



<b>Subject:</b>	Audit and Risk Panel Annual Report to Strategic Policy and Resources Committee including Annual Governance Statement
<b>Date:</b>	19 June 2026
<b>Reporting Officer:</b>	Sharon McNicholl, Deputy Chief Executive and Strategic Director of Corporate Services
<b>Contact Officer:</b>	Claire O'Prey, Head of Audit, Governance and Risk Services (AGRS)

<b>Restricted Reports</b>	
<b>Is this report restricted?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.</b>	
Insert number <input type="checkbox"/>	
<ol style="list-style-type: none"><li>1. Information relating to any individual</li><li>2. Information likely to reveal the identity of an individual</li><li>3. Information relating to the financial or business affairs of any particular person (including the council holding that information)</li><li>4. Information in connection with any labour relations matter</li><li>5. Information in relation to which a claim to legal professional privilege could be maintained</li><li>6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction</li><li>7. Information on any action in relation to the prevention, investigation or prosecution of crime</li></ol>	
<b>If Yes, when will the report become unrestricted?</b>	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Sometime in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

<b>Call-in</b>	
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The Audit and Risk Panel is constituted as a working group of the Strategic Policy and Resources Committee. The purpose of the Panel is to provide an independent assurance on the adequacy of the Council's risk management framework and associated control environment. The Panel also oversees the Council's financial reporting process.
1.2	<p>The purpose of this report is to:</p> <ul style="list-style-type: none"> <li>▪ Provide a summary to Committee of the key issues that have been considered and discussed by the Panel during the 2025/26 financial year, the assurances received and the areas requiring attention.</li> <li>▪ Present the Annual Governance Statement for 2025/26 for consideration and inclusion in the unaudited statement of accounts which will be certified by the Chief Finance Officer by 30th June 2026 and then subject to NIAO audit. The Statement has been considered by the Audit and Risk Panel and must be approved by the Committee Chair and the Chief Executive.</li> </ul>
<b>2.0</b>	<b>Recommendations</b>
2.1	<ul style="list-style-type: none"> <li>▪ The Members of the Strategic Policy and Resources Committee are asked to note the summary of the work of the Panel during 2025/26 as set out at Section 3.</li> <li>▪ Review and approve the draft Annual Governance Statement for 2025/26 at Appendix A, and particularly the disclosure of the significant governance issues contained in the statement.</li> <li>▪ Note the minutes of the meeting of the Audit and Risk Panel on 9 June 2026 at Appendix B.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<p><u>Key Issues</u></p> <p><b>Summary of the work of the Audit and Risk Panel in 2025/26</b></p> <p>In March 2025 the Panel approved the internal audit strategy and plan for the 2025/26 year. The plan was designed to allow AGRS to provide independent assurance over the following areas:</p> <ul style="list-style-type: none"> <li>▪ Key financial systems / income generating activity</li> <li>▪ Key programmes / projects</li> <li>▪ Corporate priorities</li> <li>▪ Management of key corporate risks</li> <li>▪ Meeting external grant funding requirements</li> <li>▪ Governance arrangements</li> </ul>

3.2	<p>During 2025/26, the Panel met four times on a hybrid basis. At these meetings the Panel considered progress reports on delivery of audit plan and issues arising from audit activity, including the findings, assurance levels and recommendations arising from audit work and the progress being made to implement audit recommendations. It also received regular updates on:</p> <ul style="list-style-type: none"> <li>▪ the Council’s financial position, as set out in its financial statements</li> <li>▪ reports from the Council’s external auditors</li> <li>▪ risk management</li> <li>▪ business continuity</li> <li>▪ fraud, financial irregularity and whistleblowing / raising concerns investigations</li> <li>▪ governance related matters</li> <li>▪ financial control</li> <li>▪ health and safety</li> <li>▪ performance management</li> <li>▪ staff attendance.</li> </ul>
3.3	<p>The key assurances that the Panel received are as follows:</p> <ul style="list-style-type: none"> <li>▪ the Council’s <b>financial statements and annual governance statement</b>, as prepared by the Director of Finance and their team; this provided a management assurance on the Council’s financial position</li> <li>▪ the audited accounts and the associated <b>external audit annual letters for 2024/25</b> (providing an opinion on the accounts) <b>and report to those charged with governance</b> (setting out control issues arising from the annual external audit), as prepared and presented by the Northern Ireland Audit Office. This provided an external assurance on the Council’s financial position for 2024/25. (The accounts for 2025/26 are to be prepared by the end of June 2026)</li> <li>▪ the <b>Head of Audit, Governance and Risk Service’s annual assurance statement</b> on the adequacy and effectiveness of the Council’s risk management, control and governance arrangements, based on the findings of audit work completed throughout the year.</li> </ul>
3.4	<p>The Panel received assurance from the NIAO regarding their performance improvement audit and assessment for the Council which resulted in a standard, unqualified opinion regarding how the Council has discharged its performance improvement and reporting duties.</p>
3.5	<p>In terms of the improvement assessment the Panel learned that the LGA had provided an opinion, that the Council is likely to discharge its duties in respect of Part 12 of the Act during</p>

	<p>2024-25. The Panel also received regular reports on the Performance Improvement activities.</p>
<p>3.6</p>	<p>Where areas for improvement have been identified, these have been reported and implementation of agreed recommendations is actively monitored and reported back to the Panel. The Panel has, on occasions, raised issues where either audit reports have identified significant issues or progress against recommendations has not been satisfactory, with Directors asked, where necessary, to attend the Panel and provide further explanation. The key areas considered during 2025/26 include:</p> <ul style="list-style-type: none"> <li>▪ <b>Internal audits of key areas</b> such as the Belfast Region City Deal (BRCD) Programme Management Office, Belfast Waterfront Ulster Hall Ltd, Police &amp; Community Safety Partnerships, Insurance, Labour Market Partnerships, People Strategy, Agency, Performance Management, Neighbourhood Regeneration Fund , Belfast Agenda, Belfast 2024, PEACEPLUS, Grants, Gifts, Hospitality &amp; Potential Conflicts of Interest and Developer Contributions.</li> <li>▪ <b>Audit of the management of the corporate risks</b> for Digital Information Security, Physical Investment Programme, Bereavement Services and Equality &amp; Diversity.</li> <li>▪ <b>Advisory work over key projects and programmes</b> including the Case Management IT System and the Fleadh.</li> </ul>
<p>3.7</p>	<p>The Audit and Risk Panel have also received updates during the year on the Council’s risk management arrangements, including reports on the management of the Council’s key corporate risks.</p> <p><b>AGRS Resources</b></p>
<p>3.8</p>	<p>The new Global Internal Audit Standards in the UK Public Sector recommend that the audit committee should be responsible for approving the internal audit budget and, as part of the committee’s overall governance responsibility, should disclose in the annual report and accounts whether it is satisfied that internal audit has the appropriate resources.</p>
<p>3.9</p>	<p>In this regard, the Audit and Risk Panel is providing Strategic Policy and Resources committee with assurance that AGRS has the appropriate resources to fulfil the internal audit terms of reference and achieve the internal audit plan.</p> <p><b>Compliance with the CIPFA Position Statement</b></p>
<p>3.10</p>	<p>The CIPFA publication “Audit Committees: Practical Guidance for Local Authorities and Police” dated October 2022 sets out guidance on the function and operation of audit committees and represents best practice</p>

3.11	Based on the Panels evaluation of its impact and effectiveness and the assessment against best practice in March 2024 and given that there have been no significant changes to the Panels arrangements during 2025/26, the Panel are compliant with the CIPFA position statement with one minor exception regarding how the Panel is appointed. Council policy is based on nomination of one member from each of the main political parties with an external member to provide independence and expertise, rather than on members skills.
3.12	In May 2025, the NIAO issued published its latest <b>Good Practice Guide – Effective Audit and Risk Committees</b> . This Good Practice Guide supplements the large amount of relevant guidance already available and is intended to bring all this guidance into one document to be used by all Audit and Risk Assurance Committees within both Central and Local Government in Northern Ireland. In December 2025 the Audit and Risk Panel considered an initial assessment against the NIAO Guide and assessed their effectiveness in discharging the duties of the Panel. The Panel assessed themselves as being broadly in compliance with best practice and agreed eight actions to further improve the effectiveness of the Panel.
	<b>Annual Governance Statement</b>
3.13	At their meeting on 9 June 2026, the Panel considered and agreed the draft Annual Governance Statement, including the outcome of the review of effectiveness of the system of internal control and the significant governance issues for the Council contained in the statement for 2025/26.
3.14	The Annual Governance Statement is an important document, and it is important that the Committee is fully aware of its contents. The disclosures in the statement are based upon the Council’s corporate risk register and take into consideration the disclosures made by Chief Officers in their annual assurance statements. The Annual Governance Statement also incorporates a summary of the Head of Audit, Governance and Risk Service’s annual assurance statement.
	<b>Minutes of the Audit and Risk Panel meeting on 9 June 2026</b>
3.15	In line with usual protocol, the minutes of the Audit & Risk Panel meeting are presented to Strategic Policy and Resources Committee for approval.
	<u>Financial &amp; Resource Implications</u>
3.16	None
	<u>Equality or Good Relations Implications/Rural Needs Assessment</u>
3.17	None

<b>4.0</b>	<b>Appendices – Documents Attached</b>
	Appendix A – Draft Annual Governance Statement for 2025/26 Appendix B – Minutes of the meeting of the Audit and Risk Panel on 9 June 2026