Draft Report to those charged with Governance

Causeway Coast and Glens Borough Council
2025-26

Date of Issue

14 September 2026

Contents

We have prepared this report for Causeway Coast and Glens Borough Council's sole use. You must not disclose it to any third party, quote or refer to it, without our written consent and we assume no responsibility to any other person.

1. Key Messages

This report summarises the key matters from our audit of the 2025-26 Causeway Coast and Glens Borough Council financial statements which we must report to the Audit and Risk Assurance Committee, as those charged with governance. We would like to thank Chief Financial Officer and their staff for their assistance during the audit process.

Proposed Audit Opinion

Subject to the satisfactory completion of our audit procedures, it is proposed that the Local Government Auditor (LGA) will report on the 2025-26 financial statements with an unqualified audit opinion, without modification.

Proposed Audit Certificate

It is also proposed that, the Local Government Auditor will certify completion of the audit of accounts of the Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice. The audit certificate closes the audit and marks the point when the Local Government Auditor's statutory responsibilities in respect of the audit of the accounts for the period covered by the certificate have been discharged.

The Audit Certificate is included at Appendix Two.

Misstatements

Financial Statement Adjustments
The net effect of adjustments on the Comprehensive Income and Expenditure Statement and Balance Sheet was £555,657.

Uncorrected misstatements
There were no uncorrected misstatements identified during the audit process.

Audit Findings

During the audit, we obtained an understanding of the system of internal control, including information systems relevant to financial reporting, to the extent necessary to design appropriate audit procedures. We have not identified any priority one recommendations in relation to the internal control environment.

Full details of findings are included at Findings from the Audit.

Proper Arrangements

Under the Local Government (Northern Ireland) Order 2005, the Local Government Auditor should be satisfied that a Council has in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. A questionnaire was issued and completed by the Council. We have reviewed the responses and the supporting documentation and are satisfied overall that Causeway Coast and Glens Borough Council has in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Status of the Audit

While our audit is well progressed, it remains ongoing. The following areas are still being audited, with some documentation outstanding:

- Property, Plant and Equipment (PPE)
- Receivables
- Payables
- Provisions
- Contingent liabilities
- Related parties

Following satisfactory resolution and completion of these outstanding issues and audit areas, along with associated management review, we will request the Chief Financial Officer signs the Statement of Accounts together with a letter of representation, the proposed wording of which is included at Appendix One.

The total audit fee charged is in line with that set out in our Audit Strategy.

Independence

We consider that we comply with the Financial Reporting Council (FRC) Ethical Standard and that, in our professional judgement, we are independent and our objectivity is not compromised.

Management of information and personal data

Causeway Coast and Glens Borough Council is required to comply with the General Data Protection Regulation (GDPR) in the handling and storage of personal data. Those Charged with Governance should ensure they have made sufficient enquiries of management to form a view on whether there were any significant specific data incidents which should be disclosed in the Governance Statement. We are unaware of any data handling incidents during the year. Confirmation to this effect has been sought within the letter of representation included at Appendix One.

During the course of our audit, we have access to personal data to support our audit testing. We have established processes to hold this data securely within encrypted files and to destroy it where relevant at the conclusion of our audit. We consider that these arrangements are consistent with the responsibilities communicated to you, and with our obligations under the GDPR and the Data Protection Act 2018 in the context of the audit engagement.

Performance Improvement

The outcome from our work in respect of Part 12 of the Local Government Act (Northern Ireland) 2014 on Performance Improvement will be reported separately to those charged with governance, as set out in the timetable in the 2025-26 Audit Strategy.

Actions for the Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee should:

- Review the findings set out in this report, including the draft letter of representation and audit certificate at Appendices One and Two respectively.

2. Audit Scope

We have completed our audit of the 2025-26 financial statements in accordance with International Standards on Auditing (UK) (ISAs) issued by the Financial Reporting Council; with Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'; and with the Audit Strategy presented to the Audit and Risk Assurance Committee in March 2026.

There are no new matters to communicate concerning the planned scope and timing of the audit.

3. Significant Risks

The significant risks identified in our Audit Strategy have been addressed as follows:

Significant Risk 1

Management override of controls

Under ISA (UK) 240, there is a presumed significant risk of material misstatement due to fraud through management override of controls.

Audit Response

As required by ISA (UK) 240, we:

- tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- reviewed accounting estimates for biases and evaluated whether the circumstances producing the bias, if any, represented a risk of material misstatement due to fraud; and
- considered significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual.

Outcome

No significant issues in relation to management override of controls were identified.

Other Matters

Procurement

Previous audits have highlighted recurring concerns regarding the Council’s procurement arrangements, including instances where procurement policies and procedures were not consistently applied and where documentation did not demonstrate full compliance, transparency, or value for money.

As part of the 2025–26 audit, we assessed whether the Council has strengthened its procurement framework and addressed the issues previously reported.

Outcome

Our audit work found that the Council has strengthened its procurement framework through the implementation of revised procurement procedures and policies. A new Procurement Policy was introduced in March 2025 and subsequently updated in May 2025 to reflect the requirements of the Procurement Act 2023, which came into effect in February 2025, which also revised the procurement control limits as approved by the Northern Ireland Executive for the wider public sector. In addition, the Council has procured and implemented a new Procurement Portal to support the management and award of tender opportunities.

Audit testing did not identify any significant issues, with the procurement activity reviewed generally supported by appropriate documentation and evidence of compliance with the Council's policies and procedures. Consequently, no significant concerns were identified in relation to procurement arrangements during the current audit.

Extended Producer Responsibility (EPR) Scheme

In 2025-26, all Local Authorities in Northern Ireland received funding under the Extended Producer Responsibility (EPR) initiative. This scheme requires UK organisation and businesses to pay fees based on the packaging they supply to or import into the UK market, with the resulting income intended to support the efficient management of household packaging waste.

In 2025-26, the Council has received £4.8 million in EPR funding. The statutory purpose of this funding is to cover the Council's net efficient costs incurred in the efficient management of household packaging waste.

During our audit, we reviewed the grant conditions issued by DEFRA/DAERA and assessed whether the Council had appropriately recognised, classified, and disclosed this income in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

We identified that the Council has recognised the full grant income of £4.8 million received within the Comprehensive Income and Expenditure Statement. However, only £3.2m of the EPR funding had been matched to waste management expenditure in year (£1.0m revenue and £2.2m capital for the purchase of new bin lorries). In the draft accounts provided for audit, the Council transferred the remaining £1.6m to an earmarked reserve (Waste Management Reserve) within the General Fund specified reserves, to be utilised for the future acquisition of waste collection vehicles. We are currently assessing the adequacy of this treatment.

Outcome

[text]

No additional significant risks were identified during our audit fieldwork.

4. Findings from the Audit

Financial Reporting

As part of our audit, we evaluate the qualitative aspects of accounting practices and financial reporting. In this section we draw to your attention any significant changes or issues in respect of accounting policies; accounting estimates; and financial statement disclosures.

Causeway Coast and Glens Borough Council has processes in place for the production of the accounts and continue to produce good quality supporting working papers. Officers dealt efficiently with audit queries, effectively prioritising them, and the audit process has been completed within the planned timescales.

Accounting Policies

The accounting policies adopted by the Council have not changed from those applied in the prior year financial statements. We considered the impact of new and amended accounting requirements applicable in the current year and concluded that these have not resulted in any material changes to the Council's accounting policies or financial statements. Our substantive testing has provided sufficient assurance over the accuracy of the estimates adopted.

Accounting Estimates

We examined the appropriateness of accounting estimates and judgements and are content with the consistency of assumptions and the degree of prudence reflected in the recorded amounts.

Financial Statement Disclosures

We have made a number of suggestions to improve narrative disclosures and to ensure completeness of the disclosures required under the Code of Practice on Local Authority Accounting and other relevant guidance.

Going Concern

No events or conditions were identified from our audit work that cast significant doubt about Causeway Coast and Glens Borough Council's ability to continue to adopt the going concern basis of accounting. However, as outlined in Finding 7, we have recommended that management strengthen and formalise the documentation supporting its assessment of the Council's ability to continue as a going concern.

Narrative Report

The Narrative Report was considered to be consistent with our understanding of the business and was in line with the other information provided in the financial statements.

Remuneration Report

Following a number of amendments, we were satisfied that the audited elements of the Remuneration Report were considered to be properly prepared in accordance with Department for Communities (DfC) directions issued under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

Governance Statement

Our review of the Governance Statement confirmed that it complies with the Code of Practice and the Department for Communities' Accounts Direction. We provided management with a number of observations and suggested changes to improve the narrative and completeness of disclosures within the Governance Statement.

With respect to Finding 2 below, Council should consider whether the HMRC penalty notice should be disclosed in the Governance Statement.

Legality, Propriety and Losses

We found no issues in relation to illegality, impropriety or losses during our audit.

Internal Control

No material weaknesses in the design and implementation of the Council's internal control systems have come to our attention during the audit. However, certain internal control weaknesses were identified during audit testing and have been detailed below.

Related Parties

No significant matters were arising during the audit in connection with Causeway Coast and Glens Borough Council's related parties.

Audit Recommendations

This section outlines the findings arising from our audit, as well as management's response and target date for implementation. Our findings are defined as:

- **Priority 1** – significant issues for the attention of senior management which may have the potential to result in material weakness in internal control.
- **Priority 2** – important issues to be addressed by management in their areas of responsibility.
- **Priority 3** – issues of a more minor nature which represent best practice.

Finding 1

Issues with the draft Financial Statements

Our review of the draft financial statements identified numerous errors and omissions which should have been detected and corrected through management's financial reporting and quality assurance processes prior to submission for audit. The issues identified included:

- Prior year comparative figures were not correctly carried forward into the current year's financial statements (Notes 4, 11, 12, 13, 18, 19, 21 and 28).
- Several notes to the financial statements were either incomplete or not appropriately updated from the prior year accounts (Notes 6a, 11c, 13, 29a and 29b).
- There were departures from the accounts proforma prescribed within the Accounts Direction (MIRSs placement within the Prime Financial statements and narrative included in Note 1b, Note 2c).
- A number of material adjustments were made to the draft accounts submitted for audit. These included:
    - several client adjustments processed by the Council after the draft financial statements had been submitted for audit, which were not communicated promptly to the audit team. This limited audit visibility over changes made to the financial statements and supporting disclosures (see Section 5 listed below).
    - Several audit adjustments, including £2.0 million of grant funding relating to the construction of the new leisure centre in Ballycastle that had been incorrectly classified within Deferred Revenue Grants since 2022-23. Correcting this long-standing misclassification resulted in both a material current year adjustment and a prior period adjustment to the financial statements.

As referenced on page 9, several amendments were also required to the Remuneration Report, many of which were similar to those identified in the previous year's audit. This indicates that prior audit findings had not been fully embedded within the accounts preparation process, and combined with the points above highlights weaknesses in the review and quality control arrangements supporting the preparation of the financial statements.

Priority Rating

2

Recommendation

The Council should strengthen its year-end financial reporting procedures by:

- Implementing a documented pre-submission quality assurance review of the financial statements against the Accounts Direction and applicable accounting standards;
- Ensuring all prior year figures are accurately reflected in the current year's financial statements and that any restatements are clearly disclosed and explained;
- Reviewing previous audit amendments and findings as part of the accounts preparation process to ensure recurring issues are addressed;
- Completing a comprehensive disclosure checklist to verify that all notes and supporting disclosures are complete and appropriately referenced;
- Ensuring compliance with the prescribed accounts proforma unless departures are appropriately considered, documented and justified; and
- Establishing a formal process for notifying the audit team of any amendments made to the financial statements following their submission for audit, particularly where the amendments are material.
- Assessing grant agreements and conditions upon receipt to determine the appropriate accounting treatment and classification within the financial statements. A periodic review of grant balances should also be undertaken to confirm continued appropriateness of classification.

Management Response (including target date)

[text]

Finding 2

VAT Control and Review Procedures

Audit testing of the year-end VAT debtor balance of £1,575,069.50 identified an unreconciled difference of £9,974.93. Management advised that this balance related to historic journal entries posted through the VAT control account that were not included in VAT returns and may have accumulated over several years. However, management was unable to provide a detailed breakdown or supporting documentation to substantiate the nature, accuracy and recoverability of the balance.

In addition, our audit identified that the Council received a suspended penalty from HMRC of £129,431.55 in August 2026 arising from inaccuracies in VAT returns submitted in previous periods. The penalty has been suspended for a period of one year, subject to the Council meeting specified conditions. The issue originated from a manual input error whereby output tax of £862,877 was recorded instead of £8,628.77. Although the original error was subsequently identified and corrected, the corresponding reversal was not accurately reflected in a later VAT return.

These findings indicate that controls surrounding VAT reconciliations and returns are not operating effectively. Consequently, there is an increased risk of inaccurate VAT reporting, unsupported balances remaining within the accounting records, financial penalties being incurred, and reputational damage to the Council.

Priority Rating

2

Recommendation

The Council should strengthen its VAT control framework by:

- Performing regular reconciliations of VAT control accounts and promptly investigating and resolving all reconciling differences.
- Maintaining adequate supporting documentation for all balances and journal entries processed through VAT control accounts.
- Implementing a documented independent review of VAT returns prior to submission, including scrutiny of unusual balances, significant adjustments and negative VAT return positions.
- Periodically reviewing historic VAT balances to ensure they remain accurate, valid and recoverable.

Finding 3

Landfill Provision

In the prior year Report to Those Charged with Governance, audit noted that the Craigahulliar landfill provision was based on a report prepared by the Council's specialist dating from 2019, prior to the closure of the landfill site. Whilst management had adjusted the provision to reflect costs not included within the original report, audit recommended that the Council obtain an updated assessment from an appropriately qualified expert to ensure the provision remained adequate and reflected current site conditions and closure requirements.

Under IAS 37, provisions should be reviewed annually and updated to reflect the current best estimate of the expenditure required to settle the obligation. As the existing assessment predates the closure of the site, there is a risk that changes in site conditions, remediation requirements, inflation and other cost assumptions may not be fully reflected in the provision.

During the 2025-26 audit, we followed up on progress against this recommendation. Management advised that the appointment of a specialist has been put out to tender, with two companies submitting bids. Site visits have been undertaken, or are scheduled to be undertaken, as part of the procurement process. However, due to the timing of this exercise, it is unlikely that an updated expert assessment will be available before completion of the 2025-26 audit.

[DN: we are also considering the principle of this for the other landfill sites. Audit work in this area is ongoing, any potential impact on the audit opinion will be considered on completion of the work.]

Priority Rating

2

Recommendation

The Council should complete the procurement process and obtain an updated specialist assessment of the Craigahulliar landfill site at the earliest opportunity. Management should review the findings of the updated report and reassess the adequacy of the provision, ensuring that any required changes are reflected in future financial statements.

Management Response (including target date)

[text]

Finding 4

Assets not revalued at year end

Our review of the fixed asset register and the assets included within the Land and Property Services (LPS) valuation exercise identified that 28 assets (or partial assets) with a combined Closing Cost of £4.8million were omitted from the valuation exercise at 31 March 2026. These mostly relate to play parks and playing fields, although they also include some small parcels of land and other small buildings.

This issue was also reported in the prior year (Closing Costs £7.0m) and therefore represents a repeat finding. The continued omission of assets from the valuation process increases the risk that property, plant and equipment is not valued in accordance with the applicable accounting framework and that asset values reported in the financial statements may be materially misstated.

The recurrence of this issue indicates that controls designed to ensure the completeness and accuracy of information provided to LPS for valuation purposes are not operating effectively. Management should strengthen the asset identification and reconciliation process to ensure that all relevant assets recorded in the fixed asset register are included within future valuation exercises.

As audit work in this area is ongoing, any potential impact on the audit opinion will be considered on completion of the work.

Priority Rating

2

Recommendation

Management should implement a formal reconciliation between the fixed asset register and the asset listing submitted for valuation. This reconciliation should be independently reviewed and evidenced prior to the commencement of each valuation exercise to ensure all eligible assets are included and repeat omissions are prevented.

Management Response (including target date)

[text]

IT Audit Finding 5

IT systems control weaknesses

Our review identified opportunities to strengthen key IT control arrangements across the Council's financial systems. Specifically:

- **User access management:** User access requests are generally processed via email rather than through a standardised and documented process. In addition, periodic reviews of user access rights are not performed consistently across all financial systems, and evidence of such reviews is not always retained. This increases the risk of inappropriate access being granted or retained without adequate oversight.
- **Monitoring of privileged user activity:** There is limited monitoring of activities performed by privileged users within financial IT applications. In the absence of formal review processes, there is an increased risk that inappropriate or unauthorised changes to standing data, user permissions or system configurations could occur and remain undetected.

Priority Rating

2

Recommendation

Management should strengthen IT control arrangements across financial systems by addressing the following areas:

- **User access management:** A formal and consistent approach to user access management should be implemented across all relevant financial systems. This should include the use of standardised access request forms (or equivalent workflows), regular reviews of user access rights, confirmation of access appropriateness by line managers where necessary, and retention of evidence demonstrating that reviews have been completed.

- **Monitoring of privileged user activity:** Logs of privileged user activity should be maintained and reviewed regularly to identify any inappropriate, unauthorised or unusual activity. This review should extend to privileged access held by third-party suppliers where applicable.

Management Response (including target date)

[text]

Finding 6
Cash income controls

Testing of cash handling and income controls across Roe Valley Leisure Centre, Sheskburn Recreation Centre, Jim Watts Sports Centre, Drumaheglis Marina and Rathlin Harbour identified a number of control weaknesses. However, the nature and significance of issues identified varied between locations.

Within the leisure centre facilities, a centralised cash handling and income control framework has been established and, based on our testing, appears to be operating effectively in the majority of cases. Exceptions identified were generally isolated administrative errors, including transcription mistakes, omissions in supporting documentation and incomplete preparer/checker evidence. While these matters weaken the audit trail and increase the risk of errors remaining undetected, they did not indicate a systemic failure of the overall control framework.

In contrast, more significant weaknesses were identified within the harbour and marina operations. Unlike the leisure centres, no formalised or standardised income control procedures were in place across Drumaheglis Marina and Rathlin Harbour. As a result, practices varied between locations and key controls were not consistently evidenced, increasing the risk of income being inaccurately recorded, discrepancies remaining undetected, and income not being fully traceable from collection through to lodgement and accounting records.

Drumaheglis Marina

- Daily returns were not always signed by the responsible officer, lodgement records were incomplete and lodgement information was not routinely provided to Finance.
- Multiple instances were identified where Z reports were unavailable or amounts recorded on cash sheets did not agree to supporting documentation.

Rathlin Harbour

- Incomplete lodgement information prevented income from being fully traced through to bank records.

Drumaheglis Marina and Rathlin Harbour

- No formalised or standardised income control procedures were in place, resulting in inconsistent practices across harbour and marina operations.

Whilst the monetary value of discrepancies identified during testing was not significant, the absence of standardised procedures and complete supporting records within the harbour and marina operations presents a higher control risk than the administrative exceptions identified within the leisure centres. In particular, weaknesses in record keeping, reconciliation processes and lodgement documentation increase the risk of incomplete audit trails, difficulties in tracing income from receipt to bank lodgement, and delays in identifying potential errors or irregularities.

Priority Rating

3

Recommendation

Council should review and strengthen income collection and cash handling arrangements across all operational sites to ensure a consistent and robust control framework is in place. This should include documented procedures covering the preparation and review of cash reconciliations, retention of supporting documentation, accurate recording of lodgement information, and timely communication of lodgement details to Finance.

Particular attention should be given to harbour and marina operations, where formal income control procedures should be developed and aligned, where practical, with those operating within leisure facilities. Management should also reinforce the requirement for preparer and independent reviewer sign-off on all cash records and implement periodic supervisory checks to ensure procedures are being applied consistently and that a complete audit trail exists from income collection through to bank lodgement and financial recording.

Management Response (including target date)

[text]

Finding 7

Assumptions used in building control inspections deferred income model

The deferred income calculation for Building Control inspection fees (2025-26 - £125k) is based on a number of key assumptions, including the average inspection fee, the proportion of inspections incomplete at year-end and the average stage of completion of outstanding inspections.

During the audit, management were unable to provide documented analysis or historical evidence to support these assumptions or demonstrate that they have been formally reviewed and validated. The assumptions are largely based on management experience and judgement. In addition, no retrospective assessment has been undertaken to compare assumptions used in prior years against actual inspection completion trends.

Priority Rating

3

Recommendation

Management should undertake an annual review of the assumptions used within the Building Control deferred income model and retain appropriate supporting evidence. This should include:

- Analysis of actual fees charged during the year to support the average fee assumption;
- Review of inspection completion data to assess the appropriateness of completion assumptions;
- Retrospective comparison of prior-year estimates against actual outcomes; and
- Documentation of the rationale supporting key assumptions applied in the calculation.

This would strengthen the robustness, transparency and auditability of the deferred income estimate and reduce reliance on unsupported management judgement.

Management Response (including target date)

[text]

Finding 8

Management Assessment of Going Concern

The assessment prepared by management to support the going concern basis of accounting is insufficiently developed and lacks adequate narrative explanation and supporting evidence. While the assessment includes a number of financial indicators and numerical data, it does not clearly explain how management has evaluated the significance of those figures, the assumptions underpinning the assessment, or the conclusions reached.

In particular, the assessment does not:

- Clearly document management's consideration of the local authority's financial position, liquidity, and funding arrangements.
- Explain the rationale for concluding that the organisation remains a going concern.
- Set out the key assumptions used in forecasts, budgets, and medium-term financial plans.
- Demonstrate consideration of potential risks and uncertainties that could impact future service delivery or financial sustainability.
- Provide evidence of challenge, review, and approval by those charged with governance.

As a result, there is insufficient documented evidence to demonstrate that management has undertaken a robust and comprehensive assessment of the authority's ability to continue operating and providing services for the foreseeable future.

Priority Rating

3

Recommendation

Management should strengthen its annual going concern assessment by preparing a comprehensive assessment document that clearly explains:

- The basis for concluding that the authority remains a going concern.
- The key financial and operational assumptions underpinning the assessment.
- Consideration of current and forecast budget positions, reserves, cash flow requirements, borrowing arrangements, and funding streams.
- Significant risks, uncertainties, and mitigating actions.
- Stress testing or scenario analysis where appropriate.
- How management has considered relevant local government guidance and future financial sustainability.
- The review and approval process undertaken by senior management and those charged with governance.

The assessment should contain sufficient narrative and supporting evidence to demonstrate a robust evaluation rather than relying primarily on the presentation of financial data.

Management Response (including target date)

[text]

Finding 9

Governance and Oversight

Our audit identified opportunities to strengthen governance and management oversight arrangements in relation to the timely resolution of outstanding control matters.

- Bank reconciliations: Our review of bank reconciliations identified a number of long-outstanding cheques totalling £1,279 that had remained uncleared for more than six months, with no documented evidence of periodic review or resolution.

- Business Continuity Plan: Our review of the Proper Arrangements Questionnaire identified that the Business Continuity Plan has not been updated to reflect the implementation of the new Payroll system that came into effect on 1 April 2025. As a result, the Plan may not accurately document the arrangements and procedures required to maintain payroll services in the event of a disruption.

- Internal Audit Recommendations: In addition, our review of the Governance Statement highlighted that a number of agreed audit recommendations remained outstanding beyond their original implementation dates.

While none of these issues were individually significant, they indicate scope to strengthen management oversight and follow-up processes to ensure control matters are reviewed, tracked and resolved on a timely basis.

Priority Rating

3

Recommendation

Management should strengthen governance and oversight arrangements to ensure outstanding control matters are identified, monitored and resolved on a timely basis. In particular:

- Bank reconciliations: A formal process should be established to review aged reconciling items, including outstanding cheques. Items that remain uncleared for extended periods should be investigated, supported by documented evidence, and appropriately cleared, cancelled or reissued where necessary.
- Business Continuity Plan: Management should review and update the Business Continuity Plan to reflect the payroll software implemented on 1 April 2025. The Plan should be amended to document the revised payroll processes, key system dependencies, recovery procedures, and staff responsibilities to ensure that payroll services can be maintained effectively in the event of a disruption. Furthermore, arrangements should be established to ensure the Business Continuity Plan is reviewed and updated following any significant system or process changes.
- Internal Audit recommendations: Arrangements for monitoring implementation of Internal Audit recommendations should be strengthened through clear ownership, realistic target dates, regular progress reporting and escalation of overdue actions. This will help ensure agreed control improvements are implemented within the intended timeframe and that identified risks are addressed promptly.

Management Response (including target date)

[text]

Proper Arrangements

Under the Local Government (Northern Ireland) Order 2005, the Local Government Auditor should be satisfied that a Council has in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are satisfied that the Council has in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

5. Misstatements

Adjusted misstatements

During the audit process we identified the following misstatements above our clearly trivial threshold of £68,000. These misstatements have been adjusted and the net effect on the Comprehensive Income and Expenditure Statement and Balance sheet was (£555,657) of which £752,269 relate to audit adjustments and (£1,307,926) relate to Causeway Coast and Glens Borough Council (CCGBC) adjustments.

ISSUE	AREA	CIES DEBIT / (CREDIT) £	Balance Sheet DEBIT / (CREDIT) £
NIAO audit adjustments			
Additional EPR Capital grant release per Council Committee	Capital Grants Receipts in Advance - Additions		(98,607)
	Capital Grants Receipts in Advance – Release		98,607
	Income – Government Revenue Grant	98,607	
	Taxation & Non-specific Grant income	(98,607)	
Adjustment re capital grant release	Unusable Reserves - Applied Capital Grants CAA		(98,607)
	Useable Reserves – T/fer to/from Capital Adjustment Account		98,607
	Useable reserves – T/fer to/from Waste Management Reserve		(98,607)

ISSUE	AREA	CIES DEBIT / (CREDIT) £	Balance Sheet DEBIT / (CREDIT) £
	Useable Reserves – Waste Management from General Funds		98,607
Reclassification deferred revenue grant	Capital Grants received in Advance – Additions Capital Grants received in Advance – Op Bal Short term creditors – Deferred Revenue grants		2,396,795 (2,000,796) (395,999)
Reduction in market value of Giant's Causeway	Financing and Investment income and Expenditure Property, Plant & Equipment – Movement in fair value of Investment Property	933,700	 (933,700)
Reserve movement re Giant Causeway Market Value	Unusable Reserves – T/fer from General Fund Useable Reserves – T/fer to Investment Property RR		933,700 (933,700)
Accrual for interest earned on short term investments	Income – Investment Prepayments and accrued income	(181,431)	 181,431
Reclassification of Cash and Cash Equivalents to Short Term Investments	Cash – Short term deposits classed as cash equivalents Short term investments - additions		(7,000,000) 7,000,000
TOTAL FOR ALL NIAO ERRORS IDENTIFIED		**752,269**	**(752,269)**

ISSUE	AREA	CIES DEBIT / (CREDIT) £	Balance Sheet DEBIT / (CREDIT) £
CCGBC client adjustments to draft accounts			
Correction of project	Gross Expenditure	(8,928)	
	Property Plant and Equipment - Disposal		8,928
	Unusable Reserves - Capital Adjustment Account		(8,928)
	Useable Reserves - General Fund		8,928
Correction of duplicated accrual	Short Term Creditors - Accruals and Other		161,271
	Gross Expenditure	(161,271)	
LPS Valuation fee estimate	Short Term Creditors – Accruals and Other deferred income		(39,000)
	Gross Expenditure	39,000	
Recategorisation of remaining deferred revenue grant balances	Short Term Creditors – Deferred Revenue Grants		250,000
	Short Terms Creditors – Accruals and Other		(250,000)
Release of Portrush Recreation Ground (PRG) identified in deferred revenue	Taxation and Non-Specific Grant Income	(1,176,727)	
	Capital Grants Received in Advance		1,176,727

ISSUE	AREA	CIES DEBIT / (CREDIT) £	Balance Sheet DEBIT / (CREDIT) £
Reserve movement re PRG grant release	Unusable Reserves – Capital Adjustment Account Useable Reserves – General Fund		(1,176,727) 1,176,727
TOTAL FOR ALL CCGBC ADJUSTMENTS		**(1,307,926)**	**1,307,926**
TOTAL		**(555,657)**	**555,657**

Uncorrected misstatements

The table below lists unadjusted misstatements which exceed our clearly trivial threshold of £68,000. Uncorrected misstatements would increase income and decrease net assets by a further £109,019.

ISSUE	AREA	CIES DEBIT / (CREDIT) £	Balance Sheet DEBIT / (CREDIT) £
NIAO audit adjustments			
Old deferred revenue balances no longer required	Income – Government Revenue Grant	(109,019)	
	Deferred Revenue Grants		109,019

We recommend that uncorrected misstatements, other than projected errors, be corrected by Causeway Coast and Glens Borough Council.

Appendix One – Letter of Representation

[Client Letterhead]

The Local Government Auditor
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

Letter of Representation: Causeway Coast and Glens Borough Council 31 March 2026

As Chief Financial Officer of the Causeway Coast and Glens Borough Council, I have fulfilled my responsibility for preparing accounts that give a true and fair view of the state of affairs, total income and expenditure, cash flows, and movements in reserves; and the related notes of the Causeway Coast and Glens Borough Council for the year ended 31 March 2026.

In preparing the accounts, I was required to:

- observe the accounts direction issued by the Department for Communities (DfC), including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclosed and explain any material departures in the accounts; and
- make an assessment that Causeway Coast and Glens Borough Council is a going concern and will continue to be in operation throughout the next year; and ensure that this has been appropriately disclosed in the financial statements.

I confirm that for the financial year ended 31 March 2026:

- having considered and enquired as to Causeway Coast and Glens Borough Council's compliance with law and regulations, I am not aware of any actual or potential non-compliance that could have a material effect on the ability of the Council to conduct its business or on the results and Balance Sheet disclosed in the accounts;

- all accounting records have been provided to you for the purpose of your audit and all transactions undertaken by Causeway Coast and Glens Borough Council have been properly recorded and reflected in the accounting records. All other records and related information, including minutes of all management meetings which you have requested have been supplied to you; and
- the information provided regarding the identification of related parties is complete; and the related party disclosures in the financial statements are adequate.

All material accounting policies as adopted are detailed in note 1 to the accounts.

Internal Control

I have fulfilled my responsibility as Chief Financial Officer for the design and implementation of internal controls to prevent and detect error and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated.

I confirm that I have reviewed the effectiveness of the system of internal control and that the disclosures I have made are in accordance with DfC guidance on the Governance Statement.

Fraud

I have fulfilled my responsibility as Chief Financial Officer for the design and implementation of internal controls to prevent and detect fraud and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated as a result of fraud.

I am not aware of any fraud or suspected fraud affecting the Causeway Coast and Glens Borough Council and no allegations of fraud or suspected fraud affecting the financial statements has been communicated to me by employees, former employees, analysts, regulators or others.

Assets

GENERAL

All assets included in the Balance Sheet were in existence at the reporting period date and owned by Causeway Coast and Glens Borough Council and free from any lien, encumbrance or charge, except as disclosed in the accounts. The Balance Sheet includes all tangible assets owned by the Council.

ASSETS SOLD AT LESS THAN MARKET VALUE

For any assets sold at less than market value, DfC approval has been received.

NON CURRENT ASSETS

All assets capable of being used for a period exceeding one year are capitalised. Land and Property assets are revalued on a 5-year rolling basis with 20% of assets being subject to a physical valuation each year and ensuring that the remaining 80% does not differ materially by providing up to date revaluations at intervals of no more than 5 years. Depreciation is calculated to reduce the net book amount of each asset to its estimated residual value by the end of its estimated useful life in the Council's operations.

OTHER CURRENT ASSETS

On realisation in the ordinary course of the Causeway Coast and Glens Borough Council's operations the other current assets in the Balance Sheet are expected to produce at least the amounts at which they are stated. Adequate provision has been made against all amounts owing to the Council which are known, or may be expected, to be irrecoverable.

Liabilities

GENERAL

All liabilities have been recorded in the Balance Sheet.

There were no significant losses in the year and no provisions for losses were required at the year end.

All litigation and claims have been disclosed to you and correctly accounted for.

PROVISIONS

Provision is made in the financial statements for:

- Landfill provision of £9.9 million

- **Crosstagherty[DN: section to be updated prior to certification]**
  As regards Crosstagherty there are no major pollution concerns. I consider the period of 30 years for which the provision has been made for aftercare to be appropriate and represents management's best estimate.

- **Drumaduff**

Whilst there is a lagoon with leachate at Drumaduff, due to the existence of a natural weed-bed there are currently no major pollution concerns. Further negotiations are on-going in respect of obtaining ownership of this site and we are content that the estimated cost of back rent due of £265,400 is reasonable. I consider the period of 30 years for which the provision has been made for aftercare to be appropriate and represents management's best estimate. I consider that the costs of vesting of the land on which the landfill is sited will not be material.

- **Craigahulliar**
  I consider the period of 60 years for which the provision has been made for aftercare to be appropriate and represents management's best estimate.

I am content that the landfill provision of £9.9 million is a reliable estimate, based on current information of the estimated capping and closure costs for the three landfill sites.

CONTINGENT LIABILITIES

There are a number of legal claims or potential claims against the Council the outcome of which cannot at present be estimated with certainty. Full provision is made in the financial statements for all liabilities which are expected to materialise.

I am not aware of any pending litigation which may result in significant loss to the Council, and I am not aware of any action which is or may be brought against the Council under the Insolvency (Northern Ireland) Order 1989 and the Insolvency (Northern Ireland) Order 2005

Actuarial Valuation of the Council's Pension Scheme Liability

The overall net pension liability as at 31 March 2026 is £243k. This represents the liability for the unfunded part of the pension scheme.

To comply with accounting standards, the net pension asset of £12,220k as at 31 March 2026, for the funded part of the pension scheme, has been restricted to the asset ceiling of nil. The loss in value has been recognised as adjustments within Other Comprehensive Income and Expenditure (Remeasurements of the Net Defined Benefit Asset/ Liability) 2025-26 (£3,860k); 2024-25 (£501k).

Having made appropriate enquiries, I am satisfied with the appropriateness of the actuarial assumptions underlying the valuation of the Council's share of the valuation of the pension scheme liability.

Furthermore, I confirm that:

- All significant retirement benefits, including any arrangements that are implicit in the employer's actions, have been identified and properly accounted for; and
- All settlements and curtailments have been identified and properly accounted for.

Other Disclosures

RESULTS

Except as disclosed in the accounts, the results for the year were not materially affected by transactions of a sort not usually undertaken by Causeway Coast and Glens Borough Council, or circumstances of an exceptional or non-recurring nature.

UNCORRECTED MISSTATEMENTS

No uncorrected misstatements have been brought to my attention.

EVENTS AFTER THE REPORTING PERIOD

Except as disclosed in the accounts, there have been no material changes since the reporting period date affecting liabilities and commitments, and no events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should have been brought to notice.

ACCOUNTING ESTIMATES

The methods, significant assumptions and the data used in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement or disclosure that is in accordance with the financial reporting framework.

MANAGEMENT OF PERSONAL DATA

Except as disclosed in the Governance Statement, there have been no personal data related incidents in 2025-26 which are required to be reported.

INVESTMENTS

The Council uses brokers (King & Shaxson and ICAP) to facilitate the arrangement of direct loan transactions with other UK local authorities and banks. The value of these loans within the 2025/26 Statement of

Accounts totals £22,000,000. There is no formal documented agreement between the Council and the borrowing Council/bank. The Council has assessed the risk of these loans as low and does not foresee any issue with recoverability.

David Jackson

Chief Executive

Causeway Coast and Glens Borough Council

September 2026

Appendix Two – Audit Certificate

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAUSEWAY COAST AND GLENS BOROUGH COUNCIL

Opinion on financial statements

I have audited the financial statements of Causeway Coast and Glens Borough Council for the year ended 31 March 2026 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom supported by UK adopted international accounting standards.

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26, of the financial position of Causeway Coast and Glens Borough Council as of 31 March 2026 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Causeway Coast and Glens Borough Council in accordance with the ethical requirements of the Financial Reporting Council's Ethical Standard and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Causeway Coast and Glens Borough Council’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Causeway Coast and Glens Borough Council 's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Causeway Coast and Glens Borough Council is adopted in consideration of the requirements set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26, under which financial statements are prepared on a going concern basis on the assumption that the functions of the authority will continue in operational existence for the foreseeable future.

My responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Statement of Accounts other than the financial statements, the parts of the Remuneration Report described in that report as having been audited, and my audit certificate and report. The Chief Financial Officer is responsible for the other information included in the Statement of Accounts. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities' directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Statement of Accounts for the financial year ended 31 March 2026 is consistent with the financial statement.

Matters on which I report by exception

In light of the knowledge and understanding of Causeway Coast and Glens Borough Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Statement of Accounts.

I have nothing to report in respect of the following matters which I report to you if:

- in my opinion:
    - the Annual Governance Statement:
        - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26;
        - does not comply with proper practices specified by the Department for Communities;
        - is misleading or inconsistent with other information I am aware of from my audit; or
    - adequate accounting records have not been kept; or
    - certain disclosures of remuneration required by the Department for Communities' directions are not made, or the Statement of Accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
    - I have not received all of the information and explanations I require for my audit, or
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or

- I exercise the other special powers of the auditor under Articles 19 to 21 of the Local Government (Northern Ireland) Order 2005.

Responsibilities of the Chief Financial Officer for the financial statements

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, and in accordance with the applicable financial reporting framework, the Chief Financial Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Chief Financial Officer determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing Causeway Coast and Glens Borough Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting on the assumption that the functions of Causeway Coast and Glens Borough Council will continue in operational existence for the foreseeable future, unless the Chief Financial Officer anticipates that the services provided by Causeway Coast and Glens Borough Council will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to Causeway Coast and Glens Borough Council through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Local Government (Northern Ireland) Order 2025;
- making enquiries of management and those charged with governance on Causeway Coast and Glens Borough Council's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to fraud, their assessment of the risk of material misstatement due to fraud, and their knowledge of actual, suspected and alleged fraud;
- completing risk assessment procedures to assess the susceptibility of Causeway Coast and Glens Borough Council's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
    - performing analytical procedures to identify unusual or unexpected relationships or movements;
    - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;

- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business; and

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

This report is made solely to the Members of Causeway Coast and Glens Borough Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities of the Local Government Auditor and Local Government Bodies.

Certificate

I certify that I have completed the audit of accounts of Causeway Coast and Glens Borough Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

Brian O'Neill
Local Government Auditor
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

September 2026

Northern Ireland Audit Office

Conor McGeown
Director

David Jackson
Chief Executive
Causeway Coast and Glens Borough Council
Cloonavin
66 Portstewart Road
Coleraine
BT52 1EY

14 September 2026

Dear David,

Causeway Coast and Glens Borough Council: Audit of Accounts for the year ended 31 March 2026 – Draft Report to those charged with Governance

I have attached a draft Report to those charged with Governance setting out the provisional findings from our audit of the Causeway Coast and Glens Borough Council's financial statements for the year ended 31 March 2026. The Key Messages section in the report outlines the current status of the audit.

Following finalisation of the audit we will issue the report to you in final form. If you have any queries on the matters raised in the Report to those charged with Governance, I would be happy to discuss them with you if you would find that helpful.

You will appreciate that our work, which was conducted in accordance with International Standards on Auditing (UK) (ISAs), is designed primarily for the purpose of forming an opinion on the financial statements and included only a limited review of your accounting systems and procedures. Therefore, our work may not have brought to light all the weaknesses that may exist, and our findings should not be seen as comprehensive in this respect.

I would like to take this opportunity to thank you and your staff for the assistance and co-operation received throughout the audit. I would be grateful if the report was tabled at the upcoming Audit Panel where I will be happy to present its contents.

May I take this opportunity to thank you and your staff for their assistance and co-operation received throughout the audit.

Yours sincerely,

[redacted]

Conor McGeown
Director

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