



12 September 2024

Committee Chair: Councillor S Ward  
Committee Vice-Chair: Councillor A Bennington  
Committee Members: Councillors – M Goodman, B Mallon, A McAuley and S Wilson  
Independent Member: Ms A Neill

Dear Member

**MEETING OF THE AUDIT AND RISK COMMITTEE**

A meeting of the Audit and Risk Committee will be held in the **Round Tower Council Chamber, Antrim Civic Centre on Tuesday 17 September 2024 at 6.30 pm.**

You are requested to attend.

Yours sincerely

A handwritten signature in black ink, appearing to read "Richard Baker".

Richard Baker, GM MSc  
**Chief Executive, Antrim & Newtownabbey Borough Council**

**PLEASE NOTE: a fork buffet will be available in the Café from 5.20 pm.**

**For any queries please contact Member Services:**  
Tel: 028 9034 0107/028 9448 1301  
[memberservices@antrimandnewtownabbey.gov.uk](mailto:memberservices@antrimandnewtownabbey.gov.uk)

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

### **1. APOLOGIES**

### **2. DECLARATIONS OF INTEREST**

### **3. ITEMS FOR DECISION**

3.1 Annual Governance Statement 2023/24

3.2 Financial Statements for the Year Ended 31 March 2024

### **4. ITEMS FOR INFORMATION**

4.1 NIAO Report to Those Charged with Governance 2023/24 (Draft)

4.2 2023-24 Annual Self-Assessment Report on Performance

4.3 Corporate Performance and Improvement Plan 2024/25 - Quarter 1 Progress Report

4.4 Corporate Performance Management Updated Timetable 2024/25

4.5 Update on Audit and Risk Committee Actions

4.6 Internal Audit Update Report

4.7 Corporate Risk Register

4.8 National Fraud Initiative 2024-25

4.9 New Public Sector Internal Audit Standards

### **5. ITEMS IN CONFIDENCE**

5.1 Cyber Security Update

5.2 Concerns Raised and Investigations Update

### **6. ANY OTHER RELEVANT BUSINESS**

### 3 ITEMS FOR DECISION

#### 3.1 FIN/SOA/10 ANNUAL GOVERNANCE STATEMENT 2023/24

##### 1. Purpose

**The purpose of this report is to obtain Members' approval of the Annual Governance Statement for 2023/24 and that the Statement be signed and dated by the Chair of the Audit and Risk Committee.**

##### 2. Introduction/Background

The Council is required to publish an Annual Governance Statement with its annual statement of accounts.

This statement is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government,' and outlines how the Council is complying with the Framework.

This statement also meets the requirements of Regulation 4(2) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in relation to the review of the system of internal control.

Regulation 4(4) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 also requires that "...a local government body as a whole or committee must approve an annual governance statement prepared in accordance with proper practices on internal control."

##### 3. Key Points

Members are reminded that a copy of the draft (unaudited) Annual Governance Statement 2023/24 was presented at the June 2024 Audit and Risk Committee and that this Statement, along with the draft Financial Statements, were submitted to the Department of Communities for external audit.

A number of minor amendments have been suggested by external audit to provide additional clarity, and management have agreed to make these.

A copy of the updated Annual Governance Statement 2023/24 is **enclosed**.

##### 4. Recommendation

**It is recommended that the Annual Governance Statement for 2023/24 be approved and be signed and dated by the Chair of the Audit and Risk Committee.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

## 3.2 FI/FIN/SOA/10 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 1. Purpose

**The purpose of this report is to obtain Members' approval of the Financial Statements for the Year Ended 31 March 2024 and that the Statements be signed and dated by the Chair of the Audit and Risk Committee.**

### 2. Introduction / Background

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 requires that:

"8 (3)... a local government body must, no later than 30th September following the end of the financial year to which the statement relates:

- a) Consider either by way of a committee of that body or by the members of the body as a whole the statement of accounts;
- b) Following that consideration, approve the statement of accounts for submission to the local government auditor by a resolution of that committee or meeting;
- c) Following approval, ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which the approval was given..."

and

"(4) The chief financial officer must re-certify the presentation of the statement of accounts... before the relevant local government body approves it."

Members are reminded that the Council delegated authority in April 2015, to the Audit and Risk Committee to approve the Statement of Accounts.

### 3. Key Points

Members are reminded that details of the (unaudited) Statement of Accounts for the year ended 31 March 2024 were presented at the June 2024 Audit and Risk Committee and that the Committee would be required to approve the audited Statement of Accounts at the September Committee.

The audited Statement of Accounts for Antrim and Newtownabbey Borough Council for the year ended 31 March 2024 are to **follow**.

### 4. Recommendation

**It is recommended that the Financial Statements for the Year Ended 31 March 2024 be approved and be signed and dated by the Chair of the Audit and Risk Committee.**

Prepared by: Richard Murray, Head of Finance

Agreed by: John Balmer, Deputy Director of Finance

Approved by: Sandra Cole, Director of Finance and Governance

## 4 ITEMS FOR INFORMATION

### 4.1 FI/FIN/SOA/10 NIAO: REPORT TO THOSE CHARGED WITH GOVERNANCE 2023/24 (DRAFT)

#### 1. Purpose

**The purpose of this report is to note the draft 'Report to Those Charged with Governance 2023/24'.**

#### 2. Key Points

Members are advised that the Local Government Auditor has completed the audit of the Statement of Accounts for the year ended 31 March 2024 and has now issued the draft Report to Those Charged with Governance (enclosed).

A copy of the final 'Report to Those Charged with Governance', incorporating management responses, will be presented at the next Committee meeting in December 2024.

Representatives of the NIAO will be in attendance to answer Members' questions.

#### 3. Recommendation

**It is recommended that the draft 'Report to Those Charged with Governance 2023/24' be noted.**

Prepared by: Richard Murray, Head of Finance

Agreed by: John Balmer, Deputy Director of Finance

Approved by: Sandra Cole, Director of Finance and Governance

## 4.2 PT/CI/049 2023/24 ANNUAL SELF-ASSESSMENT REPORT ON PERFORMANCE

### 1. Purpose

**The purpose of this report is to recommend to Members to note the Annual Self-Assessment Report on Performance (Final Draft) 2023/24.**

### 2. Background

Members are reminded that under Part 12 of the Local Government Act (Northern Ireland) 2014, Section 92(2)(b)(i) & (ii) of the Act requires the Council to publish an assessment of its performance for 2023/24.

### 3. Self-Assessment on Performance

This report provides an assessment of the Council's performance for 2023/24 in relation to its statutory performance and self-imposed indicators. In line with the legislation, it includes a comparison of performance against previous financial years and, where possible, benchmarked against other Councils.

The final draft of the Annual Self-Assessment Report on Performance 2023/24 is enclosed for noting.

### 4. Recommendation

**It is recommended that the Annual Self-Assessment Report on Performance (Final Draft) 2023/24 be noted.**

Prepared by: Allen Templeton, Performance Improvement Officer

Agreed by: Katherine Young, Organisation Development & Employee Engagement Manager

Approved by: Helen Hall, Director of Corporate Strategy



#### 4.3 PT/CI/060 CORPORATE PERFORMANCE AND IMPROVEMENT PLAN 2024/25 – QUARTER 1 PROGRESS REPORT

##### 1. Purpose

**The purpose of this report is to recommend to Members to note the Corporate Performance and Improvement Plan 2024/25, Performance Progress Report, Quarter 1.**

##### 2. Background

Members are reminded that Part 12 of the Local Government Act (Northern Ireland) 2014 puts in place a framework to support the continuous improvement of Council services.

The Council's Corporate Performance and Improvement Plan 2024/25 was approved in June 2024. This set out a range of robust performance targets, along with identified improvement objectives and a number of Statutory Performance Targets.

##### 3. Previous Decision of Council

As agreed at the August 2023 Council meeting, quarterly performance reports will be presented to the relevant committee.

##### 4. Key Points

First Quarter performance progress report for the Corporate Performance and Improvement Plan 2024/25 is **enclosed** for Members' information.

##### 5. Recommendation

**It is recommended that the Corporate Performance and Improvement Plan 2024/25, Performance Progress Report Quarter 1 be noted.**

Prepared by: Allen Templeton, Performance Improvement Officer

Agreed by: Katherine Young, Organisation Development & Employee Engagement Manager

Approved by: Helen Hall, Director of Corporate Strategy

#### **4.4 PT/CI/060 CORPORATE PERFORMANCE MANAGEMENT UPDATED TIMETABLE 2024/25**

##### **1. Purpose**

**The purpose of this report is to recommend to Members to note the updated Corporate Performance Management Timetable 2024/25.**

##### **2. Background**

The Performance Management Timetable, which sits within the Corporate Performance and Improvement Plan 2024/25, outlines the Council's performance reporting deadlines and submission dates.

The timetable has been updated to reflect the dates of the 2024 Corporate Workshop.

A copy of the timetable is **enclosed**.

##### **3. Recommendation**

**It is recommended that the updated Corporate Performance Management Timetable 2024/25 be noted.**

Prepared by: Katherine Young, Organisation Development and Employee Engagement Manager

Approved by: Helen Hall, Director of Corporate Strategy

## 4.5 FI/AUD/02 UPDATE ON AUDIT AND RISK COMMITTEE ACTIONS

### 1. Purpose

The purpose of this report is for Members to note the progress on actions raised at previous Audit and Risk Committees.

### 2. Introduction / Background

Members are reminded that at each Committee meeting, a progress update on previous Committee actions is provided for consideration.

### 3. Key Points

The following table provides a progress update on the actions raised.

Item	Action	Progress update	Anticipated Completion Date
<b>December 2022</b>			
<b>4.6</b>	<b>RECOVERY PLAN 2022/23 – PERFORMANCE PROGRESS REPORT QUARTER 2</b>		
(i)	A review of how Council assess customer satisfaction be undertaken.	<b>Complete</b> A Consultation and Engagement Strategy and associated Framework has been completed and was approved by P&G and Council in June.	N/A
<b>December 2023</b>			
<b>4.5</b>	<b>CORPORATE PERFORMANCE &amp; IMPROVEMENT PLAN – PROGRESS REPORT QUARTER 2</b>		
(i)	Clarity to be provided in future reports that improvement targets are annual.	<b>Complete</b> The Corporate Performance Improvement reports have been amended to reflect this from Qtr1 of 2024/25.	N/A
<b>March 2024</b>			
<b>3.1</b>	<b>REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE 2023/24</b>		
(i)	Additional information to be provided to the Committee that will encourage engagement and discussion from Members.	<b>Complete</b> Officers will provide relevant appropriate information as and when required.	N/A

Item	Action	Progress update	Anticipated Completion Date
<b>4.5</b>	<b>INTERNAL AUDIT UPDATE REPORT</b>		
(i)	The new Contract Review report to be provided to CLT, to also be provided to the Audit & Risk Committee.	<b>In Progress</b> Development of a contract review report has been paused pending the implementation of the Procurement Act 2023. The implications of the Act need to be considered once guidance has been issued, to assess how we will manage, monitor and report on contracts, ensuring compliance with the Legislation.	31/03/25
<b>June 2024</b>			
<b>3.1</b>	<b>AUDIT &amp; RISK COMMITTEE ANNUAL REPORT 2023/24</b>		
(i)	The Audit & Risk Committee Annual Report 2023/24 be provided to the June 2024 Council Meeting.	<b>Complete</b> The Audit & Risk Committee Annual Report 2023/24 was provided to the Council Meeting on 24 June 2024.	N/A
<b>3.2</b>	<b>UPDATE OF THE INTERNAL AUDIT PLAN 2024/25</b>		
(i)	Update the Internal Audit for 2024/24 and replace the Food Safety audit with an Oil Stamp Scheme audit and the Theatres Cash Handling audit with a Facility Bookings audit.	<b>Complete</b> The updates to the 2024/25 Audit Plan have been actioned.	N/A
<b>4.4</b>	<b>UPDATE OF AUDIT AND RISK COMMITTEE ACTIONS</b>		
(i)	The follow up information provided to Cllr. Bennington be provided to all Committee Members.	<b>Complete</b> The following information was provided to Committee Members on 1 July 2024.	N/A

#### **4. Recommendation**

**It is recommended that the progress on actions raised at previous Audit and Risk Committees be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

#### 4.6 FI/AUD/01 INTERNAL AUDIT UPDATE REPORT

##### 1. Purpose

**The purpose of this report is for Members to note the Internal Audit activity since the Audit and Risk Committee last met in June 2024.**

##### 2. Introduction/Background

Members are reminded that a report providing a summary of the Internal Audit activity since the Audit and Risk Committee last met, is presented on a quarterly basis.

##### 3. Key Points

The **enclosed** Internal Audit update report includes the objectives and conclusions reached for each completed engagement and management comments as applicable.

The report also provides details of the progress of the implementation of agreed Internal Audit recommendations and the results of Internal Audit's Quality Assurance and Improvement Programme (QAIP).

##### 4. Recommendation

**It is recommended that the Internal Audit activity since the Audit and Risk Committee last met in June 2024 be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

#### 4.7 FI/AUD/03 CORPORATE RISK REGISTER

##### 1. Purpose

**The purpose of this report is for Members to note the updated Corporate Risk Register.**

##### 2. Introduction/Background

A report providing details of the Council's Corporate Risk Register, since the Audit and Risk Committee last met, is presented on a quarterly basis.

##### 3. Key Points

All Corporate risks have been reviewed and updated in line with the review and reporting timeframe.

In accordance with the reporting protocol, a report setting out the Corporate Risk Register and the changes made to risks, is **enclosed** for Members' review.

##### 4. Recommendation

**It is recommended that the updated Corporate Risk Register be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

## 4.8 FI/AUD/146 NATIONAL FRAUD INITIATIVE 2024-25

### 1. Purpose

**The purpose of this report is to note the National Fraud Initiative 2024-25 report.**

### 2. Introduction/Background

The National Fraud Initiative (NFI) is a data matching exercise designed to help participating bodies identify possible cases of fraud and detect and correct under or overpayments from the public purse.

### 3. Key Points

The Comptroller and Auditor General (C&AG) for Northern Ireland, head of the Northern Ireland Audit Office (NIAO), has statutory powers to conduct matching exercises for the purpose of assisting in the prevention and detection of fraud. These powers are contained in the Serious Crime Act 2007, which inserts Articles 4A to 4H to the Audit and Accountability (Northern Ireland) Order 2003.

The Council must participate in this exercise and supply the following information for matching to that of other public sector bodies to identify possible fraud or error:

1. Payroll – total payments made to current employees and members from 1 April 2024 to 30 September 2024; and
2. Trade Creditors payment history and standing data – payment history from 1 October 2021 to 30 September 2024 and the current Creditor information held at the date of date extract (from 1 October 2024).

Where a match is found, it indicates that there is an inconsistency that may require further investigation to establish what has caused the match and any further action that may be deemed necessary. Examples of possible matches are as follows:

- An employee with the Council who has a second employment with another Council or public body;
- An employee who is also a supplier to the Council or has been paid through Creditors;
- Suppliers who are associated with other suppliers, e.g. through address.

### Results notification and possible action

Data extracted will then be matched with other Public Sector datasets and prioritised into the order of how closely the dataset matches; matches will be available from January 2025.

The Council is responsible for investigating these matches. All matches will be considered by the Head Internal Audit, who will determine further action if appropriate including invocation of the Fraud Response Plan.

### Data Transfer

Datasets must be provided to the Cabinet Office (responsible for the collection and processing of data on behalf of the C&AG) from 1 October 2024. Finance staff, in conjunction with the Finance software developer, TechnologyOne, are working on the reports to extract the information in the format required.

A secure electronic upload facility is available enabling data for NFI to be submitted directly from local computers. This facility is contained within the existing secure NFI web application and consequently provides the same controlled access environment. It features an Advanced Encryption Standard (AES) 256 Secure Sockets Layer encryption and enables data files to be password protected. No other method of data transfer to the NFI is acceptable.

Access to the NFI website will be restricted to those officers deemed necessary by the Chief Executive.

### Participating bodies

Organisations participating in this exercise are those that provide data for the purposes of a data matching exercise, which may be on either a mandatory or voluntary basis.

Mandatory bodies are those bodies whose accounts are required to be audited by:

1. the Comptroller and Auditor General, except for bodies audited by the Comptroller and Auditor General by virtue of section 55 of the Northern Ireland Act 1998; or
2. a Local Government Auditor.

Since the Council's accounts are audited by a Local Government Auditor the Council must supply the required information.

Other mandatory participants include Central Government, Education Boards, and Health Trusts throughout the United Kingdom.

Further information is available on the Council's website at:

<http://www.antrimandnewtownabbey.gov.uk/Council/Procurement/National-Fraud-Initiative>

or by contacting Paul Caulcutt, Head of Internal Audit on 028 9446 3113 ext. 31395 or at [paul.caulcutt@antrimandnewtownabbey.gov.uk](mailto:paul.caulcutt@antrimandnewtownabbey.gov.uk).



#### **4. Recommendation**

**It is recommended that the National Fraud Initiative 2024-25 report be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

## 4.9 FI/AUD/01 NEW PUBLIC SECTOR INTERNAL AUDIT STANDARDS

### 1. Purpose

**The purpose of this report is for Members to note the New Public Sector Internal Audit Standards report.**

### 2. Introduction/Background

Section 6(1) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 states, 'a local government body must undertake an adequate and effective internal audit of its accounting records and of its system of risk management, internal control and governance processes using internal audit standards in force from time to time'.

At present, there is a statutory requirement for Internal Audit to work in accordance with the Public Sector Internal Audit Standards (PSIAS), which originally came into force in 2013, and was revised in 2017.

### 3. Key Points

The PSIAS are currently based on the International Professional Practice Framework (IPPF) and sets out the mandatory elements for Internal Audit within the UK Public Sector. They are issued under the authority of the Relevant Internal Audit Standard Setters (RIASS), of which CIPFA, HM Treasury and the Department of Finance for Northern Ireland are members.

In January 2025, new Global Internal Audit Standards (GIAS) are being implemented and will replace the IPPF.

The RIASS have agreed to use the new GIAS as the basis for internal auditing for the UK Public Sector and have asked the UK Public Sector Internal Auditing Standards Advisory Board (IASAB) to carry out a review of the GIAS with a view to developing new PSIAS suitable for UK Public Sector use.

The IASAB plans to hold an 8 week consultation in September and then prepare new Standards for application in the UK Public Sector later in 2024, with an effective date of 1 April 2025.

This will allow sufficient time for Internal Audit to prepare for implementation of the new Standards, ensuring conformance during 2025/26.

Further reports on the new PSIAS and their implementation will be brought to Members of the Committee as required.

### 4. Recommendation

**It is recommended that the New Public Sector Internal Audit Standards report be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance