

March 14th, 2024

Notice Of Meeting

You are requested to attend the meeting to be held on **Tuesday, 19th March 2024** at **7:00 pm** in **Church Street, Newtownards.**

Agenda

Agenda

[AC 19.03.2024 Agenda.pdf](#)

Page 1

1. Apologies
2. Chairman's Remarks
3. Declarations of Interest

Reports for Noting

4. Matters Arising from Previous Meetings
 - a) Committee Minutes from December 2023

Attached

[Item 4a Minutes PM.pdf](#)

Page 3

- b) Follow-up Actions

Report attached

[Item 4b - Follow up Actions.pdf](#)

Page 12

5. External Audit

- a) Draft Audit Strategy

[item 5 ANDBC 2023-24 Audit Strategy.pdf](#)

Page 14

6. Internal Audit

- a) Internal Audit Progress Report 2023/24

Attached

[Item 6a ANDBC 23-24 March Audit Committee Progress Report \(for issue\).pdf](#)

Page 33

- i. PCSP Review

[Item 6ai ANDBC - PCSP - Pre-Final Report \(for issue\).pdf](#)

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ii. Labour Market Partnership Review	
📎 <i>Item 6aii ANDBC - LMP Final Report (for issue).pdf</i>	<i>Page 87</i>
iii. Dog Licensing Review	
📎 <i>Item 6aiii ANDBC - Dog Licensing - Final Report (unsigned).pdf</i>	<i>Page 99</i>
iv. Events Management Review	
📎 <i>Item 6aiv ANDBC - Events Management -Final report (unsigned).pdf</i>	<i>Page 116</i>
b) Annual Assurance Statement	
📎 <i>item 6b Draft ANDBC Annual Assurance Report 2023-24 (for issue).pdf</i>	<i>Page 132</i>
c) Internal Audit Plan 2024/25	
📎 <i>Item 6c Annual Plan 2024-25 - DRAFT (for issue).pdf</i>	<i>Page 141</i>
7. Corporate Governance	
a) Corporate Risk Register	
Report attached	
📎 <i>Item 7a - Corporate Risk Register - Feb 24.pdf</i>	<i>Page 157</i>
📎 <i>Item 7a - Appendix 1 Corporate Risk Register Feb 2024.pdf</i>	<i>Page 159</i>
8. Meeting Schedule and Work Plan 2024/25	
📎 <i>Item 8 - Meeting Schedule and Workplan 2024-25.pdf</i>	<i>Page 161</i>
9. Any Other Notified Business	
ITEMS 10-12IN CONFIDENCE**	
Reports for Noting	
10. Single Tender Actions Update	
Report attached	
📎 <i>Item 10 - Single Tender Actions Update 270224.pdf</i>	<i>Not included</i>

11. Fraud, Whistleblowing and Data-protection matters

12. Meeting with NI Audit Office & Internal Audit Service in the absence of Management

Verbal update

ARDS AND NORTH DOWN BOROUGH COUNCIL

12 March 2024

Dear Sir/Madam

You are hereby invited to attend a meeting of the Audit Committee of Ards and North Down Borough in the Council Chamber, 2 Church Street, Newtownards on **TUESDAY, 19 March 2024** commencing at **7.00pm**.

Yours faithfully

Stephen Reid
Chief Executive
Ards and North Down Borough Council

A G E N D A

1. Apologies
2. Chairman's Remarks
3. Declarations of Interest

Reports for Noting:

4. Matters Arising from Previous Meetings
 - a) Committee Minutes from December 2023 (attached)
 - b) Follow-up Actions (report attached)
5. External Audit
 - a) Draft Audit Strategy
6. Internal Audit
 - a) Internal Audit Progress Report 2023/24 (attached)
 - i. PCSP Review
 - ii. Labour Market Partnership Review
 - iii. Dog Licensing Review
 - iv. Events Management Review
 - b) Annual Assurance Statement
 - c) Internal Audit Plan 2024/25
7. Corporate Governance
 - a) Corporate Risk Register (report attached)
8. Meeting schedule and work plan 2024/25

9. Any Other Notified Business

ITEMS 10 – 12 *IN CONFIDENCE*****

Reports for Noting:

- 10. Single Tender Actions Update (report attached)
- 11. Fraud, Whistleblowing and Data-protection matters (verbal update)
- 12. Meeting with NI Audit Office & Internal Audit Service in the absence of Management (verbal update)

MEMBERSHIP OF AUDIT COMMITTEE (11 MEMBERS)

Alderman Armstrong-Cotter (Vice Chair)	Councillor McCollum
Alderman McAlpine	Councillor McKee
Councillor Ashe	Councillor McLaren (Chair)
Councillor Cochrane	Councillor MacArthur
Councillor Hollywood	Councillor Wray
Mr P Cummings	

ITEM 7.1

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ARDS AND NORTH DOWN BOROUGH COUNCIL

A hybrid meeting (in person and via Zoom) of the Audit Committee was held at the Council Chamber, Church Street, Newtownards and via Zoom, Thursday 14th December 2023 at 7.00pm.

PRESENT: -

In the Chair: Councillor McLaren

Aldermen: Armstrong-Cotter (Zoom)
McAlpine (Zoom)

Councillors: Ashe (Zoom) McKee (Zoom)
Cochrane MacArthur
Hollywood Wray
McCollum

Independent Member: Mr P Cummings (Zoom)

In Attendance: ASM – C Hagan
Deloitte – C McDermott
Deloitte – N Sammon
Deloitte – D Kinsella (Online)
NIAO – D Cambell

Officers: Chief Executive Officer (S Reid), Director of Corporate Services (M Steele), Head of Finance (S Grieve), Head of Strategic and Democratic Services Officer (S McCrea)

1. APOLOGIES

The Chairman (Councillor McLaren) sought apologies. Though there were no apologies for attendance, Mr Cummings advised he had another commitment and may not be present for the entire meeting.

NOTED.

2. CHAIRMAN'S REMARKS

The Chairman welcomed everyone to the meeting including the internal and external auditors from the Northern Ireland Audit Office and Deloitte.

NOTED.

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3. DECLARATIONS OF INTEREST

The Chairman asked for any Declarations of Interest and none were declared.

NOTED.

4. MATTERS ARISING FROM PREVIOUS MEETINGS

(a) Audit Committee Minutes from September 2023

PREVIOUSLY CIRCULATED:- Copy of the above minutes.

AGREED TO RECOMMEND, on the proposal of Councillor Wray, seconded by Councillor MacArthur, that the report be noted

(b) Follow up Actions

PREVIOUSLY CIRCULATED:- Copy of the above report.

The Head of Finance advised to Members that the report kept track of actions that had been previously agreed and summarised the content of the report. He explained that Internal Audit had been given explanations as to why implementation dates had been missed and, in relation to the vesting of William Street, advised that Council legal representatives continued to respond to queries from DSO. Consideration on the matter was still ongoing as to whether it should be escalated.

Mr Campbell (NIAO) recalled that Mr O'Sullivan had been asked to raise the issue with Collette who in turn had taken the issue to BFI. The situation was still being monitored and the Head of Finance assured Members that the matter would be considered by management and reported upon at the next Audit Committee.

Councillor MacArthur proposed, seconded by Councillor Cochrane that the report be noted.

Councillor MacArthur noted the usefulness of the follow-up actions report as well as the verbal update provided.

AGREED TO RECOMMEND, on the proposal of Councillor MacArthur, seconded by Councillor Cochrane, that the report be noted

5. CORPORATE GOVERNANCE

(a) Risk Appetite Framework

PREVIOUSLY CIRCULATED:- Report from the Director of Corporate Services outlining a draft risk appetite framework developed by the Corporate Leadership Team through a workshop facilitated by Deloitte in August 2023.

RECOMMENDED that the Draft Risk Framework be adopted.

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Councillor MacArthur proposed, seconded by Alderman Armstrong-Cotter that the recommendation be adopted.

Councillor MacArthur asked if the four headings of the risk register were standard and within which reputational damage may belong. The Director of Corporate Services provided some examples such as breaches in cyber security and difficulties with partnerships and that reputational damage would be considered as part of any corporate risk register used. The draft risk framework before Members was in advance of redrafting the overall corporate risk registers. It was hoped that the revised corporate risk register encompassing relative appetites across risk areas could be presented at the Audit Committee in March 2024. The document would be fluid, evolving over time in response to various internal and external factors, working like a tool to ensure robust decisions were made.

Camille McDermott (Deloitte) explained to Members that a workshop had taken place to support development of a risk appetite statement and that the risk register and risk appetite were different in that one registered identified risks on the horizon whilst the other was a tool to measure the amount of risk the Council may be willing to take on a decision. Given the sector however, being completely risk averse was impossible and reputational risk was an outcome/ impact of risk as opposed to a category in its own right.

Councillor Wray asked, if, in the event that the Corporate Leadership Team took a particular course of action against the framework, would it need to be taken to the Council meeting and if so, how the Leadership team would arrive at a decision. The Director of Corporate Services reminded Members that the draft was a tool to be referred to regularly but not in all circumstances. It would not be about where a decision lines up with risks but instead where each risk was associated with a course of actions sits with risk appetite.

AGREED TO RECOMMEND, on the proposal of Councillor MacArthur, seconded by Alderman Armstrong-Cotter, that the Draft Risk Framework be adopted.

(b) Interim Statements of Assurance November 2023

PREVIOUSLY CIRCULATED:- Report from the Director of Corporate Services detailing assurance statements completed by Heads of Service for the period 1st April to 30th September 2023.

RECOMMENDED that the report be noted.

AGREED TO RECOMMEND, on the proposal of Councillor Wray, seconded by Councillor Hollywood, that the report be noted.

6. **CORPORATE GOVERNANCE**

(a) Report to those charged with Governance

PREVIOUSLY CIRCULATED:- Report from Deloitte detailing key matters from the 2022-23 audit of Ards & North Down Borough Council Financial Statements.

RECOMMENDED that the report be noted.

Mr Campbell explained that the document was in its final format and included manager comments.

Councillor MacArthur proposed, seconded by Councillor Cochrane that the recommendation be adopted.

Councillor MacArthur advised that Members had received an update on the Priority #1 issue discussed at the previous Audit meeting.

AGREED TO RECOMMEND, on the proposal of Councillor MacArthur, seconded by Councillor Cochrane, that the report be noted.

(b) Audit & Assessment Report

PREVIOUSLY CIRCULATED:- Report from Deloitte summarising the work of the Local Government Auditor on the 2023-24 performance improvement audit and assessment undertaken on Ards and North Down Borough Council.

RECOMMENDED that the report be noted.

Mr Campbell advised Members that this was a standard report in respect of the Performance Improvement Plan for 2023-24 and the Performance Assessment of 2022-23. The Local Government Auditor had given an unqualified audit certificate with no statutory recommendations. Only one new proposal existed as outlined on page 6 regarding good practice regarding Performance Improvement.

Councillor Wray proposed, seconded by Councillor Hollywood that the report be noted.

Mr Cummings referred to annex b within which manager's comments could be found regarding an audit oversight and asked Officers for comment. The Director of Corporate Services explained that it was a comment in relation to the Performance Improvement Plan which, at the time of writing was presented to the Corporate Services Committee as opposed to the Audit Committee. Management would be reviewing the Terms of Reference for both committees to ensure the correct reports and documents were presented to the most appropriate committees. The other minor recommendation was with regard to Council not having a formal consultation strategy. The Director of Corporate Services had spoken to the Communications & Marketing team and agreed consultation engagement was a top priority with plans to engage the community with initiatives and projects through the Corporate Plan with the likes of Citizen Space potentially being used to further that agenda. It was hoped

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that the formal consultation strategy would be in place within the next six to twelve months.

Councillor MacArthur noted mention of limited evidence of audit tracking (page 12 of the report) and asked if it was relevant to the Performance improvement Plan that the Audit Committee had not seen. The Director of Corporate Services confirmed, stating that as discussed earlier, Management would review the Terms of Reference for committees to ensure they aligned correctly, ensuring reports could be presented to the most appropriate.

AGREED TO RECOMMEND, on the proposal of Councillor Wray, seconded by Councillor Hollywood, that the report be noted.

(c) Annual Audit Letter

PREVIOUSLY CIRCULATED:- Report from

RECOMMENDED that the report be noted.

Mr Campbell apologised for the report arriving late and explained that the key message was that the 2022-23 financial statements were certified by qualification and no issues were noted.

Councillor Cochrane proposed, seconded by Councillor Wray that the report be noted.

Councillor Hollywood asked if there was any information relating to the causes of high sickness within the Council. The Director of Corporate Services advised that absenteeism was regularly scrutinised at the Corporate Services Committee with quarterly reports which categorised absence reasons.

AGREED TO RECOMMEND, on the proposal of Councillor Cochrane, seconded by Councillor Wray, that the report noted.

7. INTERNAL AUDIT

(a) Progress & Quarterly Follow-up

PREVIOUSLY CIRCULATED:- Report from Deloitte outlining the Audit Committee's progress report.

RECOMMENDED that the report be noted.

Camille McDermott summarised the content of the report to Members, explaining that six reports had been completed with three presented at this evening's Committee. Fieldwork had been completed for two further reviews whilst there were plans for two further reviews in the new year. There had been no changes to the internal audit plan other than a review around vehicle acquisition and disposal for which Deloitte would work with Management regarding the Terms of Reference to be brought before the Audit Committee.

In relation to outstanding internal audit recommendations, 65 were open as of the previous meeting with reports presented at this evening's meeting having added a further five. However, significant progress had been made as 26 recommendations had been closed by management with 44 remaining. That said, based upon updates, many of those were partially implemented whilst 27 recommendations had not been started in part due to implementation needs or whilst engaging with higher priority recommendations. Of three Priority #1 recommendations at the last meeting, two had been closed whilst the other was partially implemented. The bar chart in the report provided target dates with an expectation of many recommendations being closed off in approximately six months.

Councillor MacArthur proposed, seconded by Councillor Wray that the report be noted.

Councillors MacArthur & McLaren thanked the Director and team for their progress as did Mr Cummings given the reassuring inroad that had been made, whilst Councillor Wray thanked Deloitte for adding additional detail on dates to the report.

AGREED TO RECOMMEND, on the proposal of Councillor MacArthur, seconded by Councillor Wray, that the report be noted.

(b) Emergency Planning

PREVIOUSLY CIRCULATED:- Report from Deloitte detailing an assurance review undertaken as part of the 2023-24 Internal Audit Operational Plan that reviews the controls in place which enable the Council to fulfil its responsibilities for Emergency Planning and support of communities in the event of a major emergency in the borough.

RECOMMENDED that the report be noted.

Camille McDermott explained that two Priority #3 findings of a relatively minor nature existed which granted a satisfactory level of assurance. The Priority #3s related to updates between the emergency plans and appendices, ensuring processes were in place for lessons learned and that they be documented within the plan with clear action plans in place where lessons had been identified and to follow them up.

AGREED TO RECOMMEND, on the proposal of Councillor Hollywood, seconded by Councillor Ashe, that the report noted.

(c) Finance Service Review

PREVIOUSLY CIRCULATED:- Report from Deloitte outlining a review undertaken as part of the 2023-24 Internal Audit Operational Plan, focusing on key controls in place to manage risks associated with Service planning, performance monitoring/ reporting, risk management and system readiness.

RECOMMENDED that the report be noted.

Camille McDermott summarised the report, explaining that it spanned Service Planning, performance monitoring, reporting and risk management with the addition of adding system readiness with regard to approval for the Finance Department to invest in new systems and its implementation. Satisfactory assurance had been granted.

Overall, there was one Priority #2 and two Priority #3s. The former related to readiness for a new system. In identifying a new system, it was important to know what did not work with the system in place at the time of writing versus what the newer system could achieve. These elements could then be fed into procurement to ensure acquisition of the most suitable system and any training that may be required. At the time of the review being carried out, a post project evaluation of the Core HR Payroll system had yet to be completed. The Priority #3s were minor, consisting of ensuring explanation of under qualifying variants for KPIs and a review of the risk register which was reviewed in the service. However, the risk strategy recommended quarterly though at the time of writing, it was carried out bi-annually.

Councillor MacArthur proposed, seconded by Councillor Wray that the recommendation be adopted.

In answer to questions by Councillor MacArthur, Camille McDermott advised that the Priority #2 existed only as a new system was amidst a procurement process and the recommendation would provide some ability to plan.

The Head of Finance explained that there had been pre-market engagement with a number of suppliers and liaised with other Councils who had recently or were themselves amidst the process of implementing new systems. A business case had been approved as part of last year's estimates process which had since been revised in line with the estimates process being carried out. Transformation Services were carrying out a post-project evaluation of the Core System with consultation taking place amongst team members with a hope of completion before procurement. The system that was in place was reaching the end of its life cycle with approximately two years left. The Head of Finance hoped to carry out additional consultations with other service managers and administration staff who used the system.

AGREED TO RECOMMEND, on the proposal of Councillor MacArthur, seconded by Councillor Wray, that the report noted.

(d) Procurement

PREVIOUSLY CIRCULATED:- Report from Deloitte detailing an assurance review undertaken as part of the 2023-24 Internal Audit Operational Plan to review the controls in place over procurement above the tender threshold and controls to manage supply chain risk. The review also included contract management arrangements in-place post-procurement, including performance monitoring controls.

RECOMMENDED that the report be noted.

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Camille McDermott summarised the report to Members, advising that there had been one Priority #2 finding and two Priority #3 findings which granted an overall satisfactory assurance. The former related to clarity of tender documentation with regard to roles and responsibilities and performance monitoring. This kind of clarity was important from the outset with contractors to ensure both parties were under no illusion as to their own roles, responsibilities, requirements and performance measures. It had been noted that for three of the five contracts, performance was managed on-site through a site supervisors or visitation for example. However, it was identified that more formal updates would be helpful from contractors.

The Priority #3 was relatively minor, relating to maintenance of a checklist developed by procurement service which each of the service units should use when undertaking procurement which would ensure full documentation and evidence of advertisements. Most Council procurement would find itself on the E-Tender platform and newspapers. It was noted that the E-Tender platform was much easier to evidence than perhaps that of newspapers.

Finally, it was noted that the procurement handbook required of managers in Council to consider both supply chain and contractor risk when engaging in procurement but there was no formal mapping or consideration as to Council critical suppliers, critical risks around supply chains etcetera.

Councillor McKee proposed, seconded by Councillor MacArthur that the report be noted.

Camille McDermott advised that the renewed contract of leisure did not form part of the review in answer to Councillor McKee's query.

AGREED TO RECOMMEND, on the proposal of Councillor MacArthur, seconded by Councillor McKee, that the report noted.

8. ANY OTHER NOTIFIED BUSINESS

The Chairman advised that there were no items of Any Other Notified Business.

NOTED.

EXCLUSION OF PUBLIC/PRESS

AGREED TO RECOMMEND, on the proposal of Councillor Wray, seconded by Councillor Cochrane, that the public/press be excluded during the discussion of the undernoted items of confidential business.

9. SINGLE TENDER ACTIONS UPDATE (FILE 231329)

*****IN COMMITTEE*****

NOT FOR PUBLICATION SCHEDULE 6 – INFORMATION RELATING TO THE FINANCIAL OR BUSINESS AFFAIRS OF ANY PARTICULAR PERSON (INCLUDING THE COUNCIL HOLDNG THAT INFORMATION)

A report had been supplied informing those present of updates on Single Tender Actions. A recommendation had been made to note the report.

10. FRAUD, WHISTLEBLOWING AND DATA-PROTECTION MATTERS

*****IN COMMITTEE*****

NOT FOR PUBLICATION SCHEDULE 6 – INFORMATION RELATING TO THE FINANCIAL OR BUSINESS AFFAIRS OF ANY PARTICULAR PERSON (INCLUDING THE COUNCIL HOLDNG THAT INFORMATION)

11. MEETING WITH NI AUDIT OFFICE & INTERNAL AUDIT SERVICE IN THE ABSENCE OF MANAGEMENT

*****IN COMMITTEE*****

NOT FOR PUBLICATION SCHEDULE 6 – INFORMATION RELATING TO THE FINANCIAL OR BUSINESS AFFAIRS OF ANY PARTICULAR PERSON (INCLUDING THE COUNCIL HOLDNG THAT INFORMATION)

RE-ADMITTANCE OF PUBLIC AND PRESS

AGREED TO RECOMMEND, on the proposal of Councillor Cochrane, seconded by Councillor Wray, that the public/press be readmitted to the meeting.

TERMINATION OF MEETING

The meeting terminated at 19:51.

Unclassified

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ITEM 4b**Ards and North Down Borough Council**

Report Classification	Unclassified
Council/Committee	Audit Committee
Date of Meeting	19 March 2024
Responsible Director	Director of Corporate Services
Responsible Head of Service	'-
Date of Report	28 February 2024
File Reference	AUD02
Legislation	Local Government (Accounts and Audit) Regulations 2015
Section 75 Compliant	Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>
Subject	Follow up Actions from previous meetings - Action Register
Attachments	Appendix 1 (included)

In line with best practice, the purpose of this report is to make the Audit Committee aware of the status of outstanding recommendations or any outstanding actions from the previous Audit Committee meetings.

There was one item from the previous committee which has now been actioned.

RECOMMENDATION

It is recommended that Council notes the report.

Unclassified

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Appendix 1

Item	Title	Action	Officer	Status
September 2023				
6b	Report to those charged with governance	<ul style="list-style-type: none"> Update on progress in respect of compensation for the vesting of William Street site 	Director of Corporate Services	Verbal update at Committee
December 2023				
6b	Audit and Assessment Report	<ul style="list-style-type: none"> Review Terms of Reference of both Audit Committee and Corporate Services Committee in respect of reporting Performance Improvement matters 	Director of Corporate Services	Due June 2024
		<ul style="list-style-type: none"> Drafting of formal communications strategy 	Head of Communications and Marketing	Due December 2024
7c	Finance Service Review	<ul style="list-style-type: none"> User consultation in connection with new financial management system 	Head of Finance	Due September 2024



Audit Strategy

Ards and North Down Borough Council
2023-24

Date

8 March 2024

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

1. Key Messages

Background

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

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

Purpose

The purpose of this document is to highlight to the Chief Financial Officer and Audit Committee of Ards and North Down Borough Council:

- how we, on behalf of the Local Government Auditor (LGA), [plan to audit](#) the financial statements for the year ending 31 March 2024, including how we will be addressing [significant risks](#) of material misstatement to transactions and balances;
 - how we, on behalf of the LGA, plan to audit the [proper arrangements](#) in place for securing economy, efficiency and effectiveness in the use of resources for the year ending 31 March 2024;
 - how we, on behalf of the LGA, plan to conduct an improvement audit and assessment;
 - the planned [timetable, fees and audit team](#);
 - relevant updates to the code;
 - matters which we are required to communicate to you under International Standards on Auditing (ISAs), including the [scope of the audit](#), our [respective responsibilities](#), and [how we maintain independence and objectivity](#); and
 - [Public Reporting](#) work undertaken by the LGA that is relevant to Ards and North Down Borough Council.
-

Materiality

When setting materiality, we consider both qualitative and quantitative aspects that would reasonably influence the decisions of users of the financial statements. [The overall account materiality](#) is £1,760k.

Significant Audit Risks

We plan our audit of the financial statements to respond to the risks of material misstatement to transactions and balances. We have identified the following [risks](#) for the Council which have the most significant impact on our audit approach:

- Management Override of Controls
 - Financial Resilience
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Proper Arrangements

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

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

Performance Improvement

The LGA will undertake a full assessment of whether the Council is likely to comply with its performance improvement responsibilities under the Act in 2024. In preparation for this, the Council should ensure that:

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

Audit Team and Fee

Brian O'Neill will be responsible for the overall audit. The full engagement team is presented in [Section 4](#).

Our audit [fee](#) for this year is £77,000 for the financial audit and £18,000 for the performance improvement audit and assessment.

Actions for the Audit Committee

The Audit Committee should discuss:

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

2. Materiality

BASIS FOR OVERALL MATERIALITY CALCULATION	OVERALL ACCOUNT MATERIALITY (2%)	ERROR REPORTING THRESHOLD
£88m (prior year gross expenditure)	£1,760k	We report to you all misstatements, whether adjusted or unadjusted, above £88k

A matter is material if its omission or misstatement would reasonably influence the decisions of the users of the financial statements. The assessment of what is material is a matter of the auditor's professional judgement and includes consideration of both the amount and the nature of misstatement.

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

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

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

3. Audit Approach

Audit Approach

The NIAO audit approach is risk-based, informed by a good understanding of the operations of Ards and North Down Borough Council and the performance of extensive risk assessment procedures to identify risks of material misstatement associated with the financial statements and the use of IT in financial reporting. For each risk of material misstatement identified, we will design responsive audit approaches at the financial statement and audit assertion levels as appropriate using a variety of audit techniques. These will include using the work of experts, testing how management has made accounting estimates, analytical procedures and sampling of transactions. We will review management controls, including IT controls, operated by the Council only to the extent we consider necessary for the effective performance of the audit.

Independence

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

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

Management of Personal Data

During the course of our audit we have access to personal data to support our audit testing. The NIAO has appointed a Data Protection Officer and has implemented a Data Protection Policy which ensures that personal data (and other sensitive data) used in connection with the audit is requested, transferred, controlled, processed and destroyed in accordance with the General Data Protection Regulation and applicable national law.

Using the work of Internal Audit

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

Using Specialised Skills

In assessing certain account areas requiring specialist knowledge, we will perform procedures to enable us to rely on the skills of specialists in these areas. This will include the pension actuary and property valuers.

Changes to the Code of Practice in 2023-24

The key accounting changes introduced by the *2023-24 Code of Practice on Local Authority Accounting in the United Kingdom* (the Code) include:

- Amendments to Section 3.3 of the Code reflecting amendments to IAS 8, which clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors;
 - Amendments to Section 3.4 of the Code reflecting changes to IAS 1, which help preparers to provide more focused and proportionate information on accounting policies; and
 - Amendments to Section 4.1 of the Code, which provide a temporary relief so that local authorities are not required to report the gross book value and accumulated depreciation for infrastructure assets. Where a local authority chooses to apply this temporary relief, the Code requires that additional information is provided to explain an authority's rationale for this decision.
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Audit Scope

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

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

Respective Responsibilities in the preparation of the financial statements

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

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

Proper Arrangements in place to secure economy, efficiency and effectiveness

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

- We will follow up on the 2022-23 Report to Those Charged with Governance audit finding in relation to proper arrangements. Issues identified in this finding included a need to review, update, approve and implement policies; fraud training; and cyber security accreditation.

Performance Improvement

The Local Government (Northern Ireland) Act 2014 prescribes responsibilities for the Local Government Auditor regarding the audit and assessment of performance improvement arrangements in Councils. This work will be conducted in accordance with the Act, the Guidance, the Local Government Code of Audit Practice 2016 and the LGA's Statement of Responsibilities, and includes:

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

The Act also allows the LGA to:

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

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

Significant Audit Risks

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

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

The following is a presumed risk.

Significant Risk 1 Management override of controls

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

Audit Response

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

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

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

Significant Risk 2 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.

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.
-

Other areas of interest

We have also identified the following areas of interest that we do not currently consider to be significant risks but that we will review as part of our audit procedures:

- Basis for treatment of Output VAT recoverable relating to sporting services, following a ruling by HMRC. We will review Council documents, HMRC guidance and any other relevant information.
- In the prior year RTTCWG, a finding was included in relation to an outstanding amount receivable from the DfI after they vested lands belonging to the council. There were delays in recovering this receivable as a result of a dispute on title to part of the land vested by DfI. We note that a risk has been recognised on Council's risk register regarding the risk of land being taken without permission. It notes that some land has previously been lost or offered for sale due to a 'weak legal position'. We will review the progress of the 'robust monitoring system' that is being put in place to mitigate this risk, and also trace a sample of assets to supporting documentation.

4. Audit Timetable, Fees and Staffing

Timetable for Financial Audit

The timetable comprises audit fieldwork commencing 15 July 2024 with certification planned for 30 September 2024.

MILESTONE	ESTIMATED DATE
Final audit testing commences	15 July 2024
Draft Annual Report and year end financial statements provided to NIAO	30 June 2024
Provisional Report to those charged with governance issued for management response	13 September 2024
Council/ Committee Meeting to approve final accounts	TBC September 2024
Signed financial statements and Letter of Representation provided to NIAO	By 25 September 2024
Financial Statements certified by LGA	30 September 2024
Final Report to those charged with governance issued	15 November 2024
Annual Audit Letter issued	30 November 2024

Submission of Accounts

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

Public Notice

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

Objections

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

Improvement Audit and Assessment Timetable

MILESTONE	ESTIMATED DATE
Council publishes Performance Improvement Plan	Not later than 30 June 2024*
NIAO Planning and Fieldwork	October 2024
Council to publish an assessment and comparison of its performance	No later than 30 September 2024
Draft S95 report issued to Chief Financial Officer for factual accuracy agreement	14 November 2024
Final S95 report issued to the Council and the Department	29 November 2024
Publication of Council's Annual Improvement Report	No later than 31 March 2025

* The Act indicates that councils should publish their Performance Improvement Plan as soon as practical after the start of the financial year to which it relates. The Guidance recommends this is completed by the end of June to enable the LGA to meet the statutory reporting deadline of 30 November 2024.

Fees

The audit fee for this year is £77,000 for the financial audit and £18,000 for the performance improvement audit and assessment.

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

- Ards and North Down Borough Council delivering by 28 June 2024 a complete Statement of Accounts of sufficient quality that have been subject to appropriate internal review.
- Ards and North Down Borough Council delivering good quality supporting documentation and evidence, within the agreed timetable for both the financial and improvement audits; and
- Appropriate client staff being available during the audit.

Audit team – Statement of Accounts and Proper Arrangements

TEAM MEMBER	RESPONSIBILITY
<p>Brian O’Neill Engagement Director (028) 9025 4323 brian.oneill@niauditoffice.gov.uk</p>	<p>Overall responsibility for the audit, for ensuring an appropriate audit opinion is given and for liaison with the Council and its Audit Committee.</p>
<p>Richard Ross Engagement Manager (028) 9025 1071 richard.ross@niauditoffice.gov.uk</p>	<p>Responsible for day to day management of the audit and audit team.</p>
<p>Laura Jane McHugh Lead Auditor (028) 9025 4306 laurajane.mchugh@niauditoffice.gov.uk</p>	<p>Responsible for detailed planning, fieldwork and completion of the audit.</p>
<p>Conor Hill Team Member (028) 9025 1090 conor.hill@niauditoffice.gov.uk</p>	<p>Responsible for conducting audit fieldwork to NIAO standards.</p>
<p>Coist Bradford Team Member (028) 9025 1080 coist.bradford@niauditoffice.gov.uk</p>	<p>Responsible for conducting audit fieldwork to NIAO standards.</p>

Audit team – Improvement Audit and Assessment work

TEAM MEMBER	RESPONSIBILITY
<p>Brian O'Neill Engagement Director (028) 9025 4323 brian.oneill@niauditoffice.gov.uk</p>	<p>Overall responsibility for the audit, for ensuring an appropriate audit opinion is given and for liaison with the Council and its Audit Committee</p>
<p>Richard Ross Engagement Manager (028) 9025 1071 richard.ross@niauditoffice.gov.uk</p>	<p>Responsible for day to day management of the audit and audit team.</p>
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<p>Coist Bradford Team Member (028) 9025 1080 coist.bradford@niauditoffice.gov.uk</p>	<p>Responsible for conducting audit fieldwork to NIAO standards.</p>

Appendix One: Good Practice Guides

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

- **School Governance**
04 July 2023
- **Innovation and Risk Management – A Good Practice Guide for the public sector**
27 June 2023
- **Planning Fraud Risks**
1 March 2023
- **Board Effectiveness – A Good Practice Guide**
22 June 2022
- **Internal Fraud Risks**
24 February 2022
- **Grant Fraud Risks**
28 October 2021
- **A Strategic Approach to the Use of Public Sector Assets A Good Practice Guide for Local Government in Northern Ireland** *21 October 2021*
- **Procurement fraud risk guide**
24 November 2020
- **Covid-19 fraud risks August 2020**
01 September 2020
- **Raising concerns: A good practice guide for the Northern Ireland Public Sector**
25 June 2020
- **Performance improvement in local government - learning the lessons of performance improvement: a good practice briefing**
27 September 2019
- **Public Reporting Standards (May 2019)**
24 May 2019
- **Making Partnerships Work**
30 April 2019

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

Appendix Two: Public Reports

Relevant Public Reports

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

- **Planning in Northern Ireland**
01 February 2022
- **Local Government Annual Improvement Reports 2021/22**
31 March 2022
- **Extraordinary Audit of Causeway Coast and Glens Borough Council**
07 July 2022
- **Local Government Auditor's Report 2023**
15 December 2023

Current and Planned Public Reporting Activities

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

- **Review of Waste Management in Northern Ireland - A** strategic review of the waste management system operating within NI. The report will have a dual central and local government focus since waste is the responsibility of several separate entities across the public sector.
- **Local Government Auditor's Report 2024** – A summary of the audit findings of 2022-23 financial year.

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

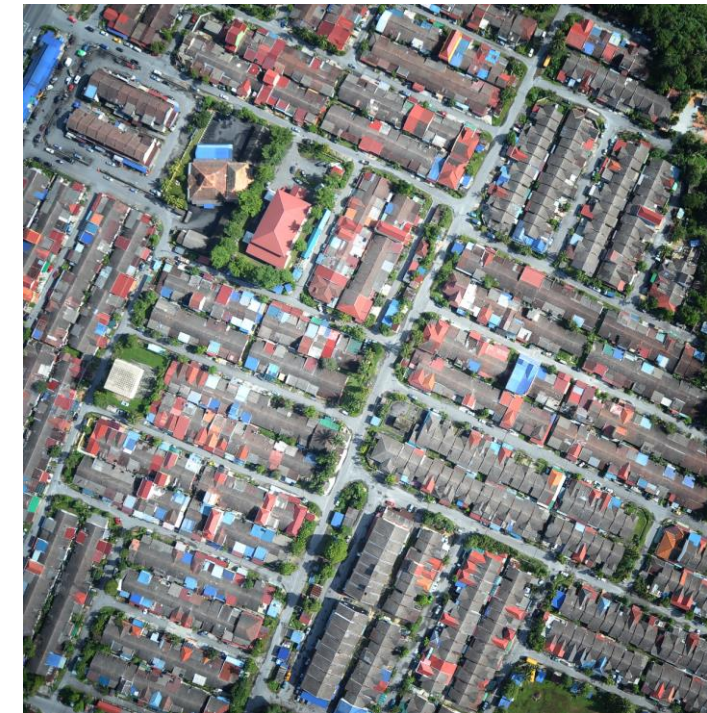


Ards and North Down Borough Council Audit Committee Progress Report

March 2024

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Progress to Date

Summary Status of the 2023/24 Plan

Progress to Date

Summary Status of the 2023/24 Plan

36

We have continued delivery of the 2023/24 Plan. An overview of our progress on the 2023/24 Plan (as at 08/03/2024) is set out below:

Final Report / Complete	Draft Report	Fieldwork	Planning	Yet to Commence	Cancelled / Deferred	Total
10	1	2	-	-	-	13

Since our previous Audit Committee progress report we have:

- Issued final report for Policing and Community Safety Partnerships review on 08/03/2024.
- Issued final report for the Dog Licensing and Enforcement Review on 19/02/2024.
- Issued final report for Labour Market Partnership Review on 07/03/2024.
- Issued final report for Events Management Review on 08/03/2024.
- Commenced fieldwork for the Vehicle Management review on 19/02/2024.
- Commenced fieldwork for IT General Controls review on 04/03/2024.

Further detail on reviews is provided in **Appendix I**.

Final Reports

Summary of Findings Identified

Final Report

Dog Licensing

Background

This assurance review focused on the controls in place to enable Ards and North Down Borough Council (“the Council”) to fulfil its dog licensing responsibilities.

Overview

In order to complete this engagement, we completed the following:

- Held discussions with key members of the Council such as the Neighbourhood Environment Team (NET) Service Unit Manager, and key staff involved in Dog Licensing to walkthrough key processes.
- Reviewed key items of documentation such as a copy of the Council’s Dog License register and related documentation
- A limited programme of sample testing to assess control operating effectiveness.
- Considered possible improvements or alternatives for the controls in place.
- Reported findings with practical recommendations for improvement where appropriate.

Priority 1	Priority 2	Priority 3
-	-	4

Overall Opinion

As a result of our audit a **Satisfactory** assurance was provided.

Findings

There were no **Priority 1** or **Priority 2** findings identified during our review.

There were four **Priority 3** findings identified during our review.

Final Report

PCSP

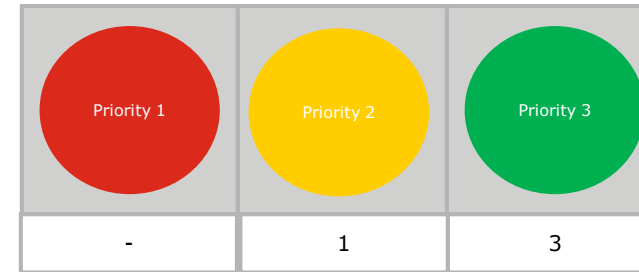
Background

This assurance review focused on the controls in place for the management of PCSP grants and tendering processes.

Overview

In order to complete this engagement, we completed the following:

- Discussions with key stakeholders in relation to the PCSP.
- Reviewed key items of documentation such as policies and procedures which relate to PCSP governance including documentation relating to the 3 Year Strategy and Annual Action Plan.
- Reviewed documentation relating to the management of grants, the tendering process and the management of direct delivery funding, as well as any relevant budgetary information, project expenditure reports and supporting evidence of expenditure relevant to these areas.
- A limited programme of sample testing to assess control operating effectiveness.
- Considered possible improvements or alternatives for the controls in place.
- Reported findings with practical recommendations for improvement where appropriate.



Overall Opinion

As a result of our audit a **Satisfactory** assurance was provided.

Findings

There were no **Priority 1** findings identified during our review.

There was one **Priority 2** finding identified during our review. This can be summarised as follows;

- Lack of supporting documentation to evidence expenditure

There were three **Priority 3** findings identified during our review

Final Report

Events Management

Background

This assurance review focused on the the controls in place around the management and oversight of Council-run tourism events which are attended by the public, including planning processes, budget and risk management (including health and safety), impact realization and lessons learned.

Overview

In order to complete this engagement, we completed the following:

- Discussions with key members of the Events management team such as Head of Tourism and other key stakeholders to walkthrough key processes.
- Review of key items of documentation such as policies and procedures, ANDBC Borough Events Strategic Direction 2021-2026 document, ANDBC Events Matrix document, event plans for sample of Council events.
- A limited programme of sample testing on a sample of projects to assess control operating effectiveness, including the planning process, risk management, budget monitoring, event delivery and lessons learned.
- Consideration of possible improvements or alternatives for the controls in place.
- Reporting of findings with practical recommendations for improvement where appropriate.

Priority 1	Priority 2	Priority 3
-	-	5

Overall Opinion

As a result of our audit a **Satisfactory** assurance was provided.

Findings

There were no **Priority 1 or Priority 2** findings identified during our review.

There were five **Priority 3** finding identified during our review.

Final Report

LMP

Background

This assurance review focused on the governance arrangements of the LMP and controls to manage grants and expenditure.

Overview

In order to complete this engagement, we completed the following:

- Discussions with key members of staff involved in the Labour Market Partnership, including the Head of Economic Development, Labour Market Partnership Manager and Economic Development Manager, to walkthrough key processes.
- Review of key items of documentation such as policies and procedures, terms of references, and the LMP Action Plan.
- A limited programme of sample testing to assess control operating effectiveness, including tendering, and awarding of projects, payment of funding to selected projects, and committee and sub-committee meetings.
- Held a close out meeting with relevant stakeholders to discuss any review outcomes.
- Preparation of a draft report.
- Preparation of a final report, including management action plans in response to any recommendations.

Priority 1	Priority 2	Priority 3
-	-	1

Overall Opinion

As a result of our audit a **Satisfactory** assurance was provided.

Findings

There were no **Priority 1 or Priority 2** findings identified during our review.

There was one **Priority 3** finding identified during our review.

Appendix I

Progress to Date

Progress to Date

Update on Annual Internal Audit Plan – 2023/24

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In this section we have provided an overview of our progress regarding the 2023/24 Internal Audit Plan as at 08/03/2024.

Ref	Review Area	Sponsor	Planned Days	Audit Status	Assurance Level	Planned Start Date	Actual Start Date	Notes
Quarter 1								
ANDBC 23/24 – 01	Service Review – Assets and Property Services	Head of Assets and Property Services	15	Final Report	Satisfactory	15/05/2023	15/05/2023	Final report issued 28/09/2023.
Quarter 2								
ANDBC 23/24 – 02	Service Review - Finance	Head of Finance	15	Final Report	Satisfactory	26/06/2023	26/06/2023	Final report issued 27/10/2023.
ANDBC 23/24 -03	Risk Register Workshop	CLT and HoST	2	Complete	N/A	25/07/2023	25/07/2023	Workshop held on 25/07/2023. Output from the risk register workshop issued to management on 07/08/2023 for management review and risk scoring.
ANDBC 23/24 – 04	Emergency Planning	Head of Administration	10	Final Report	Satisfactory	31/07/2023	31/07/2023	Final report issued 19/10/2023.
ANDBC 23/24 - 05	Risk Appetite Workshop	CLT	3	Complete	N/A	10/08/2023	10/08/2023	Workshop held on 10/08/2023. Output from workshop issued to management on 12/09/2023.

Progress to Date

Update on Annual Internal Audit Plan – 2023/24

44

Ref	Review Area	Sponsor	Planned Days	Audit Status	Assurance Level	Planned Start Date	Actual Start Date	Notes
Quarter 3								
ANDBC 23/24 – 06	Procurement - above tender threshold and contract management	Head of Transformation and Performance / Head of Finance / relevant Heads of Service	20	Final Report	Satisfactory	18/09/2023	18/09/2023	Final report issued 07/12/2023.
ANDBC 23/24 – 07	PCSP	Interim Head of Community and Wellbeing	9	Final Report	Satisfactory	13/11/2023	13/11/2023	Final report issued 08/03/2024.
ANDBC 23/24 – 08	Dog Licensing and Enforcement	Neighbourhood environment manager / Head of Finance	10	Final Report	Satisfactory	30/10/2023	30/10/2023	Final report issued 19/02/2024.
Quarter 4								
ANDBC 23/24 – 09	Events Management	Head of Tourism	10	Final Report	Satisfactory	15/01/2024	15/01/2024	Final report issued 08/03/2024.
ANDBC 23/24 – 10	Labour Market Partnership	Head of Economic Development	8	Final Report	Satisfactory	24/01/2024	24/01/2024	Final report issued 07/03/2024.
ANDBC 23/24 – 11	HR (Absence Management)	Head of HR and Organisational Development	12	Draft Report	Satisfactory	08/01/2024	08/01/2024	Draft report to be issued w/c 11/03/2024.
ANDBC 23/24 - 12	IT General Controls	Head of Transformation and Performance	16	Fieldwork	-	04/03/2024	-	Fieldwork commenced 04/03/2024.
ANDBC 23/24 - 13	Vehicle Management	Head of Assets and Property	10	Fieldwork	-	19/02/2024	19/02/2024	Additional review requested by management. Fieldwork in progress.

Changes to the Internal Audit Plan and AOB

Amendments and AOB to be noted by the Audit Committee

We have no other business to present however would be happy to discuss any other business that Ards and North Down Borough Council may wish to consider.

Appendix II

Outstanding Recommendations Update



Internal Audit have compiled a database of Internal Audit recommendations and seek management updates quarterly for all open recommendations (including any from previous years which remain open) as follows:

- **For Priority 3 findings reported as closed, the management update as to whether it is closed (and when) or not is sufficient**
- **For Priority 2 findings reported as closed we asked for documentary evidence to support this**
- **For Priority 1 findings reported as closed we conduct testing on the recommendation to verify closure**

The results from our second quarter update for 2023/24 will be now reported to the Audit Committee.

Outstanding Recommendations

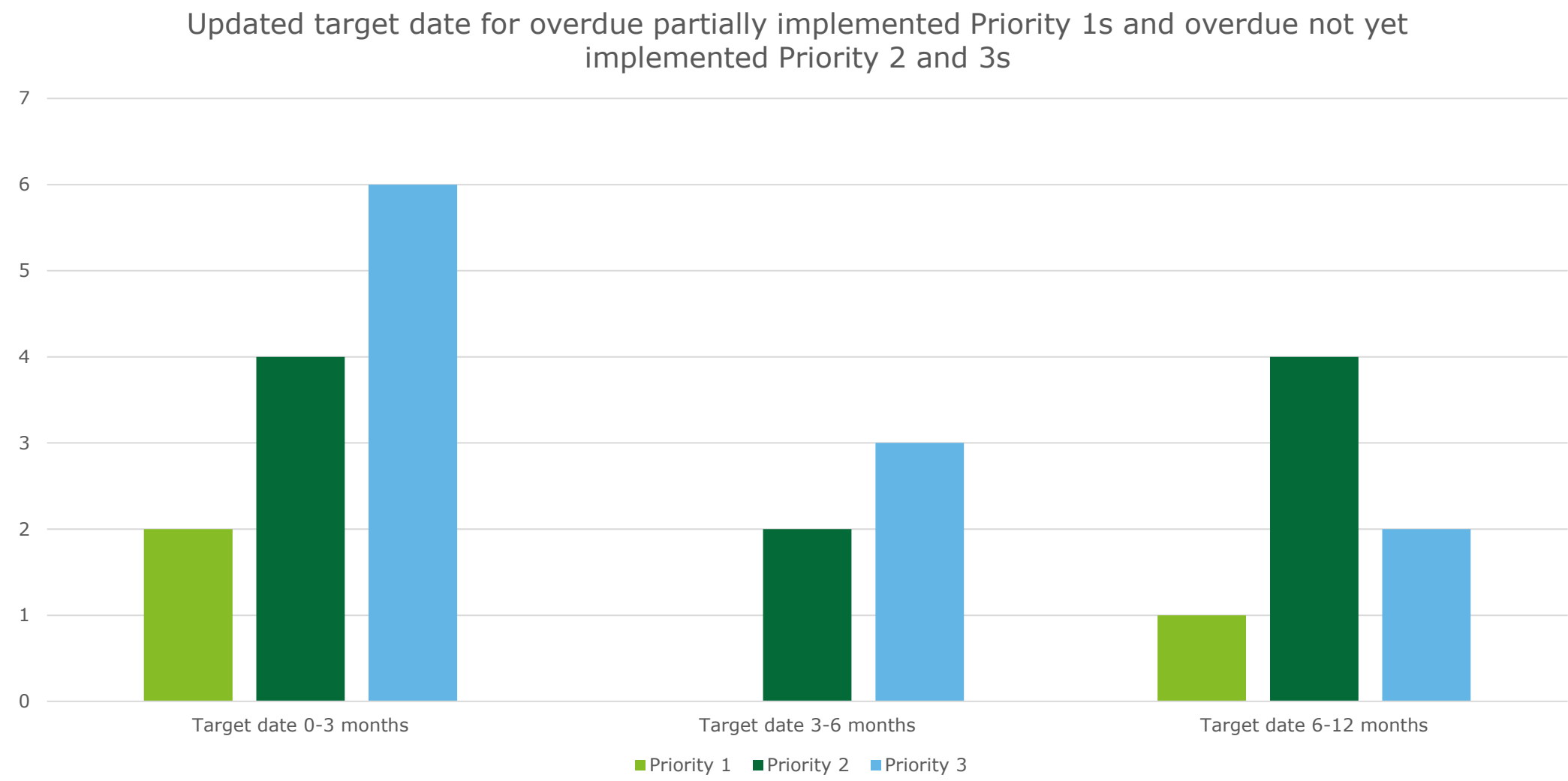
Update as at 08/03/2024

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	Priority 1	Priority 2	Priority 3	Total
Total Open Issues as at the previous Audit Committee Meeting	3	24	18	45
Items added to tracker since the previous Audit Committee Meeting	-	2	6	8
Issues closed/superseded since the previous Audit Committee Meeting	-	(3)	(6)	(9)
Total items remaining open as at 08/03/2024	3	23	18	44
Items in progress / partially implemented	3	10	5	18
Items not yet implemented	-	13	13	26
Items not yet implemented and overdue	-	10	11	21
Items not yet implemented but not yet due	-	3	2	5

Outstanding Recommendations

Update as at 08/03/2024



Quarterly Follow-Ups Update

March 2024

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
1	Business Continuity Planning	<p>1.Lack of formal IT DRP There is no formal IT DRP in place. As a result, we noted the following: 1. Roles and responsibilities within the Council have not been explicitly defined and documented in order for staff to carry out the IT DRP process effectively. 2. Communication components are not documented. 3. There is no DRP in place detailing all the procedures in place in the case of a Disaster Recovery (DR). 4. There is no specific listing of key systems and their corresponding order of priority. 5. Recovery point objectives, recovery time objectives and maximum tolerable outages have not been defined.</p> <p>2. Lack of testing on IT DRP Deloitte acknowledges that the Council has an SLA with IT Assist which includes Business Continuity Testing. Deloitte was provided with copies of testing performed by IT Assist, however, is limited to UPS testing which is only a small part of a BCP/DR test.</p> <p>Due to the absence of an IT DRP, no full testing was conducted by the Council.</p> <p>We also noted that data and operating system restore procedures are not routinely tested.</p> <p>3. Lack of training on IT DRP There has been no continuous training provided to the Business Technology Department on IT Disaster Recovery and their roles and responsibilities within this process. The last training was held on October 2017.</p>	<p>1. Management should document an IT DRP. This should cover the following, but not be limited to:</p> <ul style="list-style-type: none"> • Roles and responsibilities of the team members including outsourcing arrangements. • Communication channels. • Procedures to be followed for different scenarios. • The plan should identify technologies, infrastructure, operating systems and application systems to identify system interdependencies. • Definition of the: <ul style="list-style-type: none"> ☑ Recovery Point Objective (RPO the age of files that must be recovered from backup storage for normal operations to resume); ☑ Recovery Time Objective (RTO goal for getting back to a normal situation in the event of an outage); and ☑ Maximum Tolerable Outage (MTO maximum amount of time that a process or facility can be unavailable before significant disruption and/or financial loss occurs to the organisation). <p>The IT DRP should be reviewed on a periodic basis and when there are any changes within the ANDBC IT environment. A hard copy of the document should be stored offsite and a soft copy stored on SharePoint (offline) so even in a situation where the network or system is down, the IT DRP will still be accessible. The IT DRP should be documented in alignment with the BCP.</p> <p>2. We recommend the following test controls:</p> <ul style="list-style-type: none"> • IT DRP testing should be conducted at least annually. A test schedule should be implemented and testing should address a variety of threats/scenarios. • Post-test reviews should be performed, the Council may wish to implement a method to track issues and gaps uncovered in the test and track their resolution. • Data and Operating System restore procedures should be tested periodically <p>3. We recommend that Management provide awareness training annually, at a minimum, to ensure that staff members understand their IT DRP roles and the emergency response activities at their site or region. Crisis Management training, including leadership team decision-making and managing communications, is also vitally important</p>	1	<ol style="list-style-type: none"> 1. Management will document an IT DRP which will include the recommendations outlined above. 2. The IT DRP will conduct annual testing using a range of threats/scenarios and this will include post-test reviews. 3. Once the IT DRP has been approved Council will consider incorporating periodic training into its annual training programme. 	31/03/2022	<p>In December 2023, We received evidence of the following;</p> <ul style="list-style-type: none"> - updated IT DRP which includes recommendations - examples of testing using a range of threats/scenarios including an Emergency planning activity during October 2023 of a power outage exercise - security awareness training attendance list. <p>Training is to be incorporated into the annual training programme by March 2024.</p> <p>Updated target date of implementation;</p> <p>31/03/2024 30/09/2023</p>

Quarterly Follow-Ups Update

March 2024

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
2	Business Continuity Planning	<p>1. Draft BCP The Council has developed a draft BCP, however this has not yet been approved or implemented. We reviewed the two Legacy Council (Ards Borough Council, and North Down Borough Council) BCPs which are the most recent examples of BCPs available for use by the Council during a disruptive incident.</p> <p>Given the changes in Council structures since the Legacy Council BCPs were implemented, we identified that these Legacy Council BCPs are not fit for purpose in the event of Council service disruption.</p> <p>2. Gaps in the draft BCP We reviewed the draft BCP and noted a number of gaps within the document:</p> <ul style="list-style-type: none"> • Business Impact Assessment (BIA) /BCP Sign Off - a section which outlines name of Committee / approver and date approved); • Service structure chart – a section outlining Services, directorates within the Council and hierarchy of contacts); • Stakeholders and Dependencies Analysis - it may be useful to complete a standalone stakeholders and dependencies analysis which outlines each stakeholder per Service/Directorate, whether these are an internal / external stakeholder, the nature of the relationship with the Service/Directorate and further detail as required, to ensure that these are clearly defined and documented). • Vital resources for individual business functions - while we note that there are prompts within the draft BCP for Services to consider regarding their resources (for example, on p32 an action is outlined "secure resources to enable critical activities to continue/be recovered") it may be useful to include a section which outlines resource requirements per individual Service, including resource type (staff, buildings, equipment, specialist equipment, office space, parking etc), as well as an outline of the requirement by timescale in the event of a disruption to normal business activity to ensure continuation of Service delivery, the impact on the Service if a particular resource is unavailable and detail on contingency arrangements in place to manage loss of each resource. 	<p>1. 1. The Council should update the draft BCP to include pandemic as a business continuity event and to address the identified gaps, including documenting responsibility and processes for BCP testing and lessons learned from Covid-19 and the operation of the Pandemic BCP.</p> <p>2. The Council should approve and implement the updated draft BCP which covers the Council's outlined framework for prevention and recovery for a variety of threats to the organisation, including business continuity arrangements included as part of the Pandemic BCP.</p> <p>3. Once the BCP is approved:</p> <ul style="list-style-type: none"> • BCP testing should be conducted at least annually. A test schedule should be implemented and testing should address a variety of threats/scenarios, including those where a specific BCP has been developed or may need to be developed. • Post-test reviews should be performed. The Council should consider implementing a method to track issues and gaps identified during testing in order to track their resolution. <p>4. We recommend that Management consider the following:</p> <ul style="list-style-type: none"> • Circulating the overarching BCP to all relevant Service Unit Managers once this has been finalised. • Representatives from all key Services, including Service Unit Managers of critical services such as Business Technology, should be consulted in the creation and update of the Council's overarching BCP. 	1	<p>1. The Council will update the draft BCP this will include documenting responsibilities and processes.</p> <p>2. Annual testing of the BCP will be carried out using a range of threats/scenarios and this will include post-test reviews.</p> <p>3. Once BCPs have been approved a training programme will be established and rolled out to all relevant officers.</p>	31/03/2022	<p>Head of Service advised "BCP developed in consultation with all services and approved by Corporate Leadership Team in December 2023. All recommendations should be captured within new BCP or Business Impact Analysis template. Training and testing of BCP is incorporated into the annual Emergency Planning training and testing Programme."</p> <p>Updated target date of implementation;</p> <p>30/11/2023 31/03/2024</p>

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Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
2	Business Continuity Planning	<ul style="list-style-type: none"> Single Points of Failure for Business/ Service – a section which outlines per Service/Service Unit the resources/key person dependency that the function could not operate without, back-up arrangements in place (whether formal or informal) and suggestions for improving resilience of the Service/Service unit (e.g. training for other staff in outlined areas if the Service unit/Service is dependent on a particular manager). General risk management approach and outline of management of high risks – a section outlining the Council's risk assessment and management approach to ensure there is a clear linkage between the BCP process and the Council's current risk assessment and management approach, as well as a list of high risks for the Council, the risk register reference these appear on, description of the risk and outline of how the risk is being managed/treated). <p>3. Pandemic BCP We reviewed the Pandemic BCP which has been in operation since March 2020. We would ultimately expect that the Council's overarching BCP would include a pandemic as a type of business continuity event, as opposed to being a standalone document.</p> <p>4. Testing of the BCP As the BCP is still in draft, BCP testing has not been completed. We identified that the draft BCP does not contain a completed section outlining the testing/performance monitoring programme and training arrangements for the BCP, the current position of the BCP testing within the Council (including planned dates for carrying out testing, dates testing completed and recommendations /recommendations implemented), as well as any additional/specific BCP support required (e.g. specialist support and training). We also noted that the Pandemic BCP did not include a section or any details in relation to a testing programme for the Pandemic BCP. We note that the Pandemic BCP was developed in response to the emerging Covid-19 situation, and as such, it was not practical at that time to complete a testing programme, as the plan was activated and is still live.</p> <p>5. Consultation of all relevant Service Units We evidenced that Directorate and Service input was sought and received regarding both the Pandemic BCP and the Recovery Workbook. We also evidenced that meetings were held between the EPO and Heads of Service in order to guide all Services through the collation of the Pandemic BCP, and that it was then the responsibility of each Head of Service to disseminate the BCP to their relevant Service Units. We noted from discussions that the Business Technology Manager was involved in the BCP processes, but not in the compilation of the actual Pandemic BCP document itself.</p>	.See previous slide.	1	See previous slide.		See previous slide.

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Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
3	Review of IT controls in place to support remote working	<p>During the review, we identified that there are a number of weaknesses in relation to the security configurations on the Council’s network and devices. As such the below areas were determined:</p> <p>Windows Active Directory The Council’s VPN is integrated with Windows Active Directory credentials to establish a connection to ANDBC’s network. The following password parameters configured on Windows Active Directory are not in line with good practice standards:</p> <ul style="list-style-type: none"> • Password Length: 7 characters (minimum number of characters in a password); • Reset Account Lockout Counter: after 30 minutes ((the number of minutes that must elapse from the time a user fails to log on before the failed logon attempt counter is reset); and • Lockout Threshold: 10 login attempts (the number of failed sign-in attempts that will cause a user account to be locked out). <p>We identified 315 accounts with password set to not expire. These accounts consisted of user, system and generic accounts. Through inspection of the accounts we identified that 110 of these did not have any access and were unable to login as they were either email only accounts or training accounts used for presentations. From the remaining accounts we selected a sample of 20, through our testing we identified the following:</p> <ul style="list-style-type: none"> • 4 user accounts had their password incorrectly set to “not expire” 	<ol style="list-style-type: none"> 1. Management should implement a documented password policy that outlines the following: <ul style="list-style-type: none"> • Minimum length of 8 characters • Complexity enabled i.e. a combination of letters, numbers and characters • Maximum login attempts before lockout of between 3 to 5 attempts • Password history of 10 or more i.e. password must be changed 10 times before it can be reused 2. All accounts whose passwords are set to never expire should be reviewed to ensure they are appropriately configured. The following should also be considered: <ul style="list-style-type: none"> • User accounts should not be set to never expire • A password vault tool should be considered for relevant privileged accounts. 3. Management should consider the implementation of multi-factor authentication to add an extra layer of security to support working from home. 4. It is recommended that disk encryption is enforced on all information assets owned by the organisation, especially removable media and laptops. AES-256 encryption should be enforced and a pin should be enabled to decrypt laptop hard drives for user access. 5. Management should implement a clear remote working policy defining at a minimum: <ul style="list-style-type: none"> • Acceptable use • Minimum required security controls • Permissible device types. 6. Management should ensure that all employees are informed and trained in relation to security and privacy practices outlined in the remote working policy. 7. Management should consider configuring logging mechanisms to capture user activities on the system. Therefore, all user activities are logged, and any unusual or unauthorised actions can be identified through monitoring actions on the logs. 	1	<ol style="list-style-type: none"> 1. Password requirements will be changed to minimum length of 8 characters with a maximum number of 5 attempts before account lockout. Staff information campaign will be carried out over the summer to advise of change. (implemented January 2022) 2. identified accounts have been set to expire. A review of accounts to be conducted with any other user accounts that are found to be set to not to expire to be changed (Implemented January 2022) 3. Multi Factor authentication is currently being enabled, currently 10% of users are set up. Disc encryption will be rolled out, commencing November 2021, prioritising the laptop estate and enforcing all USB devices to be encrypted (business case for resources approved June 2021). (Advised implemented March 2024, evidence not yet received. 4. Review ICT Policy with the suggested amendments (Implemented March 2024) 5. Training will be rolled out once Interim Home Working and updated ICT Policies have been approved (Implemented March 2024) 6. A manual, weekly, review of authentication logs will commence straight away with any unusual activity investigated. An automated SIEM will be introduced by target date. (business case for resources approved June 2021). (Not implemented) 	31/03/2024	<p>Head of Service advised “Applied for funding for SIEM. Budget is not ratified until rate set on 14 Feb.”</p> <p>Updated target date of implementation;</p> <p>31/12/2024 31/03/2024</p>

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Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
3	Review of IT controls in place to support remote working	<ul style="list-style-type: none"> • 2 shared privileged accounts passwords used by the Business Technology team are stored in a restricted folder however the password for both accounts is set to "not expire". <p>Multi-factor Authentication (MFA) It was determined that there is no multi-factor authentication used within ANDBC. As a result, remote users are not required to use MFA to authentic through the Councils VPN.</p> <p>Encryption Through inquiry with management it was identified that encryption is implemented on Council mobile phones. However, no encryption is in place on any other types of devices held by the Council, for example laptops.</p> <p>Use of personal devices During our review it was identified that ANDBC's policy "Information Security and Technology Policy" does not permit the use of any device on its network that is not owned and controlled by the Council. In response to COVID 19 employees were allowed to use personal devices to access cloud-based systems while working remotely such as Office 365, OneDrive, SharePoint and Teams. Since March 2020, no further controls or guidance have been issued in relation to minimum security requirements.</p> <p>Logging and monitoring During our review it was determined that logging and monitoring is not implemented within the Council. As a result, attempts to authenticate both successfully and un-successfully to the Council's network are not captured or monitored.</p>	See previous slide.	1	See previous slide	31/03/2024	See previous slide

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Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
4	Leisure Centres	Not available - Report was produced prior to Deloitte's appointment	<p>A debtor management and payment policy should be developed for the Council (including the Leisure Centre). The Council's payment policy should also be clearly stated on the booking form and on the original invoice sent to customers.</p> <p>Levels of debt should be monitored regularly and unpaid debtors followed up in line with policy. Consideration should also be given to clearly defining credit management terms for hiring of the Leisure Centre (for example, that if users are granted credit and then accrue debts over 6 months old, they will be prohibited from hiring the Leisure Centre (and possibly other Council facilities) until payment is made).</p> <p>To enable follow up of debts by Finance, booking forms should be completed and signed for all bookings: if bookings are made over the phone, the booking forms may be scanned/ emailed or completed in person before the event takes place. Any arrangements relating to repayment should be agreed only by the Operations Manager, in consultation with Finance, and included on the "Court Proceedings" spreadsheet.</p>	2	Policy development - Pricing and Income policy.	31/03/2016	<p>Finance has completed its part of this recommendation. This now needs transferred to Leisure so they can complete their portion.</p> <p><i>Leisure have not provided an update at the time of reporting.</i></p> <p>Updated target date of implementation;</p> <p>31/03/2024 06/07/2023</p>

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Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
5	Travel and Subsistence	The Council is currently operating under legacy policies and two different methods of processing claims, one is manual, and the other is an electronic system called Transfare. Audit was advised that there is currently a paper in draft format which continues to be developed. This paper will form the basis for a single Ards and North Down Travel & Subsistence policy once it is completed and has been reviewed by the necessary departments and committees. Audit was also advised that a new online system "Core 2" is being implemented for processing all claims which is to be in place for 01/04/2019.	ANDBC should finalise a single Travel & Subsistence policy as soon as possible and implement a single method of processing claim submissions, either electronically or manually.	2	A first draft of the key issues for decisions in relation to a new Travel & Subsistence policy has been drawn up for discussion with CLT, HoST and SUMS. Once this has been reviewed and instruction given a clearer path for the policy will become evident. It is hoped the draft policy will proceed through the necessary stages to be implemented for 31/03/2019.	31/03/2019	The Head of Service advised "Other policy work has been prioritised" Updated target date of implementation; 31/03/2025 31/03/2024 01/10/2023 31/03/2022
6	Travel and Subsistence	A review has not been carried out within the new Council to determine whether staff are classified correctly as either casual car users or essential car users. Audit found that the Head of Finance is currently gathering information and statistics on travel and subsistence (as part of the paper referred to in Issue 1.) and that as a result any issues revealed (including inaccuracies relating to essential/non-essential car users) will be addressed.	Consideration should be given to prioritising the update of essential car user status to ensure eligibility is being correctly applied given changes that may have occurred in staff roles and locations of work.	2	Establishing the criteria that should be used to determine whether a post is essential user is one of the key issues to be decided upon in establishing the new policy. The review of the key issues draft document by CLT, HoST and SUMS will give clear direction regarding the essential user issue.	31/03/2019	The Head of Service advised "Other policy work has been prioritised" Updated target date of implementation; 31/03/2025 31/03/2024 01/10/2023 31/03/2022

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Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
7	Overtime, Flexi & TOIL	We were advised that there is no formal mechanism to monitor hours worked (core hours and overtime) by Council employees against the Working Time Directive (48 hours per week average across a rolling 17 weeks).	The Council should review how to monitor hours worked (e.g. potential for reporting in Core) to ensure that, unless staff have formally opted out, there is compliance with the Working Time Directive.	2	Management will endeavour to configure a reporting routine in the new integrated HR/Employee Payments system currently being implemented.	31/03/2020	<p>The Head of Service advised “The core system is not able to provide this report, an additional cost of approximately £5,000 would be incurred to get a report written, so decision required on this.”</p> <p>Updated target date of implementation; 31/03/2024 30/06/2023 01/12/2022</p>

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Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
8	Procurement	<p>We completed an analysis of individual invoices under £30,000 during the previous 12 months and identified 121 suppliers where the cumulative procurement for a similar service during the year exceeded the £30,000 tender threshold. Among the top 60 of these suppliers by spend, there were four suppliers identified where a competitively tendered contract was not in place. The spend for these 4 suppliers was £105k, £80k, £66k and £62k. We noted that the Procurement Handbook specifies an annual frequency of review by the Procurement Service Unit of cumulative spend to identify areas where competitive tenders should be obtained, but that this was in practice an ad-hoc review due to staff capacity and had not been documented or resulted in a formal report in the previous year.</p>	<p>To support value for money and efficiency in procurement, an analysis of spend should be produced and documented by Procurement on an annual basis, with input sought from budget holders on the feasibility of obtaining corporate contracts / putting out to tender for areas where similar goods or services are obtained.</p>	2	<p>1. The Procurement Handbook outlines an approach for review of spend with responsibility primarily with respective Services, with the Handbook advising for Procurement to be contacted where there are potential tendering opportunities. Corporately, spend is reviewed by the Procurement Manager when resources permit. It's accepted that there would be value in more frequent, formalised and wholesale reviews though the ability to achieve this will be dependent upon resource availability.</p> <p>A previous audit recommended that "Management should consider supporting the current Procurement Unit to allow the issue of corporate contracts to be addressed, potentially leading to ANDBC to make significant savings". A business case was submitted to this end though is not currently provided for in the draft 2020/21 budget due to competing pressures. It is likely this will continue to restrict the ability to realise the full potential of corporate spend reviews. The business case will be reviewed again for the 2021/22 budget process, if not prior to this under the Council's Strategic Transformation and Efficiency Programme, launching in 2020.</p> <p>2. In addition to the above, any corporate reviews that are carried out on an ad hoc basis during 2020/21 will be documented</p>	01/12/2020	<p>The Head of Service advised "A business case has been approved for an extra resource within the PSU (Procurement Officer). Appointment is anticipated to be January 2024. Therefore, it is anticipated that the spend review process will commence for yr 23/24 in May 2024 and this will be completed on an annual basis from then. As at February 2024, there has been no additional resource secured."</p> <p>Updated target date of implementation; 30/11/2024 01/05/2024 30/04/2023 30/04/2022</p>

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Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
9	HR: Recruitment & Retention	The Council does not have a formal workforce strategy. A number of councils in the United Kingdom produce and publish formal workforce strategy documents setting high-level objectives for recruitment, retention and training of staff, along with analysis of workforce composition, demographic factors, turnover and anticipated future hiring aspirations (e.g. based on transformation projects or key initiatives in the corporate plan). These exercises can provide increased clarity over recruitment and workforce development in a whole-council context and drive improvements through facilitation of forward planning for recruitment and retention projects. Whilst a formal workforce strategy is not in place, HR has drafted a proposal for moving to external advertisement of all posts. During the Council’s transformation phase following the merger of North Down Borough Council and Ards Borough Council in 2015, there was an agreed process to allow recruitment via internal trawl in the first instance, to facilitate redeployment of staff within the new structure. For reference, this phase is complete for the majority of Service Units, though we noted that some Service Units have not yet completed the transformation phase and continue to recruit roles internally.	The Council should consider developing a formal workforce strategy which sets out its current status and objectives for recruitment, retention, training and development of staff. This strategy should align with the new Corporate Plan being developed. This could include measures and targets as appropriate for vacancy rates, turnover rates, time to fill positions, sickness absence and workforce composition and high-level structure, and long-term strategy for addressing demands in relation to staffing and talent needs.	2	The Council already has largely set out this information within a variety of documents i.e. Learning and Development Plan, Organisational Development Strategy, Filling of Vacant posts guidelines and HR and OD Service Plan. There is also a draft succession planning document which requires some further scoping out and consultation with trade unions and staff. However, all this information could be brought together into one formal Workforce Strategy. It is proposed that the development of such a Strategy is included in the service plan for 2020/21. 1. Develop a formal workforce strategy which sets out its formal current status and objectives for recruitment, retention, training and development of staff. This will align with the new Corporate Plan. Measures and targets as appropriate will be included as appropriate as outlined in the recommendation.	01/04/2021	Previously, the Head of Service advised “Considerable consultation has taken place involving focus groups and various work streams, draft policy to be presented to trade unions in the near future”. Update as at December 2023 “ Draft plan will be presented to CLT by March 2024.” Update as at February 2024 “Draft is prepared , however, still needs approval and consultation.” Updated target date of implementation : 31/03/2025 31/03/2024 30/09/2023 01/04/2022

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Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
10	Grant Funding	<p>We reviewed the processes in place to monitor grant expenditure and performance and noted the following:</p> <p>1) Beneficiaries complete period end evaluation questionnaires, however, the evaluation questionnaire is not in line with the reporting template included in Appendix Seven of the Grants Policy to monitor project progress. We reviewed the grant evaluation reports completed by six sampled beneficiaries at the end of the grant term and noted the following issues:</p> <ul style="list-style-type: none"> • Sample 1: Question 1 the evaluation form which related to how the grant funding was spent by the Organisation was not completed by the beneficiary however we note that it was made clear how the money was spent in answer 2 which provided an overview of the items purchased with the money. • Sample 2: Question 5 'Total number of people impacted directly following this investment' was missing from the evaluation form. <p>2) The Community Halls and Bases funding stream assessment criteria notes that successful applicants are required to submit a monthly monitoring return for DfC, however we noted the absence of monitoring returns for any of the three sampled projects within the Community grants - Halls and Bases grant.</p>	<p>The Council should consider the following:</p> <p>1) Update the Grants Policy in line with any updates to the reporting processes (i.e. completion of evaluation forms), or ensure that reporting processes outlined within the current version of the Grants Policy is adhered to.</p> <p>2) Ensure that post grant term evaluation questions are consistent with monitoring questions outlined within the SLA.</p> <p>3) Ensure beneficiaries are submitting monitoring returns to the Council in compliance with the monitoring arrangements outlined in the LOO/SLA.</p> <p>4) Where evaluation forms are completed by beneficiaries, the Council should ensure that all questions are included in the form and fully answered</p> <p>5) In addition, where changes are made to the frequency and/or format of monitoring processes i.e., similar to those changes made during Covid 19, advice notes should be issued to organisations to outline the processes to be adhered to during the period.</p>	2	<ol style="list-style-type: none"> The Grants Policy will be updated as recommended. Monitoring requirements will be updated to ensure they are consistent with those outlined in the SLA. Beneficiaries' will be required to submit monitoring requirements as set out in their SLA. Beneficiaries will be required to complete their monitoring forms in full. Where changes to monitoring requirements are made these will be communicated to beneficiaries. 	31/12/2022	<p>The Head of Service advised "Head of Service has been on long term sick leave ."</p> <p>Updated target date of implementation; 31/09/2024 31/03/2024 30/09/2023 31/03/2023</p>

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#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
10	Grant Funding	<p>3) Section four of the 'Sample 3' Programme SLA documents the requirement for the beneficiary to document a response to pre-determined monitoring questions monthly, however documented responses have not been obtained by the Council. In addition, we noted that the evaluation questions completed at the end of the SLA period for 'Sample 3' differed to the monitoring questions documented within the SLA.</p> <p>4) We note that the Council was administering and monitoring these grants during the Covid 19 pandemic and were advised by Management that monthly monitoring returns would be an onerous task to place on organisations during this time. We were unable to obtain evidence of advice notes or similar communications being issued by the Council to verify that monthly monitoring returns were not required during this time.</p>	See previous slide.	2	See previous slide.	See previous slide	See previous slide.

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	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
11	Grant Funding	<p>A Grants Policy is in place across the Council which outlines the processes for awarding grant funding through an open call process. This policy does not apply to grants administered through SLAs and we were advised that there is currently no documented policy to provide guidance over the processes to be followed in the administration of grants through SLAs.</p> <p>Due to an absence of documented policy, we identified the following in relation to grants administered via SLAs:</p> <ol style="list-style-type: none"> Reconciliation of SLA Expenditure <ul style="list-style-type: none"> SLA expenditure incurred by beneficiaries is not reconciled to supporting receipts and/or bank statement extracts and therefore there is no way of ensuring funds were spent in line with the SLA conditions. We noted that the Service Level Agreement (SLA) states that charges payable by the Council will be reviewed after the initial three-month SLA period. However, we were unable to obtain evidence of a review of SLA charges. In addition, we were unable to evidence a breakdown of spend within the final monitoring form submitted by any of the three sampled SLA administered grants. 	<p>The Council should ensure that a policy is developed to outline the processes to be followed when administering financial contributions via SLAs including the following:</p> <ol style="list-style-type: none"> The process to ensure that all SLA financial contribution claims are summarised and reconciled to original receipts, invoices, and bank statements to ensure funds are spent in line with grant conditions. Guidance on administering advance payments through SLAs, including guidance on the amount to be distributed and any supporting documentation to be obtained. 	2	<ol style="list-style-type: none"> A financial assistance policy will be developed for approval by Council. The award was not a grant but a financial contribution. Going forward details of how advance payments will be made will be included in the financial assistance policy and in the SLA. 	31/03/2023	<p>Head of Service advised “this is Included in the cross departmental grants policy review which is underway at present”</p> <p>Updated target date of implementation;</p> <p>30/09/2024 30/09/2023</p>

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Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
11	Grant Funding	<p>2. Advance Payment Guidance</p> <ul style="list-style-type: none"> There is currently no guidance in relation to the payment and administration of advance payments for grants managed through SLAs, including guidance on percentage payment thresholds and documentation requirements for advance payments. For example, the Council Grants Policy outlines that written requests and supporting documentation (e.g., an up-to-date bank statement) should be submitted by beneficiaries when requesting advances, and documents guidance on the maximum advance percentages to be administered. In addition, we noted that there is no agreed percentage of advance noted in the SLA, with the two SLAs for the Covid 19 Food Partnership Fund receiving different advance percentages. We were advised by Management that written requests are not obtained for SLA administered funds as the Council agreed with the organisations that they would be paid a percentage upon signing the SLA and the remaining balance when they submitted their report. We were further advised that advance payments were negotiated with SLA organisations. However, we were unable to obtain a documented process to be followed to verify that the correct process had been adhered to. 	See previous slide.	2	See previous slide.	31/03/2023	See previous slide.

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Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
12	Business Continuity Planning	<ol style="list-style-type: none"> 1. A BCP Policy is in place. The Policy is dated April 2016 and the next review date is recorded as April 2017; we were advised that this review has not taken place. 2. Within the BCP Policy, it states that "Performance monitoring will be co-ordinated by the Risk Manager" and that "Training and exercises will be coordinated by the Risk Manager and will prepare key staff for crisis conditions through training and desktop/scenario exercises." We were advised that the Risk Manager was not aware of this responsibility. 3. Training has not yet been provided to Council staff with key roles in the execution of the overarching, draft BCP as the document has not yet been finalised. 4. Training has not been provided to Council staff with key roles in the execution of the Pandemic BCP. We acknowledge that the Pandemic BCP was approved in March 2020 by the Corporate Leadership Team as the Covid-19 pandemic hit, therefore there was not sufficient time for a formal training programme to be developed and implemented for the Pandemic BCP before it went live. 	<ol style="list-style-type: none"> 1. The Council should update the BCP Policy to reflect current BCP processes and roles and responsibilities. BCP roles and responsibilities should be clearly communicated to relevant staff. 2. We recommend that a training programme is developed and implemented for both the draft Council BCP (when this is finalised), and the Pandemic BCP as soon as this is practical. 	2	Once the updated BCP is finalised the Policy and Procedures will be revised and submitted to Corporate Committee for approval.	31/03/2023	<p>Annual testing Programme will be detailed within BCP. Testing Programme will be implemented following BCP approval.</p> <p>Policy to be reviewed and updated to reflect approved BCP.</p> <p>Updated target date of implementation;</p> <p>30/04/2024 31/10/2023</p>

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Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
13	Social Media	<p>A. Draft Policy Good practice denotes that a formal social media policy and procedure document is in place and communicated which provides direction related to staff’s use of all social media. A Social Media policy - October 2020 has been produced; however, it is still in draft. Management advised that the policy requires HR input and consultation before it can be approved by the Corporate Committee.</p> <p>B. Draft policy updates From our review of the draft Social Media policy against good practice, we noted that it does not include the following:</p> <ul style="list-style-type: none"> • The requirement to have a social media strategy and monitoring process to assess the performance against strategy; • Guidance on setting KPIs to ensure successful implementation and use of social media; • Reporting requirements; • Template business case for setting up a new social media channel; • Summary of roles and responsibilities of social media administrators; • Processes for maintaining a user access list and requirement to periodically review the list. In addition, the procedure to add or remove a user’s access to the social media channels; • Emphasis that staff should not engage in the activities of any social media platform ‘on behalf of the Council’ unless expressly authorised; • Reference to the Customer Care Policy or a separate document that includes guidance on how to respond to customer queries through social media; and • Training requirements for those managing social media channels. 	<ol style="list-style-type: none"> i. HR consultation on the draft social media policy should be completed as soon as possible so that the policy can be finalised and communicated to all staff. ii. Management should update the existing draft policy and consider including, but not limited to, the following: <ol style="list-style-type: none"> 1. The requirement to have a social media strategy and monitoring process to assess the performance against strategy; 2. Guidance on setting KPIs (or set of standard KPIs) to ensure successful implementation and use of social media; 3. Reporting requirements; 4. Template business case for setting up a new social media channel; 5. Summary of roles and responsibilities of social media administrators; 6. Processes for maintaining a user access list and requirement to periodically review the list. In addition, the procedure to add or remove a user’s access to the social media channels; 7. Emphasis that staff should not engage in the activities of any social media platform ‘on behalf of the Council’ unless expressly authorised; 	2	<p>HR input to the Social Media policy. This will involve two stages</p> <p>a) Finalisation of the document including engagement with Staff Consultative Committee, Trade Unions and then Council approval.</p> <p>b) Training for all staff about roll out/ implications via Learning Pool training</p>	11/09/2021	<p>Head of Service advised “social media policy has been approved, training being arranged”</p> <p>Updated target date of implementation;</p> <p>30/06/2024 31/03/2024 31/03/2023</p>

Quarterly Follow-Ups Update

March 2024

Table showing details of all overdue open and partially implemented Priority 1 and all overdue open Priority 2 recommendations :

#	Report Title	Finding	Original Recommendation	Priority	Original Management Response	Original Due Date	Updated Status
14	Social Media	<p>C. Training Good practice denotes that training is provided on a periodic basis to staff involved in the management of social media channels. We noted that training has not been provided since 2019 to those involved in the management of social media channels and there is no programme of periodic training. We found that the following designated officers have not received any training on social media:</p> <ul style="list-style-type: none"> Borough Marketing Manager responsible for managing the Visit Ards and North Down Instagram and Facebook page Tourism Development Officer responsible for managing the Visit Strangford Lough Facebook page <p>We further noted that, as the Social Media Policy is still in draft, training in the policy has not been provided to the wider staff members.</p> <p>D. Periodic meetings As per the draft Social Media policy: 'All employees using social media for business purposes must engage with the Corporate Communications Service around training initiatives, best practice and in cross-Council social media planning meetings as required.' From discussion with management, we understand that there are periodic meetings by Corporate Communications with the Tourism and Arts and Culture regarding the social media channels; however, we noted that there are no periodic meetings between Corporate Communications and the other Service/Service Unit responsible for managing social media channels - Leisure.</p>	<p>8. Reference to the Customer Care Policy or a separate document that includes guidance on how to respond to customer queries through social media; and</p> <p>9. Training requirements.</p> <p>III. Training regarding the management of social media channels should be provided on an annual basis to relevant staff.</p> <p>Further, once the Social Media policy is finalised, training should be provided to the wider staff on the policy.</p> <p>III. Periodic meetings should be established by Corporate Communications with all those managing social media channels to share best practice and support cross-Council social media planning.</p>	2	See previous slide.	11/09/2021	See previous slide.

Appendix III

Statement of Responsibility

Statement of Responsibility

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We take responsibility for this report which is prepared on the basis of the limitations set out below. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. This report is not based on an attest engagement. We have relied on information provided by Ards and North Down Borough Council's management, and we do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy or completeness.

Recommendations for improvements should be assessed by the you (Ards and North Down Borough Council) for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

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March 2024



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Ards and North Down Borough Council

A Review of governance arrangements for the Policing and Community Safety Partnership (PCSP) and controls to manage the grants and tendering process operated by the PCSP.

Pre-Final Report

March 2024



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1. Overview

The 2023/24 Annual Internal Audit Plan includes provision for an assurance review of the PCSP governance arrangements and the controls in place for the management of PCSP grants and tendering processes. The Council is required by the sponsoring Department for the PCSP to have an internal audit of the PCSP on an annual basis. Nine days have been allocated for the completion of this review. PCSPs are statutory bodies. There is one Policing and Community Safety Partnership in each Council area, which comprises a total of 14 PCSPs across Northern Ireland, 4 of which are in Belfast. The remaining 10 Councils have one PCSP. PCSPs have a range of duties which are set in legislation:

- Consult and engage with the local community on the issues of concern in relation to policing and community safety. Each PCSP has a Policing Committee with a distinct responsibility to provide views to the relevant district commander and the Policing Board on policing matters.
- Identify and prioritise the particular issues of concern and prepare plans for how these can be tackled.
- Monitor the performance of the police and work to gain the co-operation of the public with the police in preventing crime; and
- Deliver a reduction in crime and enhance community safety in each district, directly through interventions, through the work of delivery groups or through support for the work of others.

Each PCSP is comprised of political members (Councillors), independent members appointed by the Policing Board and representatives from designated public bodies (such as Health, Probation, Education and Policing). The PCSP are administratively supported by the local council to which it belongs, and the joint sponsors are the Department of Justice and the Northern Ireland Policing Board (with PCSP oversight maintained through a Joint Committee). Each PCSP has a Policing Committee made up of political and independent members which carries out a distinct role in relation to policing functions. PCSPs may also establish sub-groups to address particular community safety issues.

The Ards and North Down PCSP delivers its initiatives through three different delivery mechanisms:

- Small grants;
- Tenders; and
- Direct delivery through Partners.

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1.1. Scope and Objectives

The scope of this internal audit included a review of governance arrangements for the PCSP and controls to manage the grants and tendering processes operated by the PCSP.

The objectives of the Internal Audit were to:

- Determine whether up-to-date terms of reference are in place for the PCSP, Policing Committee and each of the relevant sub-groups.
- Determine whether there are policies in place for the PCSP which have been referred to in the Financial Guidelines issued by the Joint Committee including the Corporate Governance, Risk Management and operating policies.
- Determine whether a training plan is in place for PCSP members, including an induction program.
- Confirm that a PCSP action plan has been developed which addresses the discharge of the Partnership's statutory duties and objectives.
- For a sample of projects during 2022/23, determine whether there is adequate monitoring and reporting of expenditure under the grants, tenders and direct delivery contracts to ensure that funds will be spent as planned within the year and to identify any funding that cannot be used at an early stage.
- For a sample of projects during 2023/24, determine whether the annual Outcomes Based Approach evaluation of projects was completed and reported to the Partnership and sponsoring Department.

For a sample of grant projects during 2023/24, determine whether there is an adequate framework in place for the awarding of grants, including determining whether:

- Open calls for applications are made;
 - Clear grant programme and application assessment criteria are publicised and complied with during the assessment process;
 - There is adequate documentation of the grants application assessment process and decisions made and that all decisions are approved by the PCSP prior to Letters of Offer being issued.
- For a sample of payments made during 2023/24, determine whether the payment of grant claims is adequately controlled to ensure that payment is made only for items or activities approved in the grant application, at the values approved and with sufficient supporting evidence of the expenditure.

For a sample of tenders during 2023/24, determine whether there is an adequate framework in place to facilitate the tendering process, including determining whether:

- The tender process is in line with Council procurement policy;
 - Clear tender programme and application assessment criteria are publicised and complied with during the assessment process;
 - There is adequate documentation of the tender application assessment process and decisions made and that all decisions are approved by the PCSP prior to Letters of Offer being issued;
 - Procurement documentation is available and complete on project files, including supporting evidence of advertising and the required number of quotes to be sought, as well as signed conflict of interest forms.
- For a sample of payments made during 2023/24, determine whether payments made against tenders awarded are appropriate, in line with the tender agreement and that there is a level of adherence to requirements against procurement thresholds.
 - For a sample of payments made during 2023/24, determine whether payments made against tenders awarded are supported by sufficient evidence of activity, and that value for money is being sought for smaller expenditure.



- For a sample of Direct Delivery Contracts during 2022/23, determine whether there is an adequate process in place to approve direct delivery projects and PCSP Partners to deliver the project, including approval of the approach and Partners by Partnership and sponsoring Department.

1.4. Approach

In order to complete this engagement, we used a combination of the following:

- Discussions with key stakeholders in relation to the PCSP.
- Review of key items of documentation such as policies and procedures which relate to PCSP governance including documentation relating to the 3-Year Strategy and Annual Action Plan.
- Review of any documentation relating to the management of grants, the tendering process and the management of direct delivery funding, as well as any relevant budgetary information, project expenditure reports, and supporting evidence of expenditure relevant to these areas.
- A limited programme of sample testing to assess control operating effectiveness.
- Consideration of possible improvements or alternatives for the controls in place.
- Reporting of findings with practical recommendations for improvement where appropriate.

Our sole source for information has been management information and representations. We do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy.

Our work was performed in accordance with the Deloitte Internal Audit Methodology which is consistent with the standards of the Chartered Institute of Internal Auditors. Our work was carried out during November 2023 – December 2023.

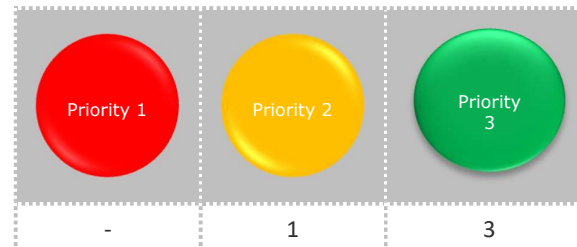
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1.5. Summary of findings

In **Section 2** we have set out our detailed findings and recommendations arising from our review.

Our findings have been graded using the scale outlined in **Appendix 1**.

The number of findings by risk grade can be summarised as follows:



There were no **Priority 1** findings identified during our review.

There was one **Priority 2** finding identified during our review. This can be summarised as follows;

- Lack of supporting documentation to evidence expenditure (See **Section 2.1**).

There were three **Priority 3** findings identified during our review. These can be summarised as follows:

- Out-of-date Terms of Reference (See **Section 2.2**.)
- Lack of document control on policy documents (See **Section 2.3**)
- Poor attendance at training event (See **Section 2.4**).

Full details of the issues may be found in **Section 2** of this report.



1.6 Conclusion


Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

Consequently on the basis of the Internal Audit work undertaken, we have given a **satisfactory** level of assurance that the system objectives will be achieved. Refer to **Appendix I** for a definition of the assurance level given.



2 Detailed findings and recommendations

2.1. Lack of supporting documentation to evidence expenditure


Finding	Recommendation		Priority
<p>We were unable to obtain supporting documentation to evidence expenditure claims relating to the Community Safety team direct delivery project (total value of claim £4,000).</p> <p>Management advised that supporting evidence for this project is not required to be submitted to the PCSP/maintained as it is an internally-delivered project and the Community Safety team are responsible for submitting invoices to Finance internally.</p> <p>A similar finding was raised as a Priority 2 in the 2022/23 review of the PCSP - for 1/6 sampled large grants, small grants and partner delivery projects there were no completed Project Budget Profiles, Project Invoice Summaries or Period Expenditure Claim Forms. Management advised this was because this project was an Internal project delivered by the Council and agreed an action that budget profile, project invoice summary and period expenditure claim forms will be completed for every project in the 2022/2023 financial year. This recommendation was reported by management as implemented in January 2023. We note that this is a different internal team to that reported in 2022/23 but the process should be the same.</p> <p>Potential Impact</p> <p>There is a risk that funds not spent as planned are not identified if expenditure of projects is not monitored and reported to PCSP.</p>	<p>Management should ensure that all internally-delivered PCSP project expenditure is monitored in line with the process for monitoring expenditure for external projects, including requirement to submit supporting evidence for all expenditure claims.</p>		
Management response			
Action Plan	Owner/ Title	Target Date of Implementation	



- | | | |
|--|--------------|------------|
| 1. Claim forms – all funding for 2024/25 will be issued with appropriate claim forms which will be required prior to any funding being reimbursed. | PCSP Officer | 01/04/2024 |
|--|--------------|------------|




2.2. Out-of-date Terms of Reference

Finding	Recommendation	Priority
<p>The Terms of Reference (TOR) for the various sub-groups are separate to the PCSP Members Handbook. There are now 2 sub-groups as the Drugs Sub-Group was merged with the Community Safety Sub-Group.</p> <p>We noted that the TOR for the Community Safety Sub-Group has not been updated following the merger the with Drugs and Alcohol subgroup.</p> <p>Potential Impact</p> <p>Risk of out-of-date information on PCSP terms of reference including membership, leading to failure of Partnership to remain up to date in considering correct subject matters and remit of responsibilities.</p>	<p>The Council should update the Community Safety Sub-Group Terms of Reference to include subject matters and remit of responsibilities relating to the Drugs and Alcohol subgroup.</p>	 <p>Priority 3</p>
Management response		
Action Plan	Owner/ Title	Target Date of Implementation
<p>1. Sub Groups – A new PCSP will be in place by June 2024 and the Terms of Reference will be updated and tabled at a PCSP meeting asap after the new Partnership is in place.</p>	<p>PCSP Officer</p>	<p>01/09/2024</p>



2.3. Lack of document control on policy documents

Finding	Recommendation		Priority
<p>A number of issues were noted with the Council policies which are relevant to the PCSP:</p> <p>1. No review date/cycle outlined in the following policy documents:</p> <ul style="list-style-type: none"> • Gifts and Hospitality Policy, • Declaration of Interests Policy and Procedure, • Grants Policy. <p>2. Unable to determine when the policy was approved:</p> <ul style="list-style-type: none"> • Gifts and Hospitality Policy, • Declaration of Interests Policy and Procedure. <p>The above finding was raised as a Priority 3 in the 2019/20 audit and raised again as an observation in the 2020/21 and 2021/22 PCSP reviews. This recommendation was reported by management as implemented in April 2023 but is being re-opened as we have found it yet to be actioned.</p> <p>Potential Impact</p> <p>There is a risk that policies relevant to the PCSP are not up-to-date or fit for purpose.</p>	<p>The Council should update the following policies to include date of last and next review;</p> <ul style="list-style-type: none"> • Gifts and Hospitality Policy, • Declaration of Interests Policy and Procedure, • Grants Policy. 		 <p>Priority 3</p>
Management response			
Action Plan	Owner/ Title	Target Date of Implementation	
<p>1. Grants Policy – phase 1 of the grants policy is underway at present. Phase 2 (digitalisation) will be carried out once phase 1 is complete.</p>	<p>Head of Service</p>	<p>01/03/2025</p>	




2. Gifts and Hospitality policy was approved by Council in November 2015. Policy will be reviewed and updated as required.
3. Declaration of interests policy and procedure – PCSP has a declaration of interest form to be completed each year by each member. Policy will be reviewed and updated as required.

01/09/2024

01/09/2024



2.4. Poor attendance at training event

Finding	Recommendation		Priority
<p>The Council now monitors members’ attendance at training events. The Policing Board delivered a training event for PCSP members during June 2022. We received the attendance records for this training and noted 17 members did not attend out of 21 members invited.</p> <p>We note that it is not within the Council's control to ensure that members attend training provided by the Policing Board.</p> <p>Potential Impact</p> <p>There is a risk that PCSP members are not adequately trained and informed/equipped to discharge their duties as PCSP members.</p>	<p>The Council should;</p> <ul style="list-style-type: none"> Promote attendance at external training events for PCSP members; Request regular attendance updates from external training providers. 		
Management response			
Action Plan	Owner/ Title	Target Date of Implementation	
<ol style="list-style-type: none"> Attendance – members are provided with the information for the events and receive reminders. PCSP staff will request attendance records from training providers to cross reference with member claims in relation to claims for attendance at training events. The PCSP Officer will provide training for all members once the PCSP is reconstituted in May/June 2024 to ensure awareness of governance including GDPR. 	<p>PCSP Officer</p>	<p>01/04/2024</p>	



4. Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. This report is not based on an attest engagement. We have relied on information provided by Ards and North Down Borough Council's management and we do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish accuracy or completeness.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

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David Kinsella

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Ards and North Down Borough Council – Internal Audit of PCSP – PRE-FINAL REPORT

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Appendix I: Reporting Definitions

Assurance Opinion

For each report delivered in the annual Internal Audit Plan, we will provide one of three levels of assurance, ranging from satisfactory assurance to unacceptable assurance. These assurance levels reflect the latest requirements of the Department of Finance (DAO (DoF) 07/16).

Assurance Level	Evaluating and Testing Conclusion
Satisfactory	Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
Limited	There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.
Unacceptable	The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.



Recommendation Priorities	
Priority 1	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
Priority 2	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
Priority 3	Failure to implement the recommendation could lead to an increased risk exposure.

These definitions of evaluations should be interpreted in conjunction with the scope of the audit work and in the overall context that our findings should only be relied upon to be representative of the operation of control procedures at the time of discussion or observation of these control practices and in relation to the transactions tested. Projection of evaluations of future periods is subject to the risk that the policies and procedures may become inadequate because of changes in conditions, or that the degree of compliance with these policies and procedures may deteriorate. The performance of Internal Audit work should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and work performed by Internal Audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should Internal Audit work be relied upon to identify all circumstances of fraud or irregularity should there be any, although our audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

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Ards and North Down Borough Council

Review of the Labour Market Partnership

March 2024



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1. Overview

1.1. Introduction

The Council is required by the Department for Communities (DfC), which is the sponsoring body for the Council Labour Market Partnership (LMP), to have an internal audit of the LMP on an annual basis.

Following DfC's confirmation in respect of making funding available to establish the LMP, approval was sought from Ards and North Down Borough Council (the Council) in respect of its support and willingness to be the governing body and secretariat for the Ards and North Down LMP. Approval was granted by Council at its meeting on 30th June 2021.

There is a Terms of Reference in place for the LMP Group and each Thematic Sub-Committee. Each Terms of Reference is reviewed and updated if required on an annual basis at the Annual General Meeting (AGM).

All projects are monitored under the same process and require equal scrutiny and documentation. Within the funding agreement between the Council and third party, it will outline the conditions for payment. This includes the right for the Council to withhold payment for underperforming projects, where performance targets are not being met.

The LMP follows the tendering process in line with the Council's Procurement Policy. Payments to successful tenderers are made in line with the funding agreement. Payment is made once evidence of expenditure is provided and is sufficient or fulfilment of performance measures/obligations has been completed.

Within the Council, the Economic Development Manager, LMP Manager and LMP Administrative Officer are responsible for the delivery of the LMP. An Action Plan for 2023-24 was developed. There is an LMP committee which meets to discuss progress and required actions for the LMP. There are three strategic priorities as part of the LMP. Each strategic priority has a sub-committee aligned to the progress of this priority. The strategic priorities are as follows:

- Strategic Priority 1 - To form and successfully deliver the functions of the local Labour Market Partnership for the area
- Strategic Priority 2- To improve employability outcomes and/or labour market conditions locally
- Strategic Priority 3 - Increased awareness of regional programmes within local area (LMP)

An Action Plan for 2023-24 was developed and each strategic priority is detailed within it. Section 8.1 of the Action Plan outlines the baseline for each strategic priority, including the following:

- Baseline figures (if possible)
- Targets
- Indicators to which local LMP contributes (also known as source)

Section 8.2 sets out each strategic priority and the related themes. For each theme it outlines:

- Aims & Description
- Key Activities
- Start & End Date
- Resources/Cost
- Performance Measures
- Reporting Quarter

Performance measures are reviewed periodically at LMP committee and sub-committee meetings. Contract monitoring is outlined within the project's funding agreement. The LMP Administrative Officer currently maintains a Communications Log which details all communications held with the project contractor.

The LMP currently report to the Place and Prosperity Committee within Council on a quarterly basis. Management advised that this typically occur when there are significant updates to projects or funding being awarded. Reporting to the Council is for information purposes only, with the Council not making any LMP decisions.

1.2. Scope and Objectives

The scope of this review focused on a review of the governance arrangements of the LMP and controls to manage expenditure against the LMP Funding Agreement.

The objectives of the Internal Audit were to:

- Determine whether up-to-date terms of reference are in place for the LMP committee.
- Determine whether roles and responsibilities for the delivery of the LMP's strategic priorities have been defined and communicated within the Council.
- Determine whether a training plan is in place for LMP members, including an induction process.
- Determine if the controls in place to monitor expenditure by the LMP and monitor adherence to conditions set in the Department for Communities Funding Agreement are operating effectively.
- For projects which are completed by the Council internally, ensure that expenditure is monitored as an externally awarded project is.
- For a sample of Council funded projects as part of the LMP during the 2023/2024 period:
 - Ensure that funding has been awarded in line with LMP conditions.
 - Determine if project monitoring is completed.
 - Determine if there are processes in place to withhold funds for underperforming projects.
- Determine if the 2023-24 LMP action plan supports each of the three strategic priorities.
- Determine if the 2023-24 action plan includes performance measures which are measured on a periodic basis.
- Determine whether there is an adequate framework in place to facilitate the tendering process for LMP projects during the 2023/24 period, where relevant, including determining whether:
 - The tender process is in line with Council procurement policy;



- Award criteria is defined, and tenders evaluated against this, with highest scoring tenderer awarded.;
- Adequate documentation of the tender process including assessment and decisions made is retained centrally, and all decisions are approved by the LMP committee prior to Letters of Offer being issued.
- Determine whether payments made to successful tenderers are accurate and in line with the tender agreement.
- Determine whether payments made to successful tenderers are supported by sufficient evidence of activity and achievement of agreed objectives,
- Determine if there are periodic monitoring meetings held with contractors to discuss performance against contract obligations.
- Determine if there are adequate reporting structures within the Council to report progress against budget and each strategic priority within the LMP.
- Determine if Quarterly Indicator Report Cards and an annual report are provided to DfC as required.

1.3. Approach

In order to complete this engagement, we used a combination of the following:

- Discussions with key members of staff involved in the Labour Market Partnership, including the Head of Economic Development, Labour Market Partnership Manager and Economic Development Manager, to walkthrough key processes.
- Review of key items of documentation such as policies and procedures, terms of references, and the LMP Action Plan.
- A limited programme of sample testing to assess control operating effectiveness, including tendering, and awarding of projects, payment of funding to selected projects, and committee and sub-committee meetings.
- Held a close out meeting with relevant stakeholders to discuss any review outcomes.
- Preparation of a draft report.
- Preparation of a final report, including management action plans in response to any recommendations.

Our sole source for information has been management information and representations. We do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy.

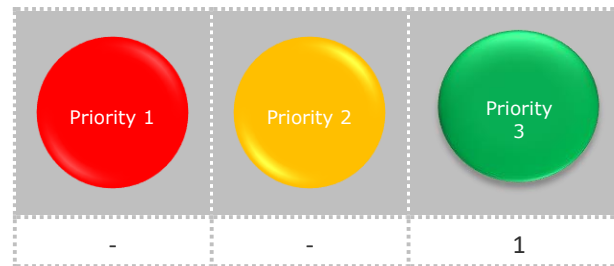
Our work was performed in accordance with the Deloitte Internal Audit Methodology which is consistent with the standards of the Chartered Institute of Internal Auditors and Public Sector Internal Audit Standards. Our work was carried out during January and February 2024.

1.4. Summary of findings

In **Section 2** we have set out our detailed findings and recommendations arising from our review.

Our findings have been graded using the scale outlined in **Appendix 1**.

The number of findings by risk grade can be summarised as follows:



There were no **Priority 1** or **Priority 2** findings identified during our review.

There was one **Priority 3** finding identified during our review. This can be summarised as follows:

- LMP Committee Terms of References – lack of annual review (see **Section 2.1**)

Full details of the issue may be found in **Section 2** of this draft report.

1.5. Conclusion


Overall, there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

Consequently, on the basis of the Internal Audit work undertaken, we have given a **satisfactory** level of assurance that the system objectives will be achieved. Refer to **Appendix I** for a definition of the assurance level given.



2. Detailed findings and recommendations

2.1 LMP Committee Terms of References – lack of annual review

Finding	Recommendation		Priority
<p>We noted that a Terms of Reference (TOR) was developed for the LMP Committee and each thematic sub-committee in October 2021. It is good practice to review TOR on an annual basis. However, there is no date recorded on the following TORs to confirm date of most recent review;</p> <ul style="list-style-type: none"> • LMP • Theme 1 Committee • Theme 2 Committee <p>We noted that two sections within the LMP TOR include detail on the date they were amended, and we received minutes as evidence of approval. The date of last review/agreement of the LMP TOR is not on the document.</p> <p>Management advised that the TORs have had no major changes to date and are rarely updated. TORs are issued to members on an annual basis in advance of the Annual General Meeting.</p> <p>Potential Impact</p> <p>There is a risk of out-of-date information on LMP and sub-committee terms of reference including membership, leading to failure to remain up to date in considering correct subject matters and remit of responsibilities.</p>	<p>The LMP should ensure that the following TORs are reviewed annually, and this review date is recorded:</p> <ul style="list-style-type: none"> • LMP • Theme 1 Committee • Theme 2 Committee 		 <p>Priority 3</p>
Management response			
Action Plan	Owner/ Title	Target Date of Implementation	
<p>The LMP/Council will ensure that the version control process currently in place in the Council is used appropriately if the Terms of Reference are to be amended. This will ensure good and consistent practice across the organisation.</p>	<p>Economic Development Manager</p>	<p>30/04/2024</p>	



The Terms of Reference will be reviewed at the next AGM on 30th April and they will be dated and version-controlled as appropriate.



3. Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. This report is not based on an attest engagement. We have relied on information provided by Ards and North Down Borough Council's management and we do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish accuracy or completeness.

Recommendations for improvements should be assessed by you (Ards and North Down Borough Council) for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

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Ards and North Down Borough Council – Internal Audit of Labour Market Partnership – FINAL REPORT

This report is intended solely for the information and internal use of Ards and North Down Borough Council and should not be used or relied upon by any other person or entity.



Appendix I: Reporting Definitions

Assurance Opinion

For each report delivered in the annual Internal Audit Plan, we will provide one of three levels of assurance, ranging from satisfactory assurance to unacceptable assurance. These assurance levels reflect the latest requirements of the Department of Finance (DAO (DoF) 07/16).

Assurance Level	Evaluating and Testing Conclusion
Satisfactory	Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
Limited	There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.
Unacceptable	The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Recommendation Priorities	
Priority 1	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
Priority 2	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
Priority 3	Failure to implement the recommendation could lead to an increased risk exposure.

These definitions of evaluations should be interpreted in conjunction with the scope of the audit work and in the overall context that our findings should only be relied upon to be representative of the operation of control procedures at the time of discussion or observation of these control practices and in relation to the transactions tested. Projection of evaluations of future periods is subject to the risk that the policies and procedures may become inadequate because of changes in conditions, or that the degree of compliance with these policies and procedures may deteriorate. The performance of Internal Audit work should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and work performed by Internal Audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should Internal Audit work be relied upon to identify all circumstances of fraud or irregularity should there be any, although our audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

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Ards and North Down Borough Council

Dog Licensing – Final Report

February 2024



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1. Overview

1.1. Introduction

This review was undertaken as part of the 2023/24 Internal Audit Operational Plan to review the controls in place to enable Ards and North Down Borough Council (“the Council”) to fulfil its dog licensing responsibilities.

1.2. Overview

The Dogs (NI) Order 1983 requires all dog owners to possess a valid dog license, and this must be renewed on an annual basis. This is an essential part of being a responsible dog owner as the dog, unless exempt, must be microchipped before a dog license can be obtained. There is also a requirement for breeding establishments to have appropriate licenses to operate within the Council.

The Neighbourhood Environment Team (NET) leverages two applications from the Council’s Tascomi system to log and maintain information related to dog licensing, TE-Care and TE-Dogs. The NET uses a procedural document which provides guidance to staff members on using the TE-Dogs and TE-Care systems, processing applications, and processing renewals. The Council’s Regulatory Service has an Enforcement Policy which is designed to allow the most appropriate and consistent enforcement option to be chosen for any offences committed throughout the Service’s remit. More specific guidance relating to breeding establishments and inspections is provided to the NET by the Northern Ireland Dogs Advisory Group.

TE-Dogs is used to log details of dog license applications whilst TE-Care is used to log complaints from the public, dog related fines (such as unlicensed dog, fouling, straying), and reviews of any subsequent review processes related to these areas. It is within the Council’s remit to proceed a matter to court if the alleged offending party fails to discharge liability via payment of the Fixed Penalty Notice (FPN). In the case that a dog owner appeals the FPN, a formal review takes place during which the evidence from the Enforcement Officer who issued the notice and evidence from the complainant is assessed. The review and any subsequent outcomes are documented on TE-Care.

Dog license applications can be completed online, in-person, by post or over the phone. The process requires the dog’s details, including its microchip number and details of the owner including name, address, mobile number and email address. In-person and telephone applications are handled by a member of the NET or a staff member at reception during which the relevant details are entered into TE-Dogs system and the license is issued. The Council charges various fees for a dog license depending on the type of license being applied for and whether the applicant is eligible for concessions. A total of £109,292 was received by the Council in 2023. Fee levels are as follows:

- Block license (three or more dogs) - £32
- Standard license - £12.50
- Concessionary license (e.g. Neutered, Income Related Benefits, Over 65 Subsequent Dog) - £5.00

- Concessionary license (Over 65 First Dog) – exempt from paying fees

Table 1.1 – Licenses in issue -2023

License Type	Cost of license (£)	Number of licenses in issue at the time of reporting	Total income (£)
Basic	12.50	3,594	44,925
Block	32	56	1,792
Concessionary – Income Related Benefits	5	2,094	10,470
Concessionary – Neutered	5	10,413	52,065
Concessionary – Over 65 (Free)	NIL	3,588	NIL
Total		19,745	£109,292

1.3. Scope and Objectives

The scope of this internal audit included a review of processes and controls in place around the provision of dog licenses, including around enforcement and appeals. The objectives of this audit were to:

- Determine whether there are clear policies and procedures in place in relation to the Council’s approach to dog licensing process.
- Confirm that policies and procedures are periodically reviewed and updated and made available to relevant staff.

- For a sample of dog licensing applications (across all application methods) issued in the previous 12 months, including standard licensing, block licensing, and breeding establishment licensing:
 - Determine whether there are processes in place to ensure licenses are correctly completed, showing the required details of the dog and owner to ensure the correct dog license is issued, including the dog(s) microchip number;
 - Determine whether there are processes in place to ensure licenses are appropriately approved and authorised prior to issue in line with the Council's policy.
- Determine whether there are adequate controls in place to ensure that income generated from dog license fees is appropriately recorded and ensuring that licenses are not issued without the correct fee being paid, in advance of the license being issued.
- Determine if there is a process in place to ensure that concessionary fees / discounted income relating to dog license applications are appropriate and confirmed prior to issue of dog license.
- Determine, for a sample of breeding establishment licenses, if there was an inspection carried out prior to the license being issued or renewed as required by the Dogs (NI) Order 1983.
- Determine if there is a consistent methodology and approach to each inspection including a work programme and subsequent reporting.
- Determine whether there are processes in place for enforcement of licenses i.e., licenses which have expired, are followed up and renewed or removed from the public register as required.
- Determine for a sample of dog licensing review cases (including, fines issued relating to lack of appropriate dog license) if there are adequate processes in place for processing reviews and communication of outcomes.
- Determine if there are systems in place to adequately record dog licenses, enforcement, and reviews in a way that there is no duplication of effort, or potential for lost data.
- Determine if systems adequately interface with each other to create efficiency.

1.4. Approach

In order to complete this engagement, we used the following:

- Discussions with key members of the Council such as the NET Service Unit Manager, and key staff involved in Dog Licensing to walkthrough key processes.
- Review of key items of documentation such as copy of the Council's Dog License register and supporting applications.



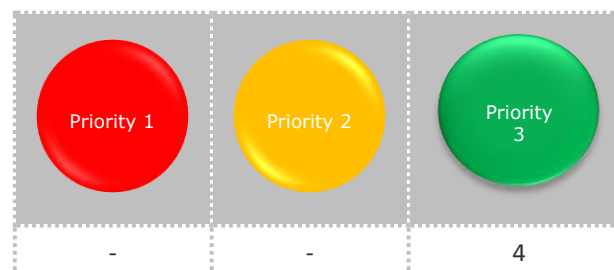
- A limited programme of sample testing to assess control operating effectiveness including a sample of dog licenses applications received and breeding establishment inspections.
- Consideration of possible improvements or alternatives for the controls in place.
- Reporting of findings with practical recommendations for improvement where appropriate.

Our sole source for information has been management information and representations. We do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy.

Our work was performed in accordance with the Deloitte Internal Audit Methodology which is consistent with the standards of the Chartered Institute of Internal Auditors. Our work was carried out remotely between October and November 2023.

1.5. Summary of findings

In **Section 2** we have set out our detailed findings and recommendations arising from our review. Our findings have been graded using the scale outlined in **Appendix I**. The number of findings by risk grade can be summarised as follows:



There were no **Priority 1** findings or **Priority 2** findings identified during our review.

There were four **Priority 3** findings identified during our review. These can be summarised as follows:

- Dog license income – lack of validation of discounted fees (see Section **2.1**)
- Update to dog license procedural document (see Section **2.2**)
- Breeding establishment inspections (see Section **2.3**)
- TE-Care and TE-Dogs interface (see Section **2.4**)

Full details of the issues may be found in **Section 2** of this report.

1.6. Conclusion


Overall, there is a satisfactory system of governance, risk management and control in relation to Dog Licensing. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

Consequently, based on the Internal Audit work undertaken, we have given a **satisfactory** level of assurance that the system objectives will be achieved. Refer to **Appendix I** for a definition of the assurance level given.



2. Detailed findings and recommendations

2.1. Dog license income – lack of validation of discounted fees


Finding	Recommendation	Priority
<p>The fee for a standard dog license is £12.50. Concessionary license fees are also available for applicants who are:</p> <ul style="list-style-type: none"> • In receipt of income-related benefits; • Applying for a dog who has been neutered; • Over 65 who have already availed of their free dog license. <p>Dog licenses for the above categories are available at a concessionary fee of £5. Applications can be processed online, in-person, or via telephone. Payments for online applications are processed via WorldPay and the application cannot proceed without payment. Payments for applications in-person are taken by the reception staff and the application will not be processed without payment. Payments for applications via telephone are taken via card payment and licenses are not processed until the payment has been received.</p> <p>However, we identified there is currently no control in place to validate that applicants who apply for the concessionary license are eligible for a discounted license. The Council do not validate claims of being in receipt of income-related benefits or neutered dogs.</p> <p>Potential Impact</p> <p>There is a risk that the Council are not receiving the correct fee for each dog license application, leading to the potential for lost revenue.</p>	<p>Management should liaise with counterparts in other Councils to determine whether it is possible to validate income-related benefits, prior to issue of a discounted license. If so, management should consider implementing a control to validate for all, or a sample, of requests for discounted licences for those who are in receipt of income-related benefits or whose dog is neutered.</p>	 <p>Priority 3</p>
<p>Management response</p>		



Action Plan	Owner/ Title	Target Date of Implementation
<p>Contact was made with other councils to determine what measures may be possible. Those who now undertake evidence gathering fully did so after a gradual build up from spot checks and subsequent allocation of staffing resources to undertake these extra duties.</p> <p>We are aware that some Councils dip sample applications to validate eligibility for discounted fee. Some, with fewer discounted applications, validate all. Customers bring documentation to reception for checking by reception staff. There are questions around the collection and retention, by Council, of personal income related documentation as evidence of eligibility. Additionally, administration staffing levels have been insufficient for periods of time preventing the implementation of additional checking measures.</p> <p>Moving forward it is suggested we clarify collection and retention of validation documentation with Council Compliance section and commence a dip sample of concessionary applications.</p> <p>It would be our aim to develop a process to do this with the target to have the process operational by January 2026.</p>	Head of Regulatory Services (Temp)	January 2024




2.2. Update to dog license procedural document


Finding	Recommendation	Priority
<p>The Neighbourhood Environment Team (NET) has a ‘Dog License Procedures’ document which provides guidance on processing dog license applications. However, the procedural document does not include:</p> <ul style="list-style-type: none"> defined roles and responsibilities in relation to processing dog licensing applications for enforcement officers or administrative assistants; the process for the removal of a dog license from TE-Dogs; guidance relating to reviews of a Fixed Penalty Notice (FPN) issue. <p>Potential Impact</p> <p>There is a risk that NET staff are unclear on the process and their roles and responsibilities and therefore an inconsistent approach may be taken for the following:</p> <ul style="list-style-type: none"> The removal of dog licenses from TE-Dogs The process for handling FPN review cases 	<p>Management should update the current dog license procedures to ensure the following has been included:</p> <ul style="list-style-type: none"> defined roles and responsibilities in relation to processing dog licensing applications for enforcement officers or administrative assistants; the process for the removal of a dog license from TE-Dogs; guidance relating to reviews of a Fixed Penalty Notice (FPN) issue. 	
Management response		
Action Plan	Owner/ Title	Target Date of Implementation
<p>The removal of dog licenses from TE-Dogs is an administrative staff only process. No other staff are involved. There is a written procedure for expired dog licence calls already included within circulated documentation.</p> <p>Processing of dog license applications is only carried out by Administration staff. In relation to FPN review - This process is only undertaken by SUM or nominee and all staff who issue or process FPNs are aware of this.</p>	<p>Head of Regulatory Services (Temp)</p>	<p>Completed January 2024</p>

Procedure updated to include reference to above.

2.3. Breeding establishment inspections

Finding	Recommendation	Priority
<p>We tested a sample of two breeding establishments and their inspections. One of our sampled breeding establishment licenses expired on 14/04/2023.</p> <p>The Council contacted the breeding establishment on 25/04/2023, however the breeder was not available for a site visit to complete the inspection until 05/05/2023. As a result, there were 21 calendar days where the establishment was unlicensed. We note that while the breeding establishment license had expired, each dog within the establishment is licensed under the separate block license.</p> <p>Potential Impact</p> <p>There is a risk that the breeding establishment was no longer in license worthy condition, and therefore could have operated for 21 days in these conditions.</p>	<p>Management should ensure that breeding establishment inspections are completed as soon as possible upon expiry of previous license expiry.</p>	
Management response		
Action Plan	Owner/ Title	Target Date of Implementation
<p>A manually generated inspection schedule is allocated to a trained officer. Inspection schedule will now be set at one month prior to expiry date to provide greater opportunity for inspections prior to deadline.</p> <p>Procedure notes updated.</p>	<p>Head of Regulatory Services (Temp)</p>	<p>February 2024</p>

2.4. Lack of TE-Care and TE-Dogs interface

Finding	Recommendation	Priority
<p>The NET leverages two applications from the Council's Tascomi system to log and maintain information related to dog licensing. TE-Dogs is used to log details of dog license applications whilst TE-Care is used to log complaints, fines and reviews of any subsequent review process.</p> <p>We identified there is a lack of adequate system interfacing between TE-Care and TE-Dogs. Management advised that dog related issues are input on TE-Care, although dog licensing information within the Council, such as dog breed, address and owner details, is input on TE-Dogs.</p> <p>Potential Impact</p> <ol style="list-style-type: none"> 1. There is a risk that NET staff time is duplicated due to inefficiencies in record management. 2. There is a risk that information is not accurately recorded on both systems. 	<p>Management should investigate the possibility of creating an interface between TE-Care and TE-Dogs.</p>	
Management response		
Action Plan	Owner/ Title	Target Date of Implementation
<p><u>Risk Accepted</u></p> <p>TE-Care has been rolled out across Council as the corporate system. We were assured the two systems would interface. However, they do not and we have been advised that there will be no resource to make the two systems compatible.</p> <p>As a mitigation a comparison is made each time there is a new request which comes in and is logged onto TE-Care. TE-Dogs is checked by the individual officer responsible for</p>	<p>Head of Regulatory Services (Temp)</p>	<p>N/A – risk accepted</p>



the new request in relation to that address to see what information is held there. Where appropriate the note may be included in TE-Care to inform that request.



3. Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. This report is not based on an attest engagement. We have relied on information provided by Ards and North Down Borough Council's management and we do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy or completeness.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

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Appendix I: Reporting Definitions

Assurance Opinion

For each report delivered in the annual Internal Audit Plan, we will provide one of three levels of assurance, ranging from satisfactory assurance to unacceptable assurance. These assurance levels reflect the latest requirements of the Department of Finance (DAO (DoF) 07/16).

Assurance Level	Evaluating and Testing Conclusion
Satisfactory	Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
Limited	There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.
Unacceptable	The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Recommendation Priorities	
Priority 1	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
Priority 2	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
Priority 3	Failure to implement the recommendation could lead to an increased risk exposure.

These definitions of evaluations should be interpreted in conjunction with the scope of the audit work and in the overall context that our findings should only be relied upon to be representative of the operation of control procedures at the time of discussion or observation of these control practices and in relation to the transactions tested. Projection of evaluations of future periods is subject to the risk that the policies and procedures may become inadequate because of changes in conditions, or that the degree of compliance with these policies and procedures may deteriorate. The performance of Internal Audit work should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and work performed by Internal Audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should Internal Audit work be relied upon to identify all circumstances of fraud or irregularity should there be any, although our audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.



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Ards and North Down Borough Council

Events Management

March 2024



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1. Overview

1.1. Introduction

This audit was undertaken as part of the 2023/2024 Internal Audit Operational Plan to review the controls in place around the management and oversight of Council-run tourism events which are attended by the public, including planning processes, budget and risk management (including health and safety), impact realisation and lessons learned.

1.2. Overview

In November 2020, Ards and North Down Borough Council, 'the Council' adopted a Borough Events Strategic Direction 2021-26, Heart and Soul. Outcomes of the Strategy are focused on delivering a more efficient balanced portfolio of events across the Borough which deliver a range of cultural, social and economic outcomes. In 2021 in support of the agreed Strategic Direction, Council agreed a revised programme of Arts and Tourism Events, which saw a direct budget saving of c£300,000. This new programme was delivered in its entirety in 2022.

The Tourism Events Programme 2023/24 business case was created by the Events Manager with collaboration from other Services, namely Waste & Cleansing and Assets & Property. This was approved by the Director of Place in November 2022. The Tourism Events Programme is managed by the Tourism Events Team. This comprises, Events Manager, Events Officer, Assistant Events Officer and Events Assistant. A total of seven events were run during the 2023/24 year, with a total budget of £266,500.

At the beginning of the planning process, internal and external event meetings are held to discuss the events planned for the year. Discussions will include the considerations required for each event including things such as health and safety requirements, road closures, licensing, and so forth. There are also local Town Advisory Groups which assist in the planning process by taking local considerations into account. Further to this a Joint Advisory Group (JAG) including key partners and agencies is held prior to each event.

An Event Management Plan (EMP) is created for each event. This is prepared by the Event Officer and reviewed and updated as required by the Event Manager. The EMP is treated as a fluid document and there are multiple versions issued to the key contacts / delivery partners up until the scheduled date of the event. Changes are driven from discussions at the aforementioned JAG, internal or agency pre-event meetings or changes to the risk assessment. The EMP includes the following sections:

- Event Summary
- The Event Team
- Communications
- Site Plan



- Health and Safety
- Stewarding Plan
- Site Provisions
- Appendices including – Event Schedule, Event Risk Assessment, Fire Risk Assessment, On Water Emergency, ANDBC Event Management Team, External Event Management Team, Event Medical Plan, Briefing documents.

Within six weeks of the event, a debrief is held with the same attendees as the pre-event JAG. This debrief is used as a tool to discuss lessons learned and any successes / areas to improve upon for future events. The debrief follows the same agenda as the pre-event JAG so that the outcomes of the debrief are directly relatable to the next year's advisory group. Following the debrief, minutes are provided to all invited attendees.

1.3. Scope and Objectives

The scope of this internal audit included a review of the controls in place around the management and oversight of Council-run tourism events which are attended by the public, including planning processes, budget and risk management (including health and safety), impact realisation and lessons learned.

This audit focused on the following areas:

- Determine whether there is a framework in place for the planning of Council-run tourism events, including for a sample of Council tourism events:
 - Preparation of an event plan, outlining event aims, budget and relevant implementation elements (such as crowd control, licence and insurance requirements, location and consideration of associated permission requirements, and personnel required to deliver the event) as well as consideration around alignment with Council commitments within its Roadmap to Sustainability;
 - Cost of running the event is set out within the approved business case;
 - Assessment, review and approval of event plan to ensure coordination with Council objectives.
 - Clearly defined roles and responsibilities for partners assisting in the delivery of tourism events.
- Determine whether there is an events risk management framework in place for Council-run events, including for a sample of Council events:
 - Completion of a risk assessment for each event, completed as part of the event proposal process;
 - Setting of actions to mitigate identified event risks, including assignment of risk owners and implementation deadlines, and monitoring of completion of actions to manage event risks;
 - Ongoing monitoring of risks as the event progresses.
- Determine whether there is a framework in place around the delivery of Council events, including the following key controls for a sample of Council events:
 - Completion of a financial review and regular budget monitoring of event costs throughout duration of event delivery, including event completion;
 - Presence of the nominated event manager at the event to maintain and ensure onsite event control and oversight;
 - Briefing and guidance to event personnel and to partners or other third parties involved in event delivery; and



- If relevant, First Aid and other health and safety arrangements at event.
- Determine whether there are processes in place to identify, capture and communicate impact realisation and lessons learned post-event for a sample of Council tourism events.

1.4. Approach

The Internal Audit approach included:

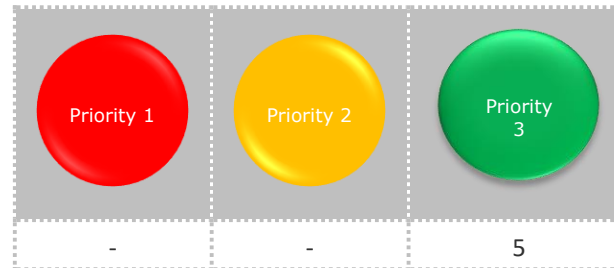
- Discussions with key members of the Events management team such as Head of Tourism, Events Manager and other key stakeholders to walkthrough key processes.
- Review of key items of documentation such as policies and procedures, ANDBC Borough Events Strategic Direction 2021-2026 document, ANDBC Events Matrix document, event plans for sample of Council events.
- A limited programme of sample testing on a sample of projects to assess control operating effectiveness, including the planning process, risk management, budget monitoring, event delivery and lessons learned.
- Consideration of possible improvements or alternatives for the controls in place.
- Reporting of findings with practical recommendations for improvement where appropriate.

Our sole source for information has been management information and representations. We do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy and completeness.

Our work was performed in accordance with the Deloitte Internal Audit Methodology which is consistent with the standards of the Chartered Institute of Internal Auditors. Our work was carried out remotely and on-site between January and February 2024.

1.5. Summary of findings

In **Section 2** we have set out our detailed findings and recommendations arising from our review. Our findings have been graded using the scale outlined in **Appendix 1**. The number of findings by risk grade can be summarised as follows:



There were no **Priority 1** or **Priority 2** findings identified during our review.

There were five **Priority 3** findings identified during our review. These can be summarised as follows:

- Events Management Plan – lack of documented alignment with Heart and Soul Strategy (see **Section 2.1**)
- Events Management Plan – lack of version control (see **Section 2.2**)
- Event risk assessments – lack of responsible owners and target dates (see **Section 2.3**)
- Third-party risk assessments – lack of centralised collation / monitoring (see **Section 2.4**)
- Event debrief – lack of documented lessons learned / action log (see **Section 2.5**)

Full details of the issues may be found in **Section 2** of this report.

1.6. Conclusion


Overall, there is a satisfactory system of governance, risk management and control in relation to Event Planning. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

Consequently, based on the Internal Audit work undertaken, we have given a **satisfactory** level of assurance that the system objectives will be achieved. Refer to **Appendix I** for a definition of the assurance level given.



2. Detailed findings and recommendations


2.1. Events Management Plan – Alignment with Heart and Soul Strategy

Finding	Recommendation	Priority
<p>The Council’s Events Strategic Direction 2021-26, Heart and Soul includes sustainability and partnership as two key functions of the strategic direction for events.</p> <p>For each event delivered, there is an Event Management Plan (EMP) documented by the Events Team which includes the event schedule, risk assessment, health and safety arrangements, among other event details.</p> <p>We note that there is consideration given to sustainability during the event planning stage, there is no specific section dedicated to sustainability within the EMP.</p> <p>Further EMP, does not capture the partnership function for the events, although we noted that the planning process involves consultation with internal and external partners for each event. There are also local town working groups which assist in the planning process by taking local considerations into account.</p> <p>Impact</p> <ol style="list-style-type: none"> 1. The Heart & Soul strategy outlines Sustainability as a main aim for Council events. Lack of focus on sustainability can lead to decreased public trust, decreased engagement with planned events and damage to the natural environment of the Council. 2. Lack of formal consideration to partnership during event planning could lead to decreased community engagement within Council events. 	<p>Management should ensure that each Event Management Plan includes:</p> <ol style="list-style-type: none"> 1. a dedicated section on how sustainable practices would be considered, during event planning. 2. partnership approach in line with the Heart and Soul strategy for Council events. 	




Management response		
Action Plan	Owner/ Title	Target Date of Implementation
Incorporate sustainability section and reference to partnerships within each Event Management Plan	Events Manager	31 May 2024

2.2. Events Management Plan – lack of version control


Finding	Recommendation	Priority
<p>The EMP is prepared by the Events Officer and then approved by the Events Manager. The Event Manager as approver was documented on the EMP, however, the name of creator and approver was not documented and also date of approval was not recorded.</p> <p>We further note that there was no version / change control table included within the EMP. For the Sea Bangor event, we noted that the latest version was version four, however changes from previous versions were not highlighted.</p> <p><i>Impact</i></p> <p>In the absence of version control the key changes to the EMP are not highlighted at each revision, leading to the potential for changes to be unnoticed by internal and external partners.</p> <p>There is a risk that updated versions of the EMP do not complete the required approval process.</p>	<p>Management should implement a version control table for each EMP which includes:</p> <ol style="list-style-type: none"> 1. Preparer and date prepared; 2. Approver and date approved; and 3. Version number and key changes from the previous version. 	
Management response		
Action Plan	Owner/ Title	Target Date of Implementation
Version control table to be included in each Event Management Plan	Events Manager	31 May 2024

2.3. Event risk assessments – lack of responsible owners and target dates


Finding	Recommendation		Priority
<p>For each event there is a risk assessment completed by the Events Team in conjunction with the Risk Manager. This risk assessment is included within the EMP as an appendix and includes the following:</p> <ul style="list-style-type: none"> • Description of the hazard / risk • Description of the mitigating control • Action required <p>We note that there are no target dates assigned for the implementation of required actions and responsible owners are also not assigned in the risk assessment.</p> <p>Management advised that many of the actions listed are completed on the day of the event and the Risk Manager and Events Manager complete a risk checklist on the day prior to the event, however this is not documented within the EMP.</p> <p>Impact</p> <p>Lack of target dates set for mitigating actions and responsible owners, there is a risk that actions are not completed leading to the risk being materialised.</p>	<p>Management should ensure that each event risk assessment includes target dates and responsible owners for each risk identified.</p>		
Management response			
Action Plan	Owner/ Title	Target Date of Implementation	
<p>Action dates and Action Responsible Owner columns to be added to RA within Event Management Plan</p>	<p>Events Manager</p>	<p>31 May 2024</p>	



2.4. Third-party risk assessments

Finding	Recommendation		Priority
<p>At each event, council engage numerous third-party vendors to assist in the delivery of the event. The Events Team requires a risk assessment to be completed and submitted by each vendor prior to the event. This can be submitted electronically or in hard copy.</p> <p>While we note that each risk assessment was received, there is no centralised document which tracks the receipt of risk assessments and the subsequent consideration and monitoring of these risks.</p> <p>Impact</p> <p>A lack of a centralised risk document may cause risk assessments to be misplaced and mitigation actions be missed.</p>	<p>Management should implement a process for storing and tracking individual risk assessments should be developed for each event to ensure that they can be easily and consistently monitored.</p>		
Management response			
Action Plan	Owner/ Title	Target Date of Implementation	
Central Third Party Risk Assessment Table to be added to Event Management Plan	Events Manager	31 May 2024	

2.5. Event debrief – inclusion of lessons learned / action log

Finding	Recommendation		Priority
<p>Post event, a debrief meeting is held with each internal and external partner involved in the delivery of the event in attendance. This is required to take place within six weeks of the event. We note that for our two sampled events, this took place approximately two weeks post event.</p> <p>The debrief is minuted and we noted that the challenges faced at the event are discussed and documented. However, there was no formal lessons learned log / action plan to resolve these issues for future events.</p> <p>Impact</p> <p>There is a risk that challenges are not actioned and resolved prior to the next event and therefore reoccur.</p>	<p>Management should implement a formal lesson learned document which includes the following:</p> <ol style="list-style-type: none"> 1. an action log providing detail of the challenge / issue at the event; 2. mitigating actions to ensure issue is resolved for the next event; and 3. responsible owners and timeline for completion for each mitigating action. 		 <p>Priority 3</p>
Management response			
Action Plan	Owner/ Title	Target Date of Implementation	
Lessons learned and an Action Log with target dates and owners to be added to debrief minutes	Events Manager	31 May 2024	



3. Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. This report is not based on an attest engagement. We have relied on information provided by Ards and North Down Borough Council's management and we do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy or completeness.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

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David Kinsella

For and on behalf of

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Date:

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Appendix I: Reporting Definitions

Assurance Opinion

For each report delivered in the annual Internal Audit Plan, we will provide one of three levels of assurance, ranging from satisfactory assurance to unacceptable assurance. These assurance levels reflect the latest requirements of the Department of Finance (DAO (DoF) 07/16).

Assurance Level	Evaluating and Testing Conclusion
Satisfactory	Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
Limited	There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.
Unacceptable	The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Recommendation Priorities	
Priority 1	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
Priority 2	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
Priority 3	Failure to implement the recommendation could lead to an increased risk exposure.

These definitions of evaluations should be interpreted in conjunction with the scope of the audit work and in the overall context that our findings should only be relied upon to be representative of the operation of control procedures at the time of discussion or observation of these control practices and in relation to the transactions tested. Projection of evaluations of future periods is subject to the risk that the policies and procedures may become inadequate because of changes in conditions, or that the degree of compliance with these policies and procedures may deteriorate. The performance of Internal Audit work should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and work performed by Internal Audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should Internal Audit work be relied upon to identify all circumstances of fraud or irregularity should there be any, although our audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.



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Internal Audit Annual Report 2023/24

Ards and North Down Borough Council

March 2024

Draft

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1. Executive summary

1.1 Introduction

This report provides our statement on the overall adequacy and effectiveness of Ards and North Down Borough Council's framework of governance, risk management and internal control as it operated during the year to 31 March 2024 (FY2023/24). Our approach to this Annual Assurance report is consistent with the Public Sector Internal Audit Standards.

The statement is based on the Internal Audit programme of work performed during the year designed to focus on areas of risk identified by management. The planned Internal Audit programme was reviewed and approved by the Audit Committee at its meeting in March 2023. Results of Internal Audit work, including action taken by management to address issues included in prior year internal audit reports, have been regularly reported to management and the Audit Committee.

Our statement has not been limited by any shortfall in resources, absence of skills, or any significant limitation of scope of internal audit activity which would adversely affect our ability to form a view.

1.2 Role of Internal Audit

The role of Internal Audit is to provide an independent and objective view to the Audit Committee in relation to risk management, control, and governance. The work of Internal Audit is an element of the control framework that the Audit Committee and the Chief Executive need to inform the completion of the annual Governance Statement. Other elements include the system of monitoring, the risk management framework, and reports from managers. No view or assurance can ever be absolute and is by definition, an extrapolation only of the evidence available. The work of Internal Audit does not supersede management's responsibility for risk, control, and governance. Our statement of responsibility is set out at **Section 4**.

1.3 Acknowledgement

We would like to take this opportunity to thank the management and staff of Ards and North Down Borough Council for their assistance and the cooperation received in completing internal audits within this period.

2. Annual Summary

In line with good practice and the requirements of the Public Sector Internal Audit Standards, we provided an overall classification for each assurance review completed during the period. In accordance with the requirements of DAO (DoF) 07/16, there are three categories by which we classify Internal Audit assurance over the systems we examine, being:

- Satisfactory;
- Limited; and
- Unacceptable.

We have provided details of assurance ratings for the fourteen assurance reviews completed under the 2023/24 Internal Audit Plan. For a full definition of each assurance rating, refer to **Appendix 1**.

Our reporting process ensures that all issues identified as part of our assurance Internal Audits are categorised as being either a Priority 1, 2, or 3, in accordance with the requirements of DAO (DoF) 07/16 and are dependent on the associated significance of the finding and risk to be mitigated. Advisory recommendations are not assigned a priority rating. Full definitions for each of the priority ratings can be found at **Appendix 1**.

Internal Audit Area	Priority 1	Priority 2	Priority 3	Assurance Level
Policing and Community Safety Partnership (PCSP)	-	1	2	Satisfactory
Emergency Planning	-	-	2	Satisfactory
Asset and Property Service Review	-	1	1	Satisfactory
Procurement - above tender threshold and contract management	-	1	2	Satisfactory
Labour Market Partnership	-	-	1	Satisfactory
Finance Service and Readiness Review	-	1	2	Satisfactory
Dog Licensing and Enforcement	-	-	4	Satisfactory
Events Management	-	-	5	Satisfactory
Follow-ups	-	-	-	N/A
TOTAL	0	4	19	23

The fieldwork for the following audits is ongoing. The final report will be presented to the next Audit Committee:

- IT General Controls
- Vehicle Management

At the time of issuing final papers for the March Audit Committee, the following draft reports had been issued and will be included in the final Annual Assurance Report (to be presented at the next Audit Committee):

- HR Absence Management

During the 2023/24 year, we continued to follow-up on Internal Audit recommendations. Under our approach, Internal Audit set up and maintains the database of Internal Audit recommendations and seeks quarterly management updates for all open recommendations (including all from previous years which remain open) as follows:

- Priority 1 findings - Internal Audit will conduct a site visit to test the implementation of the recommendation if management reports it as closed
- Priority 2 findings – Internal Audit will seek documentary evidence of the closure of the recommendation
- Priority 3 findings – Internal Audit will take management representation as to the closure of the recommendation and will not conduct any testing

The first quarterly report status of recommendations was presented to the June 2023 Audit Committee meeting and a report on the final quarter status update was presented to the March 2024 Audit Committee. In addition, at the end of the year in February 2024, we carried out an annual exercise to test a sample of recommendations (Priority 3) that have been reported as closed to confirm the implementation and the operational effectiveness of the implemented action.

The table below presents a summary of the status of Internal Audit recommendations per the status update in March 2024:

	Priority 1	Priority 2	Priority 3	Total
Total open issues as at last Audit Committee report	3	24	18	45
Items added to the tracker since the last Audit Committee meeting	-	2	6	8
Issues closed / superseded since the last Audit Committee meeting	-	(3)	(6)	(9)
Issues remaining open	3	23	18	44
Items in progress / partially implemented	3	10	5	18
Items not yet implemented	-	13	13	26

3. Statement of Annual Assurance

As defined in the Public Sector Internal Audit Standards the prime responsibility of the Internal Audit service is to provide the Audit Committee, the Chief Executive as Chief Financial Officer and the other managers of the Council assurance on the adequacy and effectiveness of risk management, control, and governance arrangements. In assessing the arrangements in place, we take into account:

- All Internal Audits undertaken between 1 April 2023 and 13 March 2024;
- Whether recommendations have been accepted by management and where they have not, the consequent risks;
- The actions agreed in response to our audit recommendations and an assumption that management will implement the agreed action;
- Follow-up review of the status of implementation of prior Internal Audit recommendations performed within this period; and
- Whether or not any limitations have been placed on the scope of Internal Audit.

During the course of delivery of our 2023/24 Internal Audit Plan, where notified by management and where applicable, we have familiarised ourselves with the work completed by other assurance providers. Whilst we cannot place reliance on their work, we have considered any findings in forming our overall opinion.

Based on the conclusions of our work during the year 1 April 2023 to 13 March 2024, we can provide the Chief Executive as Ards and North Down Borough Council's Chief Financial Officer with a satisfactory level of assurance in relation to the Council's arrangements for governance, risk management and control.

We note however that there remain a significant number of Internal Recommendations that have to be fully implemented. The volume and ageing of these recommendations could present a risk to the Council that the Corporate Leadership Team should review and seek to close as soon as practicable. Additionally, the Chief Executive and Director of Corporate Services should consider the impact these outstanding recommendations have on the effectiveness of the Council's control environment.

Internal Control

Our 2023/24 Internal Audit Plan provided assurance to Ards and North Down Borough Council around the Council's system of internal control. Our work focused on a range of key risk areas such as emergency planning, events and absence management, procurement and dog licensing and enforcement, and a review of the implementation of recommendations raised in previous internal audit reports.

Risk and Governance

The Council's Corporate Risk Register is a key driver of Internal Audit coverage. Our Service reviews considered processes for risk management and performance monitoring. Our work also included a review of the governance framework with regards to the Labour Market Partnership and the PCSP.

4. Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. This report is not based on an attest engagement. We have relied on information provided by Ards and North Down Borough Council's management, and we do not accept responsibility for such information and have not performed any substantiation or external confirmation procedures to establish its accuracy or completeness.

Recommendations for improvements should be assessed by you (Ards and North Down Borough Council) for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

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Appendix 1: Classification of Levels of Assurance

These assurance levels reflect the latest requirements of the Department of Finance (DAO (DoF) 07/16).

Assurance Level	Evaluating and Testing Conclusion
Satisfactory	Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
Limited	There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.
Unacceptable	The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Recommendation Priorities	
Priority 1	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
Priority 2	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
Priority 3	Failure to implement the recommendation could lead to an increased risk exposure.

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Ards and North Down Borough Council

Annual Audit Plan 2024/25 - Draft

March 2024

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1. Introduction

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In line with good practice, we have worked in partnership with Senior Management to prepare a four-year Internal Audit Strategic Plan and Annual Internal Audit Plan which is based on the current and emerging risks for the Council, in line with the Public Sector Internal Audit Standards (PSIAS) and the standards of the Chartered Institute of Internal Auditors.

1.1 The Role of Internal Audit

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

Our role is to provide an independent opinion for the Audit Committee on risk management, internal control and corporate governance. In order to provide this opinion, we are required to review annually the risk management, internal control and governance processes within the Council.

1.2 The Internal Audit Strategy and Internal Audit Plan

The Strategic Internal Audit Plan approved by the Audit Committee on 20th March 2023 allows an organisational wide view of current and emerging risks for the Council over a four-year period. This will help ensure the most efficient and effective use of Internal Audit resources and enable us to focus on areas at greater risk.

In line with the PSIAS, on an annual basis we provide the Audit Committee and Senior Management with a risk based Internal Audit Plan. The Annual Internal Audit Plan enables Internal Audit to facilitate:

- The provision to the Audit Committee of an overall opinion each year on the Council's risk management, control and governance;
- Review of the Council's risk management, control, governance systems through periodic audit plans in a way which affords suitable priority to the organisation's objectives and risks;
- Provision to management of recommendations arising from Internal Audit work;
- The identification of audit resources required to deliver an Internal Audit service which meets required professional standards;
- Effective co-operation with External Auditors and other review bodies; and
- Provision of both assurance and advisory services by Internal Audit, to enhance and protect organisational value by delivering insight and assurance.

The Internal Audit Strategy and Internal Audit Plan are aligned to the Council's current risk profile, and will be updated at least annually. The Audit Committee is therefore requested to approve the Annual Internal Audit Plan 2024/25.

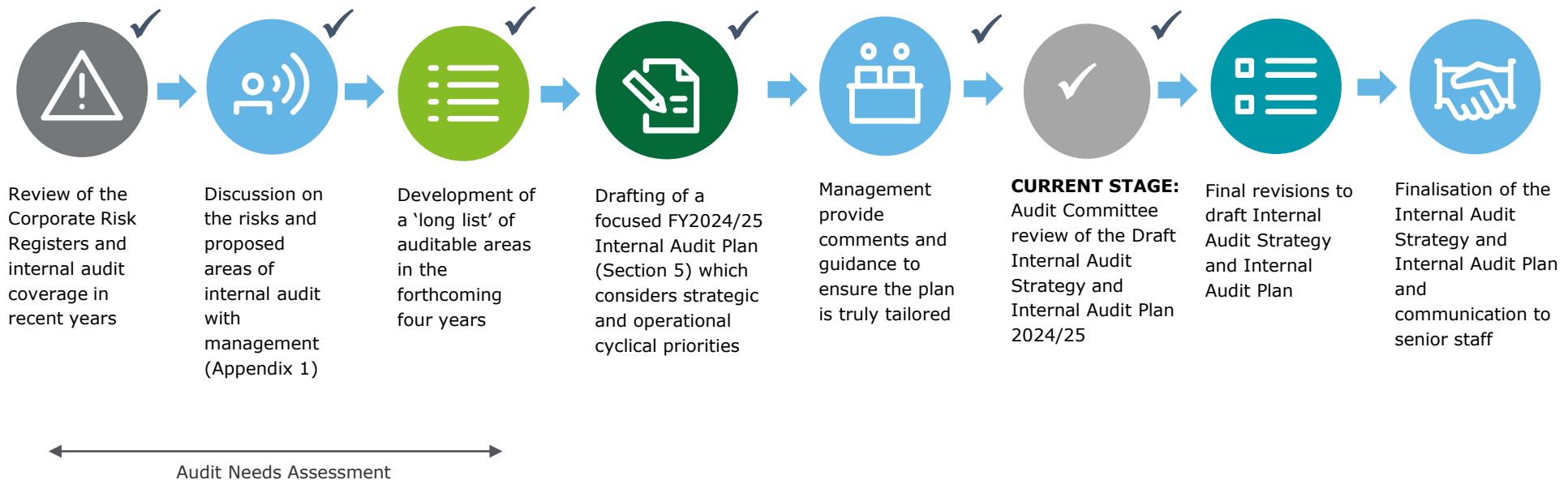
The work of Internal Audit fits within the framework of assurance already established within the Council. It will complement the ongoing risk management framework and other assurance mechanisms, and thus is not to be considered as the only source of assurance for the Audit Committee.

2. Approach

Draft

Approach

Our approach to the development and preparation of the Internal Audit Strategy and Internal Audit Plan is delivered through a tried and tested methodology and our understanding of the Council and the assurance requirements. This draft Internal Audit Plan 2024/25 is presented to the Audit Committee for approval. A summary of the approach is outlined below:



3. Risk Universe

Draft





The diagram below sets out the Corporate risks impacting upon the Council. These risks have been used in developing the Internal Audit Strategy and Annual Plan. Risks in the diagram below have been taken from the Corporate Risk Register February 2024, and colour coded to reflect management’s assessment of severity as documented in the risk register.







4. Internal Audit Plan 2024/25

Draft













In the following table we have set out the proposed assignments to be delivered during 2023/24.

Key to Icons	
Assurance review	
Core team	
Subject matter experts	
Advisory review	

Audit Area	Days	Assurance or Advisory	Senior Management Lead	Deloitte Team	Cyclical	Related Corporate Risk	Proposed start date	Audit Scope and Additional Comments
Strategic								
Service reviews	30		TBC		✓	CR1, CR3, CR5, CR7, CR9	(1) TBC (2) TBC	Review of controls in place to manage risk associated with Service planning, budgetary control, risk management and performance monitoring/reporting. Proposed Services for 2024/25 to be finalised.
Information and Data protection	15		Director of Corporate Services / Head of Administration		-	CR10	TBC	Review of the Council’s control framework in place to support compliance with the Data Protection Act. Areas of focus to be agreed with management.

4. Internal Audit Plan 2024/25








Draft

Audit Area	Days	Assurance or Advisory	Senior Management Lead	Deloitte Team	Cyclical	Related Corporate Risk	Proposed start date	Audit Scope and Additional Comments
Governance	10		Director of Corporate Services / CLT		-	CR3	TBC	Review of governance arrangements across the Council against good practice.
Digital Transformation	12		Director of Corporate Services / Head of Strategic Transformation and Performance	 	-	CR9, CR14, CR3	TBC	An advisory review to consider the risk management and processes within the Council in relation to digital transformation.
Operational								
Labour Market Partnership	8		Head of Economic Development		✓	CR1, CR7, CR3	TBC	Review of the governance arrangements of the LMP and controls to manage grants and expenditure
PCSP	9		Interim Head of Community and Wellbeing		✓	CR1, CR7, CR3	TBC	Review of the governance arrangements for the PCSP and controls to manage the grants and tendering processes operated by the PCSP.
ICT								
Business Technology Governance	12		Head of Transformation and Performance	 	-	CR9, CR2, CR3	TBC	Review of the governance arrangements in place over the Council's business technology service unit.

4. Internal Audit Plan 2024/25 (continued)

Draft

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Audit Area	Days	Assurance or Advisory	Senior Management Lead	Deloitte Team	Cyclical	Related Corporate Risk	Indicative audit start date	Audit Scope and Additional Comments
Financial								
Budgetary Control	10		Head of Finance		-	CR3, CR2	TBC	Review of the Council's governance and controls in place around budgetary control, including budget setting, monitoring and reporting.
Cash Handling	10		Head of Finance		-	CR3	TBC	Review of the Council's key processes and controls in place around cash handling, including recording, reconciliation and security of cash at sample locations across the Council.
Procurement (below tender threshold)	14		Head of Strategic Transformation and Performance		-	CR3	TBC	Review of the governance and controls in place over procurement below tender threshold.
Other areas								
Follow-ups	17	N/A	Head of Finance / HoST		✓	N/A	Quarterly	Quarterly status update on all open Internal Audit recommendations. Annual sample verification exercise for Priority 2 and Priority 3 recommendations reported in year as being closed.
Contract Management	8	N/A	CLT and HoST	-	-	N/A	N/A	Contract management (including attendance at progress and Audit Committee meetings, and preparation of progress reports and Audit Committee reports).
Strategic and annual audit planning	3	N/A	CLT and HoST	-	-	N/A	N/A	Refresh of the Strategic Audit Plan and development of the Annual Audit Plan.
Total Days	158							

5. Strategic Internal Audit Plan 2023-2027 (Updated March 2024)

Draft

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Risk Area	Internal Audit	Related Corporate Risk	Internal Audit Plan			
			23/24	24/25	25/26	26/27
Strategic	Service reviews	CR1 CR3, CR5, CR7, CR9	✓	✓	✓	✓
	Information and Data protection	CR13, CR4		✓		
	Climate Change Strategy	CR7			✓	
	Governance	CR5		✓		
	Workforce Planning Strategy	CR1, CR7, CR3			✓	
	Digital Transformation	CR5, CR7, CR3		✓		
	Transformation programme and project management	CR1, CR3, CR5, CR7, CR8			✓	
	PCSP	CR1, CR3, CR7	✓	✓	✓	✓
	Labour Market Partnership	CR1, CR3, CR7	✓			
	Facilities Management	CR3, CR5, CR6				✓
	Licensing	CR3, CR6, CR7	✓			
	Fleet Management	CR3, CR6, CR7				✓
	Contract management - Leisure Services Contracts	CR3, CR7				✓
	Contract Management	CR3, CR7	✓			
Operational	Lease Management	CR3, CR7			✓	
	Staff Performance Management	CR2			✓	
	HR (Absence Management)	CR2	✓			
	HR (Grievance Processes)	CR2			✓	
	Grant Funding/ Management	CR3				✓
	Events Management	CR6	✓			
	Emergency Planning	CR6	✓			
	Stores (stock and fuel management)	CR3, CR7				✓
	Community Plan implementation	CR1			✓	

5. Strategic Internal Audit Plan 2023-2027 (Updated March 2024)

Draft

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		Internal Audit Plan				
Risk Area	Internal Audit	Related Corporate Risk	23/24	24/25	25/26	26/27
Financial	Payroll	CR3				✓
	Budgetary Control	CR3		✓		
	Travel and subsistence	CR3				✓
	Cash Handling	CR3		✓		
	Procurement - above tender threshold	CR3, CR9	✓			
	Procurement - below tender threshold	CR3, CR9		✓		
	ICT	Business Technology Governance	CR4, CR13		✓	
	Cyber security	CR4, CR13				✓
	General IT controls	CR4, CR13	✓			
Other	Follow-ups	-	✓	✓	✓	✓
	Contract management	-	✓	✓	✓	✓
	Strategic and annual audit planning	-	✓	✓	✓	✓

Appendix I: Background and Approach

Draft

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1.1 The Development of our Four Year Internal Audit Strategy and the 2023/2024 Internal Audit Annual Plan

As required by best practice Public Sector Internal Audit Standards (PSIAS) the Chief Audit Executive is required to develop a risk based Internal Audit Strategy. The four year strategy was approved by the Audit Committee on 20th March 2023. This Annual Internal Audit Plan for the 2024/25 period is included in the strategy.

1.2 Our approach to your Internal Audit Annual Plan

Our approach to developing the plan is consistent with the standards of the PSIAS. We have taken into consideration any changes ongoing/planned for the Council to ensure that the work we deliver adds value.

The draft 2024/25 plan, in line with the overall four year Strategy, is risk-based and aligned to the Council's Corporate Risk Register. We have also consulted with members of the Corporate Leadership Team (CLT) to review the coverage and assurance requirements for this period.

Some key questions we consider as part of this process include:

- Has the risk profile changed from the previous year?
- Will any of the areas under review include controls that External Auditors may be planning to place reliance on?
- Does a third party require assurance on the risk area under our review and does our scope meet those requirements?
- Do the outputs of the risk registers suggest other risk areas not already highlighted by management for internal audit review?
- Are we aware of any significant issues previously reported that should be revisited to provide assurance for management?

Appendix I: Background and Approach

Draft

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1.3 Typical contents of our Annual Plans

Each of our Annual Internal Audit Plans follow a similar agreed format which includes as a minimum:

- An overview of the scope and objectives of each audit and any key considerations;
- Days allocated to each assurance and advisory review;
- Proposed timeframe for commencement; and
- Any advisory inputs.

1.4 Deciding the appropriate audit response

We regard every individual Internal Audit we undertake as an opportunity to add value and therefore it is a core part of our approach for each Internal Audit. We adopt an innovative and robust approach for individual areas by ensuring that our strategy and annual operational plans appropriately focus on operational risks.

We will respond to each risk proportionately and use a range of audit techniques to provide senior management and the Audit Committee with assurance and advisory recommendations.

1.5 Communication and reporting protocols

We have clear communication and reporting protocols in place which allows for a frequent two way flow of information between the Internal Audit team and Management.

We attend all Audit Committee meetings in order to maintain our understanding of the current and emerging risks faced by the Council. This allows us to flex the Internal Audit Plan where deemed appropriate (and as approved by Audit Committee) in line with the Council's evolving risk profile.

We also meet with the Director of Corporate Services and Head of Finance on a monthly basis to discuss progress against the Internal Audit Plan. This allows any 'red flags' to be highlighted to Senior Management early, supporting a robust response to absent/ineffective controls where necessary.



Appendix 2: Historic internal audit coverage

Draft

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	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Chief Executive's Office							
Corporate & business planning & performance management							✓
Community planning							✓
Social media			✓				✓
Corporate governance							
Communications							
Corporate Services							
Contract Management and Contractor Monitoring Repairs and Maintenance						✓	
Travel and Subsistence						✓	
Tenders and Contracts						✓	
Cash Handling						✓	
Payroll				✓			✓
Procurement	✓	✓			✓		
Overtime, TOIL and Flexi					✓		
Debtors & Accounts receivable							
Travel & subsistence							
Business continuity and emergency planning				✓			
Budgetary control							
Business Technology (ICT) environment							
Cyber Security					✓		
Supplier Payments			✓				
Treasury Management		✓					
Income Management			✓				
Risk Management						✓	
Information Governance and Data Protection						✓	
Freedom of Information						✓	
Staff Performance Management						✓	
Safeguarding							✓
Whistleblowing arrangements							✓
Equality and Disability Action Planning							✓
Staff Training & Development							✓

Appendix 2: Historic internal audit coverage

Draft

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	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Corporate Services (Cont'd)							
Property & lease management			✓				✓
Complaints & Customer Feedback							
HR: recruitment & retention					✓		
HR: Absence management	✓						
Customer Service			✓				
General IT Controls	✓		✓				
Cyber Security		✓					
Service Review – HR and Organisational Development			✓				
Service Review - Finance							
Emergency planning	✓						
Prosperity							
Planning – enforcement and development control			✓			✓	
Contract Management & Operations – Exploris						✓	
Event management	✓						✓
Pickie Fun Park							
Visitor Information Centres							
Grant Funding			✓			✓	
Labour Market Partnership	✓	✓					
Service Review - Tourism	✓			✓			
Place							
Service Review - Regeneration			✓		✓		
Capital Projects				✓			
Capital Project Management				✓		✓	
Environment							
Building Control						✓	
Fleet management							✓
Health & Safety – Harbours							✓
Contract management – Waste							✓
Waste management		✓					
Stores: stock and fuel management							✓
Off-street parking enforcement & income collection							
Service Review – Assets and Property Services	✓						

Appendix 2: Historic internal audit coverage

Draft

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	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Environment (Cont'd)							
Fixed Assets				✓			
Grant Funding						✓	
Asset management				✓			
Service Review – Regulatory Services				✓			
Service Review – Waste Services			✓				
Licensing (including Dog Licensing and Enforcement)	✓						
Community and Wellbeing							
Partnership Arrangements						✓	
PCSP	✓	✓	✓	✓	✓	✓	✓
Grant Funding			✓			✓	
Contract management: Aurora Leisure and Aquatic Centre							✓
Environmental Health							
Leisure centres (Ards Leisure Centre)							
Museum services (North Down)							
Health & Safety				✓			
Service Review – Environmental Health		✓					
Service Review – Leisure and Amenities						✓	

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Unclassified

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ITEM 7a**Ards and North Down Borough Council**

Report Classification	Unclassified
Exemption Reason	Not Applicable
Council/Committee	Audit Committee
Date of Meeting	18 March 2024
Responsible Director	Director of Corporate Services
Responsible Head of Service	Head of Administration
Date of Report	27 February 2024
File Reference	AUD02
Legislation	Local Government Act (Northern Ireland) 2014 Local Government Finance Act (Northern Ireland) 2011 Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015
Section 75 Compliant	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Other <input type="checkbox"/> If other, please add comment below:
Subject	Corporate Risk Register
Attachments	Corporate Risk Register (27 February 2024)

The redesign of the Corporate Risk Register (CRR) was reported to the Committee in September 2023. The redesign incorporated improved headline Risk descriptions aligned to the achievement of strategic priorities, associated risk categories and assignment of the Risk Appetite agreed by Council. There are currently 18 Corporate Risks, these were identified during the July 2023 CLT / HOST workshop facilitated by Deloitte. Each Corporate Risk now has named Risk Leads to assist with the oversight, management and reporting of risks in line with the Corporate Risk Strategy. As members will be aware, the Corporate Risk Register (CRR) is a live document which is amended as required. The attached CRR reflects the status as of 27 February 2024.

Further Development

Work continues to develop the Corporate Risk Register with the aim of improving assurance and reporting detail capability. Risk detail and actions plans are currently

Not Applicable

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in development with the updated and revised register to be reported to Audit in June 2024.

RECOMMENDATION

It is recommended that Council note the report.

Risk Reference (CRR)	Risk to achievement of strategic priority (Risk Description)	Risk Category	Risk Subcategory	Risk Appetite (as agreed by Council)	Inherent Risk			Current Controls	Residual Risk			Risk Status	Risk Owners		Associated Officers	Further Action Required
					I	L	R		I	L	R		Strategic Lead	Operational Lead		
1	Risk Event – Inability/failure to meet targets set out within The Integrated Strategy for Tourism, Regeneration and Economic Development.	Financial	Investment in Growth	Risk Taking	3	3	9	Quarterly monitoring against activity targets; Annual review and monitoring	3	2	6	Tolerate	Ann McCullough	Clare McGill, Sharon Mahaffy, Brian Dorrian		N/A
	Cause – due to a lack of funding, unstable economy, budget cuts, failure to attract third party investment, failure of NI transferred functions and budgets and lack of appropriate legislation/policy, as well as difficulties in obtaining Council support due to changing priorities mid-year															
	Impact – leading to a depletion of the Council’s business rates base, directly impacting residents as a result of reduced funding for Council services .															
2	Risk Event – Lack of adequate staff resources to deliver Services	Operational Sustainability	Staff Retention and Development	Cautious	5	3	15	A draft Work force Plan is currently being developed and should be ready for consultation in the new year	5	3	15	Action	Michael Steele	Rosemary McCullough		Council to development workforce plan to take account of changing personnel needs, longer term recruitment requirements and to combat the challenges of attracting the right talent.
	Cause – as a result of failure to align resources and structures with Council strategic objectives, as well as an inadequate staff skills-mix, and inadequate workforce/succession plans															
	Impact – leading to compromised service delivery, as well as increased costs for the Council through greater use of agency staff to fill resource gaps.															
3	Risk Event – Inability to achieve Council corporate objectives within the Corporate Plan timeframe	Compliance/Legal	Governance	Averse	4	4	16	Member engagement in development of plan, development of more targeted corporate plan than in previous years, consultation with public and staff extensive, reviews taken as part of residents survey	3	2	6	Tolerate	Stephen Reid	Michael Steele		Corporate Plan has a programme of work associated with it and will monitor progress.
	Cause – as a result of a failure to prioritise adequate resources, poor monitoring of progress, and external factors such as political will and changing views among residents															
	Impact – leading to negative reputational and financial impact on the Council.															
4	Risk Event – Failure to adequately prepare for the impact of climate change on the Borough	Strategy	Climate / Environment	Averse	5	5	25	Currently developing Climate Adaptation plan	5	5	25	Action	David Lindsay	Alison Curtis	Emma Adair	Council resource is falling short of required workload. Further resources required to ensure Council can meet obligations. Solutions not feasible currently.
	Cause – due to a lack of staff resources, political and public will, and funding															
	Borough Impact – resulting in the failure to effectively deliver services (e.g. waste services) in line with net zero targets and obligations and ensure															
5	Risk Event – Not achieving the Council’s net zero targets	Compliance/Legal	Compliance	Averse	5	5	25	In process of securing funding to develop Climate Action Plan	5	5	25	Action	David Lindsay	Peter Caldwell		Consultant required to develop Action Plan and to determine Scope 3 emissions.
	Cause – due to resource and budget constraints, inadequate planning, poor monitoring of progress, and lack of political and public will															
	Council Impact – leading to significant financial sanctions and reputational damage for the Council															
6	Risk Event – Failure to work in effective partnerships to meet Council objectives	Operational Sustainability	Partnerships	Risk Taking	5	4	20	Development of Shared Action Plans and Performance Monitoring takes place annually for Community Planning. Terms of Reference, or other governance arrangements, in place for most Partnerships.	5	3	15	Tolerate	Stephen Reid	Patricia Mackey		N/A
	Cause – as a result of conflicting priorities amongst partners, misalignment with Council values, and inadequate assessment and monitoring of partnerships															
	Impact – resulting in an inability to achieve Council corporate objectives and targets, and potential for reputational damage.															
7	Risk Event – failure to deliver the Council’s priorities as a result of stakeholder opposition and misunderstanding of aims/ objectives/ benefits.	Operational Sustainability	Community Engagement	Risk Taking	4	4	16	Investment in Citizen Lab digital platform to support community engagement on key regeneration projects. Actioning Lessons Learned from previous situations around engagement/ communication and operations.	4	3	12	Action	Stephen Reid	Claire Jackson	Jackie Harte	Agreement of Council-wide framework and standards for engagement. Additional community focus resources for key projects eg Greenways.
	Cause – due to a disconnect between the community and Council, resistance to change among residents and an inability to secure and adequate community buy-in															
	Impact – leading to negative impact to the Council’s reputation and lost opportunities.															
8	Risk Event – Risk of death and injury to the public as a result of Council actions or omissions	Compliance/Legal	Governance	Averse	5	4	20	Event Safety workshops and task group being set up to address on going perception of risk and ensure requirements implemented	5	3	15	Action	Graeme Bannister	Alison Curtis	Sharon Mahaffy	Workshops to take place in Jan 2024 and outworkings of this workshop to ensure that there is confidence in approach for all concerned going forward.
	Cause – due to weak health and safety controls, as well as a lack of clarity around the Council’s remit/responsibility in this area															
	Impact – leading to potential fines, legal liability, and damage to the Council’s reputation.															
9	Risk Event – Risk that the Council suffers a cyber attack	Operational Sustainability	IT & Cyber	Averse	5	4	20	Managed Cyber Incident Response in place. Threat landscape continually scanned and intelligence received from MIR provider and internal monitoring on reports from NCSC	5	3	15	Tolerate	Michael Steele	Stephanie Denny	Moir McVeigh	N/A
	Cause – as a result of inadequate and/or ineffective controls and/or human error															
	Impact – resulting in interruption to Council business through loss of access/damage to Council systems and information assets, financial impact (e.g. ransom), and overall damage to the Council’s reputation.															
10	Risk Event – Risk that the Council suffers a data breach and/or loss of data	Compliance/Legal	Governance	Averse	5	4	20	MIR in place. USB media devices blocked reducing the ability for data to be copied and removed. Council have commenced a project to implement a DLP (Data Loss Prevention) solution.	5	3	15	Tolerate	Michael Steele	Stephanie Denny	Moir McVeigh	There remains a continued need for robust data handling procedures in connection with all our outsourced platforms, including the HRC booking system.
	Cause – due to a lack of adequate information management policy/controls and/or as a result of human error															
	Impact – resulting in an inability to comply with legislation (UK Data Protection Act, Freedom of Information (FOI)), fines from the Information Commissioner’s Office, and overall damage to the Council’s reputation.															
11	Risk Event – Decline in the Council’s non-domestic tax base	Financial	Investment in Growth	Risk Taking	5	5	25	City/Town Centre Masteplans agreed, Review of the CAG/TAGs to ensure focus on delivery, NIE site Masterplan/Business Case Pilot, Civic Office Hub/NCH OBCs approved and new ED Go Succeed Programme	5	4	20	Action	Susie McCullough	Brian Dorrian	Clare McGill Andrew Dadley	Regeneration Powers and Funding to move to Councils. DfC funding required to be secured, Council to agree ongoing Regeneration budget
	Cause – due to an inability to identify and/or address the root cause/s of the decline and failure of economic development initiatives															
	Impact – leading to reduced spending power of the Council to deliver its services and potential increase in the domestic rate base to compensate, and failure to achieve a position of financial resilience/sustainability.															
13	Risk Event – Risk that the Council cannot respond to a critical incident/emergency event	Compliance/Legal	Governance	Averse	5	3	15	Emergency Plan in place and can be activated in the event of emergency. We will continue to review and update where required and following any lessons learned from incidents.	3	3	9	Tolerate	Michael Steele	Alison Curtis	Ian Spence Jill Hunter	Exercise, test and review, internal EPIG (Emergency Planning Implementation Group alongside training opportunities via regional arrangements ongoing - essential to maintaining the lower Impact score,
	Cause – due to lack of planning, including contingency planning and failure to adequately define what constitutes a critical incident and/or emergency event and assess risks accordingly															
	Impact – leading to an inability to execute the Council’s Emergency Management Plan responsibilities, impacting the Council’s ability to support front-line responders as required.															
14	Risk Event – Risk that the Council cannot respond to a business continuity event	Operational Sustainability	Business Continuity	Averse	5	3	15	Business Continuity Plan drafted and service BIAs reviewed. Annual testing occurs (and had just been completed for 2023) as part of the EPIG exercise. We will continue to review and update where required and following any lessons learned from incidents.	4	3	12	Action	Michael Steele	Stephanie Denny	Siobhan Watson	Test programme to be implemented
	Cause – due to lack of planning, including contingency planning and failure to adequately define what constitutes a business continuity event and assess risks accordingly															
	Impact – resulting in an inability to execute a Business Continuity Plan (BCP) effectively and quickly, impacting the Council’s ability to continue to deliver Services effectively.															

15	Risk Event – Failure to deliver Capital and high impact / cross cutting projects.	Strategy	Projects / Programmes	Risk Taking	5	3	15	BW - approved OBC and CFF, dedicated delivery team and resources secured, detail workprogramme and Governance Structures	4	2	8	Tolerate	Stephen Reid	Susie McCullough Graeme Bannister Michael Steele	Andrew Dadley BW team	Service / directorate level monitoring ongoing.
	Cause – due to lack of funding and inadequate project and programme management															
	Impact – impeding the Council’s ability to deliver on the promised benefits of these projects, as well as a failure to achieve the Council’s corporate objectives within the Corporate Plan 2020-2024.															
16	Risk Event – Failure to fulfil the Council’s statutory obligations under the Burial Grounds Regulations (NI) 1992 regarding the provision of burial space	Operational Sustainability	Projects / Programmes	Averse	5	5	25	Capital project in place	5	4	20	Action	Graeme Bannister	Stephen Daye	Andrew Dadley	Capital project to proceed. Movilla Cemetery is running out of new burial space within next year. Team to urgently progress change of use at land adjacent to Movilla Cemetery.
	Cause – due to a lack of space within current Borough cemeteries or within an a specific area within the Borough															
	Impact – resulting in reputational damage to the Council and non-compliance with the Burial Grounds Regulations (NI) 1992.															
17	Risk Event – Poor maintenance and development of the Council’s land and property assets	Financial	Financial Sustainability	Minimising	5	5	25	Property Maintenance Strategy. This sets out how Council proactively manages its properties to ensure they are fit for purpose, legally compliant and that maintenance costs are minimised.	3	3	9	Tolerate	David Lindsay	Peter Caldwell	Susie McCullough	Estates development strategy required to look at medium to long term consolidation of estates - this will be a work stream for the Estate Development Programme Board
	Cause – due to a lack of skilled resources, funding and monitoring															
	Impact – leading to a failure to deliver on the Council’s Estates and Land and Property Strategies.															
18	Risk Event – Council’s land assets are taken without permission.	Financial	Financial Sustainability	Averse	5	5	25	Reactive monitoring in place. Land has been lost / offered for sale due to weak legal position.	5	4	20	Action	Michael Steele	Alison Curtis	Stephen Daye	Project to establish robust monitoring programme to be commenced in 2024.
	Cause – due to a lack of resources, funding and monitoring															
	Impact – leading to a loss of land and failure to deliver on the Council’s Estates and Land and Property Strategies.															

Unclassified

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ITEM 8**Ards and North Down Borough Council**

Report Classification	Unclassified
Council/Committee	Audit Committee
Date of Meeting	19 March 2024
Responsible Director	Director of Corporate Services
Responsible Head of Service	
Date of Report	28 February 2024
File Reference	AUD02
Legislation	Local Government (Accounts and Audit) Regulations 2015
Section 75 Compliant	Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>
Subject	Workplan and meeting schedule for 2024/25 year
Attachments	

In order to assist the Committee with its oversight responsibilities a suggested meeting schedule and work plan has been prepared.

Meeting Date	Agenda Items
24 June 2024	<ul style="list-style-type: none"> • Draft Financial Statements Review • Governance Statement Review • Statements of Assurance Update • Review of Terms of Reference • Internal Audit Strategic and Annual Plan • Performance Improvement Progress
23 September 2024	<ul style="list-style-type: none"> • Audited Financial Statements Approval • Draft Report to those charged with Governance • Internal Audit Recommendations follow-up • Corporate Risk Register Review • Policy Status Review

Unclassified

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Meeting Date	Agenda Items
16 December 2024	<ul style="list-style-type: none"> • Final Report to Those charged with Governance • Final Audit Letter • Improvement Audit and Assessment Reports • Interim Statements of Assurance Update • Performance Improvement Progress • Internal Audit Contract Review
24 March 2025	<ul style="list-style-type: none"> • Annual Internal Audit Report • Draft Internal Audit Plan for 2023/24 • Review of Corporate Risk Register • Internal Audit Recommendations follow-up • Internal Audit Plan 2024/25 • Meeting Schedule and work plan 2025/26

In addition, there are standing items on the agenda:

- Follow-up actions from previous committee meetings
- Outstanding Audit Recommendations Follow-up
- Performance Improvement Progress
- Internal Audit Update
- Single Tender Action Update
- Fraud, whistleblowing and data breaches update

RECOMMENDATION

It is recommended that Council notes the report.

Unclassified

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Appendix 1

Item	Title	Action	Officer	Status
September 2023				
6b	Report to those charged with governance	<ul style="list-style-type: none"> Update on progress in respect of compensation for the vesting of William Street site 	Director of Corporate Services	Verbal update at Committee
December 2023				
6b	Audit and Assessment Report	<ul style="list-style-type: none"> Review Terms of Reference of both Audit Committee and Corporate Services Committee in respect of reporting Performance Improvement matters 	Director of Corporate Services	Due June 2024
		<ul style="list-style-type: none"> Drafting of formal communications strategy 	Head of Communications and Marketing	Due December 2024
7c	Finance Service Review	<ul style="list-style-type: none"> User consultation in connection with new financial management system 	Head of Finance	Due September 2024