



13 March 2025

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 Wednesday 19 March 2025 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:

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A G E N D A

1. APOLOGIES

2. DECLARATIONS OF INTEREST

3. ITEMS FOR DECISION

3.1 Review of the Effectiveness of the Audit and Risk Committee 2024/25

3.2 Internal Audit Charter

3.3 Internal Audit Plan 2025/26

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4.2 Corporate Performance and Improvement Plan 2024/25 - Quarter 3 Progress Report

4.3 Update on Audit and Risk Committee Actions

4.4 Internal Audit Update Report

4.5 Corporate Risk Register

4.6 National Fraud Initiative 2024/25

5. ANY OTHER RELEVANT BUSINESS

6. ITEM IN CONFIDENCE

6.1 Concerns Raised and Investigations Update

3 ITEMS FOR DECISION

3.1 FI/AUD/02 REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE 2024/25

1. Purpose

The purpose of this report is to obtain approval from Members on the outcomes of the review of the effectiveness of the Audit and Risk Committee and that these outcomes be reported to the June 2024 Council meeting.

2. Background

Members are reminded that CIPFA's Audit Committee – Practical Guidance for Local Authorities and Police, places a requirement on Audit Committees to “Report regularly on their work, and at least annually report an assessment of their performance”.

The guidance also provides a 'Self-Assessment of Good Practice' checklist and an 'Evaluating the Effectiveness of the Audit Committee' self-assessment checklist which enables the Committee to undertake and report on the assessment of their performance throughout the year.

3. Key Points

On 13 February 2025, Members of the Audit and Risk Committee participated in a self-assessment review of the Committee's performance throughout the year.

Members agreed the 'Self-Assessment of Good Practice' and the 'Evaluating the Effectiveness of the Audit Committee' checklists, with the outcomes of this review set out in the **enclosed** Review of the Effectiveness of the Audit and Risk Committee report.

This report, along with an Annual Report outlining the Audit and Risk Committee's activities during the year, will be reported to the June 2025 Council meeting as part of the year end reporting process.

4. Recommendation

It is recommended that the outcomes of the review of the effectiveness of the Audit and Risk Committee be approved and that these outcomes be reported to the June 2025 Council meeting.

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

3.2 FI/AUD/01 INTERNAL AUDIT CHARTER

1. Purpose

The purpose of this report is to obtain Members' approval for the Internal Audit Charter.

2. Background

The mandate for internal audit is set out in Section 6 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 which states:

“(1) 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 auditing standards in force from time to time.”

From 1 April 2025, the standards that will be in place for Internal Audit to follow are the Global Internal Audit Standards in the UK Public Sector.

These Standards place a requirement for Internal Audit to have in place an Internal Audit Charter that sets out Internal Audit's:

- Purpose for Internal Auditing.
- Commitment to adhering to the Global Internal Audit Standards in the UK Public Sector.
- Mandate for Internal Audit, including the scope and types of services to be provided.
- Organisational position and reporting relationships.

3. Key Points

The **enclosed** Internal Audit Charter has been developed in accordance with the Global Internal Audit Standards in the UK Public Sector and includes the required considerations as set out in Standard 6.2 – Internal Audit Charter.

Members are asked review the Charter and consider whether it enables Internal Audit to provide an effective internal audit function.

4. Recommendation

It is recommended that the Internal Audit Charter be approved.

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

3.3 FI/AUD/01 INTERNAL AUDIT PLAN 2025/26

1. Purpose

The purpose of this report is to obtain approval from Members on the Internal Audit Plan for 2025/26.

2. Background

The Head of Internal Audit is required to provide an annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The basis of this opinion will be the Internal Audit service provided during the year.

Due to the finite resources available, it is not possible to provide audit coverage of all aspects of the Council's activities annually.

A Strategic Audit Plan is therefore developed which sets out the audit coverage over a three year period, which in turn informs the Annual Audit Plans, based on the continuing assessment of risk and the views of Management and Members.

The current Strategic Audit Plan 2024-2027 was approved by the Audit and Risk Committee in March 2023 and forms the basis of the 2025/26 Internal Audit Plan.

3. Key Points

In preparation of the 2025/26 Internal Audit Plan, the Council's risk registers (Corporate and Service) have been updated, reviewed and assessed to take into account the change in risk profile.

This ensures the 2025/26 audit coverage is risk based and provides a sound basis for the provision of a robust annual internal audit opinion at the end of the year.

The Internal Audit Plan for 2025/26 (**enclosed**) has been consulted on and approved by the Corporate Leadership Team.

4. Recommendation

It is recommended that the Internal Audit Plan for 2025/26 be approved.

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

4 ITEMS FOR INFORMATION

4.1 FI/FIN/SOA/11 NIAO: AUDIT STRATEGY 2024/25

1. Purpose

The purpose of this report is for Members to note the Northern Ireland Audit Office's Audit Strategy 2024/25.

2. Introduction/Background

The Local Government Auditor is the independent external auditor of the Council's Statement of Accounts under the Local Government (Northern Ireland) Order 2005.

In addition to the audit of the financial statements, the Local Government Auditor has a statutory duty to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of its resources.

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

Each year, the Northern Ireland Audit Office, on behalf of the Local Government Auditor, issues their Audit Strategy (**to follow**) to the Chief Financial Officer and the Audit and Risk Committee.

3. Key Points

The Audit Strategy highlights:

- How the NIAO plan to audit the financial statements for the year ending 31 March 2025, including how they will be addressing significant risks of material misstatements to transactions and balances;
- How the NIAO plan to audit the proper arrangements in place for securing economy, efficiency and effectiveness in the use of resources for the year ending 31 March 2025;
- The planned timetable, fees and audit team;
- Relevant updates to the code;
- Matters which the NIAO are required to communicate under International Standards on Auditing, including the scope of the audit, the NIAO's respective responsibilities and how the NIAO maintain independence and objectivity; and

- Public Reporting work undertaken by the Local Government Auditor that is relevant to the Council.

4. Recommendation

It is recommended that the Northern Ireland Audit Office's Audit Strategy 2024/25 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/060 CORPORATE PERFORMANCE AND IMPROVEMENT PLAN 2024/25 QUARTER 3 PROGRESS REPORT

1. Purpose

The purpose of this report is to recommend to Members that the Corporate Performance and Improvement Plan 2024/25, Performance Progress Report Quarter 3 be noted.

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

Third 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 3 be noted.

Prepared by: Allen Templeton, Performance Improvement Officer

Agreed by: Lesley Millar, Head of Organisation Development

Approved by: Helen Hall, Director of Organisation Development (Interim)

4.3 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
March 2024			
4.5 INTERNAL AUDIT UPDATE REPORT			
(i)	The new Contract Review report to be provided to CLT, to also be provided to the Audit & Risk Committee.	In Progress Development of a contract review report has been paused pending the implementation of the Procurement Act 2023 on 24 February 2025. The implications of the Act are being considered to assess how we will manage, monitor and report on contracts, ensuring compliance with the Legislation, with the first contract reviews under the new Legislation due by the end of September 2025.	30/09/25
December 2024			
3.1 REVIEW OF THE EFFECTIVENESS OF THE AUDIT & RISK COMMITTEE			
(i)	A facilitated self-assessment session on the 13 February 2025 be approved.	Complete The facilitate self-assessment session took place on 13 February 2025.	N/A
4.2 NIAO: REPORT TO THOSE CHARGED WITH GOVERNANCE			
(i)	An update on the findings raised be provided to a future Committee.	In Progress An update on the agreed actions will be provided to the June Committee meeting.	30/06/25
4.7 CORPORATE PERFORMANCE AND IMPROVEMENT PLAN 2024/25 – QUARTER 2 PROGRESS REPORT			

Item	Action	Progress update	Anticipated Completion Date
(i)	Objectives to be linked to the strategic outcomes in the Corporate Plan and referenced in quarterly updates.	Complete Each indicator has been linked to one or more of the 6 Corporate Plan Objectives and this has been reflected in the Quarter 3 performance report.	N/A
4.10 CORPORATE RISK REGISTER			
(i)	Members' comments re: the arc21 risk be passed on to the Director of Sustainability.	Complete Members' comments were passed to the Director of Sustainability.	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

4.4 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 December 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 December 2024 be noted.

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

4.5 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

The review and update of the Corporate Risk Register by Directors has been completed and the updated risk register, agreed by the Corporate Leadership Team, 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

4.6 FI/AUD/146 NATIONAL FRAUD INITIATIVE 2024/25

1. Purpose

The purpose of this report is for Members to note the National Fraud Initiative 2024/25 methodology.

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

Members are reminded that in September 2024, the Committee was advised of the Council's participation in the National Fraud Initiative 2024/25 and that the required datasets for Payroll and Trade Creditors had been provided.

Data matches were released to Council of 20 December 2024 for Payroll and 23 January 2025 for Creditors.

Council is not expected to investigate every match. Instead an initial review of all the matches is to be undertaken, before deciding on those matches which warrant further investigation, based on risk.

To ensure an appropriate approach is adopted for the identification of matches for investigation, the **enclosed** methodology has been developed.

The results of the National Fraud Initiative 2024/25 exercise will be reported to the Corporate Leadership Team and the Audit and Risk Committee.

4. Recommendation

It is recommended that the National Fraud Initiative 2024/25 methodology be noted.

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

5 ANY OTHER RELEVANT BUSINESS

Any Other Relevant Business (AORB) may be taken at this point.