

# **Audit Strategy**

**Causeway Coast and Glens Borough Council**  
2025-2026

**Date**

11 March 2026

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*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

## Background

The Local Government Auditor is the independent external auditor of Causeway Coast and Glens Borough Council's ("the Council") Statement of Accounts under the Local Government (Northern Ireland) Order 2005. In addition to the audit of the financial statements, the Local Government Auditor has a statutory duty to be satisfied the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of its resources.

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

## Purpose

The purpose of this document is to highlight to the Chief Financial Officer and Audit Committee of Causeway Coast and Glens Borough Council:

- how we, on behalf of the Local Government Auditor (LGA), [plan to audit](#) the financial statements for the year ending 31 March 2026, including how we will be addressing [significant risks](#) of material misstatement to transactions and balances;
- how we, on behalf of the LGA, plan to audit the [proper arrangements](#) in place for securing economy, efficiency and effectiveness in the use of resources for the year ending 31 March 2026;
- how we, on behalf of the LGA, plan to conduct an improvement audit and assessment;
- the planned [timetable, fees and audit team](#);
- relevant updates to the Code;
- matters which we are required to communicate to you under International Standards on Auditing (ISAs), including the [scope of the audit](#), our [respective responsibilities](#), and [how we maintain independence and objectivity](#); and
- [Public Reporting](#) work undertaken by the LGA, and/or the Comptroller and Auditor General that is relevant to Causeway Coast and Glens Borough Council.

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## Materiality

When setting materiality, we consider both qualitative and quantitative aspects that would reasonably influence the decisions of users of the financial statements. [The overall account materiality](#) is £1,710,000.

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## Significant Audit Risks

We plan our audit of the financial statements to respond to the risks of material misstatement at both the financial statement and assertion levels, including those related to transactions, account balances, and disclosures. We have identified the following [risk](#) for the Council which have the most significant impact on our audit approach:

- Management override of controls

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## Proper Arrangements

We have issued a questionnaire on proper arrangements to the Council. We will review the Council's responses and perform additional work in areas considered to be higher risk. The main financial audit work will also feed into the risk assessment and conclusions of arrangements in place.

Conclusions regarding proper arrangements will be noted in the Report to those charged with Governance including any recommendations for improvement.

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## Performance Improvement

The LGA will undertake a full assessment of whether the Council is likely to comply with its performance improvement responsibilities under the Act in 2026. In preparation for this, the Council should ensure that:

- it has established adequate performance improvement arrangements;
  - it has substantive evidence to demonstrate improvement; and
  - it has addressed any outstanding Proposals for Improvement made by the LGA in previous years.
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## **Audit Team and Fee**

Conor McGeown will be responsible for the overall audit. The full engagement team is presented in [Section 4](#).

Our audit [fee](#) for this year is £81,500 for the financial audit and £19,500 for the performance improvement audit and assessment.

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## **Actions for the Audit Committee**

The Audit Committee should discuss:

- whether our assessment of the risks of material misstatement to the financial statements is complete;
- whether management has plans in place to address the risks identified by NIAO and whether these plans are adequate;
- our proposed audit response to address these risks; and
- whether they have knowledge of any
  - actual, suspected or alleged fraud affecting Causeway Coast and Glens Borough Council; orinstances of non-compliance with laws and regulations that could be expected to have a fundamental effect on the operations of Causeway Coast and Glens Borough Council.

## 2. Materiality

<b>BASIS FOR OVERALL MATERIALITY CALCULATION</b>	<b>OVERALL ACCOUNT MATERIALITY (2%)</b>	<b>ERROR REPORTING THRESHOLD</b>
£ 85,599,000 total operating expenditure as per the prior year financial statements 2024-25	£1,712,000	We report to you all misstatements, whether adjusted or unadjusted, above £68,000

A matter is material if its omission or misstatement, individually or in aggregate, could reasonably be expected to influence the decisions of the users of the financial statements. The assessment of what is material is a matter of the auditor's professional judgement and includes consideration of both the amount and the nature of misstatement.

The concept of materiality recognises that absolute accuracy in financial statements is rarely possible. An audit is therefore designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. We apply this concept in planning and performing our audit, in evaluating the effect of identified misstatements on our audit and of uncorrected misstatements, if any, on the financial statements when forming the audit opinion. This includes the statistical evaluation of errors found in samples which are individually below the materiality threshold but which, when extrapolated, suggest material error in an overall population. As the audit progresses our assessment of both quantitative and qualitative materiality may change.

In areas where users are particularly sensitive to inaccuracy or omission, we may treat misstatements as material even below the principal threshold. These areas include:

- the remuneration and staff report;
- movement on reserves;
- our audit fee;
- prior year figures; and
- specific legal settlements or amounts which should be agreed to other accounts.

## **3. Audit Approach**

### **Audit Approach**

The NIAO audit approach is risk-based, informed by a good understanding of the operations of Causeway Coast and Glens Borough Council and the performance of extensive risk assessment procedures to identify risks of material misstatement associated with the financial statements and the use of IT in financial reporting. For each risk of material misstatement identified, we will design responsive audit approaches at the financial statement and audit assertion levels as appropriate using a variety of audit techniques. These will include using the work of experts, testing how management has made accounting estimates, analytical procedures and sampling of transactions. We will review management controls, including IT controls, operated by Causeway Coast and Glens Borough Council, that are relevant to the preparation of the financial statements, to the extent necessary to identify and assess risks of material misstatement and risks of material irregularity, and to design appropriate audit procedures. We plan the audit as a continuous process, incorporating updated requirements under the ISAs (UK), ensuring alignment with quality management standards and applying professional scepticism throughout.

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### **Independence**

We are independent of Causeway Coast and Glens Borough Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard. We have fulfilled our ethical responsibilities in accordance with these requirements and have developed important safeguards and procedures in order to ensure our independence and objectivity.

NIAO quality standards and independence can be found [on our website](#).

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### **Management of Personal Data**

During the course of our audit, we have access to personal data to support our audit testing. The NIAO has appointed a Data Protection Officer and has implemented a Data Protection Policy which ensures that

personal data (and other sensitive data) used in connection with the audit is requested, transferred, controlled, processed and destroyed in accordance with the General Data Protection Regulation and applicable national law.

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## **Using the work of Internal Audit**

We liaise closely with internal audit throughout the audit process and seek to take assurance from their work where their objectives cover areas of joint interest.

Our review of Internal Audit's plans and reports will inform our own risk assessment, corroborate our audit judgements, and inform our views on the proper arrangements in place to secure economy, efficiency and effectiveness. We do not currently intend to take assurance from their work although we will keep this in view as the audit progresses.

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## **Using Specialised Skills**

We will rely on the work of the following:

- Land and Property Services (LPS) in respect of the valuation of the land and buildings;
  - The external valuers report in respect of landfill site valuations; and
  - The actuary in respect of the pension valuation.
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## **Changes to the Code of Practice in 2025-26**

Substantial and significant accounting changes have been made to the 2025-26 Code of practice as a result of HM Treasury's Thematic Review on Non-Investment Assets. The main changes and sections impacted are set out on pages vii and viii of the code. Other key changes and updates in the 2025-26 edition of the Code include:

- Section 3.7 has been updated to reflect the change in content of the annual governance statement following the publication of Delivering Good Governance in Local Government: Framework – Addendum covering the annual review of governance and the annual governance statement (2025).
- Section 4.2 has been updated to remove the transitional arrangements for the implementation of IFRS 16 Leases and to reflect IPSAS 43 Leases becoming applicable from 1 January 2025.

- Section 4.3 has been updated to remove the transitional arrangements for the implementation of IFRS 16 Leases.
  - A minor update to Section 4.10 to reflect IPSAS 45 Property, Plant and Equipment becoming applicable from 1 January 2025.
  - Appendix A of the Code has been updated to reflect the adoption of IFRS 17 and amendments to IAS 21.
  - Confirmation in Appendix C (Changes in accounting policies: disclosures in the 2024/25 and 2025/26 financial statements) of the transitional reporting requirements of the new standards introduced in the 2025/26 Code.
  - Confirmation in Appendix D (New or amended standards introduced to the 2025/26 Code) of the new standards introduced to the 2025/26 Code.
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## **Audit Scope**

The scope of our audit and respective responsibilities can be found [on our website](#).

The Code of Audit Practice issued by the Local Government Auditor extends to not only the audit of financial statements but also to aspects of financial and corporate arrangements to secure the economic, efficient and effective use of resources. The Code can also be viewed on the NIAO website at [Code of Audit Practice \(Local Government\)](#).

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## **Respective Responsibilities in the preparation of the financial statements**

In line with Auditing Standards, we are required to agree the respective responsibilities of the Local Government Auditor, the Council's Chief Financial Officer and the NIAO. These responsibilities are set out in the Statement of Responsibilities of Local Government Auditors and Local Government Bodies issued by the Local Government Auditor. The Statement of Responsibilities can be viewed on the NIAO website at [Statement of responsibilities of Local Government Auditor and Local Government Bodies](#).

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

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## **Proper Arrangements in place to secure economy, efficiency and effectiveness**

Under the Code of Audit Practice, we are also required to perform an initial assessment of significant risks to the conclusion on proper arrangements in place to secure economy, efficiency, and effectiveness in the use of its resources.

We have issued a Proper Arrangements Questionnaire to the Council. We will review the Council's responses and the documentary evidence provided in support of the responses. We will follow-up on recommendations for improvement identified in previous years.

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## **Performance Improvement**

The Local Government (Northern Ireland) Act 2014 prescribes responsibilities for the Local Government Auditor regarding the audit and assessment of performance improvement arrangements in Councils. This work will be conducted in accordance with the Act, the Guidance, the Local Government Code of Audit Practice 2026 and the LGA's Statement of Responsibilities, and includes:

- an improvement audit for the purposes of determining:
  - whether the Council has, during the year, discharged its duties under section 92 of the Act; and
  - the extent to which the Council has, during the year, acted in accordance with any guidance issued by the Department about any Council duties under section 92;
- an improvement assessment for the purpose of determining whether the Council is likely, during the year, to comply with the requirements of Part 12 of the Act;
- issuing a report, or reports, in respect of the Council to the Council and the Department, under section 95 of the Act; and
- producing and publishing an annual improvement report under section 97 of the Act.

The Act also allows the LGA to:

- carry out an assessment for the purpose of determining whether the Council is likely to comply with the requirements of Part 12 of the Act in subsequent financial years; and
- carry out a special inspection of the Council's compliance with the requirements of Part 12 if the LGA is of the opinion that the Council may fail to comply with the requirements of Part 12 of the Act.

The audit team will request access to all relevant documents and Council officers. Sharing our 'audit work programme' in advance of the audit will assist the Council in preparing for the audit fieldwork. We suggest the Council prepares a file of audit evidence in advance of the fieldwork stage, cross referenced to specific paragraphs or sections of the documents providing the necessary evidence. This should help us deliver a more efficient audit.

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## **Significant Audit Risks**

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's judgement, requires special audit consideration.

Under ISA (UK) 240, there is a presumed risk of fraud in revenue recognition, albeit rebuttable. We do not believe the risk of fraud in revenue recognition is material to the financial statements.

However, our work will include identifying income streams received in the form of cash, the controls in place over cash and cyclical testing of the main income areas.

As part of our work to develop our audit plan, we have identified the following significant risks of material misstatement and our approach to address these risks.

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### **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.

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### **Audit Response**

As required by ISA (UK) 240, we will:

- test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;

- review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud; and
  - consider significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual.
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## **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 will undertake targeted work to assess whether the Council has strengthened its procurement framework and addressed the issues previously reported.

### **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.

To date, the Council has received £3.6 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.

However, the specific grant conditions, restrictions, or clawback mechanisms associated with this funding have not been fully clarified. As part of our audit, we will review the grant conditions issued by DEFRA/DAERA and assess whether the Council has appropriately recognised, classified, and disclosed this income in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

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## 4. Audit Timetable, Fees and Staffing

### Timetable for Financial Audit

The timetable comprises an interim visit commencing on 20th July 2026 with certification planned for 30th September 2026.

<b>MILESTONE</b>	<b>ESTIMATED DATE</b>
<b>Planning Meeting</b>	25 February 2026
<b>Final audit testing commences</b>	20 July 2026
<b>Draft Report to those charged with governance issued</b>	11 September 2026
<b>Audit Committee meeting to approve final accounts</b>	16 September 2026
<b>Signed financial statements and Letter of Representation provided to NIAO</b>	22 September 2026
<b>Financial Statements certified by LGA</b>	30 September 2026
<b>Final Report to those charged with governance issued</b>	31 October 2026
<b>Annual Audit Letter issued</b>	30 November 2026

## **Submission of Accounts**

The Council is required to submit its accounts to the Department for Communities by 30 June following the year end. The Council should also send an electronic version of the accounts, along with the excel spreadsheet underpinning them, to NIAO at the same time as being sent to the Department.

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## **Public Notice**

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 requires the Council to give notice, by publication on its website, of the date from which the accounts and other documents are available for public inspection and the date from which the exercise of rights under Article 17 and 18 of the Order may be exercised. In the current audit timeframe, notice should be placed on websites in early July. The LGA usually writes to councils closer to the time to remind them of this requirement as the audit of the accounts cannot be certified as being completed until the notice period has been executed in full.

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## **Objections**

The 2005 Order allows objections to be raised from interested parties concerning the Council's accounts. We will hear and carefully consider representations by, and objections from, any such interested parties. In conducting our audit, we may consider the lawfulness of items of account, the conduct of members and officers, instances where it appears a loss may have arisen and our other statutory duties required of the Local Government Auditor.

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## Improvement Audit and Assessment Timetable

MILESTONE	ESTIMATED DATE
<b>Council publishes Performance Improvement Plan</b>	Not later than 30 June 2026*
<b>NIAO Planning and Fieldwork</b>	August to October 2026
<b>Council to publish an assessment and comparison of its performance</b>	No later than 30 September 2026
<b>Draft S95 report issued to Chief Financial Officer for factual accuracy agreement</b>	14 November 2026
<b>Final S95 report issued to the Council and the Department</b>	30 November 2026
<b>Publication of Council's Annual Improvement Report</b>	No later than 31 March 2027

\* The Act indicates that councils should publish their Performance Improvement Plan as soon as practical after the start of the financial year to which it relates. The Guidance recommends this is completed by the end of June to enable the LGA to meet the statutory reporting deadline of 30th November.

### Fees

The audit fee for this year is £81,500 for the financial audit and £19,500 for the performance improvement audit and assessment.

Completion of our audits in line with the timetable and fee is dependent upon:

- Causeway Coast and Glens Borough Council delivering on 30<sup>th</sup> June 2026 a complete Statement of Accounts of sufficient quality that have been subject to appropriate internal review;
- Causeway Coast and Glens Borough Council delivering good quality supporting documentation and evidence, within the agreed timetable for both the financial and improvement audits; and
- Appropriate client staff being available during the audit.

## Audit team – Statement of Accounts and Proper Arrangements

TEAM MEMBER	RESPONSIBILITY
Conor McGeown <b>Engagement Director</b> 028 9025 1041 conor.mcgeown@niauditoffice.gov.uk	Overall responsibility for the audit, for ensuring an appropriate audit opinion is given and for liaison with Causeway Coast and Glens Borough Council and its Audit Committee.
Peter O’Sullivan <b>Engagement Manager</b> 028 9025 1111 peter.osullivan@niauditoffice.gov.uk	Responsible for day-to-day management of the audit and audit team.
Andrea Quinn <b>Lead Auditor</b> 028 9025 1068 andrea.quinn@niauditoffice.gov.uk	Responsible for detailed planning of the audit and conducting audit fieldwork to NIAO standards.
Allison Bartley <b>Team Member</b> 028 9025 5103 Allison.bartley@niauditoffice.gov.uk	Responsible for conducting audit fieldwork to NIAO standards.

## Audit team – Improvement Audit and Assessment work

TEAM MEMBER	RESPONSIBILITY
<p>Conor McGeown <b>Engagement Director</b> 028 9025 1041 conor.mcgeown@niauditoffice.gov.uk</p>	<p>Overall responsibility for the audit, for ensuring an appropriate audit opinion is given and for liaison with Causeway Coast and Glens Borough Council and its Audit Committee.</p>
<p>Peter O’Sullivan <b>Engagement Manager</b> 028 9025 1111 peter.osullivan@niauditoffice.gov.uk</p>	<p>Responsible for day-to-day management of the audit and audit team.</p>
<p>Andrea Quinn <b>Lead Auditor</b> 028 9025 1068 andrea.quinn@niauditoffice.gov.uk</p>	<p>Responsible for detailed planning, fieldwork and completion of the audit.</p>

## Appendix One: Good Practice Guides

The NIAO has produced a series of good practice guides for Northern Ireland public sector bodies. The following guides have been published in the last five years:

- **Effective Audit and Risk Assurance Committees**  
*31 March 2025*
- **School Governance Good Practice Guide**  
*4 July 2023*
- **Innovation and Risk Management – A Good Practice Guide for the public sector**  
*27 June 2023*
- **Planning Fraud Risks**  
*1 March 2023*
- **Board Effectiveness – A Good Practice Guide**  
*22 June 2022*
- **Internal Fraud Risks**  
*24 February 2022*
- **Grant Fraud Risks**  
*28 October 2021*
- **A Strategic Approach to the Use of Public Sector Assets A Good Practice Guide for Local Government in Northern Ireland**  
*21 October 2021*

These publications can be found [on our website](#).

## Appendix Two: Public Reports

### Relevant Public Reports

Public Reporting audit teams within NIAO undertake studies across the public sector. Public reports relevant to local government, published in the last three years, are as follows:

- **Local Government Auditor's Report 2025**  
*11 December 2025*
- **Waste Crime in Northern Ireland**  
*3 July 2025*
- **Local Government Auditors Report 2024**  
*25 October 2024*
- **Public Bodies' Response to Misrepresented Soil Analysis**  
*05 July 2024*
- **Review of Waste Management in Northern Ireland – Report**  
*05 July 2024*
- **Local Government Auditors' Report 2023**  
*15 December 2023*
- **Extraordinary Audit of Causeway Coast and Glens Borough Council**  
*07 July 2022*
- **Planning in Northern Ireland**  
*01 February 2022*
- **Local Government Annual Improvement Reports 2021/22**  
*31 March 2022*

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### Current and Planned Public Reporting Activities

The following are other NIAO public reporting examinations currently being completed which have relevance to the local government sector:

- **A Strategic Review of the Planning Appeals Commission** - A strategic review, due to publish in Spring 2026, of the overall role and function of the Planning Appeals Commission, the range of challenges it is currently facing and the options available to improve performance and wider planning outcomes in Northern Ireland.
- **Raising Concerns** - This updated Best Practice guide, due to publish in Spring 2026, is aimed at helping public sector organisations to understand the value of an open and honest reporting culture, where concerns can be raised and dealt with

effectively as part of normal business, leading to strengthened governance.

Proposals for future studies specific to local government are based on gathering an understanding of the sector and identifying areas where value for money might be at risk. This requires ongoing completion of routine survey work by the audit team and more detailed analysis of specific areas which show potential as future study topics. The audit team will liaise with the sector when carrying out this work.

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