AUDIT AND RISK COMMITTEE ANNUAL REPORT 2025/26

Date: 2 June 2026

Contents

1 Summary of the role of the Audit and Risk Committee

The Audit and Risk Committee is a key component of Antrim and Newtownabbey Borough Council's Corporate Governance Framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Audit and Risk Committee is "to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The Committee's role in ensuring there is sufficient assurance over governance risk and control, gives greater confidence to all those charged with governance that those arrangements are effective.

The Committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability."

The functions of the Audit and Risk Committee are summarised in a Terms of Reference (appendix 1), which describe the arrangements in place to enable the Committee to operate independently, robustly and effectively. These functions are as follows:

1.1 Maintenance of governance, risk and control arrangements

- Support a comprehensive understanding of governance across the Council and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the Council's risk management arrangements. Understand the risk profile of the Council and seek assurances that active arrangements are in place on risk-based issues.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the Council's exposure to the risks of fraud and corruption.

1.2 Financial and governance reporting

- Be satisfied that the Council's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the Council's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory Statement of Accounts and any reports that accompany them.

1.3 Establishing appropriate and effective arrangements for audit and assurance

- In relation to the Council's internal audit functions:
  - Oversee its independence, objectivity, performance and conformance to professional standards.
  - Support effective arrangements for internal audit.
  - Promote the effective use of internal audit within the assurance framework.
- Consider the opinion, reports and recommendations of external audit and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- Contribute to the operations of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Consider the arrangements in place to secure adequate assurance across the Council's full range of operations and collaborations with other entities.
- Support effective relationships between the Council and all providers of assurance, audits and inspections, encouraging openness to challenge, review and accountability.

In addition to the above core functions, the Audit and Risk Committee also has responsibility for:

1.4 Performance improvement

- Review the adequacy and suitability of arrangements in place to secure continuous improvement of Council functions, providing assurance that such arrangements are operating effectively.
- Consider the quarterly Corporate Improvement Plan update reports, which will provide a progress update on the achievement of the Corporate Improvement Objectives.
- Consider the External Auditor's report on issues arising from the annual Improvement Audit and Assessment engagement.

1.5 Post project evaluations

- Review the adequacy and suitability of the arrangements in place for the completion of post project evaluations, ensuring projects are delivered in accordance with their business case.
- Consider the bi-annual update report on post project evaluations.

1.6 Other areas

The Committee will be provided with relevant information on other areas of Council business, as appropriate, to enable the Committee to fulfil its responsibility for assessing the adequacy of governance, risk and control arrangements as set out in this Terms of Reference.

2 Audit and Risk Committee attendance

2.1 Meetings

The Audit and Risk Committee met four times during 2025/26, as follows:

- 24 June 2025
- 16 September 2025
- 9 December 2025
- 18 March 2026

2.2 Committee member attendance

Members of the Audit and Risk Committee are appointed each year at the Annual Meeting. The Audit and Risk Committee membership for 2025/26 comprised:

- Councillor J McGrath (Chair) – all Committees
- Councillor M Goodman (Vice-Chair) – all Committees
- Alderman S Ross – all Committees
- Councillor A Bennington – September, December, March
- Councillor S Flanagan – June, September
- Councillor S Wilson - all Committees
- Ms A Neill (Independent Member) – all Committees

2.3 Non-Committee member attendance

In addition to the Committee members attending the Audit and Risk Committee, the following Non-Committee members attended throughout the year:

- Councillor B Webb - September 2025, March 2026
- Councillor A McAuley - March 2025

2.4 Other attendees

The following officers and other individuals attended meetings of the Audit and Risk Committee throughout the year:

- Director of Finance & Governance – June, September, December
- Director of Organisation Development (Interim) – all Committees
- Director of Finance – March
- Director of Sustainability - September
- Director of Estates & Recreation - December
- Deputy Director of Finance – June, September, December
- Head of Internal Audit – all Committees
- Head of Finance – June, September, December
- Head of Human Resources – June, September
- Head of ICT – September
- Member Services Officers – all Committees
- ICT Systems Support Officers – all Committees
- Representatives of the Northern Ireland Audit Office – all Committees

3 Governance / Accountability Arrangements

Council is kept informed of the work of the Audit and Risk Committee through the presentation and approval / ratification of the Minutes of each meeting.

For 2025/26, the Audit and Risk Committee has considered its own effectiveness, including an assessment of good practice, against the principles and guidance set out in The Chartered Institute of Public Finance and Accountancy's (CIPFA) Audit Committee – Practical Guidance for Local Authorities and Police 2022.

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

The Audit and Risk Committee approved these outcomes in March 2026 and the reporting of those outcomes, along with this Annual Report, to the June 2026 Council meeting.

4 Activities in respect of 2025/26

4.1 Governance, risk and control

- Throughout the year:
  - Considered the progress of Actions agreed at previous Audit and Risk Committees.
  - Reviewed and considered the quarterly update reports on the development and changes of the Council's Corporate Risk Register.
  - Considered concerns raised and other investigations as reported to the Committee.
- In June 2025:
  - Reviewed and approved the Audit & Risk Committee Annual Report 2024/25.
  - Considered the NIAO's Effective Audit and Risk Assurance Committees – A Good Practice Guide.
  - Reviewed the Review of the Effectiveness of the System of Internal Control for 2024/25.
- In September 2025:
  - Reviewed and considered a report on the completion of National Fraud Initiative 2024/25.
  - Considered the NIAO's report on major IT projects in Northern Ireland.
  - Considered the NIPSO's findings on the Environmental Health investigations into odour nuisance.
- In December 2025:
  - Agreed the approach for the 2025/26 Review of the Effectiveness of the Audit and Risk Committee.
  - Considered an update report on the National Fraud Initiative 2024/25.
  - Considered the updated Code of Governance.
- In March 2026
  - Agreed the outcomes of the 2025/26 Review of the Effectiveness of the Audit and Risk Committee and approved the reporting of the outcomes to the June 2025 Council meeting.
  - Considered the updated Risk Management Policy.

4.2 Financial and governance reporting

- June 2025:
  - Considered the draft 2024/25 Annual Governance Statement.
  - Considered the draft Statement of Accounts 2024/25.
- In September 2025:
  - Reviewed and approved the final 2024/25 Annual Governance Statement.
  - Reviewed and approved the audited Statement of Accounts for Antrim and Newtownabbey Borough Council for the Year Ended 31 March 2025.
  - Considered the NIAO draft Report to Those Charged with Governance 2024/25.
  - Considered an update report on actions taken in relation to the audit recommendations made by the NIAO in the 2023/24 Report to Those Charged with Governance.
- In December 2025:
  - Considered the NIAO Annual Audit Letter 2024/25.
  - Considered the NIAO final Report to Those Charged with Governance 2024/25.
  - Noted the change in the designation of the Local Government Auditor.
- In March 2026
  - Considered the NIAO Audit of 2025/26 Statement of Accounts - Audit Strategy.

4.3 Appropriate and effective arrangements for audit and assurance

- Throughout the year:
  - Considered Internal Audit Update Reports, including summary progress against the plan, actions arising from reviews undertaken and progress made in the implementation of actions.
  - Monitored the Quality Assurance and Improvement Programme progress for 2025/26.
- In June 2025:
  - Considered the Internal Audit Annual Report 2024/25, including the Quality Assurance and Improvement Programme for 2024/25.
  - Considered the introduction of the new Internal Audit Support Services contract.

- In September 2025:
  - Considered the new progress update on the actions from the Equality Screening and Rural Impact Needs Assessment audit.
- In December 2025:
  - Considered and approved the draft Internal Audit Strategy 2026-2030 for consultation.
  - Considered the gap analysis and action plan following assessment of conformance with the Global Internal Audit Standards in the UK Public Sector.
- In March 2026:
  - Reviewed and approved the Internal Audit Strategy 2026-2030.
  - Considered and approved the change to the Internal Audit Plan 2025/26.
  - Reviewed and approved the Internal Audit Plan 2026/27.

4.4 Performance improvement

- Throughout the year:
  - Considered the quarterly progress updates on the Council's Corporate Performance and Improvement Plan 2025/26.
- In June 2025:
  - Considered the quarter 4 progress update on the Council's Corporate Performance and Improvement Plan 2024/25.
  - Considered the Corporate Performance and Improvement Plan 2025/26.
  - Considered the Performance Governance Arrangements 2025/26.
- In September 2025:
  - Considered the 2024/25 Annual Self-Assessment Report on Performance.
- In December 2025:
  - Considered the NIAO's Performance Improvement Audit and Assessment Report 2025/26.

4.5 Other areas

- In September 2025
  - Considered a report on Cyber Security arrangements.
  - Considered the revised Post Project Evaluation reporting process.

4.6 Accountability arrangements

The Minutes of each Audit and Risk Committee are presented to, considered and ratified by Full Council.

5 Conclusion

The Audit and Risk Committee considers that it has discharged its responsibilities in full as set out in the Audit and Risk Committee Terms of Reference (Appendix 1) for the 2025/26 financial year.

The Committee's view of the effectiveness of the system of internal control is informed by the assurances provided through the work of the internal auditors, the external auditors in their Report to those Charged with Governance, and by the work of the Chief Executive and the Corporate Leadership Team who have responsibility for the development and operation of the internal control framework.

The Committee is satisfied that throughout the year there was ongoing progress made in relation to control actions agreed with Internal Audit and that management had due regard to the implementation of these actions.

The Committee is satisfied that the System of Internal Control in operation throughout the year is satisfactory and that there have been no material breaches of internal control brought to the attention of the Committee by either management, internal audit or external audit.

The Committee is satisfied that there are effective risk management processes and procedures in place.

The Committee is satisfied that both the internal auditors and the external auditors provide effective independent challenge to management.

Appendix 1 – Audit and Risk Terms of Reference

Purpose

The Audit and Risk Committee is a key component of Antrim and Newtownabbey Borough Council's Corporate Governance Framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose[1] of the Audit and Risk Committee is:

"To provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring there is sufficient assurance over governance risk and control, gives greater confidence to all those charged with governance that those arrangements are effective.

The Committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability."

The CIPFA 2022 Position Statement sets out the core functions of the Audit and Risk Committee, with the Terms of Reference summarising these functions, describing the arrangements in place to enable the Committee to operate independently, robustly and effectively.

Responsibilities

The core functions of the Audit and Risk Committee fall into three categories:

1. <u>Maintenance of governance, risk and control arrangements</u>

- Support a comprehensive understanding of governance across the Council and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the Council's risk management arrangements. Understand the risk profile of the Council and seek assurances that active arrangements are in place on risk-based issues.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the Council's exposure to the risks of fraud and corruption.

2. <u>Financial and governance reporting</u>

- Be satisfied that the Council's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions

[1] CIPFA – Audit Committees Practical Guidance for Local Authorities and Police (2022)

required to improve it, and demonstrate how governance supports the achievement of the Council's objectives.

- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

3. <u>Establishing appropriate and effective arrangements for audit and assurance</u>

- In relation to the Council's internal audit functions:

  - Oversee its independence, objectivity, performance and conformance to professional standards.

  - Support effective arrangements for internal audit.

  - Promote the effective use of internal audit within the assurance framework.

- Consider the opinion, reports and recommendations of external audit and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.

- Contribute to the operations of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.

- Consider the arrangements in place to secure adequate assurance across the Council's full range of operations and collaborations with other entities.

- Support effective relationships between the Council and all providers of assurance, audits and inspections, encouraging openness to challenge, review and accountability.

Wider Responsibilities

In addition to the core functions, the Committee also has responsibility for overseeing:

1. <u>Performance Improvement</u>

- Review the adequacy and suitability of arrangements in place to secure continuous improvement of Council functions, providing assurance that such arrangements are operating effectively.

- Consider the quarterly Corporate Improvement Plan update reports, which will provide a progress update on the achievement of the Corporate Improvement Objectives.

- Consider the External Auditor's report on issues arising from the annual Improvement Audit and Assessment engagement.

2. Post Project Evaluations

- Review the adequacy and suitability of the arrangements in place for the completion of post project evaluations, ensuring projects are delivered in accordance with their business case.

- Consider the bi-annual update report on post project evaluations.

3. Other Areas

The Committee will be provided with relevant information on other areas of Council business as appropriate, to enable the Committee to fulfil its responsibility for assessing the adequacy of governance, risk and control arrangements as set out in this Terms of Reference.

Membership

The Committee will comprise six Members of Council appointed using the Quota of Greatest Remainder (QGR) as provided for within Schedule 2 of the Local Government (Northern Ireland) Act 2014.

Council has also recruited an Independent Member to the Committee in accordance with the CIPFA – Audit Committees Practical Guidance for Local Authorities and Police 2022.

The Committee will have a Chair and Deputy Chair appointed by the Council at its Annual General Meeting as positions of responsibility under Part 3 of the Local Government (NI) Act 2014.

Meetings

Business shall not be transacted unless a quorum is present.

As per the Council's Standing Orders the quorum for the Committee is one-half of the whole number of Members of the Committee.

The Committee will normally meet quarterly on the third Tuesday of that month at 6:30pm except when this falls within a recess period agreed by Council.

All meetings of the Committee will be governed by the Council's Standing Orders.

The Committee may ask any other officer of the Council to attend to assist it with any discussions on a particular matter.