

**AUDIT COMMITTEE MEETING HELD
WEDNESDAY 17 SEPTEMBER 2025**

Table of Recommendations

No	Item	Summary of key Recommendations	Estimated Timescale for completion
1.	Apologies	<i>Alderman Callan, J McAuley; Councillor Callaghan and Chivers</i>	
2.	Declarations of Interest	<i>None</i>	
3.	Minutes of Audit Committee Meeting held Wednesday 18 June 2025	<i>Confirmed as a correct record</i>	
4.	Terms of Reference Audit Committee	<i>To recommend that Council approve the revised Terms of Reference which have been updated to reflect the introduction of the Global Internal Audit Standards as outlined in Annex 1, previously circulated</i>	
5.	Northern Ireland Audit Office Reports		
5.1	Draft Report to those Charged with Governance 2024/25	<i>Note</i>	

No	Item	Summary of key Recommendations	Estimated Timescale for completion
6.	Year-end Accounts 2024/25	<i>Note</i>	
7.	Direct Award Contracts	<i>Note</i>	
8.	Annual Self-Assessment of Audit Committee	<i>Note</i>	
9.	Code of Governance	<p><i>To recommend that Council It is recommended that the Committee approves the updated Code of Practice Governance and the associated Code of Governance Schedule, as outlined in paragraph 3.1 and 3.2 of this report;</i></p> <p><i>To recommend that the Council agrees to the annual review process, with outcomes to inform the Annual Governance Statement, as outlined in paragraph 3.3</i></p>	
10.	Global Internal Audit Standards	<i>Note</i>	
11.	Correspondence	<i>Nil</i>	
12.	Matters for Reporting to Partnership Panel	<i>Nil</i>	
	'In Committee (Items 13-19) inclusive)		

No	Item	Summary of key Recommendations	Estimated Timescale for completion
13.	Internal Audit Service 2025/26	To recommend that Council move from a Co-Sourcing to Out-Sourcing arrangement, using the agreed budget of £83,495. This will provide a seamless independent service, and provide coverage across a range of service areas, to ensure dedicated time to deal with Risk and Governance issues	
14.	Annual Internal Audit Plan 2025/26		
14.1	Procurement of ICT Audit	Withdrawn	
15.	Internal Audit (McHughLindsay) Reports		
15.1	Treasury Management	Note	
15.2	ODHR	Note	
16.	Prior Year Recommendations	Note	
17.	Absenteeism Report (Quarter 1 – 2025-26)	Note	
18.	Corporate Risk Matrix and Register	To recommend that Council note and approve the changes to the Corporate Risk Register	
19.	Raising Concern/Fraud	Note	
20.	Any Other Relevant Business	None	

No	Item	<i>Summary of key Recommendations</i>	<i>Estimated Timescale for completion</i>
21.	Date of Next Meeting – Wednesday 17 December 2025	<i>17 December 2025</i>	

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF
THE AUDIT COMMITTEE MEETING
HELD IN THE COUNCIL CHAMBER AND VIA VIDEO CONFERENCE ON
WEDNESDAY 17 SEPTEMBER 2025 AT 7.07PM**

In the Chair: Councillor Schenning

Members Present: Councillors N Archibald (R), Huggins (C), Kane (C), Jonathan McAuley (R), McGurk (R), Storey (R)

Substitutions: Councillor Kane substituted for Alderman Stewart

Officers Present: M Quinn, Director of Corporate Services (C)
D Wright, Chief Finance Officer (C)
A Ruddy, Audit, Risk & Governance Manager (C)
I Owens, Committee & Member Services Officer (C)

In Attendance: P Barr, Director, Northern Ireland Audit Office (R)
C McHugh, Partner, McHughlindsay (R)
L Mitchell, Independent Member (R)

R Finlay, ICT Officer (C)
L Boyd, ICT Officer (C)

Press 1 (R)

Key: (R) = Remotely in attendance

The Director of Corporate Services undertook a roll call.

The Chair advised Audit Committee of its obligations and protocol whilst the meeting was being audio recorded.

1. APOLOGIES

Apologies were recorded for Alderman Callan, J McAuley; Councillor Callaghan and Chivers.

2. DECLARATIONS OF INTEREST

There were no declarations of interest from Elected Members.

Partner, McHughLindsay declared an interest in Item 13. Having declared an interest, Partner, McHughLindsay left the meeting remotely during consideration of this item.

3. MINUTES OF AUDIT COMMITTEE MEETING HELD WEDNESDAY 17 JUNE 2025

Copy, previously circulated.

The Minutes of the Audit Committee meeting held Wednesday 18 June 2025 were confirmed as a correct record.

4. TERMS OF REFERENCE AUDIT COMMITTEE

Report, previously circulated, was presented by the Audit, Risk and Governance Manager.

The purpose of this report is to present the revised Terms of Reference for the Audit Committee, previously circulated.

Terms of Reference

In line with good practice, the Terms of Reference for the Audit Committee should be reviewed on a regular basis, to ensure they remain effective, reflect best practice and align with HMT Guidance and CIPFA Best Practice Guidance.

From 1 April 2025, the standards or guidance in relation to internal audit are those laid out in the Global Internal Audit Standards, Application Note: Global Internal Audit Standards in the UK Public Sector and the Code of Practice for Governance of Internal Audit in UK Local Government. The collective requirements are referred to as the Global Internal Audit Standards in the UK Public Sector.

The following amendments to the Audit Committee Terms of Reference are set out in Annex 1 are recommended:

- Refers to the Head of Internal Audit providing an annual conclusion, as opposed to an annual opinion.
- Reference to the Public Sector Internal Audit Standards has been changed to the Global Internal Audit Standards (Uk Public Sector).

In addition to the amendments noted in paragraph 2.3 additional amendments are noted as follows:

- An additional line in relation to the reporting of frauds is as follows:
Receive on a quarterly basis a summary report/update of all suspected irregularities, including any instances of fraud and corruption.
- An additional section in relation to complaints as follows:
 - To consider a six-monthly report and details of the complaints received and investigated through the Council's Complaints Procedure and the outcome of those complaints.
 - Review and assess the Council's ability to handle complaints effectively.
 - Make reports and recommendations in relation to the Council's ability to handle complaints effectively.
 - Review on an annual basis the results of complaints made to the Public Services Ombudsman and any follow-up action or lessons learned from such appeals.

Recommendation(s)

The Audit Committee is asked to approve the revised Terms of Reference which have been updated to reflect the introduction of the Global Internal Audit Standards as outlined in Annex 1, previously circulated.

The Audit Risk and Governance Manager explained that the updated Terms of Reference for the Audit Committee reflected HMT Guidance and CIPFA Best Practice Guidance effective 1st April 2025 and removal of any reference to global internal auditing standards.

The Audit Risk and Governance Manager referred Elected Members to the annual audit conclusions and the inclusion of fraud and irregularities at Item 12 and a new section on complaints at pages 14 – 43 which will be considered 'In Committee' at Audit Committee meetings going forward by way of 6 monthly reporting.

The Independent Member welcomed the expansion to the Audit Committee Terms of Reference to include fraud reporting and complaints, saying this would strengthen the work of the Committee and said that the paper clearly set out the changes being proposed.

Proposed by Councillor Archibald
Seconded by Councillor Huggins and

AGREED – To recommend that Council approve the revised Terms of Reference which have been updated to reflect the introduction of the Global Internal Audit Standards as outlined in Annex 1, previously circulated.

5. NORTHERN IRELAND AUDIT OFFICE REPORTS

5.1 Draft Report to those Charged with Governance 2024/25

For information report, previously circulated, was presented by the NIAO Director who advised of the recommended unqualified audit opinion which was shared with team in draft would be developed with a final report being brought back to Audit Committee.

The NIAO Auditor referred Elected Members to page 3 noting actions for committee numbering 5 priority 2 findings as follows:-

- Independence of Evaluation Panels in relation to Procurement decisions;
- Risk assessment in relation to interauthority loans;
- Assets not recorded on evaluation;
- Update landfill provision;
- ICT health checks findings

The Independent Member said this was a pleasing report and referred to the significance of an unqualified opinion with no adjustments identified which was a great reflection on the Finance Department and the quality of accounting.

The Independent Member said she wished to commend the Chief Finance Officer and his team on achievement of a clean audit report.

At the request of the independent Member the Chief Finance Officer explained that the assets (28 in total) amounting to £4.8m, representing 2% of Council's asset base had been included in the asset register but had not been re-evaluated in the latest round but would be included in next years re-evaluation.

Committee NOTED the report.

6. YEAR-END ACCOUNTS 2025/25

A verbal update was provided by the Chief Finance Officer.

The Chief Finance Officers advised that Annual audit was nearing completion and referred Elected Members to the reports included with Agenda for the Special Council Meeting tabled for 22 September 2025 which included the draft audited accounts which were subject to adjustment.

The Chief Finance Officer said that the Annual Accounts were required to be signed off by 30th September 2025, were subject to approval by Council and final sign off by Audit Office.

Committee NOTED the verbal update.

7. DIRECT AWARDS CONTRACTS

Report, previously circulated, was presented by the Chief Finance Officer

Background

Causeway Coast and Glens Borough Council approved an updated Procurement Policy in June 2025.

Detail

The revised policy had addressed the commencement of the Procurement Act which came into force in February 2025. The new policy still has inclusion of guidance around single tender actions or Direct Award Contracts (DAC and sets out a procedure to follow in such circumstances.

DAC Process

In all cases where council staff are considering the use of the award of a contract without competition, they must seek guidance from the procurement officer before proceeding as such an approach will be easily challenged in the courts unless rigorously supported by appropriate documentation and completed in accordance with the legislative requirements.

Authorisation required

When a member of council staff has spoken with the procurement officer - and discussed all the alternative options available - and wishes to proceed with the award of a contract without competition the staff member should seek approval of their approach from the Senior Management Team before seeking Council approval to award.

A detailed report should be completed by the member of staff requesting the contract award explaining their rationale and the consideration given to all alternative options in conjunction with discussions between the staff member and the procurement officer. The template provided in Appendix B – Direct Award Contract Form, previously circulated should be fully completed by the member of staff requesting the contract award.

Once completed, this document will require authorisation from the Senior Management Team before proceeding to the relevant committee for consideration. Upon agreement from the Council the staff member should

contract the procurement officer to assist with the contract award to the chosen supplier.

DAC Approvals

The purpose of this short report is to inform members of those DAC's which have been approved since the drafting of the June 2025 report to this committee and these are listed below, it should be noted that one of these required Council approval at the point of award which was granted, there have been six DAC's awarded since the last Audit Committee in June.

The Chief Finance Officer advised that there were 6 Direct Award Contracts since last Audit Committee in June with one requiring Council approval due to the value involved.

Committee NOTED the report.

8. ANNUAL SELF-ASSESSMENT OF AUDIT COMMITTEE

Report, previously circulated was presented by the Audit, Risk & Governance Manager.

Purpose of Report

The purpose of this report is to present the Annual Self-Assessment of the performance of the Audit Committee.

Background

The Northern Ireland Audit Office (NIAO) issued guidance on the 'Effective Audit and Risk Assurance Committees' in March 2025. At the Audit Committee in June 2025, it was agreed by Members that the Audit Risk and Governance Manager would complete the Self- Assessment Checklist contained within the guidance and bring a report back to Audit Committee on the overall compliance of the Audit Committee for Causeway Coast and Glens Borough Council.

Members should note that the guide draws on established best practice and the NIAO's experience working closely with many Audit and Risk Committees across the NI public sector. It examines the role of the Audit and Risk Committees in local government in Northern Ireland in accordance with CIPFA's Position Statement (2022) and how the principles apply to local government bodies in Northern Ireland.

It should be noted that the Self-Assessment Checklist is a comprehensive way for Audit Committees to review their overall effectiveness and is good practice. The checklist is split into three distinct areas;

Essential Requirements, Other Good Practice arrangements and Additional Comments/Key Takeaways. The latter two areas are not mandatory.

Points for Consideration by Members

Causeway Coast and Glens Audit Committee are in the main compliant with the contents of the checklist. Examples of Compliance include:

- The CCGBC Audit Committee reports directly to the full Council rather than another committee.
- At least one independent member is appointed to the Audit Committee.
- The Chair is strong and independently minded, displaying a depth of knowledge, skills and experience.
- Members of Audit Committee strive to be in attendance at each meeting of Audit Committee.

There are areas where CCGBC Audit Committee is not compliant with good practice, and it is important for the Audit Committee to be aware of noncompliance and accept that these are considered and that the effectiveness of the Audit Committee is not affected. Areas of non-compliance include:

- Consideration should be given to appointing an independent member as Chair of the Audit committee of Council.
- All Audit Committee members should be in attendance at the meeting that the Annual Report and Accounts are being proposed to be signed.
- Audit Committee is satisfied that the Council is managing the Environmental, Social and Governance risks and making appropriate disclosures in line with Greening Government Commitments and Sustaining Reporting Guidance.

Section 7 of the checklist provides specific good practice to local councils in Northern Ireland see attached in Annex 1, previously circulated.

Recommendation

It is recommended that the Audit Committee notes that the Audit Committee is generally compliant with the self-assessment and discuss any amendments or improvements to the work of the Audit Committee.

The Audit Risk and Governance Manager reminded Elected Members that in previous years self-assessment was undertaken by way of a survey monkey completed by Audit Committee Members.

The Audit Risk and Governance Manager said that based on NIAO

guidance issued this year on effective auditing she had brought a report to the March Audit Committee seeking that this year to fulfil Audit requirements she would compile a report and present to Audit Committee.

The Audit Risk and Governance Manager referred Elected Members to the summary of the outcome and the comprehensive list some of which was more relevant to central government.

Reference was made to Section 7 relevant to local government where at paragraph 3.2 a non-compliance was recorded around the Audit Committee recruiting a Chair independent of Council, however the Audit Risk and Governance Manager confirmed that she was content with this non-compliance as to comply would require a change to Council constitution and the recommendation was a 'best practice' compliance recommendation only.

The Audit Risk and Governance Officer said that the full checklist was available to Elected Members on request.

The Independent Member referred to the areas of non-compliance with 'best practice' and agreed that role of oversight was fulfilled by Council and that expecting all Audit Committee members to be in attendance at the meeting that the Annual Report and Accounts are being proposed to be signed was unrealistic and therefore was content with all 3 areas of non-compliance.

The Chief Finance Officer said it had been remiss of him not to thank the Independent Member for her kind comments in relation to the work of the Finance department.

Proposed by Councillor Kane
Seconded by Councillor Huggins

AGREED – To recommend that Council notes that the Audit Committee is generally compliant with the self-assessment and discuss any amendments or improvements to the work of the Audit Committee.

9. CODE OF GOVERNANCE

Report previously circulated, was presented by the Director of Corporate Services.

Purpose of Report

To present the **Code of Governance** for Causeway Coast and Glens Borough Council, reflecting the revised *Delivering Good Governance in Local Government: Framework* issued by CIPFA and SOLACE in May 2025.

To seek approval for the adoption of the updated Code and its supporting schedule, which outlines how Council demonstrates compliance with the core principles of good governance.

To confirm the process for annual review and reporting through the Annual Governance Statement.

Background

The Code of Governance based on the CIPFA International Framework: Good Governance in the Public Sector was published in 2014: International Framework Good Governance in Public Sector CIPFA.

And updated in May 2025. CIPFA and SOLACE issued the updated version of the Framework, reinforcing the importance of sustainable outcomes, integration with financial management, and updated guidance for Annual Governance Statements: *Delivering Good Governance in Local Government (2)*.

The updated version states that *“Local authorities are accountable to the public and other stakeholders for ensuring they have a sound system of governance. They are required to prepare and publish an annual governance statement (AGS) in accordance with statutory regulations of the appropriate national government. The statement should be consistent with the principles of good governance set out in Delivering Good Governance in Local Government: Framework (Governance Framework) (CIPFA and Solace, 2016). The statement includes the result of a review of the effectiveness of its system of internal control and provides assurance on whether the authority’s governance arrangements are fit for purpose. This addendum is the first update of the guidance since 2016 and replaces chapter 7 of the Framework publication. The 2016 publication and the seven principles of good governance remain unchanged. Authorities should ensure that the AGS for 2025/26 onwards complies with this guidance.*

Council has reviewed and updated its Code of Governance to align with the revised framework and ensure continued compliance with best practice.

Proposals

That the Council adopts the updated Code of Governance, incorporating the principles and expectations set out in the 2025 Framework.

That the accompanying **Code of Governance Schedule** be approved as the working documents evidencing how the Council meets each principle.

That the Code be reviewed annually, with findings informing the Annual Governance Statement.

Recommendation(s)

It is recommended that the Committee approves the updated Code of Governance and the associated Code of Governance Schedule, as outlined in paragraph 3.1 and 3.2 of this report.

It is recommended that the Committee agrees to the annual review process, with outcomes to inform the Annual Governance Statement, as outlined in paragraph 3.3.

The Director advised of a correction to the report which should have read '*for decision*' and not '*for information*'.

The Director of Corporate Services advised that CIPFA delivered good governance in local government which was updated in May 2025. Council have drawn on the 7 principles and compiled a self-assessment which will be presented for approval with this being the first time reporting has been consolidated into a code. This is a good step forward in relation to further embedding good governance as a result of the Transformation Plan, and also feeds into year-end accounts.

Proposed by Councillor Huggins
Seconded by Councillor Mairs and

AGREED – To recommend that Council It is recommended that the Committee approves the updated Code of Practice Governance and the associated Code of Governance Schedule, as outlined in paragraph 3.1 and 3.2 of this report.

To recommend that the Council agrees to the annual review process, with outcomes to inform the Annual Governance Statement, as outlined in paragraph 3.3.

10. GLOBAL INTERNAL AUDIT STANDARDS

Report, previously circulated, was presented by the Audit Risk and Governance Manager.

Purpose of Report

The purpose of the Report is to provide an update on the introduction of the new Global Internal Audit Standards (GIAS) as stated at the June meeting.

Background

The introduction of new Global Internal Audit Standards (GIAS) and the supplementary Application Note: GIAS in the UK Public Sector, issued by Chartered Institute of Public Finance and Accountancy (CIPFA), is being put in place to harmonise standards on a global scale rather than just being UK public sector specific. When expressing conformance with the standards, auditors must be clear that they are conforming to the GIAS subject to the Application Note and must refer to this as 'conformance with Global Internal Audit Standards in the UK Public Sector'.

The GIAS consists of five overarching areas consistent with the operation of internal audit, which are called 'domains' and each domain has associated attached principles relating to specific requirements of practice, there is a total of 15 principles across these five domains.

- Domain I - Purpose of Internal Auditing
- Domain II - Ethics & Professionalism
- Domain III - Governing the Internal Audit Function
- Domain IV - Managing the Internal Audit Function
- Domain V - Performing Internal Audit Services

In order to achieve conformation the internal audit function must demonstrate that there are adequate and appropriate arrangements for its governance.

The CIPFA Application Note sets out the basis for suitably adjusted essential conditions, which when applied, the objectives of the GIAS conditions will be achieved. The Application Note will apply to all local government bodies.

There are a range of changes and requirements of the GIAS which we will need to ensure compliance with. Some of these include revisions to our Internal Audit Charter and Manual, changes to our reporting requirements in our Annual Assurance Statement, and reviewing Council's Internal Audit Strategy. Council's Internal Audit Service must comply with the new standards, application note and supplementary guidance in relation to how these standards should be implemented in the public sector in the UK. The Audit Committee have an overview in their role and reports will be brought back to this committee on progress.

Recommendation

It is recommended that the Audit Committee note that the GIAS come into effect on the 1 April 2025 and the ongoing work Internal Audit are undertaking to conform with the new standards.

The Audit Risk and Governance Manager explained the outworkings of the Global Internal Audit Standards and advised that surveys were nearing completion and an action plan was being brought back to Audit Committee on requirements for development and introduction in next few years.

The Audit Risk and Governance Manager added that a number of key documents which underpin the work of Audit Committee will require updating and will also be brought back to Audit Committee for approval namely the Internal Audit Charter and Audit Manual; There is a lot of background work involved in relation to global internal auditing standards and more detail will be given to the Audit Committee going forward.

AGREED – To recommend that Council note that the GIAS come into effect on the 1 April 2025 and the ongoing work Internal Audit are undertaking to conform with the new standards.

Committee noted the report.

11. CORRESPONDENCE

There were no items of correspondence.

12. MATTERS FOR REPORTING TO PARTNERSHIP PANEL

There were no matters for reporting to Partnership Panel

MOTION TO PROCEED ‘IN COMMITTEE’

Proposed by Councillor Mairs
Seconded by Councillor Archibald and

AGREED – that Audit Committee move ‘*In Committee*’

* **Press left the meeting at 7.30 pm.**

The information contained in the following item is restricted in Accordance with Part 1 of Schedule 6 of the Local Government Act Northern Ireland) 2014.

The Chair advised Audit Committee of its obligations and protocol whilst the meeting was being audio recorded '*In Committee*'.

***The Partner, McHughLindsay having declared an interest left the meeting remotely during consideration of this item.**

13. INTERNAL AUDIT SERVICE 2025/26

Confidential report by virtue of paragraph (s) 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014, previously circulated, was presented by the Director of Corporate Services.

Purpose of Report

To seek approval from Members to move from Co-Sourcing to Out-Sourcing arrangement regarding the provision of Internal Audit Services to Council.

Background

To date, Council have procured the Internal Audit Service via a co-sourcing arrangement. Members were advised at June Committee meeting the previous supplier of Internal Audit Co-sourcing, Cavanagh Kelly, would not be renewing the contract due to staffing issues.

A new competition was offered on councils' procurement portal eSourcing. The competition was available from 12th May 2025 to 6th June 2025, two companies registered an interest, only one submission was received. Evaluations were completed, with McHugh Lindsay being successful in their submission.

Following a review of existing workload, priorities and resources, and considering previous recommendations, SMT have agreed to progress with Out-Sourcing the Internal Audit Services. (2025-2029). This will allow the Audit Risk and Governance Manager to focus on Risk, Governance and Compliance. The current contract can be varied/modified based on the justification of an increase in the provision of the contract, from Co-Sourcing to Outsourcing.

Financials

Budget for Internal Audit Services for 2025/26 is £83,495.

Options

Continuing with the Co-Sourcing arrangement. This option will not achieve adequate coverage of Internal Audit Service, due to demands on the ARG service area, and does not allow for time and resource to focus on Risk and Governance.

Move from a Co-Sourcing to Out-Sourcing arrangement, using the agreed budget of £83,495. This will provide a seamless independent service, and provide coverage across a range of service areas, to ensure dedicated time to deal with Risk and Governance issues.

Recommendation

It is recommended that Committee approve Option 4.2 - Move from a Co-Sourcing to Out-Sourcing arrangement, using the agreed budget of £83,495. This will provide a seamless independent service, and provide coverage across a range of service areas, to ensure dedicated time to deal with Risk and Governance issues

The Director of Corporate Services outlined the rationale for recommending the move from co-sourcing to out-sourcing which would result in a seamless independent service and would free up the Audit Risk and Governance Manager to concentrate on Governance and Risk issues.

The Independent Member said this recommendation would make good use of the Audit Risk and Governance Manager's time and was a sensible direction of travel.

At request of the Independent Member the Director of Corporate Services explained the proposal would mean none of the Internal Audit function being undertaken internally.

At the request of Councillor Storey the Director of Corporate Services advised that the proposal was good value for money and good governance, allowing the inhouse resource to concentrate on risk and governance matters..

Proposed by Councillor Huggins
Seconded by Councillor Archibald and

AGREED – To recommend that Council move from a Co-Sourcing to Out-Sourcing arrangement, using the agreed budget of £83,495. This will provide a seamless independent service, and provide coverage across a range of service areas, to ensure dedicated time to deal with Risk and Governance issues.

***The Partner McHughLindsay rejoined the meeting remotely**

14. ANNUAL INTERNAL AUDIT PLAN 2025/26

Confidential report, by virtue of paragraph(s) 3 of Part 1 of Schedule 6 of the

Local Government Act (Northern Ireland) 2014, was presented by Audit Risk and Governance Manager.

Introduction

The purpose of this report is to set out the programme for the provision of Internal Audit services in Causeway Coast and Glens Borough Council for the financial year 2025/26 and is based on our audit needs assessment as detailed in the Internal Audit Strategy for 2023-2027.

Background

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps organisations accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The internal audit for 2025-26 will be delivered by a team from an out-sourced provider (McHugh Lindsay) and a procured specialist firm who will be engaged to deliver an ICT Security audit. The Council's in-house Audit Risk & Governance Manager will oversee delivery of the internal audit activities

Summary and narrative on Conflicts of Interest; Developing the Internal Audit Plan 2025-26; Internal Audit Plan 2025-26 were previously circulated.

Recommendation

It is recommended that the Audit Committee note:

- Areas to be audited and;
- Potential timing to deliver the annual Internal Audit plan for the financial year 2025-26

The Audit Risk and Governance Manager advised that the proposal was the outworkings from the Audit Strategy and provided narrative on proposed timescales for bringing back audits and dealing with backlog of audits, prioritizing FOI requests, Governance issues and Fixed Asset Register with other risks deemed low and confirmed that 150 days auditing activity would continue.

Audit Risk and Governance Manager assured Elected Members that there was scope if deemed necessary should Audit Committee identify something specific to be looked and that there was also scope for Audit Committee to add to the annual plan of work if requested.

14.1 Procurement of ICT Audit

The Director of Corporate Services advised that this item had been withdrawn from agenda and invited the Audit Risk and Governance Manager to provide a verbal update of the rationale for withdrawal.

The Audit Risk and Governance Manager said that it had been proposed at the December 2024 Audit Committee that an external review be undertaken on ICT systems to determine the level of cyber security and provided an update on the current status in this regard with further reporting to be tabled at a further Audit Committee.

15. INTERNAL AUDIT (MCHUGHLINDSAY)

Confidential report by virtue of paragraph(s) 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014, previously circulated, was presented by Partner McHughLindsay.

15.1 Treasury Management

Executive Summary recorded an overall satisfactory assurance rating with 1 priority 2 recommendation and 1 priority 3 recommendation.

The priority 1 recommendation related to ensuring segregation of duties around decision making for investment. Due to the number of Officers involved it is difficult to implement however the matter will be addressed by the team.

The Independent Member welcomed the report and said it was good to see a satisfactory level of assurance with only 2 minor findings, a good reflection of Treasury Management function.

Recommendations have been accepted by Officers.

At the request of Councillor Storey the Chief Finance Officer confirmed that there had been no borrowing in the last 5 years.

15.2 ODHR

Executive Summary recorded an overall satisfactory assurance with 2 priority 2 recommendations and 4 priority 3 recommendations.

Priority 2 recommendation in relation to Learning and Development identified a need for an overarching Learning and Development policy showing clearly accountability and progress within and outside of HR

including the oversight of mandatory health and safety also. There is a good work and new initiatives being undertaken in relation to Learning and Development evident.

Priority 2 recommendation in relation to newly introduced Performance Appraisal identifying a low take up of people undertaking appraisal with their staff. It is recommended that HR engage with Management to determine challenges and keep SMT updated and provide the necessary guidance.

Recommendations have been accepted by Officers.

16. PRIOR YEAR RECOMMENDATIONS

Confidential report, by virtue of paragraph(s) 2 of Part 1 of Schedule Local Government Act (Northern Ireland) 2014, previously circulated, was presented by the Director of Corporate Services.

Purpose of Report

The purpose of this report is to provide Members with an update in terms of progress made/being made in relation to recommendations made in Previous Internal Audits.

Background

All outstanding Internal Audit Recommendations are summarised on the previously circulated schedule which provides details on the position as at September 2025.

Recommendations which have now been fully implemented, since the last update to Committee, are coloured green. Recommendations which are currently being addressed and scheduled yet to be completed are coloured yellow.

Following every Audit committee meeting, the schedule is updated to include the most recent recommendations from Internal Audit Reports presented at that committee.

This schedule is now available via Sharepoint (real-time and on-line), for SMT/ Head of Service/Manager update and review.

SMT will continue to progress, monitor and review the issues being addressed to ensure these are completed in a timely manner.

Current Position

During the period from June 2025 to date, significant progress has been made, with a total of 16 prior year recommendations and 7 current year

recommendations implemented, with 31 outstanding prior year recommendations and 6 current year recommendations currently being addressed. Tables, previously circulated provided summaries of recommendations.

It is recommended that the Audit Committee recommends to Council to note the Prior Year Recommendations Progress Report.

The Director of Corporate Services provided commentary on the report from the outworkings of the internal auditing saying some outstanding recommendations required business cases and trade union involvement and spoke of the good progress made towards addressing issues and closing out recommendations.

At the request of Councillor Storey the Director of Corporate Services advised that the term MFA used in respect of the pilot scheme was short for Multifactor Authentication. The Director of Corporate Services explained that this was another layer of security for accessing hardware via codes sent on mobile phones.

AGREED – To recommend that Council note the Prior Year Recommendations Progress Report.

17. ABSENTEEISM REPORT (QUARTER 1 – 2025/26)

Confidential report, previously circulated, was presented by the Director of Corporate Services.

Purpose of Report

The purpose of this report is to provide Members with Quarter 1 (1 April 2025 to 30 June 2025) information regarding Absenteeism throughout the Council.

Background

Absenteeism within the Council is closely monitored and managed in accordance with Councils Policies and Procedures, and in line with NJC Terms and Conditions.

The ODHR team work closely with each of the Directors, Managers and Supervisors to assist and support through a range of preventative proactive measures alongside the reactive to include referrals to Occupational Health, absence review meetings and referrals for Ill Health Retirement.

Detail was provided in previously circulated report to include:-

Performance Improvement 2025/2026

- Progress to date – Quarter 1 (1 April 2025 to 30 June 2025)

Outputs

- Target Outcomes
- Quarter 1 Performance Against Targets
- Analysis of Quarter 1 Data

This quarterly report will continue to be provided to Audit Committee.

Recommendation:

It is recommended that Council notes the report presented.

The Director of Corporate Services said that for the first time this quarter was not on target referring to significant long term absence amounting to 89% and made reference to the number of ill health and retirement capability exits in 2025 which is reflective of an aging working population.

The Director of Corporate Services assured Elected Members that whilst some issues were beyond the control of Council, Officers were doing all they could in accordance with policies and procedures alongside initiatives and schemes including Westfield Health.

18. CORPORATE RISK MATRIX AND REGISTER

Confidential report, by virtue of By virtue of paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014, previously circulated, was presented by the Director of Corporate Services

Purpose of Report

This report compares the June risk register to the September risk register documenting the escalation of some risks whilst other risks facing the Council are likely to reduce / de-escalate.

Background

This quarter the senior management undertook a comprehensive review to identify and assess the main risks that could prevent the Council from realising its objectives. Following the review mitigating actions have also been reviewed to ensure that these risks are managed to an acceptable level.

The table, previously circulated, aims to compare the June risk matrix to the September risk matrix seeking to highlight the impact the external environment has had on the key business of Council.

Proposals

Agreement of the selection of the changes as proposed in paragraph 2.1 to paragraph 2.3 to the Corporate Risk Register are presented to the Audit Committee for more detailed discussion and agreement.

Recommendation(s)

It is recommended that the Audit Committee notes and approves the changes to the Corporate Risk Register.

The Director of Corporate Services presented the Corporate Risk Register and provided commentary on the top risks and narrative in terms of movement and referred Elected Members to the detailed schedule which looks at inherent risk and residual risks with associated mitigating measures in place.

The Director of Corporate Services also referred to the heat map and advised Elected Members that there will always be an element of risk.

AGREED – To recommend that Council note and approve the changes to the Corporate Risk Register

19. RAISING CONCERNS/FRAUD

The Audit Risk and Governance Manager provided a verbal update advising Elected Members that the NIAO are undertaking an exercise on the number of incidents raising concern and have asked for the last 5 years data analysis; Potentially there may be a study going forward outlining how local authorities have handled raising of concerns.

Proposed by Councillor Kane
Seconded by Councillor Archibald and

AGREED – to recommend that Council move '*In Public*'.

20. ANY OTHER RELEVANT BUSINESS (NOTIFIED IN ACCORDANCE WITH STANDING ORDER 12 (0))

There was not Any Other Relevant Business (Notified in Accordance with Standing Order 12 (0))

21. DATE OF NEXT MEETING – WEDNESDAY 17 SEPTEMBER 2025

Date of Next Meeting – Wednesday 17 December 2025

There being no further business the Chair thanked Elected Members for their attendance, the meeting concluded at 8.00 pm.

Chair