</i>

# Quarterly Follow-Ups Update

May 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	Staff Performance Management review	<p>a. We selected a sample of five reports on Employee Appraisals from Services to relevant Council Committees (June and December 2024) and identified 2/5 instances (Leisure and Community Planning – December 2024 reporting) where the Services reported 0% completion status for Employee Appraisals in the relevant Service. We identified that the data within the reports above is inconsistent with a mid-year completion status report (date 12 June 2024) issued to Services by Human Resources and Organisational Development, which outlined that 57 out of 127 (45.6%) Employees in Leisure and all two Employees in Community Planning, had completed their Appraisals. We also identified the following:</p> <p>b. There is currently no report prepared on the status of Council wide completion of Employee appraisals at the end of the appraisal cycle between September 2023 – March 2025. There is also no current requirement for submission of such reports to the Senior Management or the Council/ Council Committee on the status of Council wide completion of Employee appraisals.</p> <p>c. There is no automated mechanism for the capture and collection of operational employee appraisal data as well as the monitoring and reporting of employee appraisals completed outside of the Core platform (i.e. staff who complete appraisals via the jot form process). Currently, the employee appraisal completion data is manually counted by the Organisational Development team.</p>	<p>We recommend that:</p> <ol style="list-style-type: none"> <li>1. The Services report up to date completion status of Employee Appraisals to their relevant Service Council Committee every 6 months.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>5. Where a manual process is used, criteria for the calculation of the completion status of Employee appraisals is implemented across the Council.</li> <li>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.</li> <li>7. There is periodic reporting on Employee Appraisals completion to the Line Manager, Heads of Service Team and the Corporate Leadership Team.</li> </ol>	2	<ol style="list-style-type: none"> <li>1. The Organisational Development Service will provide accurate completion status data to HoST to ensure accurate statistics are provided to Committee and Council every 6 months.</li> <li>2. Due to the difficulties experienced with completing appraisals on both the Core system and online Jot Form tool, the OD Service intends to review the current digital forms used for both the Appraisal and Review with the aim of sourcing one digital form for the Appraisal and one digital form for the Review for all employees. The new digital form will provide accurate completion status data for all employees. This can then be provided on a regular basis to both management and Committee and Council, as required.</li> <li>3. The new digital form for Appraisal and Review for all employees will support the accurate collection, monitoring and reporting of completion statuses of employee appraisals. It will also provide accurate completion status data for all employees. This can then be provided on a regular basis to both management and Committee and Council, as required.</li> </ol>	01/04/2025	<p>The Head of Service advised “The OD Service is currently procuring JotForm 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.” The HOS further advised that the system is being implemented in w/c 27 April 2026.</p> <p>Updated target date of implementation; <b>30/04/2026</b></p>

# Quarterly Follow-Ups Update

## May 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	Staff Performance Management review	<p>d. There is no formal process 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. Management advised that Heads of Service contact the Organisational Development team for the data on an ad-hoc basis, or the Heads calculate the completion status based on the reports they receive from the Organisational Development team in the year.</p> <p>e. In instances where completion status data is calculated by the Service, there is no quality assurance process of the accuracy of the Employee Appraisal completion status data presented by each Service to the relevant Council Committees.</p> <p>f. There is no formalised criteria for the calculation of the completion status of Employee appraisals for each Service. Management advised that there are instances where some Services exclude staff on maternity leave, sick leave or other forms of absences, in their calculation of the completion statuses.</p> <p>g. There is no formal requirement for monitoring and reporting on Employee Appraisals to the Line Manager, Heads of Service Team and the Corporate Leadership Team.</p>	See previous slide.	2	<ol style="list-style-type: none"> <li>4. A quality assurance process will be implemented to ensure accuracy of the Employee Appraisal completion status data presented by each Service to the relevant Council Committees.</li> <li>5. A manual process will no longer be used. One digital process will be used for all employees containing standard criteria for the calculation of the completion status of Employee appraisals across the Council.</li> <li>6. An overall annual report will be prepared and submitted to Heads of Service Team, Corporate Leadership Team and Committee/Council on the status of Council wide completion of Employee appraisals, post appraisal cycles.</li> <li>7. The new digital form will provide accurate completion status data for all employees. A plan will be agreed to ensure periodic reporting on Employee Appraisals completion status to the Line Manager, Service Unit Managers, Heads of Service Team and the Corporate Leadership Team.</li> </ol>	01/04/2026	See previous slide.

# Appendix III

## Statement of Responsibility

# Statement of Responsibility

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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**

**May 2026**



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# Ards and North Down Borough Council

## Internal Audit Review of the Digital Service Governance – 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.



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## 1. Overview

### 1.1. Introduction

This assurance review was undertaken as part of the 2025/26 Internal Audit Plan. The purpose of the internal audit was to review Ards and North Down Borough Council's ("the Council") processes and controls around the digital services governance.

### 1.2. Overview

The Council Digital Services team is responsible for managing delivery of the Council's digital services, including managing the Council's ICT systems and infrastructure, planning and facilitating future investment in technology and supporting the Council in developing and delivery its Digital Strategy. The team also provides user support through helpdesk and customer services, oversees enterprise applications, and facilitates system integration in accordance with relevant system upgrades and implementation projects. The team plays a key role in IT governance and policy development and is also responsible for providing assistance to the other Council Services with their projects.

The Council's Digital Services team is structured within the Strategic Transformation and Performance Service, and consists of a Digital Services manager, four business technology officers, two business technology technicians and one general information systems (GIS) officer.

There is a newly established Digital and Data Governance Board (DDGB) which meets on a quarterly basis. The purpose of the DDGB is to provide strategic oversight and direction for the Council's digital activities, as well as for the management, quality, protection and ethical use of data across the Council. The DDGB has responsibilities to create, approve, review and oversee the implementation of the Council's Data Strategy and supporting policies, including monitoring compliance with data protection and information security-related processes. The DDGB also provides guidance on processes to support data quality and inoperability across systems, by reviewing data quality reports, recommending improvements and remedial actions and escalating data risks as required, to the Corporate Leadership Team (CLT). Furthermore, the DDGB leads on supporting cultural change within the Council around making data-driven decisions by promoting data literacy and training across the Council, in alignment with the Council's Digital Strategy and the Corporate Plan. Members of the DDGB include key stakeholders from across the Council as follows: Head of Corporate Services (Chair), Head of Strategic Change, Head of Finance, Head of Planning, Head of communications, Digital service manager, Data protection officer and Compliance Officer. This membership helps to support cross-functional collaboration,

The Council completed a digital skills gap analysis for staff across the Council in April 2025. The analysis will be used to develop a detailed training plan to enhance the digital skills of the Council's employees.

## 1.3. Scope and Objectives

The scope of this internal audit was a review of the controls in place for digital services governance within the Council. We did not test the operating effectiveness of any of the operational controls outlined, as this review focused on governance.

This audit focussed on the following areas:

### Organisation and Governance Structure

- Determine whether Digital Services activities and objectives align with and support the Council's objectives within the Corporate Plan 2024-2028
- Determine whether there are appropriate governance and management structures, and decision-making processes in place and understood to enable alignment of the Council's needs with the Digital Services Service Unit.

### Digital Services Organisation and Risk Management

- Determine whether roles, responsibilities and accountabilities are established and enforced for information requirements, data and system ownership and IT processes.
- Ascertain whether IT risk identification, assessment, mitigation, management, communication and monitoring strategies are integrated into digital services (operational) strategic and tactical planning processes.
- Determine whether training requirements for the Digital Services resources are assessed to ensure that sufficient, competent, and capable human resources are available to execute the current and future strategic objectives and that they are kept up to date with evolving technology.
- Ascertain whether adequate and relevant policies and procedures in relation to system controls are in place and are reviewed, for example an IT Security Policy.

## 1.4. Approach

The Internal Audit approach included:

- Discussions with key members of the Digital Services team such as the Head of Strategic Transformation and Performance, and Digital Services Manager.
- Desktop review of relevant policies and procedures, and other supporting documentation including:
  - Strategic Transformation and Performance Service Plan and Risk Register,
  - Draft System Mandatory Control Set, IT Disaster Recovery Plan (DRP),
  - Draft updated Information Security and ICT Management Policy,
  - Supporting Standard Operating Procedures (SOPs – including New User Onboarding SOP, Microsoft (MS) 365 SOP, Back-Up and Restore SOP,
  - Job descriptions and documented Segregation of Duties document for the Digital Services team,

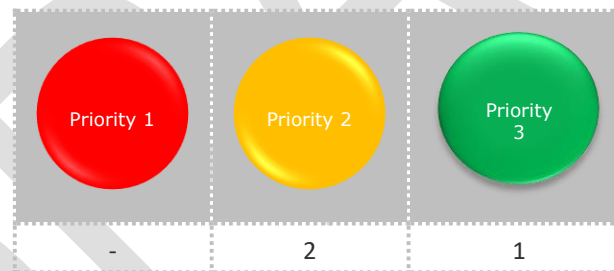
- Sample of Digital and Data Governance Board meeting minutes and terms of reference (TOR).
- Consideration of possible improvements or alternatives for the controls in place.
- Reporting of findings with practical recommendations for improvement where appropriate.

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

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



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

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

- Updates to the draft Information Security and ICT Management Policy (see **Section 2.1**)
- Gaps in the Digital Services risk management framework (see **Section 2.2**)

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

- Finalisation of a digital skills training offering (see **Section 2.3**)



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

### 1.6. Conclusion


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

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## 2. Detailed findings and recommendations

### 2.1. Updates to the draft Information Security and ICT Management Policy

Finding	Recommendation	Priority
<p>The current Information, Communication and Technology (ICT) policy was last updated and reviewed in June 2016. We identified that the approved policy is not up to date with best practice however supporting procedures were provided that management advised have been implemented to address the gaps. A new, replacement policy has been developed but is still in draft. We understand that this is currently in review within the Council with the intention that it will be implemented following this audit. We reviewed this draft Information Security and ICT Management Policy and identified the following gaps:</p> <ol style="list-style-type: none"> <li>1. Processes around digital asset tagging on acquisition of IT equipment, as well as detailed process for ongoing inventory monitoring and periodic reconciliation of digital assets;</li> <li>2. We note that reference is made to business continuity plans (BCP - section 6.3) and incident response and recovery (section 6) however neither the Council's BCP or IT DRP is not referenced;</li> <li>3. Council's Acceptable Usage Policy (detailing guidelines for use of IT resources) is not outlined/defined within the Policy. We note that there is no documented terms of use (i.e. acknowledgement of acceptable use rules) and no documented processes for managing non-compliance with rules identified by Digital Services via monitoring of user activities.</li> </ol> <p>We note that the draft Policy includes a section on Identity and Access Management, we identified the following areas which have not yet been detailed:</p> <ol style="list-style-type: none"> <li>4. Lack of documented user access review process including: <ul style="list-style-type: none"> <li>• User access reviews being conducted on all active user accounts, including temporary and contractor accounts;</li> <li>• Responsibility for conducting user access reviews and required frequency of reviews; and</li> <li>• Checks reviewers must complete (e.g. confirmation access rights are still appropriate, modification/revocation of access rights based on role changes etc).</li> </ul> </li> <li>5. Lack of documented privileged access review process including:</li> </ol>	<p>Management should:</p> <ol style="list-style-type: none"> <li>1. Finalise and approve the new ICT policy currently being reviewed as soon as possible.</li> <li>2. Develop/finalise separate policies, or add in to the new ICT policy, the following areas: <ol style="list-style-type: none"> <li>a. IT asset management, specifically digital asset tagging and digital inventory recording and monitoring processes;</li> <li>b. Reference to existing Council BCP and IT DRP;</li> <li>c. Acceptable usage policy;</li> <li>d. Areas identified in the finding related to user access and privileged access review processes.</li> </ol> </li> </ol>	 <p>Priority 2</p>



- Definition of what constitutes privileged access (e.g. system administrators);
- Responsibility for conducting privileged access reviews and required frequency of reviews; and
- Periodic monitoring processes undertaken of privileged account activity logs.

We also noted that, with the exception of the above, the gaps we had identified in the current policy during fieldwork, and for which there are only procedure documents, have been updated in the new draft policy.

**Potential Impact**

The absence of finalised policies or procedures for the specified areas may result in a lack of clarity regarding responsibilities and actions.

**Management response**

**Action Plan**

**Owner/ Title**

**Target Date of Implementation**

1. Finalise the Information Security and ICT Management Policy, incorporating:

Digital Services Manager

July 2026

Digital asset tagging, inventory maintenance, and reconciliation processes.

Clear reference to the Council’s BCP and IT DRP.


A formal Acceptable Use Policy including user responsibilities and non-compliance procedures.

Documented user access and privileged access review processes (scope, frequency, ownership, and required checks).

Submit the final policy to the DDGB for approval.

2. Develop or update supporting SOPs where needed.

## 2.2 Gaps in Digital Services Risk Management Framework

Finding	Recommendation	Priority
<p><b>No specific Digital / IT risk register</b></p> <p>Whilst we noted that the Strategic Transformation and Performance risk register includes digital / IT risks with action items, we identified there is no risk register in place to capture IT-specific risks such as hardware failures, software vulnerabilities, system change management etc.</p> <p><b>Gaps in System Mandatory Control Set</b></p> <p>We reviewed the Council's documented draft Mandatory Control Set which outlines the controls in place for Council-managed systems, services and technology resources. We identified the following gaps:</p> <ol style="list-style-type: none"> <li>1. There are no assigned control owners, therefore it is not always clear who is responsible for implementing the outlined controls. Additionally, where users are required to report incidents, there is no mention of who these should be reported to, or cross-reference to existing procedure regarding incident reporting.</li> <li>2. Identity and Access Management controls that have not been included in the draft Mandatory Control Set:             <ol style="list-style-type: none"> <li>a. Privileged access management (PAM) controls for administrative or high-level accounts.</li> <li>b. Controls around account lockout after failed login attempts to prevent brute force attacks.</li> </ol> </li> <li>3. Device and Endpoint Security controls:             <ol style="list-style-type: none"> <li>a. Regular vulnerability scanning or device health attestation before network access.</li> <li>b. There is no reference to secure disposal or data cleansing of devices at end of life.</li> </ol> </li> </ol> <p><b>Potential Impact</b></p>	<p>The Council should:</p> <ol style="list-style-type: none"> <li>1. Implement a dedicated digital/IT-specific risk register, which captures identified digital/IT risks. For each identified risk, the risk assessment/scoring (including inherent risk scoring, residual risk scoring and acceptable/target risk scoring) and controls in place to mitigate risks (e.g. firewalls, encryption, access controls, patch management, back-up procedures) should be outlined in detail, as well as due dates for any identified actions. This risk register should be reviewed and updated regularly, in line with existing Council risk management processes.</li> <li>2. Document within the existing Mandatory Control Set document, control owners and outlined processes per finding 2(a-b) and 3(a-b).</li> </ol>	<p>Priority 2</p> 



The absence of a dedicated IT / Digital risk register may lead to digital risks being omitted and not mitigated, increasing the likelihood of risks materialising (for example, data loss, cyber breaches, system failures).

Lack of complete documented controls and processes for Council managed systems, services and technology resources may lead to inconsistencies in applying these processes in practice. While the reviewed control set covers many foundational control areas, adding or clarifying the above points would strengthen the Council’s documented system controls and support Digital Services in implementing these controls.

**Management response**

**Action Plan**

**Owner/ Title**

**Target Date of Implementation**

1. Develop and implement a dedicated Digital/IT Risk Register covering:

Digital Services Manager

August 2026

Hardware, software, cyber, operational, and service delivery risks.  
 Inherent, residual, and target risk scoring.  
 Existing and planned mitigating controls.  
 Named owners and review timelines.


Integrate the risk register with the Corporate Risk Management Framework and review quarterly at DDGB.

2. Update the Mandatory Control Set to:

Assign control owners for each control area.  
 Add processes for incident reporting, PAM controls, account lockout standards, vulnerability scanning expectations, and secure device disposal.



### 2.3 Finalisation of a digital skills training offering

Finding	Recommendation		Priority
<p><b>No formal training plan (Council-wide)</b></p> <p>We note that a digital skills gap analysis was completed in collaboration with the Organisational Development service unit, including identification of recommendations for focus points of digital training going forward.</p> <p>Management advised that the outputs of this exercise will be used to offer Council employees with e-learning-type training for people on excel, Microsoft ('MS') tools, on the MS Sway platform. At the time of reporting, management advised that this offering is being finalised for a planned March 2026 go-live.</p> <p><b>No formal training plan (Digital-Services)</b></p> <p>Digital Services staff receive training in relevant areas. Training is not provided however within the context of a skills needs assessment or a formalised training plan or pathway.</p> <p><b>Potential Impact</b></p> <p>The absence of a formal training plan may lead to digital services skills not developed as needed, impeding the Digital Service unit's ability to remain up to date with changes in technology/digital operating environment and also to achieve its objectives within the Strategic Transformation and Performance Service Plan.</p>	<ol style="list-style-type: none"> <li>1. The Council should finalise the suite of training including identifying what training might be mandatory (and for whom) and what will be just recommended, using outputs from digital skills gap analysis.</li> <li>2. We recommend that Digital Services staff complete a staff skills analysis and document this in a skills matrix. The matrix should be analysed to identify areas where skills are lacking or where there may be an overabundance of certain skills. Training plans should then be developed for Digital Services staff. The skills matrix and training plan should be periodically updated to reflect changes in employee skills.</li> </ol>		 <p>Priority 3</p>
Management response			
Action Plan	Owner/ Title	Target Date of Implementation	
<ol style="list-style-type: none"> <li>1. Finalise and launch Council-wide digital skills training materials based on the gap analysis. Define mandatory vs recommended training for staff groups.</li> <li>2. Develop a Digital Services skills matrix identifying required skills by role.</li> </ol>	Digital Services Manager	Sep-26	



Create a formal training plan for Digital Services staff, including technical, security, and service delivery competencies.  
Review the skills matrix annually and update training plans accordingly.

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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 establish its accuracy or completeness.

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

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

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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
<b>Satisfactory</b>	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.
<b>Limited</b>	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.
<b>Unacceptable</b>	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	
<b>Priority 1</b>	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.
<b>Priority 2</b>	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.
<b>Priority 3</b>	Failure to implement the recommendation could lead to an increased risk exposure.

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



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## Ards and North Down Borough Council

### Follow-Up of the Implementation of Recommendations Raised in the Internal Audit Cyber Security Review – Final Draft Report

April 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.



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## 1. Executive Summary

### 1.1. Introduction

In September 2019, Ards and North Down Borough Council (“the Council”) requested Internal Audit to perform a high-level advisory Cyber Maturity Assessment of its corporate network and systems. The resulting report, issued in December 2019, provided a comprehensive evaluation of the Council’s cyber security posture, identifying key strengths and areas for improvement across 14 security domains. Deloitte’s assessment concluded with 57 recommendations comprising 17 High, 29 Medium, and 11 Low priority actions designed to support the Council in enhancing its cyber resilience and aligning with industry best practice.

Following the initial assessment, the Council established a structured process for tracking and reporting on the implementation of these recommendations, including the development of a ‘Cyber Audit follow-up tracker’ and regular progress updates to the Head of Strategic Change. In planning for this follow-up, Management advised that they consider that 43 of the 57 recommendations have been implemented.

In February 2026, we completed a review of the implementation status of a sample of 17 of these recommendations considered as implemented. This follow-up review provides an independent assessment of progress to date and highlights any outstanding actions requiring further attention.

### 1.2. Scope and Objectives

The scope of this internal audit was to validate evidence of implementation of recommendations from the Cyber Maturity Assessment. This follow-up work focused on all **12 High Priority recommendations** reported as implemented and a **sample of 5 Medium Priority recommendations** reported as implemented.

#### Limitation of Scope

Anything which has not been outlined in the scope section above is deemed to be outside of scope.

### 1.3. Approach

In order to complete this engagement, we performed the following tasks:

- Discussions with key members of staff involved in the implementation of 2019 Cyber Maturity Assessment recommendations including the Assistant Digital Services Manager.
- Sought evidence to confirm the status as reported by management.

- Reviewed evidence made available to confirm implementation status.
- Held meetings as necessary with the individual Recommendation Action Owner for the 17 actions in scope.
- Performed a limited programme of sample testing, as required, to assess control operating effectiveness.
- Held a close out meeting with the Audit Sponsor and relevant stakeholders to discuss findings.
- Prepared a draft report.
- Prepared a final report, including, if appropriate, updated management action plans in response to the outstanding recommendations.

## 1.4. Conclusion

Based on our follow-up review, we validated that 11 of the 17 recommendations covered in our review have been fully implemented. The remaining six recommendations (three high-priority and three are medium-priority) are partially implemented.

Management should consider the actions required to fully those recommendations assessed as partially implemented and review all other recommendations they consider to be fully implemented in the event that the status of these should be updated on the Cyber Audit follow-up tracker. Management should continue to address all remaining open recommendations in a timely way.

## 1.5 Acknowledgment

We would like to thank the members of staff who participated in this follow-up review for their assistance and co-operation.

## 2. Detailed Follow-Up Observations

### 2.1. Cyber Security Maturity Assessment Report Recommendations Assessed as Partially Implemented

This section outlines the six out of seventeen recommendation implementations from the follow up work that were considered by Management as “Implemented” but which Deloitte concluded to be “Partially Implemented”.

Report Reference:	Cyber Security Observations	Cyber Security Recommendation	Follow-Up Work Observation	Status	Management Responses
8.2	There are currently no hardening guidelines documented for infrastructure components (firewalls, servers etc.).	It is advised that the Council introduce formal minimum security baseline standards for all servers. <b>[High Priority]</b>	We confirmed that the Council servers are primarily baselined on Windows Server 2019 operating system or later, except for two Azure servers still running Server 2012 operating system due to legacy application requirements. There is currently no formal documentation that establishes the minimum baseline requirements for all their servers.	<b>Partially Implemented</b>	<p><b>Action Plan</b> Azure servers to be retired and formal documentation to be developed.</p> <p><b>Owner/ Title</b> Timothy King- Assistant Digital Services Manager</p> <p><b>Target Date of Implementation</b> August 2026</p>
10.4	There is no documented penetration testing process in place. A third-party penetration test has been performed in 2019, and it was noted that there is a plan for a yearly penetration test by the	It is recommended that the Council implement a penetration testing process which outlines a schedule for conducting penetration tests internally and externally and that the output of the test is tracked for	We reviewed the Council’s Information Security Strategy, which provides the framework for ensuring the confidentiality, integrity, and availability of the organisation’s information assets. The Strategy includes general references to penetration testing and scheduled	<b>Partially Implemented</b>	<p><b>Action Plan</b> InfoSec Strategy document to be updated with defined pen test schedule and formalised.</p>

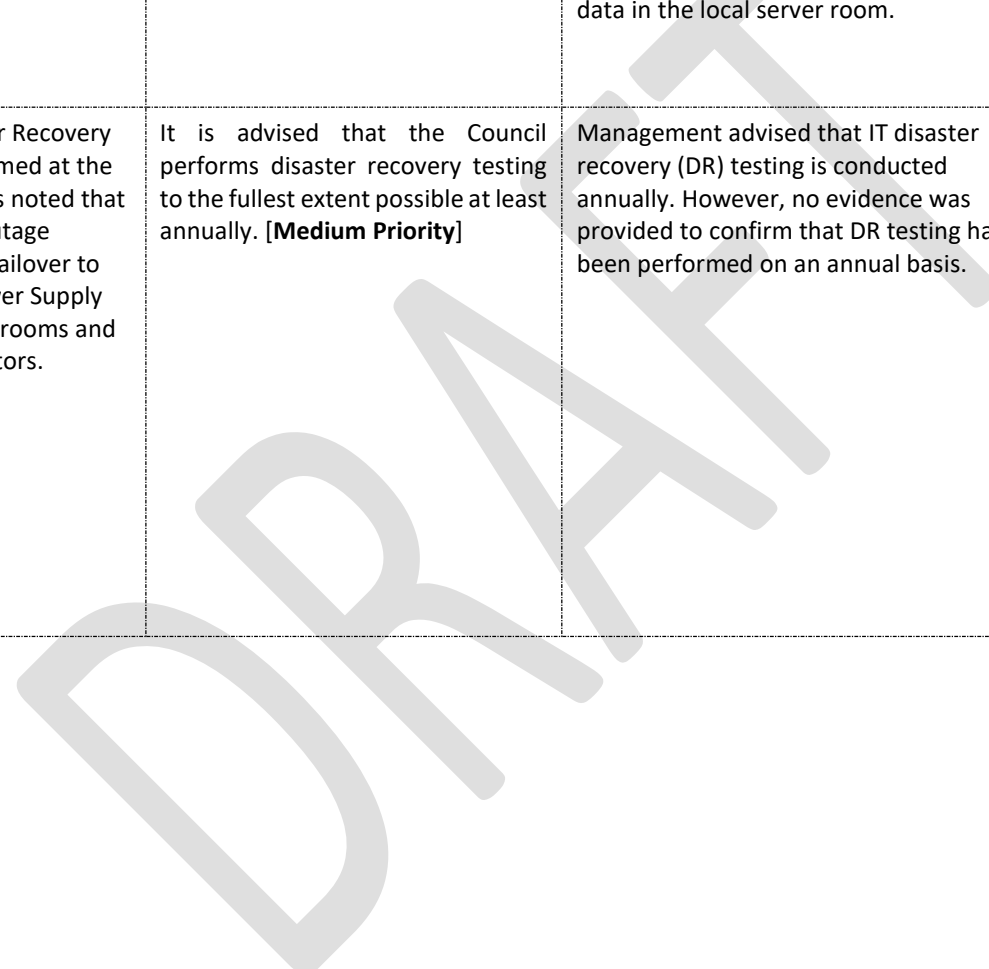


Report Reference:	Cyber Security Observations	Cyber Security Recommendation	Follow-Up Work Observation	Status	Management Responses
	third party. However, this has not been formalised, and a report of the previous penetration test was not provided to Deloitte.	completion/remediation. <b>[High Priority]</b>	<p>tests or simulated attacks to evaluate the effectiveness of security controls before potential exploitation. However, it does not specify a defined schedule for conducting penetration tests, such as whether they should occur annually or bi-annually.</p> <p>Furthermore, the Strategy appears informal, as it lacks a creation date, approval date, and does not outline a clear process for document maintenance and updates.</p> <p>We noted that internal vulnerability and penetration tests were conducted in 2025 and 2026, with identified vulnerabilities tracked separately in a vulnerability tracker.</p>		<p><b>Owner/ Title</b> Timothy King- Assistant Digital Services Manager</p> <p><b>Target Date of Implementation</b> September 2026</p>
14.1	Testing of Incident response processes and procedures does not take place in the Council. There is no trend information maintained for incident response to show continual improvement.	It is recommended that the Council document and test incident response procedures at least annually. <b>[High Priority]</b>	We confirmed that the planned tabletop exercise for 2025 was not conducted. Additionally, no supplemental evidence of resolutions or communications addressing the delayed incident response testing were provided.	<b>Partially Implemented</b>	<p><b>Action Plan</b> Incident response tabletop exercise to be carried out in May 26</p> <p><b>Owner/ Title</b> Timothy King- Assistant Digital Services Manager</p> <p><b>Target Date of Implementation</b> June 2026</p>

Report Reference:	Cyber Security Observations	Cyber Security Recommendation	Follow-Up Work Observation	Status	Management Responses
5.2	Appropriate levels of vetting of employees are not mandated in contracts with third parties.	It is advised that the Council should review all third-party supplier agreements to include third-party employee vetting requirements where deemed necessary. <b>[Medium Priority]</b>	<p>We confirmed that the Council does not mandate appropriate levels of employee vetting in any contracts with third-party suppliers and we were not provided with any evidence that an analysis of third-party suppliers had been conducted to assess whether relevant agreements should be updated to include third-party employee vetting.</p> <p>Furthermore, no evidence was provided to demonstrate that such risk has been formally accepted by Management or the Council.</p>	<b>Partially Implemented</b>	<p><b>Action Plan</b> Formally record risk acceptance on the Council's corporate risk register</p> <p><b>Owner/ Title</b> Timothy King- Assistant Digital Services Manager</p> <p><b>Target Date of Implementation</b> August 2026</p>
6.2	There is no encryption at rest for data residing on the local servers.	It is advised that the Council should evaluate the benefit of encrypting data held in the local server rooms. Encryption can provide assurance of the confidentiality of the information. <b>[Medium Priority]</b>	<p>We were advised that Management considers the local on-premises file servers to be adequately protected against unauthorised access and assesses the risk of data breach as "Low", choosing to tolerate this risk.</p> <p>Physical security measures, including secured door mechanisms, visitor logbooks and restricted access to authorised personnel were observed. However, no formal documentation was provided to confirm that Management has officially accepted the risk or acknowledged the potential</p>	<b>Partially Implemented</b>	<p><b>Action Plan</b> Formally record risk acceptance on the Council's corporate risk register</p> <p><b>Owner/ Title</b> Timothy King- Assistant Digital Services Manager</p> <p><b>Target Date of Implementation</b></p>



Report Reference:	Cyber Security Observations	Cyber Security Recommendation	Follow-Up Work Observation	Status	Management Responses
			consequences related to encryption of data in the local server room.		August 2026
13.2	There is no Disaster Recovery (DR) testing performed at the organisation. It was noted that there is a power outage simulation to test failover to Uninterrupted Power Supply (UPS) in the server rooms and the backup generators.	It is advised that the Council performs disaster recovery testing to the fullest extent possible at least annually. <b>[Medium Priority]</b>	Management advised that IT disaster recovery (DR) testing is conducted annually. However, no evidence was provided to confirm that DR testing has been performed on an annual basis.	<b>Partially Implemented</b>	<p><b>Action Plan</b> Contractor being engaged to carry out annual DR testing</p> <p><b>Owner/ Title</b> Timothy King- Assistant Digital Services Manager</p> <p><b>Target Date of Implementation</b> September 2026</p>



## 2.2. Cyber Security Maturity Assessment Report Recommendations Assessed as Implemented

This section outlines the eleven out of seventeen recommendation implementations from the follow up work that were considered by Management and concluded by Deloitte as “Implemented”.

Report Reference:	Cyber Security Observations	Cyber Security Recommendation	Follow-Up Work Observation	Status
1.2	The organisation currently does not have a Data Protection Officer (DPO). The previous DPO left in September. It was noted that there is a job opening currently advertised.	It is recommended that the Council hire a new DPO for the organisation as soon as possible. In addition, it is recommended to provide adequate training and resources to the DPO to ensure that resources are available for current and future obligations. <b>[High Priority]</b>	We confirmed that a Data Protection Officer (DPO) is currently in position and that training resources have been provided to support her in fulfilling her responsibilities. Her roles and responsibilities as DPO are clearly defined in her formal job description.	<b>Implemented</b>
3.1	There is no documented security awareness, training policy or training programme. It was noted that the Business Technology manager performs informal security training and awareness presentations. Additionally, awareness emails are circulated in relation to issues such as phishing attacks that have occurred in the past.	It is recommended that the Council implement a formal security awareness and training programme that provides adequate security awareness training to all employees throughout the Council. This should be regularly reviewed and updated to account for emerging cyber threats. <b>[High Priority]</b>	We confirmed that the Council has contracted a managed service to implement a formal security awareness and training programme for all employees. The programme is regularly reviewed through a dashboard, with monthly performance reports provided to the Digital Services Team. Furthermore, in cases of non-compliance, managers are notified via email to ensure adherence to the security training requirements.	<b>Implemented</b>
8.1	There is a lack of adequate endpoint protection software in place for the organisation. It was noted that Windows Defender is in use for anti-	It is recommended that the Council acquire and implement more comprehensive anti-virus software to ensure the protection	We confirmed that the Council has implemented Windows Defender as its endpoint protection solution. Windows Defender has significantly evolved and is consistently recognised as a leading enterprise anti-virus and endpoint protection tool, particularly suited for	<b>Implemented</b>



Report Reference:	Cyber Security Observations	Cyber Security Recommendation	Follow-Up Work Observation	Status
	virus, however this is limited in its features.	of the organisation endpoint devices. <b>[High Priority]</b>	organisations operating within Windows environments. It provides comprehensive protection that addresses many of the advanced security requirements expected in modern endpoint defense.	
8.4	There is no documented process for Denial of Service (DoS) monitoring or mitigation. In addition, there is no training provided to the Business Technology team in relation to DoS activities.	It is recommended that the Council consider developing a documented process for the handling DoS threats. <b>[High Priority]</b>	<p>The Council has implemented multiple tools to mitigate and manage DoS threats, including Microsoft Azure DDoS Protection for real-time monitoring and automatic attack mitigation, Microsoft Defender for Endpoint for threat detection and response, and network firewalls with Intrusion Prevention Systems to block suspicious traffic. A standard operating procedure (SOP) for handling DoS and other information security threats has also been developed as part of the information security strategy.</p> <p>Whilst we consider this implemented, we noted that the information security strategy document, including the standard operating procedure for managing DoS and other security threats, requires inclusion of version control with creation and approval dates.</p>	<b>Implemented</b>
10.1	There is no formal documented policy or procedure for patching servers, network devices, workstations and applications. Patches are automatically applied using the Windows Server Update Service (WSUS) and Microsoft Service Centre Configuration Manager (SCCM).	It is recommended that the Council formally document a patching policy which outlines the current processes in place. <b>[High Priority]</b>	<p>We noted that the Council has developed and maintains two key documents that serve as their patching policy and procedure:</p> <ul style="list-style-type: none"> <li>• Azure and On-Premises Windows Server Monthly Patching</li> <li>• A&amp;NDBC – IT Assist Windows Server OS Patching</li> </ul> <p>These documents outline the patch management process focused on Azure and on-premises Windows servers, utilising Microsoft tools such as Microsoft Endpoint Manager (Intune) and Windows Server Update Services</p>	<b>Implemented</b>

Report Reference:	Cyber Security Observations	Cyber Security Recommendation	Follow-Up Work Observation	Status
			<p>(WSUS). The patch management process also supports deployment across servers, network devices, workstations, and applications, ensuring broad coverage throughout the environment.</p> <p>Whilst we consider this implemented, we noted that the patching procedure documents for Azure and on-premises Windows servers require update to include version control with details of the document creator, creation date, and approval.</p>	
11.1	There is no formalised IT risk assessment process at the organisation.	It is recommended that the Council develop an IT risk assessment process to assist in managing information security risks. <b>[High Priority]</b>	We confirmed that the Council has a risk management policy in place to guide the risk assessment process. This policy was approved in April 2025 and includes specific guidelines for assessing IT risks. Additionally, we confirmed that a corporate risk register is maintained and is regularly reported on. The register includes IT risks, which are actively tracked and managed as part of the Council's overall risk management framework.	<b>Implemented</b>
12.1	Assets are not defined, classified and logs are not fed into a centralised logging system such as a SIEM solution.	It is recommended that the Council assess and implement a SIEM solution for the centralised monitoring of logs in addition to the next generation firewalls being implemented. <b>[High Priority]</b>	We confirmed that the Council has contracted a managed service through Microsoft Sentinel to provide Security Operations Centre (SOC) and SIEM solutions. This solution enables centralised monitoring of logs, including firewall activity, within a single platform. Additionally, a dashboard is maintained to support monitoring, alerting, and notification capabilities. Sample incident reports were also reviewed, demonstrating proper resolution of identified issues.	<b>Implemented</b>
12.2	Active Directory logs are generated but are not reviewed unless an incident is identified and investigated.	It is advised the Council actively monitors Active Directory logs. <b>[High Priority]</b>	We confirmed that Active Directory logs are actively monitored as part of the Managed Sentinel SOC/SIEM solution. These logs are integrated within the service platform, effectively addressing the associated risks and	<b>Implemented</b>

Report Reference:	Cyber Security Observations	Cyber Security Recommendation	Follow-Up Work Observation	Status
			findings through centralised monitoring and alerting capabilities.	
13.1	The current Business Continuity Plan (BCP) is not up-to-date or appropriate for the requirements of the organisation. It was noted that this was under review at the time of this assessment.	It is recommended that a Business Continuity Plan is formally documented to take into account the continuation of business processes in a disaster scenario, such as Business Technology processes. <b>[High Priority]</b>	We confirmed that the Council has a BCP in place, which was updated and formally approved in June 2025. This plan provides a comprehensive framework to ensure the continuation of business processes in the event of a disaster.	<b>Implemented</b>
7.1	There are no regular reviews of access rights in place for the organisation. It was noted that Active Directory is in place and role-based access control is used for the organisation, however the access rights assigned to users is not regularly reviewed.	It is recommended that the Council should implement regular reviews of user access rights to ensure that a principle of least privilege is enforced. <b>[Medium Priority]</b>	We confirmed that the Council has implemented regular user access reviews using AD360 tools. These reviews are performed on a quarterly basis to ensure that access rights remain appropriate and aligned with role-based access control policies.	<b>Implemented</b>
9.2	User behaviour is not actively monitored. There is no documented process for identifying, detecting and reviewing for user behaviour anomalies.	It is recommended that the Council consider monitoring user behavior for potential anomalies. Users should be tested periodically for compliance to internal security policies. <b>[Medium Priority]</b>	We confirmed that the Council has implemented the Managed Sentinel SOC/SIEM solution to provide extended detection and response (XDR) capabilities. Weekly and monthly reports highlighting anomalies and trends in user activity are generated and actively monitored. Recent reports indicate no critical breaches but have identified areas for improvement in alert tuning and anomaly detection thresholds.	<b>Implemented</b>

### 3. Management Updates on Open “High Priority” Recommendations

This section provides a management status update on the remaining five open “High Priority” recommendations from the 2021 Cyber Security Maturity Assessment Report. As noted in section 1.4, Management should continue to address all remaining open recommendations (High, Medium and Low priority) in a timely way.

Report Reference:	Cyber Security Observations	Cyber Security Recommendation	Status	Management Updates
1.1	There is no formal information security strategy or programme documented	It is recommended that the Council develop a formal information security strategy, which is aligned to business requirements and encompasses all of the organisation and its employees. [High Priority]	In Progress	<p><b>Action Plan</b></p> <p>A draft Information Security Strategy has been developed and will be finalised and approved through the appropriate governance route. The Strategy will be brought under formal document control (owner, version, approval date and review cycle) and will be aligned to business requirements and the corporate risk management framework. The roadmap will cover Council-wide implementation (employees, elected members, contractors and relevant third parties).</p> <p><b>Owner/ Title</b></p> <p>Timothy King- Assistant Digital Services Manager</p> <p><b>Target Date of Implementation</b></p> <p>October 2026</p>
2.1	There is no formal data classification process to assign a sensitivity classification to data in the organisation.	It is recommended that the Council should develop a data classification policy to assist in securing and locating sensitive data and	In Progress	<p><b>Action Plan</b></p> <p>A draft Data Classification Policy has been developed and will be finalised and approved through the</p>

Ards and North Down Borough Council – Cyber Security Review Recommendation Implementation Follow-up – FINAL DRAFT REPORT

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Report Reference:	Cyber Security Observations	Cyber Security Recommendation	Status	Management Updates
		prioritise based on classification. [High Priority]		appropriate governance route. The Council will implement a formal data classification process (including a defined classification scheme, handling rules and labelling requirements) and roll this out across systems and information assets. This will be supported by staff guidance/awareness and will be used to help locate sensitive information, apply appropriate controls, and prioritise protection activities based on classification  <b>Owner/ Title</b> Timothy King- Assistant Digital Services Manager  <b>Target Date of Implementation</b> October 2026
9.1	There is no formal process in place for reacting to insider threat events.	It is recommended that the Council develop a formal plan for reacting to insider threat events. [High Priority]	<b>In Progress</b>	<b>Action Plan</b> The Council has existing policy coverage relevant to insider risk. To fully address the audit recommendation, the Council will develop and implement a dedicated Insider Threat Response Plan (runbook) aligned to the Council’s incident reporting arrangements.



Report Reference:	Cyber Security Observations	Cyber Security Recommendation	Status	Management Updates
				<p><b>Owner/ Title</b> Timothy King- Assistant Digital Services Manager</p> <p><b>Target Date of Implementation</b> November 2026</p>
14.2	<p>There is no formal forensics policy that outlines how evidence should be gathered, stored, disposed of etc. The organisation does not have a formal relationship with a third party that could provide forensics investigation services.</p>	<p>It is recommended that the Council documents a formal forensics policy and coordinates with a third party to provide forensic investigation services when required. [High Priority]</p>	In Progress	<p><b>Action Plan</b> The Council will develop and formally approve a Forensics and Evidence Handling Policy (under document control: owner, version, approval date and review cycle). This will be aligned to the Council’s incident response arrangements so that evidence preservation steps are triggered early in relevant cyber incidents. In parallel, the Council will establish a formal relationship with a suitable third-party provider to deliver forensic investigation support when required, including agreed service scope, response times, evidential standards, reporting requirements, and secure transfer/handling arrangements.</p> <p><b>Owner/ Title</b></p>



Report Reference:	Cyber Security Observations	Cyber Security Recommendation	Status	Management Updates
				Timothy King- Assistant Digital Services Manager  <b>Target Date of Implementation</b> January 2027
14.3	There is no documented cyber incident response process. There are no runbooks currently documented for responding to various incident scenarios.	It is recommended that the Council documents formal incident response processes and runbooks for key incident scenarios. This should be incorporated as part of the Council’s overall risk management process. [High Priority]	In Progress	<b>Action Plan</b> The Council has an overarching Information Security and ICT Management Policy which includes an expectation to detect, report and respond to security incidents. To fully address the audit recommendation, the Council will document and implement a formal Cyber Incident Response Process and supporting runbooks for key incident scenarios aligned to the Council’s risk management framework and corporate risk register. Processes will be brought under formal document control (owner, version, approval and review cycle) and tested via a tabletop exercise at least annually.  <b>Owner/ Title</b> Timothy King- Assistant Digital Services Manager  <b>Target Date of Implementation</b> February 2027

Ards and North Down Borough Council – Cyber Security Review Recommendation Implementation Follow-up – FINAL DRAFT REPORT

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## 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 relate only to the follow up status of recommendations made previously and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. This report is not based on an attest engagement. We have relied on information provided by Ards and North Down Borough Council's management, and we do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish accuracy or completeness.

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

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

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Unclassified

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

Report Classification	Unclassified
Exemption Reason	Not Applicable
	If multiple:
Meeting	Audit Committee
Date of Meeting	18 May 2026
Responsible Director	Director of Corporate Services
Responsible Head of Service	Head of Corporate Governance
Report title	Assurance Statement Annual Summary - April 2025-March 2026
Attachments	
File Reference (if applicable)	SOA1
Legislation	Local Government Act (Northern Ireland) 2014 Local Government (Accounts and Audit) Regulations 2015 Local Government Finance Act (Northern Ireland) 2011 Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015
Resource Implications	None Narrative:
Screening Requirements	<i>The Council will commit to consider the implication of all reports under the categories of Section 75, Rural Needs, Data Protection, Climate and Sustainability:</i>  Screening of report not required
Link to Corporate Plan Priority and Outcome	Priority 3: Social

If multiple:

	<p>5. Safe, welcoming and inclusive communities that are flourishing</p> <p>If multiple:</p>
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**Background**

In accordance with the Council’s Risk Management Strategy, Heads of Service are required to provide Statements of Assurance. Assurance Statements comprise four main sections to be completed by each Head of Service following consultation with each of their Service Units. The reporting periods for the assurance statements and the structure of the statements has changed, now the Heads of Service complete an interim statement in December, and a full report in April. This report is on the full year 1 April 2025 to 31 March 2026.

Due to the corporate restructure some of the services have been amalgamated into others or into different directorates. As this occurred on throughout the period, the interim assurance statements in some cases referred to now non-existent services. The annual statements completed reflect the new corporate structure.

**Findings and Key Issues**

**General – Identification of Risk, Monitoring and Control measures**

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

Corporate Governance are currently investigating a software solution to aid in the management of risks corporately and support the implementation of the Risk Strategy.

**Section 1 – Strategic and Operational Risk Management**

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

The Parks and Cemeteries Service has reported that the increased frequency and intensity of storms is having a significant impact on their operating budget, unplanned tree works have reduced the budget available for proactive maintenance and risk mitigation programmes identified in the Tree and Woodland strategy. As they also indicate that the frequency of these storms will only increase with climate change they anticipate this trend to continue. They furthermore report that the impact of the war in Iran on fuel prices is impacting both the cost of their fuel but also the price of fertiliser which is impacting on their supply chain and potentially the level of service they will be able to provide.

The Finance service have reported that the new finance software solution will improve financial controls in a number of key areas, particularly around compliance with the new procurement policy and expenditure approvals process.

## Section 2 – Internal Control

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

Planning and Building Control Service have reported that they are failing to meet statutory performance indicators in respect of processing of planning applications. They advise that they are recruiting and training staff to mitigate this and building relationships with other statutory consultees to assist in prioritising key cases.

Community Planning and Climate Control have reported that they received limited assurance on the audit of the Climate Change Strategy review. The Climate Action Board has had its remit expanded to include both adaptation and mitigation and update the risk register accordingly.

Human Resources have detailed that they have appointed a Systems Officer to further develop the absence management software the Council uses and aid managers with setting targets and deadlines.

Waste and Cleansing have reported that Officers are proceeding to develop a new ANDBC Waste Strategy, this work had been on hold until a NI Waste Strategy document could be published. Delays in that process appear to be ongoing so Officers are proceeding without it.

All services have reported that internal audit recommendations have all been reported via the existing channels and reported to committees.

## Section 3 – Governance

Environmental Health and Regulatory Services have reported that the funding for Animal Welfare provision in Northern Ireland was pulled by DAERA for the year 2025/26 onward. This decision was challenged by judicial review and partly upheld in favour of councils, but this was from a procedural perspective and that funding could be lawfully withdrawn in future if the correct process is followed. At present the service which is delivered by Lisburn and Castlereagh City Council on ANDBC's behalf was operated at risk in 2025/26 and there are no guarantees of funding moving forward.

Finance have reported that both the number of outstanding audit recommendations and the length of time that they have been outstanding has been raised as a concern. Greater attention will be given to this in the review of internal control section of the governance statement. They have also reported that there was an email hack resulting in £340 being paid to the wrong account, in addition a change of bank details was attempted on a fraudulent invoice. The latter was caught by the current controls.

Economic Growth have reported that Bangor Marina has been brought back into Council control from the 1<sup>st</sup> of April, with Corporate Governance handling the transition and HR implications.

Tourism has reported that a complaint which escalated to stage 2 has prompted a review of governance arrangements and identified the need to maintain more detailed records of applications for grant aid that are deemed ineligible in the assessment process, which has now been put in place.

Leisure have reported an issue paying for new carpets in advance of delivery which is being reviewed by Internal Audit. In addition they have reported that they are currently in mediation with NCLT/Serco regarding long standing loss of income claims. The Council is taking legal advice on these.

A number of services have reported deviations from Procurement Policy, but in each case the correct procedure was followed for notification.

## RECOMMENDATION

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

Unclassified

## ITEM 7b

## Ards and North Down Borough Council

Report Classification	Unclassified
Exemption Reason	Not Applicable
	If multiple:
Meeting	Audit Committee
Date of Meeting	18 May 2026
Responsible Director	Director of Corporate Services
Responsible Head of Service	Head of Corporate Governance
Report title	Coroporate Risk Register and Action Plan May 2026
Attachments	Appendix 1 Corporate Risk Register May 2026
File Reference (if applicable)	AUD02
Legislation	Local Government Act (Northern Ireland) 2014 Local Government Finance Act (Northern Irealnd) 2011, Local Government (Accounts and Audit) Regulations (Northern Ireland 2015
Resource Implications	Budget Narrative:
Screening Requirements	<i>The Council will commit to consider the implication of all reports under the categories of Section 75, Rural Needs, Data Protection, Climate and Sustainability:</i>  Screening of report not required
Link to Corporate Plan Priority and Outcome	Priority 3: Social 5. Safe, welcoming and inclusive communities that are flourishing If multiple:

## Background

The Corporate Risk Register was last reported to Committee in September 2025. This report focuses on the subsequent period ending 31 March 2026.

The Corporate Leadership Team and Heads of Service reviewed the Corporate Risk Register in January which led to individual directorate reviews facilitated by the Risk Service. Updates to the both the Corporate Risk Register are summarised below. This summary will not include Corporate Risks or associated Actions without specific updates (reflecting no change). Appendix 1 shows the Corporate Risk Register at May 2026.

## Key Issues

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

The Corporate Risk Register notes that the Borough Events Strategy has completed a mid point review and Council approval has been given for extension until 2028, activity to develop 2 year action plans for events is underway. Some of the key performance indicators relating to visitor spend and overnight NI trips is to be analysed once 2025 season data is available.

**CR2 - Lack of adequate staff resources to deliver Services.** The Action Plan notes that the Council retained its silver accreditation under Investors in People in December 2025. Work is ongoing on the Workforce Plan and New People plan with the latter to be in place by September 2026. In addition a Digital Skills survey was undertaken in 2025 and the gap analysis has informed a new digital skills programme for Council staff.

**CR3 – Inability to achieve Council corporate objectives within the Corporate Plan timeframe.** The Action Plan has been updated to reflect that the actions on this Risk have been completed. The Head of Strategic Change has suggested that this Risk can be removed from the Corporate Risk Register and reflected in Service Risk Registers only, but no decision has been made regarding this as yet.

**CR4 – risk of Failure to adequately plan for the impact of climate change.** The Action Plan notes the appointment of a Climate Adaptation Officer in addition to the Climate Change and Sustainability Manager already appointed. A public survey is being undertaken to gather information of impacts of climate change on the borough and to understand the support required from Council. This survey will inform work going forward on establishing a Climate Resilient Communities Focus Group and assist with identification of funding opportunities.

**CR5 – risk of Not achieving the Council's Net Zero targets.** A Strategic Net Zero Borad chaired by the Director of Environmental Services has been established to have an oversight of carbon reduction achievement and progress towards targets. An annual report on all Climate Action will be published in June.

**CR6 – risk of Failure to work in effective partnerships to meet Council Objectives.** The mapping exercise of strategic partnerships across multiple partners has been completed. In addition a workstream progress tracker has been developed

and will be agreed by the Strategic Community Planning Partnership to review each body's progress against agreed action plans.

**CR8 – Risk of death or injury to the public as a result of Council actions or omissions.** Parks and Cemeteries have introduced a new GPS linked monitoring software which will enable operational officers to complete inspections and flag issues for speedy resolution. The Council's insurers continue to raise concerns regarding inspection regime and record keeping of same, across all Council facilities.

**CR13 – Risk that the Council cannot respond to a business continuity event.** An annual review of the Business Impact Analysis has been completed by all services.

**CR14 – risk of Failure to deliver Capital and high impact / cross cutting projects.** For the period of report, the business case for Bangor Castle was nearing completion and an Outline Business Case for North Down Museum is in progress.

**CR15 – risk of Failure to fulfil the Council's statutory obligations under the Burial Grounds Regulations.** A report on progress of the extension of the Movilla cemetery site went to the March 2026 Environment committee.

**CR17 – risk that Council's land assets are taken without permission.** Officers from relevant departments met in January 2026 and outworkings from this are included in the Land and Property review approved by Council in March.

**CR19 – risk of Loss of Internet and Wide Area Network Connectivity.** This is a new risk on the register relating to reliance on cloud computing solutions for day to day Council operations. A control for this has been procurement and deployment of 5G rapid Sites for City Hall and Church Street Council Offices. These have been procured but not yet deployed.

**CR20 – risk of Loss of Access to Mobile Phones.** This is another new risk on the register which has a control regarding increasing resilience of the telecom provider to have dual providers to allow business to continue if a cyber-attack targeting this infrastructure came to pass.

## RECOMMENDATION

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

Risk Reference (CRR)	Risk to achievement of strategic priority (Risk Description)	Risk Category	Risk Subcategory	Risk Appetite (as agreed by)	Inherent Risk			Current Controls	Residual Risk			Risk Status	Risk Owners		Associated Officers	Further Action Required
					I	L	R		I	L	R		Strategic Lead	Operational Lead		
1	<b>Risk Event</b> – Inability/failure to meet targets set out within The Integrated Strategy for Tourism, Regeneration and Economic Development. <b>Cause</b> – due to a lack of funding, unstable economy, budget cuts, failure to attract third party investment, failure of NI transferred functions and budgets and lack of appropriate legislation/policy, as well as difficulties in obtaining Council support due to changing priorities mid-year <b>Impact</b> – leading to a depletion of the Council's business rates base, directly impacting residents as a result of reduced funding for Council services.	Financial	Investment in Growth	Risk Taking	3	3	9	Quarterly monitoring against activity targets; Annual review and monitoring	3	2	6	Tolerate	Director of Prosperity	Head of Economic Development, Head of Tourism, Head of Regeneration		Progress to be made on NIE site redevelopment and options for development of land purchased at Comber Road, Newtownards, as part of LEP work
2	<b>Risk Event</b> – lack of adequate staff resources to deliver Services <b>Cause</b> – as a result of failure to align resources and structures with Council strategic objectives, as well as an inadequate staff skills-mix, and inadequate workforce/ succession plans <b>Impact</b> – leading to compromised service delivery, as well as increased costs for the Council through greater use of agency staff to fill resource gaps.	Operational Sustainability	Staff Retention and Development	Cautious	5	3	15	A draft Workforce Plan is currently being developed and should be ready for consultation early 2026/27	4	3	12	Action	Director of Corporate Services	Head of Strategic Change	Organisational Development Manager	Council to finalise the Workforce Plan to take account of changing personnel needs, longer term recruitment requirements and to combat the challenges of attracting the right talent.
3	<b>Risk Event</b> – Inability to achieve Council corporate objectives within the Corporate Plan timeframe <b>Cause</b> – as a result of a failure to prioritise adequate resources, poor monitoring of progress, and external factors such as political will and changing views among residents <b>Impact</b> – leading to negative reputational and financial impact on the Council.	Compliance/Legal	Governance	Averse	4	4	16	Member engagement in development of plan, development of more targeted corporate plan than in previous years, consultation with public and staff extensive, reviews taken as part of residents survey	3	2	6	Tolerate	Chief Executive	Head of Strategic Change		Corporate Plan has a programme of work associated with it and will monitor progress.
4	<b>Risk Event</b> – Failure to adequately prepare for the impact of climate change on the Borough <b>Cause</b> – due to a lack of staff resources, political and public will, and funding <b>Borough Impact</b> – resulting in the failure to effectively deliver services (e.g. waste services) in line with net zero targets and obligations and ensure	Strategy	Climate / Environment	Averse	5	5	25	Climate Adaptation Plan in place. Risk assessment is currently being reviewed and updated in advance of formal reporting to DAERA at the end of March 2026. Additional resource to support delivery of action plan agreed in 2026/27 budget.	5	5	25	Action	Chief Executive	Community Planning and Climate	Climate Change and Sustainability Manager	More pro-active support is required across all Council Services to identify risk of climate change to both services and infrastructure. Annual review of climate risk register and implementation of Climate Adaptation Plan required to ensure support required to understand scope of reporting obligations and the information to be gathered from Council supply chain. Proactive support required across Council to progress the Climate Action Plan. A costed version of Action Plan demonstrating cross-directorate reporting is underway.
5	<b>Risk Event</b> – Not achieving the Council's net zero targets <b>Cause</b> – due to resource and budget constraints, inadequate planning, poor monitoring of progress, and lack of political and public will <b>Council Impact</b> – leading to significant financial sanctions and reputational damage for the Council	Compliance/Legal	Compliance	Averse	5	5	25	Climate Action Plan agreed by Council in October 2025. Strategic Net Zero Board established. Carbon Dashboard being updated to include record of carbon reduction measures to help SNZB assess progress. Additional resource to support delivery of action plan agreed in 2026/27 budget.	5	5	25	Action	Director of Environmental Services	Head of Estates; Community Planning and Climate	Climate Change and Sustainability Manager	
6	<b>Risk Event</b> – Failure to work in effective partnerships to meet Council objectives <b>Cause</b> – as a result of conflicting priorities amongst partners, misalignment with Council values, and inadequate assessment and monitoring of partnerships <b>Impact</b> – resulting in an inability to achieve Council corporate objectives and targets, and potential for reputational damage.	Operational Sustainability	Partnerships	Risk Taking	5	4	20	Development of Shared Action Plans and Performance Monitoring takes place annually for Community Planning. Terms of Reference, or other governance arrangements, in place for most Partnerships.	5	3	15	Tolerate	Chief Executive	Community Planning and Climate		Review and updating of action plans required following audit. Get Strategic Community Planning Partnership to agree a more robust method of tracking impact against agreed measures of success.
7	<b>Risk Event</b> – failure to deliver the Council's priorities as a result of stakeholder opposition and misunderstanding of aims/ objectives/ benefits. <b>Cause</b> – due to a disconnect between the community and Council, resistance to change among residents and an inability to secure and adequate community buy-in <b>Impact</b> – leading to negative impact to the Council's reputation and lost opportunities.	Operational Sustainability	Community Engagement	Risk Taking	4	4	16	Investment in Citizen Lab digital platform to support community engagement on key projects. Actioning Lessons Learned from previous situations around engagement/ communication and operations.	4	3	12	Action	Chief Executive	Head of Corporate Communications	Communications Manager - Bangor Regeneration	Agreement of Council-wide framework and standards for engagement. Additional community focus resources for key projects eg Greenways.
8	<b>Risk Event</b> – Risk of death and injury to the public as a result of Council actions or omissions <b>Cause</b> – due to weak health and safety controls, as well as a lack of clarity around the Council's remit/responsibility in this area <b>Impact</b> – leading to potential fines, legal liability, and damage to the Council's reputation.	Compliance/Legal	Governance	Averse	5	4	20	Event Safety workshops and task group being set up to address on going perception of risk and ensure requirements implemented. Corporate Health and Safety processes and policies.	5	3	15	Action	Director of Active & Healthy Communities	Head of Corporate Governance	Head of Tourism, Head of Parks and Cemeteries, Head of Assets and Property, Head of Regulatory Services, Head of Community and Culture, Director of Environment, Head of Waste and	Continue to review benefit and capacity to provide future event safety related training to voluntary / community groups.
9	<b>Risk Event</b> – Risk that the Council suffers a cyber attack <b>Cause</b> – as a result of inadequate and/or ineffective controls and/or human error <b>Impact</b> – resulting in interruption to Council business through loss of access/damage to Council systems and information assets, financial impact (e.g. ransom), and overall damage to the Council's reputation.	Operational Sustainability	IT & Cyber	Averse	5	4	20	Managed Cyber Incident Response in place. Threat landscape continually scanned and intelligence received from MIR provider and internal monitoring on reports from NCS. SOC/SIEM managed service with BT has been implemented.	5	3	15	Tolerate	Director of Corporate Services	Head of Strategic Change	Digital Services Manager	Work towards Zero Trust Security Model
10	<b>Risk Event</b> – Risk that the Council suffers a data breach and/or loss of data <b>Cause</b> – due to a lack of adequate information management policy/controls and/or as a result of human error <b>Impact</b> – resulting in an inability to comply with legislation (UK Data Protection Act, Freedom of Information (FOI)), fines from the Information Commissioner's Office, and overall damage to the Council's reputation.	Compliance/Legal	Governance	Averse	5	4	20	MIR in place. USB media devices blocked reducing the ability for data to be copied and removed.	5	3	15	Tolerate	Director of Corporate Services	Head of Strategic Change	Digital Services Manager	There remains a continued need for robust data handling procedures in connection with all our outsourced platforms, including the HRC booking system. Develop Data Classification Policy. Exercise Cyber attack in conjunction with Nihon. Digital Services Officers are scheduled to undertake CISM training in this financial year.
11	<b>Risk Event</b> – Decline in the Council's non-domestic tax base <b>Cause</b> – due to an inability to identify and/or address the root cause/s of the decline and failure of economic development initiatives <b>Impact</b> – leading to reduced spending power of the Council to deliver its services and potential increase in the domestic rate base to compensate, and failure to achieve a position of financial resilience/sustainability.	Financial	Investment in Growth	Risk Taking	5	5	25	City/Town Centre Masterplans agreed, Review of the CAG/TAGs to ensure focus on delivery, NIE site Masterplan/Business Case Pilot, and new ED Go Succeed Programme	5	4	20	Action	Director of Place	Head of Regeneration	Head of Economic Development	The transfer of Regeneration Powers and Funding to Councils is required. Departmental funding required to be secured. The Council to agree ongoing Regeneration budget. Review and propose projects to address this decline.
12	<b>Risk Event</b> – Risk that the Council cannot respond to a critical incident/emergency event <b>Cause</b> – due to lack of planning, including contingency planning and failure to adequately define what constitutes a critical incident and/or emergency event and assess risks accordingly <b>Impact</b> – leading to an inability to execute the Council's Emergency Management Plan responsibilities, impacting the Council's ability to support front-line responders as required.	Compliance/Legal	Governance	Averse	5	3	15	Emergency Plan in place and can be activated in the event of emergency. We will continue to review and update where required and following any lessons learned from incidents.	3	3	9	Tolerate	Director of Corporate Services	Head of Corporate Governance	Emergency Planning Officer, Risk Manager	Exercise, test and review, internal EPIG (Emergency Planning Implementation Group alongside training opportunities via regional arrangements ongoing - essential to maintaining the lower Impact score,
13	<b>Risk Event</b> – Risk that the Council cannot respond to a business continuity event <b>Cause</b> – due to lack of planning, including contingency planning and failure to adequately define what constitutes a business continuity event and assess risks accordingly <b>Impact</b> – resulting in an inability to execute a Business Continuity Plan (BCP) effectively and quickly, impacting the Council's ability to continue to deliver Services effectively.	Operational Sustainability	Business Continuity	Averse	5	3	15	Business Continuity Plan in place and can be activated in the event of a business continuity incident. Biennial testing and training schedule in place. Annual review of Business Impact Analysis by each service. We will continue to review and update where required and following any lessons learned from incidents.	4	3	12	Action	Director of Corporate Services	Head of Strategic Change	Transformation Manager	BCP independently reviewed and staff training undertaken. Annual review of Business Impact Analysis by Services and training/testing to be undertaken biennial.
14	<b>Risk Event</b> – Failure to deliver Capital and high impact / cross cutting projects. <b>Cause</b> – due to lack of funding and inadequate project and programme management <b>Impact</b> – impeding the Council's ability to deliver on the promised benefits of these projects, as well as a failure to achieve the Council's corporate objectives within the Corporate Plan 2024-2028.	Strategy	Projects / Programmes	Risk Taking	5	3	15	BW - approved OBC and CFF, dedicated delivery team and resources secured, detail workprogramme and Governance Structures	4	2	8	Tolerate	Director of Place	Director of Active & Healthy Communities, Director of Corporate	CPU BW team	Service / directorate level monitoring ongoing. Constantly review grant sources to see if any applicable for Council projects.
15	<b>Risk Event</b> – Failure to fulfil the Council's statutory obligations under the Burial Grounds Regulations (NI) 1992 regarding the provision of burial space <b>Cause</b> – due to a lack of space within current Borough cemeteries or within a specific area within the Borough <b>Impact</b> – resulting in reputational damage to the Council and non-compliance with the Burial Grounds Regulations (NI) 1992.	Operational Sustainability	Projects / Programmes	Averse	5	5	25	Capital project in place	5	4	20	Action	Director of Active & Healthy Communities	Head of Parks and Cemeteries	Head of Strategic Capital Development	Capital project to proceed. Movilla Cemetery is running out of new burial space within next year. Team to urgently progress change of use at land adjacent to Movilla Cemetery. OBC was approved by Council in October 2025.
16	<b>Risk Event</b> – Poor maintenance and development of the Council's land and property assets <b>Cause</b> – due to a lack of skilled resources, funding and monitoring <b>Impact</b> – leading to a failure to deliver on the Council's Estates and Land and Property Strategies.	Financial	Financial Sustainability	Minimising	5	5	25	Property Maintenance Strategy. This sets out how Council proactively manages its properties to ensure they are fit for purpose, legally compliant and that maintenance costs are minimised.	3	3	9	Tolerate	Director of Environmental Services	Head of Assets and Property	Head of Regeneration	Estates development strategy required to look at medium to long term consolidation of estate - this will be a work stream for the Estate Development Programme Board
17	<b>Risk Event</b> – Council's land assets are taken without permission. <b>Cause</b> – due to a lack of resources, funding and monitoring <b>Impact</b> – leading to a loss of land and failure to deliver on the Council's Estates and Land and Property Strategies.	Financial	Financial Sustainability	Averse	5	5	25	Reactive monitoring in place. Land has been lost / offered for sale due to weak legal position.	5	4	20	Action	Director of Corporate Services	Head of Corporate Governance	Head of Parks and Cemeteries	Project to establish robust monitoring programme commenced. Lands team will be notified of any changes to land use and will investigate and action immediately.
18	<b>Risk Event</b> – Council papers that are tabled 'in confidence' being leaked. <b>Cause</b> – Users of OneAdvanced (Formerly DecisionTime) sharing papers which are tabled as 'in confidence' <b>Risk Event</b> – Loss of Internet and Wide Area Network (WAN) Connectivity. <b>Cause</b> – Rupture or other damage to fibre backhaul	Compliance/Legal	Governance	Averse	5	3	15	Access is limited to Elected members, CLT/HOST and Democratic Services	5	3	15	Action	Director of Corporate Services	Head of Corporate Governance	Democratic Services Manager	Review controls within platform and add new controls if available.
		Operational						Dual firewalls with failover capability, Managed WAN service provided with SLA and monitoring, Microsoft 365 cloud redundancy/service remains available off-site even if WAN is down). Resilient core network switches and UPS power protection. Published ICT disaster					Director of	Head of Strategic	Digital Services	Evaluate procurement and deployment of 5G Rapid Sites for City Hall and Church Street.

19	<p><b>Impact</b> – Loss of access to services for staff on council sites</p>	Operational Sustainability	Business Continuity	Minimising	5	2	10	<p>Network services and IT support protection. Business recovery plan and Business Continuity Plans for all service areas. Regular patching, monitoring, and configuration management with Digital Services. Use of mobile data hotspots for critical staff during local outages.</p>	5	1	5	Tolerate	Corporate Services	Head of Strategic Change	Digital Services Manager	<p>This would provide resilience for both sites but be available for Events, other locations etc if/when need arises. Once initial set up is in place redeployment can be initiated within a few days.</p>
20	<p><b>Risk Event</b> – Loss of access to Mobile Phones</p> <p><b>Cause</b> – Widescale cyber attack targeting mobile network authentication</p> <p><b>Impact</b> – Reduced ability to respond to service issues or emergencies quickly can lead to loss of public trust</p>	Operational Sustainability	IT & Cyber	Cautious	3	2	6	<p>Mobile Device Management (MDM) in place to remotely disable, wipe, and manage devices. Multi-channel communication available (Teams desktop, email, desk phones). Lone worker procedures and check in protocols. Customer Services call handling and message routing capability. Emergency communication procedures embedded in BIAs. Incident reporting procedure for lost/stolen devices.</p>	2	1	3	Tolerate	Director of Corporate Services	Head of Strategic Change	Digital Services Manager	<p>Review telecom provider resilience and explore dual provider options. Expand spare handset pool and maintain minimum stock levels. Ensure dual-channel communications for lone workers.</p>

Unclassified

**ITEM 8****Ards and North Down Borough Council**

Report Classification	Unclassified
Exemption Reason	Not Applicable
	If multiple:
Meeting	Audit Committee
Date of Meeting	18 May 2026
Responsible Director	Director of Corporate Services
Responsible Head of Service	Head of Finance
Report title	Workplan for 2026/27
Attachments	
File Reference (if applicable)	
Legislation	Other Local Government (Accounts and Audit) Regulations 2006
Resource Implications	Staffing Narrative: Minor implications
Screening Requirements	<i>The Council will commit to consider the implication of all reports under the categories of Section 75, Rural Needs, Data Protection, Climate and Sustainability:</i>  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 order to assist the Committee with its oversight responsibilities a suggested meeting schedule and work plan has been prepared.

The following standing items are on each meetings agenda, with the exception of the June meeting which is a single item agenda to consider the financial statements:

- Follow-up actions from previous committee meetings
- Internal Audit Update
- Single Tender Action Update
- Fraud, whistleblowing and data breaches update
- Meeting with Auditors in the absence of management

## Key Issues

Meeting Date	Agenda Items
18 May 2026	<ul style="list-style-type: none"> <li>• Annual Statements of Assurance</li> <li>• Corporate Risk Register</li> <li>• Review of Terms of Reference</li> </ul>
22 June 2026	<ul style="list-style-type: none"> <li>• Draft Financial Statements Review</li> </ul>
22 September 2026	<ul style="list-style-type: none"> <li>• Audited Financial Statements Approval</li> <li>• Draft Report to those charged with Governance</li> <li>• Corporate Risk Register</li> <li>• Policy Status Review</li> </ul>
14 December 2026	<ul style="list-style-type: none"> <li>• Final Report to Those charged with Governance</li> <li>• Final Audit Letter</li> <li>• Improvement Audit and Assessment Reports</li> <li>• Interim Statements of Assurance Update</li> </ul>
22 March 2027	<ul style="list-style-type: none"> <li>• Draft External Audit Strategy 2025/26</li> <li>• Review of Corporate Risk Register</li> <li>• Annual Internal Audit Report</li> <li>• Internal Audit Plan 2026/27</li> <li>• Meeting Schedule and work plan 2026/27</li> </ul>

## RECOMMENDATION

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

Unclassified

**ITEM 9****Ards and North Down Borough Council**

Report Classification	Unclassified
Exemption Reason	Not Applicable
	If multiple:
Meeting	Audit Committee
Date of Meeting	18 May 2026
Responsible Director	Director of Corporate Services
Responsible Head of Service	Head of Finance
Report title	Review of the terms of reference
Attachments	
File Reference (if applicable)	
Legislation	Other Local Government (Accounts and Audit) Regulations 2006
Resource Implications	None Narrative:
Screening Requirements	<i>The Council will commit to consider the implication of all reports under the categories of Section 75, Rural Needs, Data Protection, Climate and Sustainability:</i>  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 the Audit Committee should review its terms of reference annually and make recommendations to Council to ensure that it keeps up to date with developments within legislation, guidance and regional and national issues.

The last review was carried out in June 2025.

The review has been carried out by the Head of Finance and there is only one significant change in respect of relaxing the membership rules in order to improve continuity of membership. All amendments are highlighted in the attached draft, which it is anticipated will go with the updated scheme of delegation to the Annual Meeting.

## RECOMMENDATION

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

## Appendix 1

### Audit Committee Terms of Reference – Draft for Annual Meeting - June 2026

#### Authority

Under the Local Government Act (Northern Ireland) 2014 11 (1) “for the purpose of discharging any functions in pursuance of arrangements made under this part (a) a Council may appoint a committee of the council ...Subject to this Act the number of members of a committee appointed under subsection (1), their term of office and the area (if restricted) within which the committee is to exercise its authority must be fixed by the appointing council ..”

#### Overall Purpose and Objectives

The Audit Committee will assist Council in fulfilling its oversight responsibilities and has primary responsibility for overseeing the governance process. The Committee will agree and annual work plan which will include the review of the system of internal control and management of risks; the financial reporting process; the audit process and the Council’s processes for monitoring compliance with laws and regulations and compliance with its own Standing Orders, policies and procedures.

In reaching its decisions the Audit Committee will have due regard to its impact on, and implications for the Council’s commitment to ensuring equality of opportunity and, where possible and practicable, to ensure that the actions of the Committee are proactive in this respect.

The Committee is a main committee of the Council and is independent of all other operational committees of the Council. The Committee will report to Council and accordingly Council authorises the Committee, within the scope of its responsibilities, to:

- Seek any information it requires from any Council employee or external party;
- Obtain external legal or professional advice as appropriate;
- Ensure the attendance of Council Officers at meetings as appropriate;
- Approve the annual governance statement and financial statements;
- Receive reports from the external auditor (in respect of financial and performance improvement audits) and the internal auditor;
- Approve the appointment of an Internal Auditor and receive regular reports therefrom;
- Receive notification of all significant fraud, whistleblowing or data protection incidents and reports connected to these issues.
- ~~• Receive progress reports & any investigation reports as part of the Council's Fraud Response Plan into any significant incident of potential Fraud, Bribery or Corruption.~~
- Regularly meet with the External and Internal Auditors in the absence of management and no less than once per year in line with best practice.

Correspondingly, all employees are directed by Council to co-operate with any request made by the Committee.

### Standing Delegations

The following standing delegations apply to this Committee insofar as the activity falls within the scope of the Committee as set out above and do not require ratification by Council:

- award internal audit contracts over the **statutory tender** limit of **£50,000** (as revised from time to time)

### Membership

#### The Audit Committee will comprise:

- 10 Members who are appointed by Council for a four-year term for the purposes of continuity of expertise and knowledge plus one independent member, appointed through public advertisement;
- Membership should not include Mayor **or** Deputy Mayor. **, chairs of Committees or Sub-committees.**
- Council will nominate the Chair of the Committee in accordance with the procedures for appointing positions of responsibility.

### Meetings

The Audit Committee will meet **five times per year** in Church Street, Newtownards at 7.00pm in March, **May**, June, September and December or January.

Special meetings may be convened as required.

The Chief Executive, Director of Corporate Services and Head of Finance will attend all meetings.

External and Internal Auditors will be invited to attend all meetings and the Audit Committee can invite other persons as it deems necessary, who may be asked to make presentations to the Committee as appropriate.

The Audit Committee will comply with the Council's standing orders.