

# **Report to those charged with Governance**

**Causeway Coast and Glens Borough Council**  
2023-24

**Date of Issue**

06/01/2025

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*We have prepared this report for Causeway Coast and Glens BC'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 2023-24 Causeway Coast and Glens Borough Council financial statements which we must report to the Audit Committee, as those charged with governance. We would like to thank the Chief Financial Officer and his staff for their assistance during the audit process.

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## Audit Opinion

The Local Government Auditor (LGA) certified the 2023-24 financial statements on 27 September 2024 with an unqualified audit opinion, without modification.

## Audit Certificate

The Local Government Auditor certified 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](#).

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## Misstatements

### Financial Statement Adjustments

The net effect of adjustments on the Comprehensive Income and Expenditure Statement and Balance Sheet was £42,000.

### Uncorrected misstatements

Uncorrected misstatements would have a £Nil effect on net assets.

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## Audit Findings

During the audit we reviewed internal controls; accounting systems; and

procedures to the extent considered necessary for the effective performance of the audit. We identified one priority one recommendation in relation to regularity and the internal control environment.

Full details of findings are included at [Findings from the Audit](#).

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## **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. One priority three recommendation is noted in the Audit Findings section of this report in relation to policies and procedures.

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## **Status of the Audit**

The audit is now completed.

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

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## **Independence**

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

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## **Management of information and personal data**

Causeway Coast and Glens Borough Council is required to comply with the UK General Data Protection Regulations (UK 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 can confirm that we have discharged those responsibilities communicated to you in accordance with the requirements of UK General Data Protection Regulation (UK GDPR) and Data Protection Act 2018.

## **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 2023-24 Audit Strategy.

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## **Actions for the Audit Committee**

The Audit Committee should note the content of this report. The report was presented in draft to the committee members at their 11 December 2024 meeting.

## **2. Audit Scope**

We have completed our audit of the 2023-24 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 Committee in June 2024.

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:

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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;
  - 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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#### **Outcome**

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

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#### **Significant Risk 2**

##### **Procurement**

In previous audits we raised issues in relation to procurement. We noted that procurement procedures had not been followed, including the completion of direct award contract documentation.

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#### **Audit Response**

We will:

- consider the processes and procedures in place around procurement and direct award contracts; and
  - review a sample of contracts awarded in year by the Council, including direct award contracts.
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## **Outcome**

See Finding 1 in Section 4 below in relation to the outcome of our testing on the significant risk 'Procurement'.

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## **Significant Risk 3**

### **Management of Councils Land and Buildings**

In prior years issues have been raised in relation to the timeliness of Council not renewing leases or conducting rent reviews on leases which have expired in relation to Commercial Leases. We note rent reviews for non-commercial leases were only commencing during 2023-24.

We note also that following the NIAO's Extraordinary Audit a number of findings in relation to the Council's Land and Property policies and procedures.

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## **Audit Response**

We will:

- review Council's leases to ensure appropriate rent reviews have been completed and leases have been renewed on a timely basis;
  - review Council's Land and Property policies and procedures in light of Extraordinary Audit findings;
  - review a sample of land and building disposals during the financial year.
- 

## **Outcome**

See Finding 2 in Section 4 below in relation to the outcome of or testing on the significant risk 'Management of Councils Land and Buildings'.

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## **Significant Risk 4**

### **Financial Resilience**

The cost of living crisis and high inflation rates, during 2023-24, continued to have a significant impact on council finances. There are



continuing challenges for councils to deliver a balanced budget within the current environment. Costs have increased in multiple areas, such as utilities, construction, and pay settlements.

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## **Audit Response**

We will:

- consider the Chief Financial Officer's assessment of the going concern basis for the preparation of the accounts;
  - examine financial projections and plans prepared by Council; and
  - consider the disclosures regarding the financial position included within the 2023-24 Statement of Accounts.
- 

## **Outcome**

No significant issues in relation to Financial Resilience were identified.

The Chief Executive reports that the estimates presented as part of the rate setting process are sufficiently robust to allow Council to deliver all its service in 2024-25. The Council holds a General Reserve balance above the Department for Communities (DfC) recommended level of 5 – 7.5% of Net Operating Expenditure, which the Chief Executive deems adequate.

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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.

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### **Accounting Policies**

Accounting policies adopted by the Council have not changed or altered since the prior year financial statements. Our substantive testing has provided us with sufficient assurance over the accuracy of the estimates adopted.

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### **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.

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### **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.

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## **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.

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## **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.

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## **Remuneration Report**

We suggested a number of changes in relation to disclosures within the Remuneration Report to ensure that the parts of the Remuneration Report to be audited were properly prepared in accordance with Department for Communities (DfC) directions issued under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

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## **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.

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## **Legality, Propriety and Losses**

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

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## **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.

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## **Related Parties**

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

We noted the Council accounted for the disposal of the Dunluce Centre in year. The disposal was done through an open tender competition and advice on structuring the disposal was sought from Land & Property Services' Central Advisory Unit (CAU). Completion of the sale was contingent on the submission of a planning application by the purchaser within the 2024 calendar year. This submission was made in September and the sale has now moved to completion.

As the Council was a party to this disposal, we considered there was potential for a conflict of interest regarding any assurances on the outcome of the planning application which may have been provided to the purchaser but found no such evidence. We sought a further representation from management in the Letter of Representation that no such assurances have been provided.

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## 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

#### Procurement

During the testing of our significant risk in respect of Procurement we identified the following:

##### A) Open procurement exercises

We noted 57 Open procurement exercises ran during 2023-24 - of which 19 are at "awarded" stage. Of the remaining 38, it was noted 16 are still in the process of evaluation and the remaining 22 were not awarded.

We tested three contracts at random and in each case the Procurement Officer was able to provide us with the contract award confirmations, tender assessment and evaluation documentation and proper authorisations. No significant issues were identified.

##### B) Direct Award Contracts

A full list of Direct Award contracts issued in year was provided by the Procurement Officer. This set out 9 DACs awarded in year, totalling £188k.

We selected a random sample of 2 DACs to test and in both cases, we noted the DAC had been properly justified and approved at the appropriate level in accordance with the Council's procurement policy.

### C) Highest Paid Suppliers

We obtained a listing of the highest paid suppliers in 2023-24 and selected a random sample of 5 for which we identified a related payment and requested the contract procurement documentation for each. In 3 of the 5 cases, we noted that backup was not available to show

- how the Invitation to Tender (ITT) was advertised;
- how many tenders were submitted;
- how these were assessed and evaluated;
- how the award of the contract was approved; and
- how successful and unsuccessful bidders were notified.

As a result we were unable to confirm that the contracts were awarded in compliance with the Council's procurement policy or that the process was equitable, legal and provided value for money.

### D) Concessionary Trading

We obtained a listing of all concessionary trading contracts advertised for public auction in 2023-24 and noted that 29 were advertised of which 21 were awarded with the remaining 8 requiring planning permission or receiving no bids.

We tested a random sample of 2 awards and noted no issues with how the sites were approved for auction and awarded to the highest bidder.

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## Priority Rating

1

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## Recommendation

### Highest Paid Suppliers

Whilst we are aware there is an ongoing investigation into the awarding of some contracts, the Council should carry out its own review of its existing contracts to identify any where there is a lack of evidence that proper procurement procedures were followed.

The Council should ensure that, going forward, they comply with all the requirements set out within their Procurement Policy and that the Policy complies with best practice and all legislative/regulatory requirements.

To demonstrate compliance with the Policy, consideration should be given to producing a checklist of minimum documentation required in all procurement exercises which should be provided along with the tender evaluation report to those approving contracts. These checklists should then be subject to an independent, annual drill down exercise by either the Procurement Officer or Internal Audit, in order to provide Council with additional assurance that procurement procedures per the Policy, including evidential documentation requirements, are being complied with.

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### **Management Response (including target date)**

The procurement officer in conjunction with the CFO are currently looking at new procurement software package that will provide a full governance trail from inception to completion.

The procurement officer will conduct a quarterly review of all procurements which have taken place in all departments, for larger procurements this will be completed with internal audit support.

A new procurement policy is being prepared for 1<sup>st</sup> March when new the new procurement act comes into effect.

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## **Finding 2**

### **Management of Council Land and Buildings**

- a) We note the significant work to date on commercial leases, our review of leases as part of the 2023-24 audit identified positive progress has been made by Council during the year in relation to expired leases.

It is noted however that there is still work to do to collate and agree process for rent renewals of non-commercial leases.

- b) The Asset Management Policy (now Estates Strategy) and the Land & Property Policy are still not finalised, although drafts have been prepared and progress is being monitored by the Oversight Panel and the Corporate Policy and Resources Committee via the Transformation Plan.

We also identified that Council have implemented recommendation number 2 from the Extraordinary Audit Report, appointing a consultant to carry out an independent review. The independent review contains 20 recommendations which have not yet been addressed.

- c) We noted the Council accounted for the disposal of the Dunluce Centre in year. The disposal was done through an open tender competition and advice on structuring the disposal was sought from Land & Property Services' Central Advisory Unit (CAU). Completion of the sale was contingent on the submission of a planning application by the purchaser within the 2024 calendar year. This submission was made in September and the sale has now moved to completion.

As the Council was a party to this disposal, we considered there was potential for a conflict of interest regarding any assurances on the outcome of the planning application which may have been provided to the purchaser, but found no such evidence. We sought a further representation from management in the Letter of Representation that no such assurances have been provided.

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## **Priority Rating**

2

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## **Recommendation**

- a) Council should ensure outstanding commercial lease renewals are brought to completion.

Council should review non-commercial leases and obtain clarification and agreement from the Department on whether Council instructs a valuer to carry out rental valuations in light of value for money.



- b) Timely implementation of audit and other recommendations should be carried out.
- 

### **Management Response (including target date)**

- a) Work has commenced on rent reviews and renewals for non-commercial leases under Tranche 2 of the review of Councils leases and licences. A report will be presented quarterly to the Land and Property Sub-Committee in January, April, June and September 2025 to update elected members of the progress of rent reviews and renewals of Councils non-commercial leases. The Land and Property section will liaise with the department and send the current list of Council's non-commercial leases to obtain clarification and agreement on whether Council instructs a valuer to carry out rental valuations in light of value for money.

- b) The revised Estate Strategy and Land and Property Policy were approved by Council on Tuesday 5th November.

The independent review containing 20 recommendations regarding Land and Property were included in the Transformation Action Plan, which was presented to the Transformation Plan Sub-Committee on a monthly basis, providing Members with an update and progress. The recommendations were also presented to the Land and Property Sub-Committee monthly, from January 2024 to November 2024. All actions are now complete, as reported to Council on Tuesday 5th November 2024.

A quarterly report will be presented to Land and Property Sub-Committee to further embed the recommendations and review progress.

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### **Finding 3**

#### **Limited Assurance Internal Audit Reports**

Internal Audit provided an overall "limited" annual assurance opinion for 2023-24 in relation to the adequacy and effectiveness of the Council's framework of governance, risk management and control. We note that out of 11 audits completed for the 2023-24 year, 8 (73%) obtained a 'satisfactory' assurance rating, 3 (27%) received a 'limited' assurance rating. There are a number significant findings arising from each of these reports.

The three audits receiving 'limited' assurance rating were in relation to the following:

- Concessionary trading units;

- Recycling- Commercial Waste review; and
  - Procurement.
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## **Priority Rating**

2

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## **Recommendation**

It is recommended that Internal Audit recommendations are fully considered and implemented in a timely fashion to improve the effectiveness of internal control, risk management and governance processes.

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## **Management Response (including target date)**

A progress report on Prior Year Recommendations is presented to Audit Committee on a quarterly basis

- a) Concessionary trading units – all recommendations have now been completed
  - b) Recycling- Commercial Waste review – recommendations have been accepted and are being implemented (March 2025)
  - c) Procurement - recommendations have been accepted and are being implemented (June 2025)
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## **Finding 4**

### **Bank and cash**

When performing audit testing on outstanding cheques, we noted a number of these were older than 6 months therefore unlikely to be cashed by the relevant bank.

We also identified an issue with post year end cheque numbers and values being mixed up in the year end bank reconciliation.

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### **Priority Rating**

3

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### **Recommendation**

We recommend that the Council perform an exercise to establish which cheques are unlikely to be cashed and remove these from their bank reconciliation.

We recommend Council staff remain vigilant when performing checks on the bank reconciliation and post year end cheques.

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### **Management Response (including target date)**

Bank reconciliation correctly includes these cheques as technically these suppliers are still owed money. The year end mix up involved 2 cheques whose reference numbers had been wrongly recorded, no amendment to processes is being recommended as a result of an administrative error.

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A review of management's implementation of priority one recommendations made in our prior year Report to those charged with Governance is set out at Appendix Three.

## **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.

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## 5. Misstatements

### Adjusted misstatements

During the audit process the following misstatements were identified. These misstatements have been adjusted and the net effect on the Comprehensive Income and Expenditure Statement and Balance Sheet was £42,000.

ISSUE	AREA	CIES DEBIT / (CREDIT) £'000	Balance Sheet DEBIT / (CREDIT) £'000
<b>Reduction in Taxation and non-specific grant income</b>	Dr CIES Taxation and non-specific grant income Cr CIES Third Party	15 (15)	
<b>Correction to debtor figure</b>	Dr Balance sheet Cr CIES Income	(39)	39
<b>Disposal of Intangible Asset-NBV</b>	Dr Balance Sheet Cr Balance Sheet		152 (152)

ISSUE	AREA	CIES DEBIT / (CREDIT) £'000	Balance Sheet DEBIT / (CREDIT) £'000
<b>Error in grants creditors</b>	Dr Balance Sheet ST Creditors		50
	Cr Balance Sheet ST Debtors		(50)
<b>Adjustment re sale of assets</b>	Dr Balance Sheet PPE		3
	Cr CIES Other operating expenditure	(3)	
	Dr Balance Sheet General Fund		3
	Cr Balance Sheet Capital adjustment account		(3)
<b>TOTAL</b>		<b>(42)</b>	<b>42</b>

## Uncorrected misstatements

The table below lists unadjusted misstatements which exceed our clearly trivial threshold of £65,300. Uncorrected misstatements would have a £200k effect on net assets.

ISSUE		AREA	CIES DEBIT / (CREDIT) £'000	Balance Sheet DEBIT / (CREDIT) £'000
<b>Classification of Trade Creditors</b>		Dr Balance Sheet Trade Creditors		200
		Cr Balance Sheet Provisions		(200)
<b>TOTAL</b>			<b>0</b>	<b>0</b>

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 2024**

As Chief Financial Officer of 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 2024.

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; and
- 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 2024 :

- 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 DoF 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.

### **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.

I can confirm that the Council has entered into an agreement to sell the Dunluce Centre and confirm that, although there are conditions associated with the finalisation of this sale, the Council has not provided any assurances to the purchaser regarding the outcome of any future planning applications required for the future development of the site.

### **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 £10.4 million

I am content that the landfill provision of £10.4 million is a reliable estimate, based on current information of the estimated capping and closure costs for the three landfill sites.

- **Crosstagherty**

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.

## **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.

Consider also including if relevant [and I am not aware of any action which is or may be brought against Causeway Coast and Glens Borough 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 2024 is £323k. This represents the liability for the unfunded part of the pension scheme.

To comply with accounting standards, the net pension asset of £18,977k as at 31 March 2024, 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) (2023-24 (£2,650k); 2022-23 £47,850k).

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**

The following uncorrected misstatements have been brought to my attention:

- Trade creditors has been overstated by £200,000

I consider the effect of these uncorrected misstatements to be immaterial, both individually and in aggregate, to the financial statements taken as a whole.

### **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 2023-24 which are required to be reported.

A handwritten signature in black ink, appearing to read 'David Jackson', with a stylized, cursive script.

David Jackson

Chief Executive

Causeway Coast and Glens Borough Council

23 September 2024

## **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 2024 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 2023-24, of the financial position of Causeway Coast and Glens Borough Council as at 31 March 2024 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 the 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, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the 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 2024 is consistent with the financial statements.

## **Matters on which I report by exception**

In the light of the knowledge and understanding of the 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 2023-24;
    - 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
  - 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 Article 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, the Chief Financial Officer is responsible for:

- 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the 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 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 regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the 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 2005;
- making enquires 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 irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- 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 the posting of 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 and irregularity, 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.

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](http://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.



*Colette Kane*  
*Local Government Auditor*  
*Northern Ireland Audit Office*  
*106 University Street*  
*BELFAST*  
*BT7 1EU*

*27 September 2024*

## **Appendix Three – Implementation of Prior Year Priority One Recommendations**

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### **Recommendation 1 Procurement**

#### **A)Open procurement exercises**

-We recommend that the procurement system be updated in a timely manner to reflect the outcome of procurement exercises carried out through eSourcing.

-We recommend that the Council should put in place a system to centralise a list of all procurement exercises carried out and to open files on each which holds all back-up and authorisations for spend, overseen by the Procurement Officer.

#### **B)Direct Award Contracts**

-We recommend that the Procurement Policy is followed and that the Procurement Officer be involved in all Direct Award Contracts.

-We recommend that all Direct Award Contracts obtain the authorisations at committee and Council level.

#### **C)Highest Paid Suppliers**

-Council should ensure that tendering is undertaken, or quotations are obtained in accordance with Council's procurement policy.

-Council should ensure that valid contracts are in place with all suppliers

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### **Status**

#### **Not fully cleared**

Our 2023-24 audit identified some issues in relation to Council's procurement – see Finding 1 in Section 4.

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### **Recommendation 2 Management of Council Land and Buildings**

- a) Council should ensure outstanding commercial lease renewals are brought to completion.

Council should review non-commercial leases and obtain clarification and agreement from the Department on whether Council instructs a valuer to carry out rental valuations in light of value for money.

- b) Timely implementation of audit and other recommendations should be carried out.
- c) Council should ensure that Land and Building policies are updated with sufficient detail as soon as possible.

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## **Status**

### **Not fully cleared**

Council carried out significant work to address commercial lease renewals which were outstanding however not all of these have been addressed and non-commercial leases remain to be addressed.

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