Audit and Risk Committee Annual Report 2024/25

For presentation to: Council

30 June 2025

Date of issue: 28 April 2025

Antrim and Newtownabbey BOROUGH COUNCIL

Contents

1 Introduction

2 Activities in respect of 2024/25

3 Conclusion

Appendices

1. Introduction

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 core functions of the Audit and Risk Committee are summarised in a Terms of Reference Appendix 1, which describe the arrangements in place to enable it to operate independently, robustly and effectively. These core functions fall into three categories:

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. Introduction

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 statements of account and any reports that accompany them.

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; and

  - 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.

1. Introduction

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

1. 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.

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.

1. Introduction

Composition of the Audit and Risk Committee

Members of the Audit and Risk Committee are appointed each year at the Annual Meeting. The Audit and Risk Committee membership for 2024/25 comprised:

- Councillor S Ward(Chair)
- Councillor A Bennington (Vice-Chair)
- Councillor M Goodman
- Councillor B Mallon
- Councillor A McAuley
- Councillor S Wilson
- Ms A Neill (Independent Member)

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 (June 2024; September 2024; December 2024)
- Councillor M Brady (September 2024)

1. Introduction

Other Attendees

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

- Director of Finance and Governance
- Director of Organisation Development (Interim)
- Director of Parks & Leisure
- Director of Sustainability
- Deputy Director of Finance
- Head of Internal Audit
- Head of Finance
- Head of Organisation Development
- Head of ICT
- Head of Human Resources (Interim)
- Audit and Risk Officer
- Member Services Officer
- ICT System Support Officers
- Representatives of the Northern Ireland Audit Office

1. Introduction

Meetings

The Audit and Risk Committee met four times during 2024/25, as follows:

- 18 June 2024
- 17 September 2024
- 10 December 2024
- 19 March 2025

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 2024/25, the Audit and Risk Committee has considered its own effectiveness, including an assessment of good practice. The Audit and Risk Committee used 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.

In February 2025, Members of the Audit and Risk Committee undertook a self-assessment review of the performance of the Committee during 2024/25. This self assessment was completed using the CIPFA 'Self-Assessment of Good Practice' and 'Evaluating the Effectiveness of the Audit Committee' checklists.

The Audit and Risk Committee approved the outcomes of this review in March 2025 and the reporting of those outcomes, along with this Annual Report, to the June 2025 Council meeting.

2. Activities in Respect of 2024/25

The Audit and Risk Committee undertook the following activities in respect to its Terms of Reference during 2024/25:

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 2024:
  - Reviewed and approved the Audit & Risk Committee Annual Report 2023/24.
  - Reviewed the Review of the Effectiveness of the System of Internal Control for 2023/24.
- In September 2024:
  - Reviewed and considered a report on the Council's participation in the National Fraud Initiative 2024/25.
- In December 2024:
  - Agreed the approach for the 2024/25 Review of the Effectiveness of the Audit and Risk Committee.
  - Considered the National Fraud Imitative in Northern Ireland 2024 report.
  - Considered the updated Code of Governance.

2. Activities in Respect of 2024/25

- In March 2025
  - Agreed the outcomes of the 2024/25 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 National Fraud Initiative 2024/25 Methodology.

2. Financial and Governance Reporting

- In June 2024:
  - Considered the draft 2023/24 Annual Governance Statement.
  - Considered the draft Financial Statement 2023/24.
- In September 2024:
  - Reviewed and approved the final 2023/24 Annual Governance Statement.
  - Reviewed and approved the audited Financial Statements for Antrim and Newtownabbey Borough Council for the Year Ended 31 March 2024.
  - Considered the NIAO draft Report to Those Charged with Governance 2023/24.
- In December 2024:
  - Considered the NIAO final Report to Those Charged with Governance 2023/24.
  - Considered the NIAO Annual Audit Letter 2023/24.
  - Considered the NIAO Local Government Auditor's Report 2024

2. Activities in Respect of 2024/25

- In March 2025:
  - Considered the NIAO Audit of 2024/25 Statement of Accounts - Audit Strategy.

3. Appropriate and Effective Arrangements for Audit and Assurance

- Throughout the year:
  - Considered Internal Audit Update Reports, including a summary of 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 2024/25.
- In June 2024:
  - Reviewed and approved the updated Internal Audit Plan 2024/25.
  - Considered the Internal Audit Annual Report 2023/24.
  - Considered the Quality Assurance and Improvement Programme for 2023/24.
- In September 2024:
  - Considered the new Global Internal Audit Standard in the UK Public Sector.
- In March 2025:
  - Reviewed and approved the new Internal Audit Charter
  - Reviewed and approved the Internal Audit Plan 2025/26.

2. Activities in Respect of 2024/25

4. Performance Improvement

- Throughout the year:
  - Considered the quarterly progress updates presented on the Council's Corporate Performance and Improvement Plan 2024/25.
- In June 2024:
  - Considered the Corporate Performance and Improvement Plan 2024/25
  - Considered the Performance Governance Arrangements 2024/25.
- In September 2024:
  - Considered the 2023/24 Annual Self-Assessment Report on Performance.
  - Considered the update timetable for the Corporate Performance and Improvement Plan 2024/25.
- In December 2024:
  - Considered the NIAO Performance Improvement Audit and Assessment Report 2024/25.

5. Other Areas

- In June 2024:
  - Considered an update report on Post Project Evaluations Schedule

2. Activities in Respect of 2024/25

- In September 2024:
  - Considered a report on Cyber Security arrangements
- In December 2024:
  - Considered the NIPSO: Ombudsman's Report 2023/24 (December
  - Considered Northern Ireland Local Government Commissioner for Standards: Commissioner's Report 2023/24.

6. Accountability Arrangements

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

3. Conclusion

The Audit and Risk Committee considers that for the 2024/25 financial year, it has discharged its responsibilities in full as set out in the Audit and Risk Committee Terms of Reference **Appendix 1**.

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 maintenance 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 and / or Internal / 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.

Appendices

Appendix 1: Audit and Risk Committee Terms of Reference

Appendix 1: Audit and Risk Committee 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.

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

Appendix 1: Audit and Risk Committee Terms of Reference

- 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. 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 statements of account and any reports that accompany them.

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; and

  - 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.

Appendix 1: Audit and Risk Committee Terms of Reference

- 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. 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.

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.

Appendix 1: Audit and Risk Committee Terms of Reference

Membership

The Committee will comprise of 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.

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 meet normally 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.