



September 5th, 2025

Chairman: Councillor D Lynch

Vice-Chairman: Mr E Jardine, Independent Member

Aldermen: O Gawith, S P Porter and J Tinsley

Councillors: J Bamford, D Bassett, S Burns, D J Craig, A P Ewing, J Gallen, S Lowry, M McKeever, R McLernon, B Magee and A Martin

Ex Officio: The Right Worshipful the Mayor, Alderman A Grehan

Deputy Mayor, Alderman H Legge

Notice Of Meeting

A meeting of the Governance and Audit Committee will be held on **Thursday, 11th September 2025 at 6:00 pm** for the transaction of the undernoted Agenda.

David Burns
Chief Executive

Agenda

1.0 APOLOGIES

2.0 DECLARATIONS OF MEMBERS' INTERESTS

- (i) conflict of interest on any matter before the meeting (Members to confirm the specific item)
- (ii) pecuniary or non-pecuniary interest (Member to complete disclosure of interest form)

📎 *Disclosure of Interests form Sept 24.pdf*

Page 1

3.0 REPORT BY PERFORMANCE IMPROVEMENT OFFICER

3.1 Customer Care Feedback - Q1 2025/26

For Noting

📎 *Item 3.1 FINAL Cover Report - Customer Care Feedback Q1 (1).pdf*

Page 3

📎 *Item 3.1 Appendix I - Customer Care Feedback Qtr 1 2025.pdf*

Page 5

3.2 Q1 Performance Improvement Monitoring - Objectives, Case Studies, Performance KPIs & Corporate Plan KPIs

For Noting

📎 *Item 3.2 Cover Report - Q1 Performance monitoring.pdf*

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📎 *Item 3.2 Appendix 1 - Quarter 1 monitoring MASTER.pdf*

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📎 *Item 3.2 Appendix IIa Performance KPIs Q1 25 26.pdf*

Page 22

📎 *Item 3.2 Appendix IIb Performance KPIs Q1 25 26.pdf*

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📎 *Item 3.2 Appendix IIIa Corporate Plan KPIs Q1 25 26.pdf*

Page 31

📎 *Item 3.2 Appendix IIIb Corporate Plan KPIs Q1 25 26.pdf*

Page 33

3.3 Performance Improvement Report 2024/25

For Decision

📎 *Item 3.3 Cover Report - PI Self Assessment Report 2024 25.pdf*

Page 36

📎 *Item 3.3 Appendix I IMPROVEMENT REPORT 2024-25 Full version.pdf*

Page 38

4.0 REPORT BY ENVIRONMENTAL HEALTH MANAGER (ACTING)

4.1 Corporate Risk Register

For Decision

 **Item 4.1 FINAL Cover Report - GA Corporate Risk Register Report Sept 2025.pdf** **Page 98**

 **Item 4.1 FINAL Appendix I Corporate Risk Register.pdf** **Page 100**

5.0 REPORT BY INTERNAL AUDIT MANAGER

5.1 Draft Internal Audit Charter

For Approval

 **Item 5.1 FINAL front Cover Report - Internal Audit Charter.pdf** **Page 101**

 **Item 5.1 FINAL Appendix 1 Draft Internal Audit Charter.pdf** **Page 103**

5.2 Global Internal Audit Standards - Self Assessment Against UK Public Sector Application Note

For Noting

 **Item 5.2 Front Cover Report - New GIAS - Self-assessment.pdf** **Page 116**

 **Item 5.2 Appendix 1 - GIAS - Self-Assessment against CIPFA Application Note.pdf** **Page 118**

 **Item 5.2 Appendix 2 - Cipfa - Global-Internal-Audit-Standards-December-2024.pdf** **Page 130**

 **Item 5.2 Appendix 3 - Condensed Version Global IA Standards - JAN 2024.pdf** **Page 141**

6.0 CONFIDENTIAL BUSINESS - "IN COMMITTEE"

6.1 REPORT DIRECTOR OF ORGANISATION DEVELOPMENT AND INNOVATION

6.1.1 Second Independent Member of the Governance and Audit Committee

For Decision

Confidential due to containing information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the council or a government department and employees of, or office holders under, the council.

6.2 REPORT BY INTERNAL AUDIT MANAGER

Both items are confidential due to containing information relating to the financial or business affairs of any particular person (including the council holding that information).

6.2.1 Internal Audit Progress Report

For Noting

6.2.2 Internal Audit - PEER Review

For Noting

7.0 ANY OTHER BUSINESS

LISBURN & CASTLEREAGH CITY COUNCIL

1

MEMBERS DISCLOSURE OF INTERESTS

1. Pecuniary Interests

The Northern Ireland Local Government Code of Conduct for Councillors under Section 6 requires you to declare at the relevant meeting any pecuniary interest that you may have in any matter coming before any meeting of your Council.

Pecuniary (or financial) interests are those where the decision to be taken could financially benefit or financially disadvantage either you or a member of your close family. A member of your close family is defined as at least your spouse, live-in partner, parent, child, brother, sister and the spouses of any of these. Members may wish to be more prudent by extending that list to include grandparents, uncles, aunts, nephews, nieces or even close friends.

This information will be recorded in a Statutory Register. On such matters **you must not speak or vote**. Subject to the provisions of Sections 6.5 to 6.11 of the Code, if such a matter is to be discussed by your Council, **you must withdraw from the meeting whilst that matter is being discussed**.

2. Private or Personal Non-Pecuniary Interests

In addition you must also declare any significant private or personal non-pecuniary interest in a matter arising at a Council meeting (please see also Sections 5.2 and 5.6 and 5.8 of the Code).

Significant private or personal non-pecuniary (membership) interests are those which do not financially benefit or financially disadvantage you or a member of your close family directly, but nonetheless, so significant that could be considered as being likely to influence your decision.

Subject to the provisions of Sections 6.5 to 6.11 of the Code, you must declare this interest as soon as it becomes apparent and **you must withdraw from any Council meeting (including committee or sub-committee meetings) when this matter is being discussed**.

In respect of each of these, please complete the form below as necessary.

Pecuniary Interests

Meeting (Council or Committee - please specify and name):

Date of Meeting: _____

Item(s) in which you must declare an interest (please specify item number from report):

Nature of Pecuniary Interest:

Private or Personal Non-Pecuniary Interests

Meeting (Council or Committee - please specify and name):

Date of Meeting:

Item(s) in which you must declare an interest (please specify item number from report):

Nature of Private or Personal Non-Pecuniary Interest:

Name:

Address:

Signed:

Date:

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*If you have any queries please contact David Burns, Chief Executive,
Lisburn & Castlereagh City Council*



Committee:	Governance & Audit Committee
Date:	11 th September 2025
Report from:	Performance Improvement Officer

Item for:	Noting
Subject:	Customer Care Feedback – Q1 2025/26

1.0	<u>Background and Key Issues:</u>
1.1	Lisburn & Castlereagh City Council (LCCC) aims to provide an effective and efficient service to all its ratepayers and customers. If on occasions, the service is not as our customers would expect, the Council would like to know about it.
1.2	Compliments and complaints are captured on the Council's Customer Care System and Complaints are dealt with through the Council's complaints handling procedure.
1.3	Attached under Appendix I is a dashboard report which details the key data regarding complaints and compliments in Quarter 1 (April - June inclusive) of 2025/26.
1.4	Total complaints in Q1 have decreased by 22 compared to the same time last year. Compliments have increased by 14 (25%) compared to the previous quarter, as well as an increase of 4 compared to the same time last year.
1.5	The 2 main areas of complaints were Environmental Services and Leisure & Community Wellbeing.
1.6	Within Environmental Services the main reasons for complaints were waste collections. The main areas for complaints received within Leisure & Community Wellbeing were related to toilets, flags at Wallace Park, cemetery maintenance and the heating in the Studio Theatre.
1.7	5 complaints were escalated to stage 2 (Director). 4 stage 2 complaints were closed during Q1, all 4 were not upheld, within the quarter.
1.8	One complaint was escalated to stage 3 (NIPSO) during the quarter.
1.9	100% of responses to the Customer Satisfaction Survey in the quarter rated communication as "Excellent or Good". The response rate was 17%.
1.10	A summary of key learning outcomes from compliments & complaints are as follows: • Events – positive feedback and thanks for numerous events including; Mayors Parade, parking at the Farmers Market in Hillsborough, Lagan Valley Island events. This included praise for the organisation, courtesy of staff and assistance to disabled visitors. • Litter at pitches after football matches - all teams reminded that continued littering may affect future bookings • Concerns regarding dogs – considering funding patrol of Hillsborough Forest Park, wardens asked to check regularly on dog walkers misusing sports facilities, improved briefing of events staff regarding access for dogs • Reported issues at DIIB – all lights to be reviewed and any lights that are broken replaced, exploring the possibility of ice cutting before private lessons, increased focus on customer service from staff • Dangerous tree overhanging property – tree survey to be carried out after the bird nesting season. • Arts Centre Studio Theatre Heating – will be addressed as part of future planned works.

	- Waste collection – calendar provider fixing incorrect information, also considering alternative ways to provide the information if necessary. Positive feedback regarding collections and replacement bins. - Parks – increase cleaning of toilet facilities at numerous parks during this peak demand season, and refurbishments planned where appropriate. The maintenance of Billy Neill and Moira Demesne has been specifically complimented.	
2.0	<u>Recommendation</u> It is recommended that Members note the report.	
3.0	<u>Finance and Resource Implications</u> N/A	
4.0	<u>Equality/Good Relations and Rural Needs Impact Assessments</u>	
4.1	Has an equality and good relations screening been carried out?	No
4.2	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out	No – not applicable as this is an update report.
4.3	Has a Rural Needs Impact Assessment (RNIA) been completed?	No
4.4	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out.	No – not applicable as this is an update report.
Appendices:		Appendix I – Dashboard Report showing Compliments & Complaints during Q1 (April - June 2025 inclusive)

CUSTOMER CARE COMPLAINTS AND COMPLIMENTS BREAKDOWN FOR QTR 1 2025

5

314

Total Cases

244

Total Complaints

239

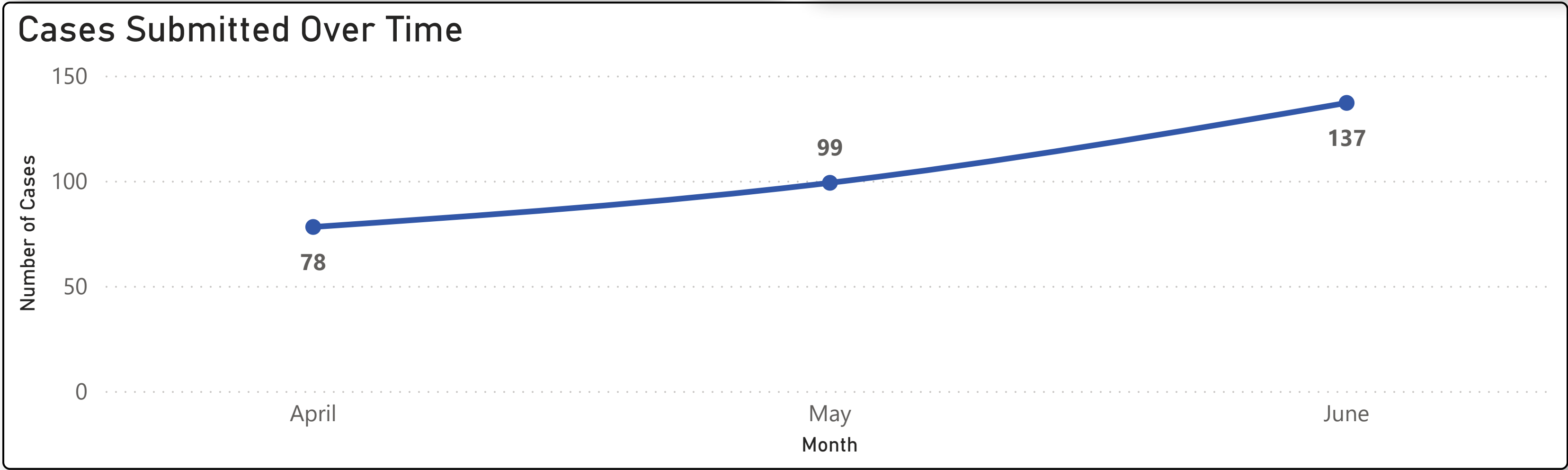
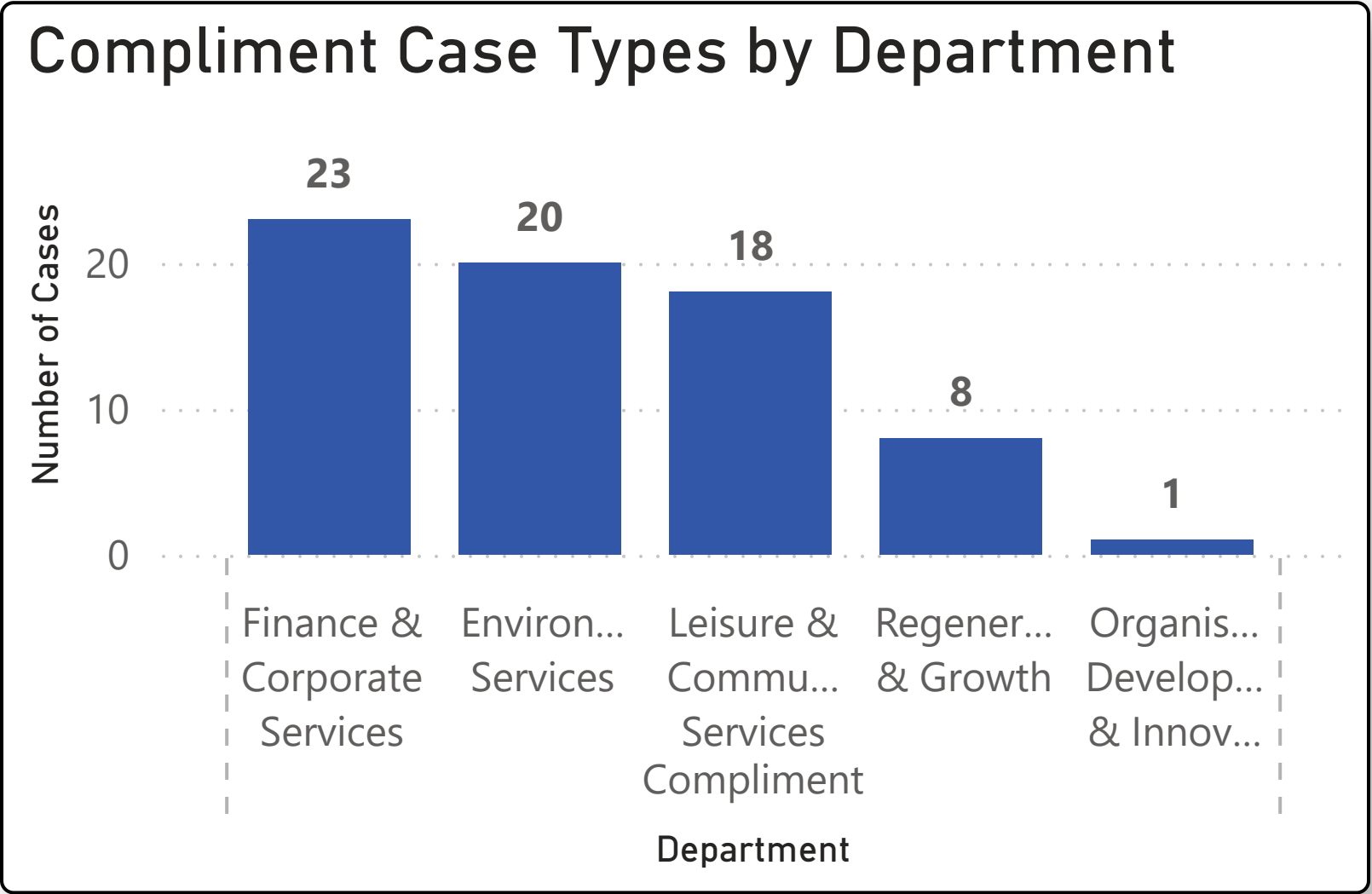
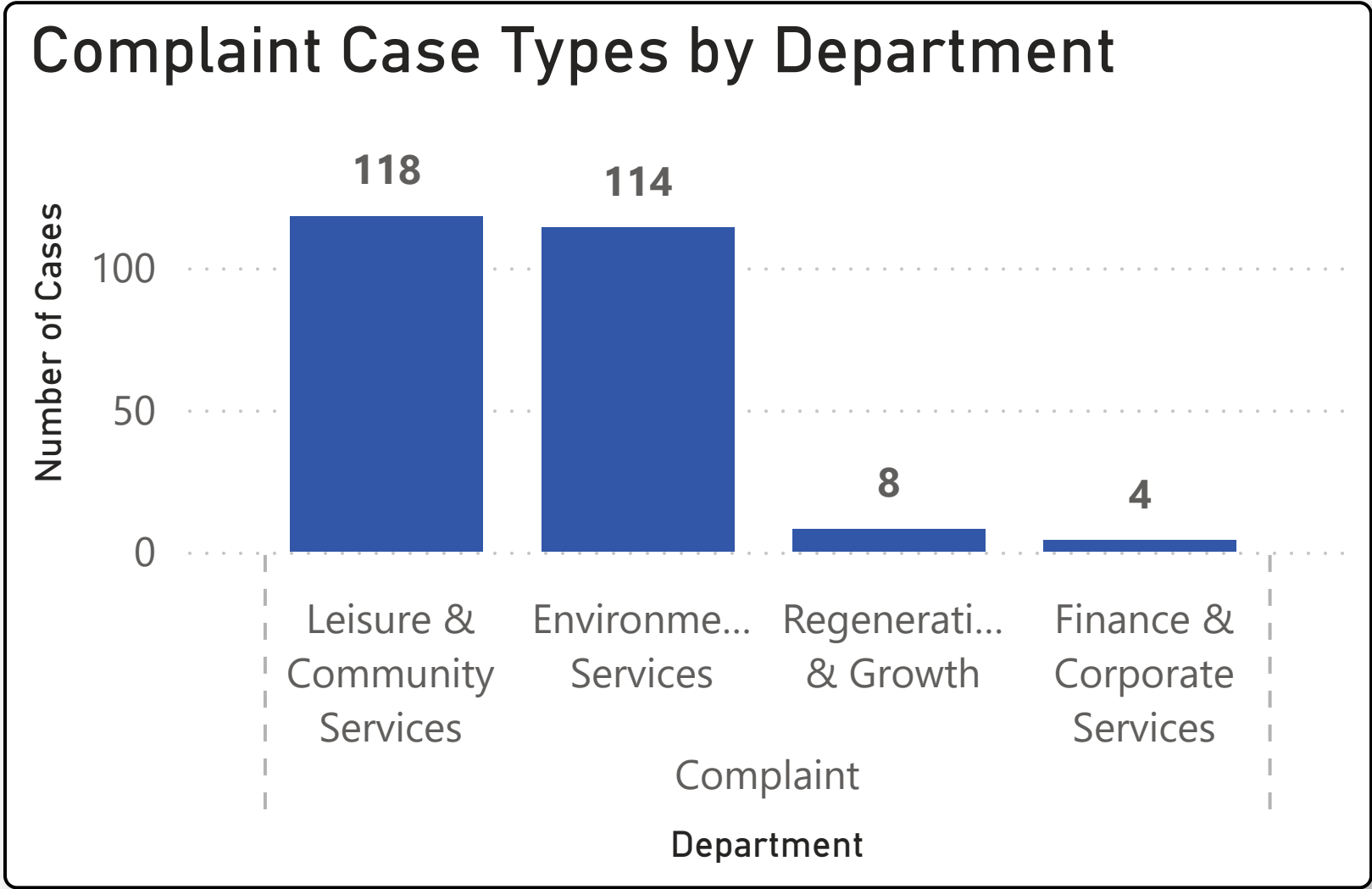
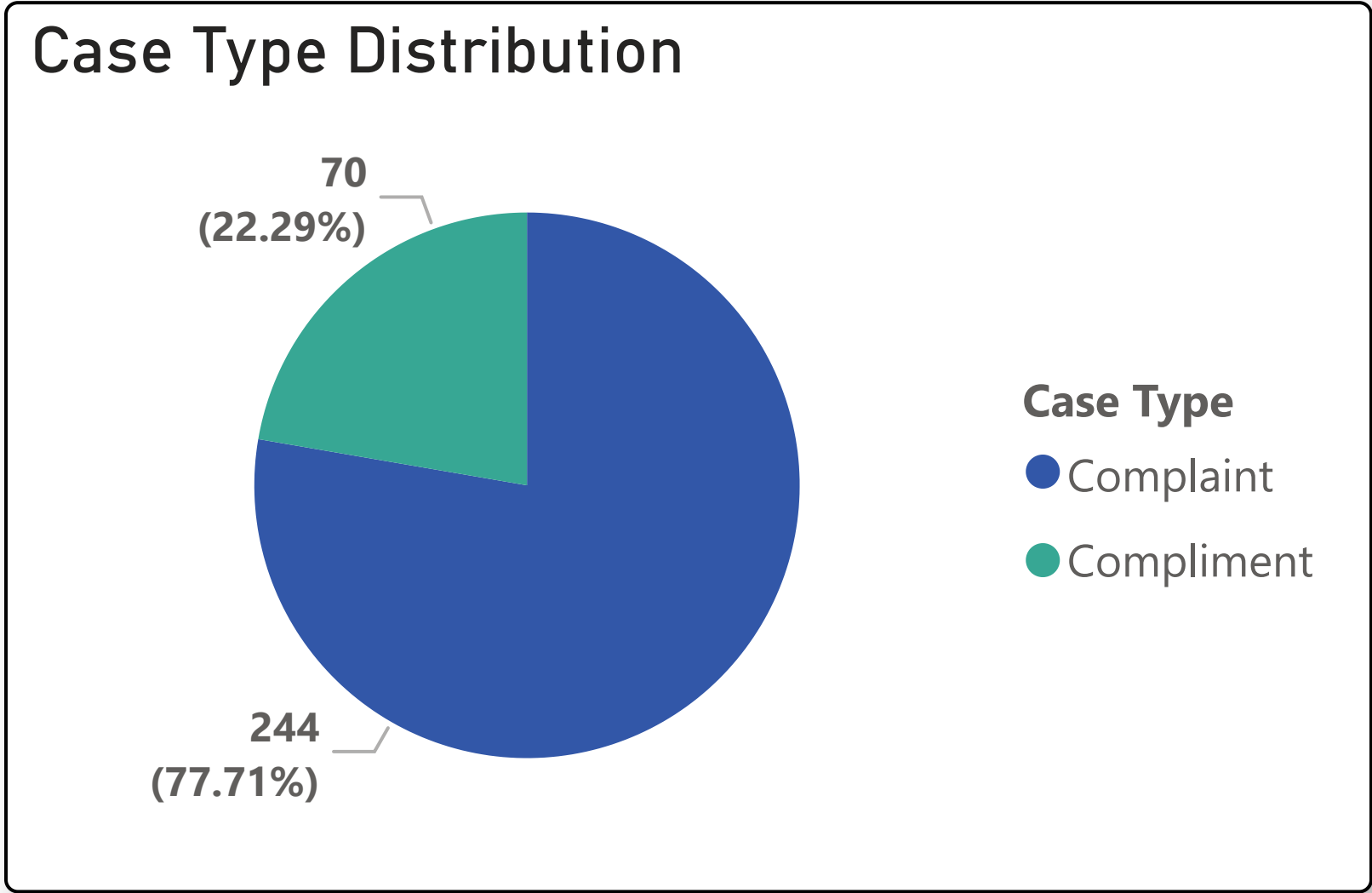
Stage 1 Complaints

5

Stage 2 Complaints

70

Total Compliments



13

Extended Cases

16

Late Cases

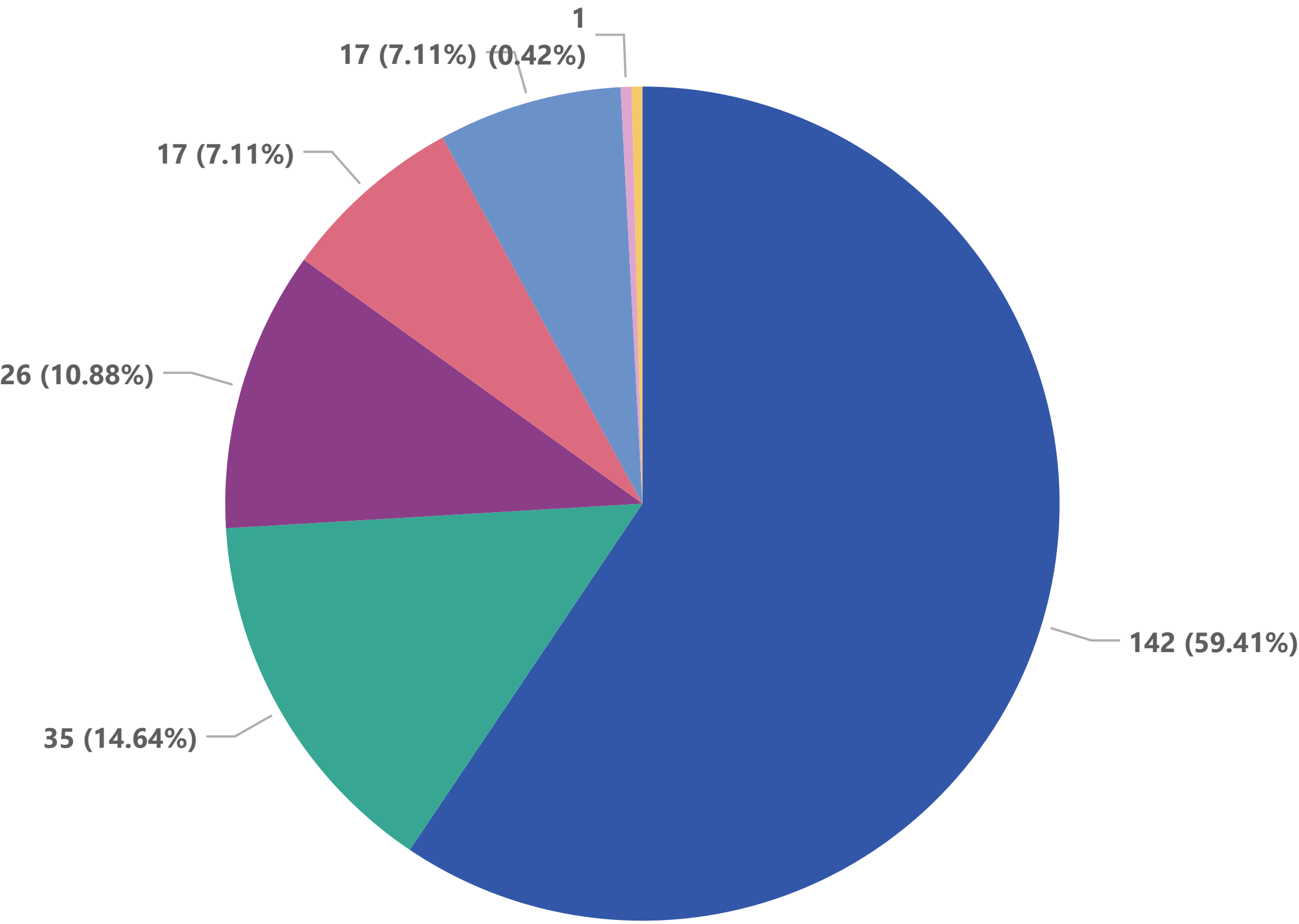
CUSTOMER CARE STAGE 1 COMPLAINT OUTCOMES FOR QTR 1 2025

239

Total Cases

Complaint Outcomes

Response Outcome ● Resolved ● Complaint upheld in full ● Complaint not upheld ● Complaint upheld in part ● Redacted Outcome ● Open ● Withdrawn



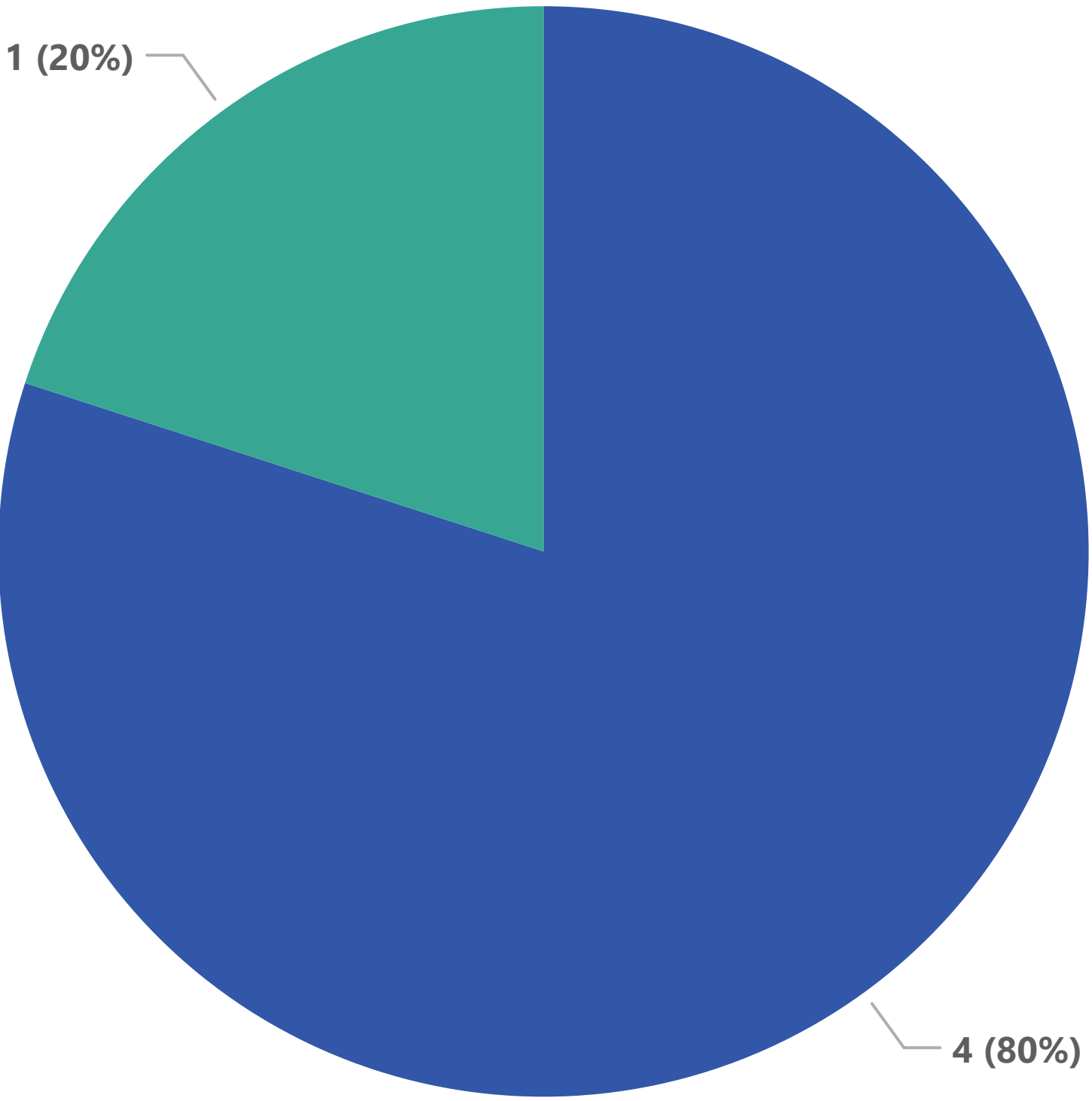
CUSTOMER CARE STAGE 2 COMPLAINT OUTCOMES FOR QTR 1 2025

5

Total Cases

Complaint Outcomes

Response Outcome ● Complaint not upheld ● Open



CUSTOMER CARE STAGE 1 & 2 FULLY UPHELD COMPLAINT OUTCOMES FOR QTR 1 2025

Complaint Outcomes Upheld in Full by Classification Type



Committee:	Governance & Audit Committee
Date:	11 th September 2025
Report from:	Performance Improvement Officer

Item for:	Noting
Subject:	Q1 Performance Improvement Monitoring - Objectives, Case Studies, Performance KPIs & Corporate Plan KPIs
1.0	<u>Background and Key Issues:</u>
1.1	As part of Council's performance management responsibilities, monitoring reports on all the projects that will demonstrate improvement against the Performance Improvement Objectives as well as Performance and Corporate Plan key performance indicators (KPIs) are reported on a quarterly basis to this committee, to ensure accountability and transparency.
1.2	Attached under Appendix I , is a quarterly monitoring document on all the projects that will demonstrate improvement against the 2025/26 Performance Improvement Objectives, including the relevant Performance Improvement KPI. Please note the additional section within this report, which details case studies, photographs and customer feedback that have demonstrated improvement during Quarter 1. This report covers the period Quarter 1 (April - June inclusive) of 2025/26.
1.3	Attached under Appendix II is a report from the 'Performance Management System' which details the Performance Improvement Key Performance Indicators (KPIs) results for the period Quarter 1 (April - June inclusive) of 2025/26. This appendix is shown in 2 formats appendix IIa and IIb.
1.4	Appendix IIa shows the quarterly progress during the 2025/26 financial year, this has been produced in response to members' requests to see comparative data across all quarters within the financial year of reporting.
1.5	Appendix IIb shows the Q1 progress in a summary graphical format.
1.6	There are 26 Performance Indicators for the 2025/26 financial year. 25 KPIs were achieved at the end of Q1, 1 KPI was not achieved.
1.7	The 1 KPIs that was not achieved has a reason to explain this. This can be found in the notes section of appendix IIa and IIb.
1.8	Attached under Appendix III is a report from the 'Performance Management System' which details the Corporate Plan Key Performance Indicators (KPIs) results for the period Quarter 1 (April - June inclusive) of 2025/26. This appendix is shown in 2 formats appendix IIIa and IIIb.
1.9	Appendix IIIa shows the quarterly progress during the 2025/26 financial year, this has been produced in response to members' requests to see comparative data across all quarters within the financial year of reporting.
1.10	Appendix IIIb shows the Q1 progress in a summary graphical format.
1.11	There are 9 Corporate Plan Indicators for the 2025/26 financial year. 8 KPIs were achieved at the end of Q1, 1 KPI was not achieved.
1.12	The 1 KPI that was not achieved, and the explanation why, can be found in the notes section of appendix IIIa and IIIb.

2.0	<u>Recommendation</u> It is recommended that Members note the appended reports.	
3.0	<u>Finance and Resource Implications</u> None.	
4.0	<u>Equality/Good Relations and Rural Needs Impact Assessments</u>	
4.1	Has an equality and good relations screening been carried out?	No
4.2	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out.	No – not applicable as the purpose of this report is to provide performance data.
4.3	Has a Rural Needs Impact Assessment (RNIA) been completed?	No
4.4	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out.	No – not applicable as the purpose of this report is to provide performance data.

Appendices:	Appendix I - a quarterly monitoring document including case studies of improvement for the period Quarter 1 (April - June inclusive) of 2025/26. Appendix IIa & IIb details the Performance KPI results for the period Quarter 1 (April - June inclusive) of 2025/26. Appendix IIIa & IIIb details the Corporate Plan KPI results for the period Quarter 1 (April - June inclusive) of 2025/26.
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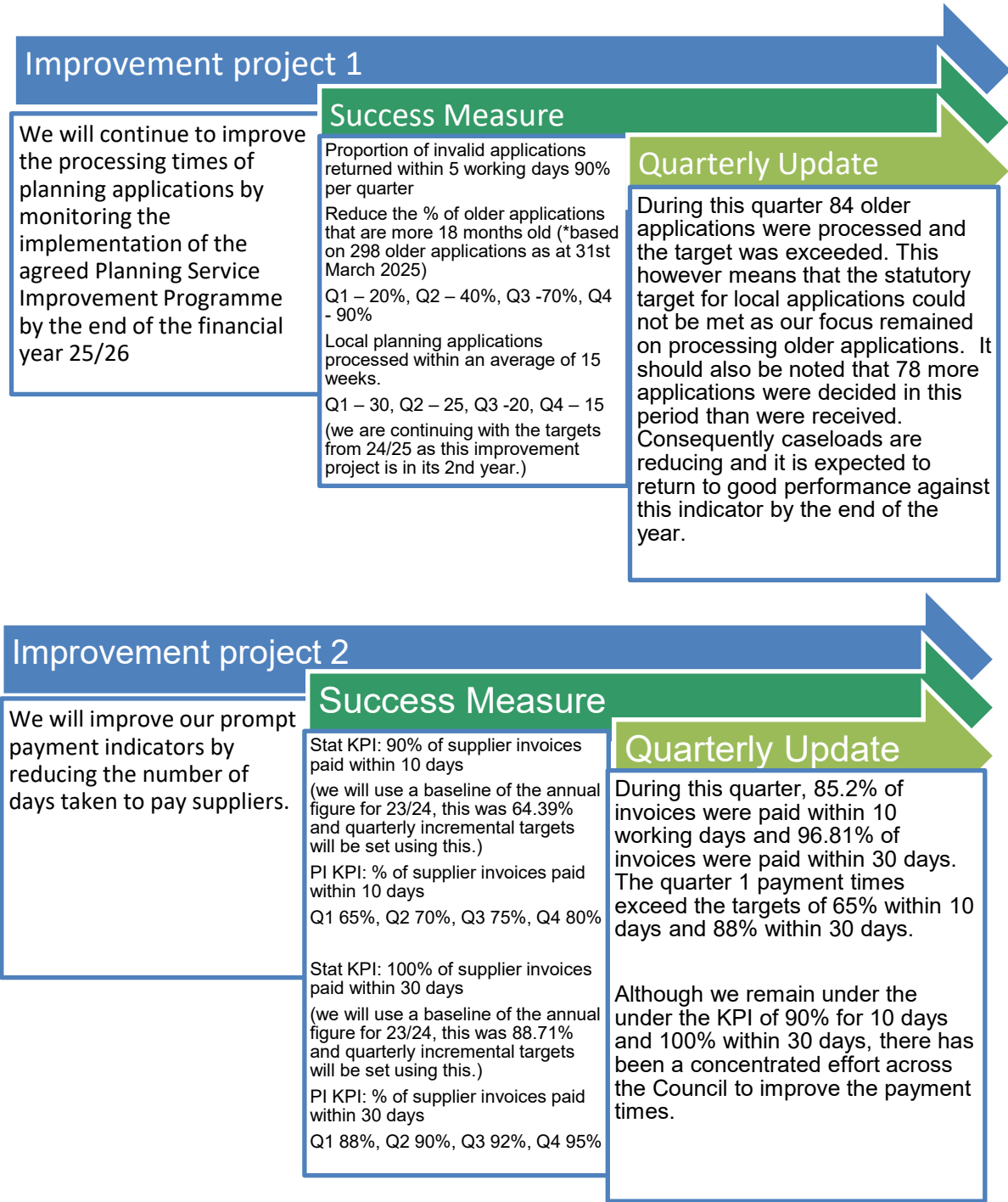


**Performance Improvement Objectives
2025/26
Quarter 1, 2025/26**



Performance Improvement Objective (1)

We will deliver better services that continue to meet people’s needs.



Improvement project 3

We will increase our staff attendance levels.

Success Measure

The average number of working days lost due to absences reduced. Rolling year absence – days lost per employee.
(we will present the 12 month rolling average as of the end of 23/24 as the baseline, this was 18.37.) Suggesting an improvement of 0.5 each quarter, the quarterly targets will be:
Q1 – 15.5, Q2 – 15.0, Q3 – 14.5, Q4 – 14
Consideration has been given to consider the wellbeing initiatives that are delivered each quarter, although it may be difficult to make linkages between these and whether they have reduced absence.

Quarterly Update

There were 7 Health & Wellbeing Initiatives in Q1 as follows;
April Wellbeing Focus – Mental Health – Managing Stress
May Wellbeing Focus– Physical Activity
May National Walking Month - Staff Step Challenge
Dementia Action Week 19 -23 May 2025
June Wellbeing Focus – Healthy Eating
Caring for our Carers - Webinar - Monday 9 June 2025
Men's Health Week 9 - 15 June 2025

Improvement project 4

We will reduce the percentage of household waste being disposed of in landfill sites.

Success Measure

A maximum of 10% collected waste will be sent to landfill (data will be a quarter in arrears due to availability on waste data flow)

Quarterly Update

A new contract came into effect on 01 February 2025. The contract has achieved a 0% waste to landfill output in its first quarter.

Objective 1 2024/25:

We will deliver better services that continue to meet people’s needs.

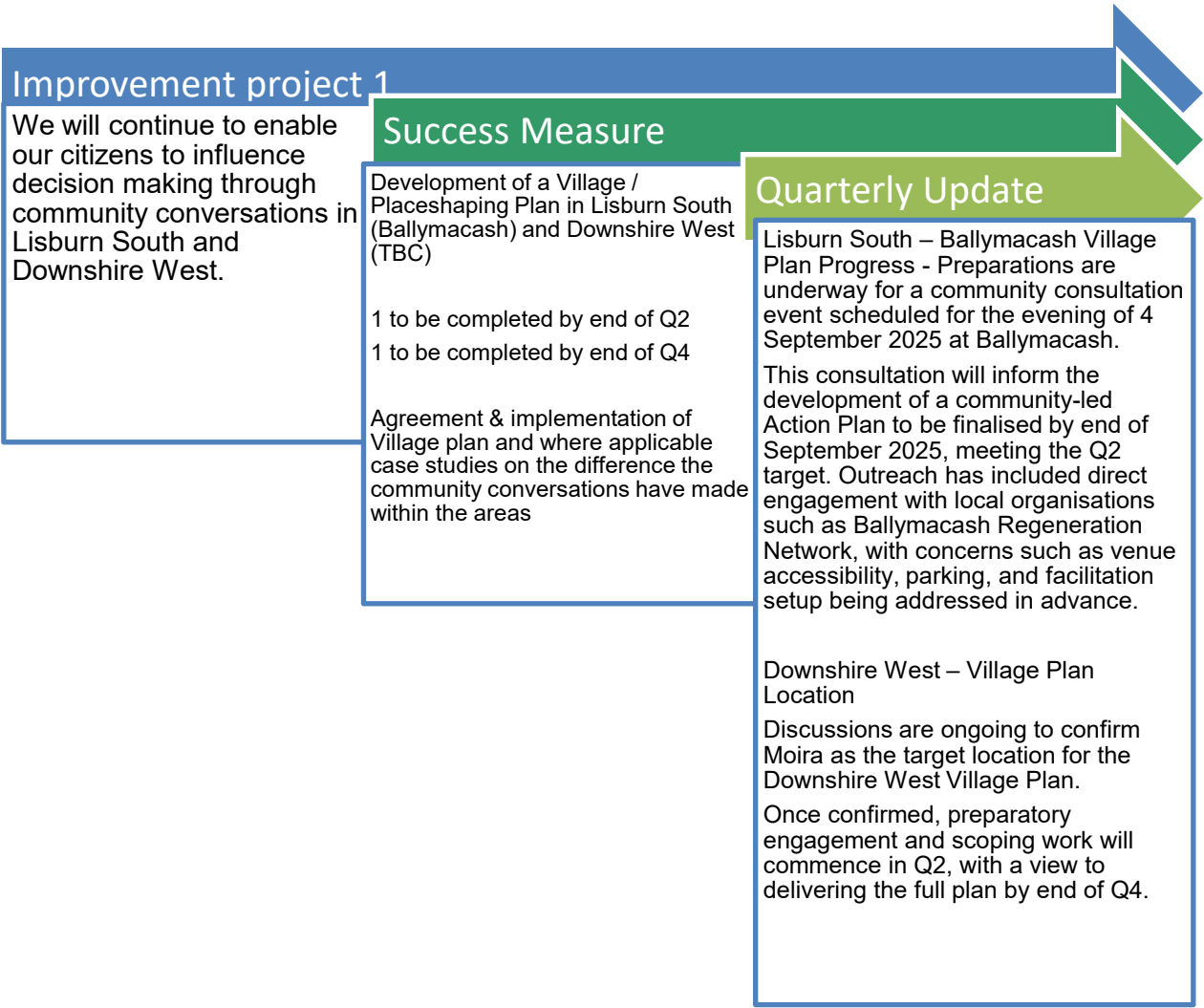
What difference did we make?

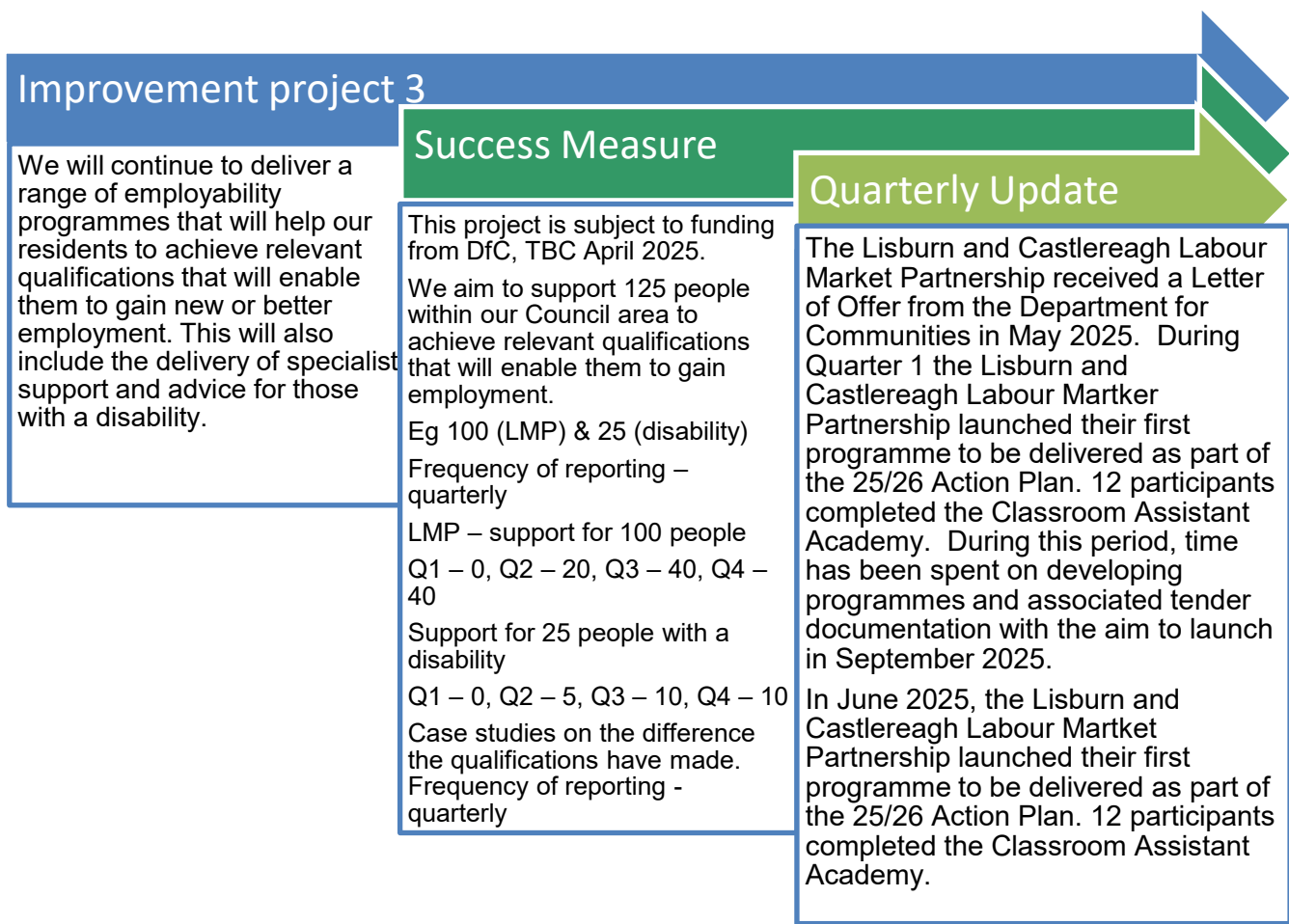
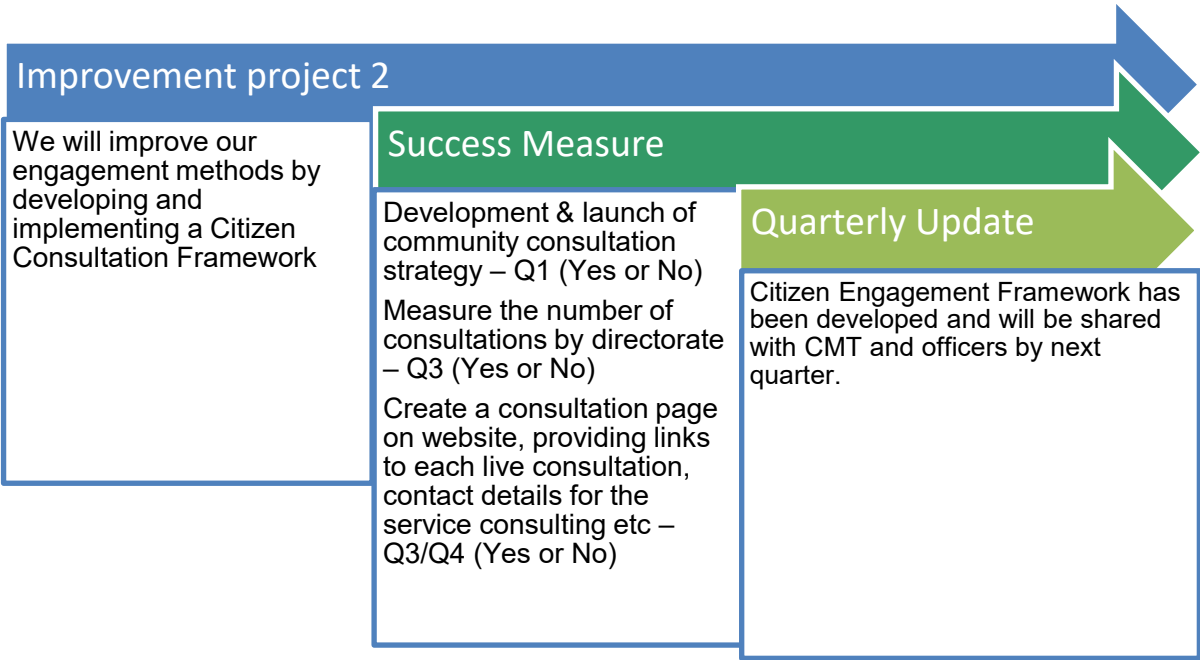
Performance Improvement Project 1 Q1 outcomes	Feedback and Testimonials
We will continue to improve the processing times of planning applications by monitoring the implementation of the agreed Planning Service Improvement Programme by the end of the financial year 25/26	During this quarter 84 older applications were processed, and the target was exceeded. This however means that the statutory target for local applications could not be met as our focus remained on processing older applications. It should also be noted that 78 more applications were decided in this period than were received. Consequently, caseloads are reducing and it is expected to return to good performance against this indicator by the end of the year.
Performance Improvement Project 2 Q1 outcomes	Feedback and Testimonials
We will improve our prompt payment indicators by reducing the number of days taken to pay suppliers.	Work has continued throughout the Council to embed the new finance system, which has reduced the number of days taken to pay suppliers. During this quarter, 85.2% of invoices were paid within 10 working days and 96.81% of invoices were paid within 30 days, which exceeds the quarter 1 targets. Although we remain under the under the KPI of 90% for 10 days and 100% within 30 days, there continues to be a concentrated effort across the Council to improve the payment times.
Performance Improvement Project 3 Q1 outcomes	Feedback and Testimonials
We will increase our staff attendance levels.	After a lengthy and comprehensive consultation period we implemented a new Managing Attendance Policy and Procedure in April 2025. We currently have 25 trained Mental Health First Aiders who provide first aid support for employees experiencing mental health problems at work. These employees have also been trained to recognise signs and symptoms of mental ill health and respond appropriately. There were 7 Health & Wellbeing Initiatives in Q1 as follows; • April Wellbeing Focus – Mental Health – Managing Stress • May Wellbeing Focus– Physical Activity • May National Walking Month - Staff Step Challenge • Dementia Action Week 19 -23 May 2025 • June Wellbeing Focus – Healthy Eating • Caring for our Carers - Webinar - Monday 9 June 2025 • Men's Health Week 9 - 15 June 2025

Performance Improvement Project	Feedback and Testimonials
4 Q1 outcomes	
We will reduce the percentage of household waste being disposed of in landfill sites.	A new contract came into effect on 01 February 2025. The contract has achieved a 0% waste to landfill output in its first quarter.

Performance Improvement Objective (2)

We will support our people to thrive in vibrant communities





Improvement project 4		
	Success Measure	Quarterly Update
We will support the progression of actions in the Glenavy Village Plan in partnership with new and established groups.	Physical Measures: Installation of new playpark in Killultagh housing development end of Q1 (tbc G.Lennox) Installation of new bus shelter at Lyngrove by end of Q2 Replacement of existing bins and increased capacity of bins in Glenavy area. Establishment of a pedestrian crossing in the village of Glenavy. Community & Wellbeing Measures: Capacity building with local community groups Environmental Measures: Biodiversity projects with schools in Glenavy throughout year Woodland and horticulture events in Glenavy throughout year	Playpark Installation (Killultagh Housing Development): Completed by the Parks Department in April 2025 with Small Settlements Fund support. Bus Shelter at Lyngrove: Approved by the Regeneration & Growth Committee (June 2025). Council has granted land consent to DfI/Translink, who are progressing a planning application. Bin Upgrades in Glenavy: Replacement and increased capacity bins installed by Waste Management. Community Capacity Building: Initial networking event held at St Clare's Community Hall (Jan 2025), followed by accredited CPR and food hygiene training. A follow-up event is scheduled for September 2025. Biodiversity and Horticulture Projects: Council Parks staff worked with Ballymacrickett PS in Autumn–Winter 2024/25 on woodland walks, seed collection, and bulb planting. The school is also developing outdoor learning facilities, including a mini forest and outdoor classroom.

Objective 2 2024/25: We will support our people to thrive in vibrant communities

What difference did we make? Case Studies

Performance Improvement Project 1 Q1 outcomes	Feedback and Testimonials
We will continue to enable our citizens to influence decision making through community conversations in Lisburn South and Downshire West.	In Lisburn South, Council and partners are preparing for a major community consultation event early September 2025 in Ballymacash. This will directly shape a resident-informed Action Plan by the end of Q2. Early engagement with local groups like Ballymacash Regeneration Network has helped surface key issues which are being proactively addressed to ensure inclusive participation. Residents will play a central role in identifying priorities, and the plan will reflect their lived experience and aspirations for the area. This approach continues our commitment to genuine co-design and responsive service delivery. In Downshire West, discussions are progressing to confirm Moira as the next village planning location. Once agreed, Council will begin early scoping and engagement with local stakeholders in Q2. The goal is to develop a tailored Action Plan by the end of Q4, grounded in what matters most to the community. Together, these plans will ensure that local voices shape local change — demonstrating how Council-led village planning continues to deliver responsive, people-centred outcomes.

Performance Improvement Project 2 Q1 outcomes	Feedback and Testimonials
We will improve our engagement methods by developing and implementing a Citizen Consultation Framework	Testimonials and Feedback will be included when Framework is live on the website, anticipated to ‘go live’ in quarter 4.

Performance Improvement Project 3 Q1 outcomes	Feedback and Testimonials
We will continue to deliver a range of employability programmes that will help our residents to achieve relevant qualifications that will enable them to gain new or better employment. This will	The Council strives to target those furthest from the labour market who face additional barriers to employment. As part of Lisburn & Castlereagh City Council’s Labour Market Partnership programme, the Council has developed a diverse range of employability programmes and events that will support our residents to achieve qualifications and gain employment. During Quarter 1 the LMP Team received their letter of offer from the Department for Communities to deliver the Action Plan for 25/26. We have delivered 1 programme for female returners and hosted a range of employability events detailed below.

Performance Improvement Project 3 Q1 outcomes	Feedback and Testimonials
also include the delivery of specialist support and advice for those with a disability.	Women Into Employment – Female Empowerment  Inspired by the Open University's <i>Momentum</i> campaign, the Lisburn and Castlereagh LMP's focus was on supporting local women who have been out of work for extended periods due to maternity leave, caregiving responsibilities, illness, or career breaks. On 19th June 2025, the Labour Market Partnership brought together a range of organisations to showcase programmes, training, and support available to our residents and local networks. Speakers included the Lisburn Chamber of Commerce, Jobs and Benefits Office, Atlas Women's Group, Studyseed CIC, Women's Tec, and Women's Support Network shared resources and insights. The employability event for female returners to the labour market was highly successful, attracting enthusiastic participation and positive feedback. Attendees gained valuable insights, boosted confidence, and made key professional connections. Workshops, CV support, and networking opportunities empowered women to re-enter the workforce with renewed motivation. Many expressed appreciation for the tailored support, marking the event as impactful and inspiring. DisAbility Employability Event Promoting Inclusive Employment On 26th June 2025, Lagan Valley Island became the hub for a powerful employability event, bringing together local residents with a range of disabilities, support organisations, and employers. The aim was to dismantle employment barriers and promote inclusive, sustainable career opportunities across the Lisburn & Castlereagh City Council area. The event was hosted by the Lisburn and Castlereagh Labour Market Partnership and welcomed a wide range of expert speakers and partners, including USEL, SES Workable, The NOW Project, Stepping Stones NI, Advice NI, Universal Credit, and Lisburn Jobs & Benefits Centre, reinforcing the Council's commitment to inclusive employment. Workshops, talks, and stalls created an engaging space for attendees to gain knowledge about upskilling, reskilling, mentoring, and support available across the local council area. Real-life challenges were discussed, alongside actionable pathways to help residents move closer to employment. Attendees appreciated the welcoming, empowering atmosphere, where shared experiences led to valuable peer support and motivation. Residents received tailored advice, registered for training programmes, and explored the wraparound support available to them. The event not

only raised awareness but also sparked action—providing a real sense of progress for inclusive employment in the community.



Pathways to Employment for Individuals with a Disability Celebration Event

On 27th June, we were delighted to celebrate the achievements of forty local people who graduated from the Thrive programme – a life-changing initiative that supports individuals with a disability or health condition on their journey towards employment.



Delivered by Stepping Stones NI on behalf of the Lisburn & Castlereagh Labour Market Partnership, the programme gave participants the opportunity to build confidence, learn new skills and take positive steps towards meaningful work.

The graduation event took place at Lagan Valley Island and was filled with proud moments, personal stories, and plenty of celebration. It kicked

Performance Improvement Project 3 Q1 outcomes	Feedback and Testimonials
	off with breakfast networking, followed by speeches from special guests including Alderman Amanda Grehan, Mayor of Lisburn & Castlereagh City Council, and Paddy Rooney, Deputy Secretary for the Work & Health Group at the Department for Communities. We are so proud of every single person who took part in Thrive. Each participant's hard work, determination and resilience have inspired us all and enables Lisburn & Castlereagh to fulfil their commitment to harnessing inclusivity across the council area.

Performance Improvement Project 4 Q1 outcomes	Feedback and Testimonials
We will support the progression of actions in the Glenavy Village Plan in partnership with new and established groups.	The delivery of Glenavy's Village Plan reflects a clear and valued partnership between Council services and the local community. Residents are seeing real, visible improvements in their area — improvements they helped shape through earlier community conversations. The new playpark in the Killultagh development and upgraded bins have enhanced the local environment, especially for families and young people. These changes respond directly to priorities raised by residents and reflect Council's commitment to acting on local voices. Progress on the Lyngrove bus shelter highlights the importance of cross-agency collaboration in rural infrastructure delivery. While planning is still underway, residents can see that steps are being taken to improve access and safety. Capacity building is also underway. The January 2025 networking event and follow-up CPR and food hygiene training show how Council is supporting local groups to grow their confidence and capability. A second engagement event is planned for September to keep that momentum going. Local pupils at Ballymacrickett Primary School have played a hands-on role in biodiversity activities — from woodland walks and seed collection to planting bulbs in school beds. Their involvement shows the power of early environmental learning and how small projects can inspire pride in place. From the Council's perspective, Glenavy illustrates how village planning can create shared ownership, practical outcomes, and lasting community value. Continued collaboration will ensure that remaining actions are delivered with the same responsiveness and local focus.

Department : All

(Type = 'Performance Improvement')

Tuesday 22nd of July 2025

Planning & Capital Development					
148 : Older Applications Reduce the % of older applications that are more 18 months old					
Reduce the % of older applications that are more 18 months old (*based on 298 older applications as at 31st March 2025)	Target Actual	20% 28% * 1	40% —	70% —	90% —
Notes:	1 During this quarter 84 older applications were processed and the target was exceeded. This however means that the statutory target for local applications could not be met as our focus remained on processing older applications.				
Communities					
219 : Community Conversations In Lisburn South and Downshire West					
Village plan developed for Lisburn South (Ballymacash) by end of September 25	Target Actual	No No * 1	No —	Yes —	Yes —
Notes:	1 Community consultation will be held in Ballymacash on the evening of 4 September and an Action Plan produced by end September				
Village plan developed for Downshire West (location TBC) by end March 26	Target Actual	No No * 1	No —	No —	Yes —
Notes:	1 Waiting for confirmation that Moira will be the location for the new Village Plan.				
IT & Commercialisation					
225 : Engagement Methods Implementation of framework					
Development of citizen consultation framework	Target Actual	Yes Yes * 1	Yes —	Yes —	Yes —
Notes:	1 Completed and being brought to CMT for approval.				
Launch of citizen consultation framework	Target Actual	No No	Yes —	Yes —	Yes —
Measure the number of consultations by Directorate	Target Actual	No No	No —	Yes —	Yes —
Create a consultation page on website	Target Actual	No No	No —	No —	Yes —
Economic Development					
226 : Labour Market Partnership programme Participants					
Number of participants in the Labour Market Partnership programme	Target Actual	0 0 * 1	20 —	40 —	40 —
Notes:	1 During Quarter 1 the Lisburn and Castlereagh Labour Martker Partnership launched their first programme to be delivered as part of the 25/26 Action Plan. 12 participants completed the Classroom Assistant Academy. During this period, time has been spent on developing programmes and associated tender documentation with the aim to launch in September 2025.				

Planning & Capital Development

234 : Local Applications (Internal KPI) Average processing time for local planning applications. (Processed from date valid to decision issued or withdrawn within an average of 22.5 weeks)

23

Reduce the average processing times to 22.5 weeks by year end. (assuming a starting point of 42.5 weeks)	Target	39	30	25	20
	Actual	47.8 * 1	—	—	—
Notes:	1 There has been a continued focus on the processing of older applications which is still reflected in the processing times reported in this quarter. It should be noted however that 78 more applications were decided in this period than were received, given that significant numbers of older applications are being processed it is expected to return to good performance against this indicator by the end of the year.				

235 : Planning Service Improvement Programme Monitoring the implementation of the Planning Service Improvement Programme during 25/26

Implementation of the validation checklist	Target	No	Yes	Yes	Yes
	Actual	No	—	—	—
Proportion of invalid applications returned within 5 working days Q3 75% Q4 90%	Target	0%	0%	75%	90%
	Actual	0%	—	—	—

Economic Development

254 : Inclusivity Delivery of specialist employability support and advice for those with a disability.

Number of people supported	Target	0	5	10	10
	Actual	0 * 1	—	—	—
Notes:	1 The Lisburn Castlereagh LMP delivered an employability event specifically targeting individuals with a disability or long-term health condition. The event focused on the provision of specialist advice and support regarding services available across the Council area. In addition to the DisAbility Employability event delivered by the Lisburn and Castlereagh Labour Market Partnership on 26th June 2025, we will also deliver a specialist employment programme for those with a disability that will provide qualifications, mentoring and employment support for 25 residents. This programme will go to tender in July with a planned launch to commence in September 2025.				
Recruitment onto specialist programme of support	Target	No	Yes	Yes	Yes
	Actual	No	—	—	—
Delivery of accredited training	Target	No	No	Yes	Yes
	Actual	No	—	—	—
Receive bespoke mentoring tailored to each individual action plan	Target	No	No	No	Yes
	Actual	No	—	—	—
Supporting participants on their journey Employment / Further Education	Target	No	No	No	Yes
	Actual	No	—	—	—

HR&OD

258 : Staff Absenteeism

Average Rolling year absence	Target	15.5	15.0	14.5	14
	Actual	14.23	—	—	—

Communities

259 : Glenavy Village Plan Actions

Installation of new playpark in Killultagh housing development by end of Q1	Target	Yes	Yes	Yes	Yes
	Actual	Yes * 1	—	—	—

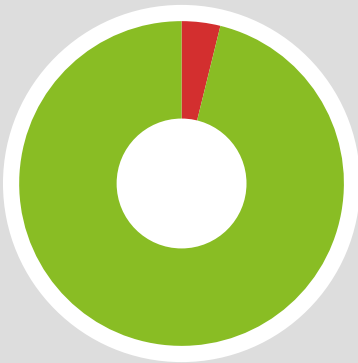
	Notes:	1 Completed by Parks Dept in April and funded through the Small Settlements Fund.				
Installation of new bus shelter at Lyngrove by end of Q2		Target	No	Yes	Yes	Yes
		Actual	No	—	—	—
			* 1			
	Notes:	1 Regeneration & Growth Committee approved this in June and written consent has been given to Dfl, on behalf of Translink to adopt the four square metres of land, who are applying for planning permission.				
Replacement of existing bins and increased capacity of bins in Glenavy area.		Target	Yes	Yes	Yes	Yes
		Actual	Yes	—	—	—
			* 1			
	Notes:	1 Completed by Waste Management				
Establishment of a pedestrian crossing in the village of Glenavy.		Target	No	No	No	Yes
		Actual	No	—	—	—
			* 1			
	Notes:	1 Economic Development taking forward , and will follow up with Dfl in terms of the process. Further update to follow.				
Capacity building with local community groups (cumulative)		Target	1	2	3	4
		Actual	1	—	—	—
			* 1			
	Notes:	1 A networking event was held at St Clare's Community Hall in Glenavy with local community organisations to identify needs on 29 Jan 2025. Following this, accredited food hygiene and CPR training has been delivered. Further engagement through a subsequent networking event is planned for Sep 2025.				
Biodiversity projects with schools / woodland & horticulture events in Glenavy throughout year (cumulative)		Target	1	2	3	4
		Actual	1	—	—	—
			* 1			
	Notes:	1 Ballymacrickett Primary School has a lovely woodland area and the Community Engagement Officer in Parks Dept worked with a group of pupils in autumn 2024 doing tree identification and seed collection. She returned to the school in Dec bringing a range of bulbs and worked with the eco counsellors and children from the afterschool club to plant the bulbs in flower beds surrounding the school. The primary school has great outdoor facilities with a mini forest, raised beds for vegetables and they are in the process of building an outdoor classroom.				
Operational Services						
263 : Waste collection % of collected waste going to landfill through the residual waste treatment contract						
Less than 10% of our collected waste will go to landfill		Target	10%	10%	10%	10%
		Actual	0%	—	—	—
Finance						
268 : Finance Prompt payments						
% of supplier invoices paid within 10 days		Target	65%	70%	75%	80%
		Actual	85.2%	—	—	—
% of supplier invoices paid within 30 days		Target	88%	90%	92%	95%
		Actual	96.81%	—	—	—

Performance Summary

All

(Type = 'Performance Improvement')

Tuesday 22nd of July 2025



Red = Target missed or Measure overdue
Amber = Measure fallen slightly short/behind
Green = Target met or exceeded
Grey = Measure not yet due

Operational Services	1 Green
Finance	2 Green
Planning & Capital Development	1 (R) 3 Green
Economic Development	6 Green
Communities	8 Green
HR&OD	1 Green
IT & Commercialisation	4 Green

PLANNING & CAPITAL DEVELOPMENT			DUE 1ST JUL 25
148 : Older Applications Reduce the % of older applications that are more 18 months old: Reduce the % of older applications that are more 18 months old (*based on 298 older applications as at 31st March 2025)	TARGET 20%	ACTUAL 28%	STATUS Green
Notes: During this quarter 84 older applications were processed and the target was exceeded. This however means that the statutory target for local applications could not be met as our focus remained on processing older applications.			

COMMUNITIES			DUE 1ST JUL 25
219 : Community Conversations In Lisburn South and Downshire West : Village plan developed for Lisburn South (Ballymacash) by end of September 25	TARGET No	ACTUAL No	STATUS Green
Notes: Community consultation will be held in Ballymacash on the evening of 4 September and an Action Plan produced by end September			

COMMUNITIES			DUE 1ST JUL 25
219 : Community Conversations In Lisburn South and Downshire West : Village plan developed for Downshire West (location TBC) by end March 26	TARGET No	ACTUAL No	STATUS Green
Notes: Waiting for confirmation that Moira will be the location for the new Village Plan.			

IT & COMMERCIALISATION			DUE 1ST JUL 25
225 : Engagement Methods Implementation of framework: Development of citizen consultation framework	TARGET Yes	ACTUAL Yes	STATUS Green
Notes: Completed and being brought to CMT for approval.			

IT & COMMERCIALISATION			DUE 1ST JUL 25
225 : Engagement Methods Implementation of framework: Launch of citizen consultation framework	TARGET No	ACTUAL No	STATUS Green
Notes:			

IT & COMMERCIALISATION			DUE 1ST JUL 25
225 : Engagement Methods Implementation of framework: Measure the number of consultations by Directorate	TARGET No	ACTUAL No	STATUS Green
Notes:			

IT & COMMERCIALISATION			DUE 1ST JUL 25
225 : Engagement Methods Implementation of framework: Create a consultation page on website	TARGET No	ACTUAL No	STATUS Green
Notes:			

ECONOMIC DEVELOPMENT			DUE 1ST JUL 25
226 : Labour Market Partnership programme Participants: Number of participants in the Labour Market Partnership programme	TARGET 0	ACTUAL 0	STATUS Green
Notes: During Quarter 1 the Lisburn and Castlereagh Labour Martker Partnership launched their first programme to be delivered as part of the 25/26 Action Plan. 12 participants completed the Classroom Assistant Academy. During this period, time has been spent on developing programmes and associated tender documentation with the aim to launch in September 2025.			

PLANNING & CAPITAL DEVELOPMENT			DUE 1ST JUL 25
234 : Local Applications (Internal KPI) Average processing time for local planning applications. (Processed from date valid to decision issued or withdrawn within an average of 22.5 weeks): Reduce the average processing times to 22.5 weeks by year end. (assuming a starting point of 42.5 weeks)	TARGET 39	ACTUAL 47.8	STATUS Red
Notes: There has been a continued focus on the processing of older applications which is still reflected in the processing times reported in this quarter. It should be noted however that 78 more applications were decided in this period than were received, given that significant numbers of older applications are being processed it is expected to return to good performance against this indicator by the end of the year.			

PLANNING & CAPITAL DEVELOPMENT			DUE 1ST JUL 25
235 : Planning Service Improvement Programme Monitoring the implementation of the Planning Service Improvement Programme during 25/26: Implementation of the validation checklist	TARGET No	ACTUAL No	STATUS Green
Notes:			

PLANNING & CAPITAL DEVELOPMENT			DUE 1ST JUL 25
235 : Planning Service Improvement Programme Monitoring the implementation of the Planning Service Improvement Programme during 25/26: Proportion of invalid applications returned within 5 working days Q3 75% Q4 90%	TARGET 0%	ACTUAL 0%	STATUS Green
Notes:			

ECONOMIC DEVELOPMENT			DUE 1ST JUL 25
254 : Inclusivity Delivery of specialist employability support and advice for those with a disability. : Supporting participants on their journey Employment / Further Education	TARGET No	ACTUAL No	STATUS Green
Notes:			

ECONOMIC DEVELOPMENT			DUE 1ST JUL 25
254 : Inclusivity Delivery of specialist employability support and advice for those with a disability. : Receive bespoke mentoring tailored to each individual action plan	TARGET No	ACTUAL No	STATUS Green
Notes:			

ECONOMIC DEVELOPMENT			DUE 1ST JUL 25
254 : Inclusivity Delivery of specialist employability support and advice for those with a disability. : Delivery of accredited training	TARGET No	ACTUAL No	STATUS Green
Notes:			

ECONOMIC DEVELOPMENT			DUE 1ST JUL 25
254 : Inclusivity Delivery of specialist employability support and advice for those with a disability. : Recruitment onto specialist programme of support	TARGET No	ACTUAL No	STATUS Green
Notes:			

ECONOMIC DEVELOPMENT			DUE 1ST JUL 25
254 : Inclusivity Delivery of specialist employability support and advice for those with a disability. : Number of people supported	TARGET 0	ACTUAL 0	STATUS Green
Notes: The Lisburn Castlereagh LMP delivered an employability event specifically targeting individuals with a disability or long-term health condition. The event focused on the provision of specialist advice and support regarding services available across the Council area. In addition to the DisAbility Employability event delivered by the Lisburn and Castlereagh Labour Market Partnership on 26th June 2025, we will also deliver a specialist employment programme for those with a disability that will provide qualifications, mentoring and employment support for 25 residents. This programme will go to tender in July with a planned launch to commence in September 2025.			

HR&OD			DUE 1ST JUL 25
258 : Staff Absenteeism : Average Rolling year absence	TARGET 15.5	ACTUAL 14.23	STATUS Green
Notes:			

COMMUNITIES			DUE 1ST JUL 25
259 : Glenavy Village Plan Actions: Installation of new playpark in Killultagh housing development by end of Q1	TARGET Yes	ACTUAL Yes	STATUS Green
Notes: Completed by Parks Dept in April and funded through the Small Settlements Fund.			

COMMUNITIES			DUE 1ST JUL 25
259 : Glenavy Village Plan Actions: Installation of new bus shelter at Lyngrove by end of Q2	TARGET No	ACTUAL No	STATUS Green
Notes: Regeneration & Growth Committee approved this in June and written consent has been given to Dfl, on behalf of Translink to adopt the four square metres of land, who are applying for planning permission.			

COMMUNITIES			DUE 1ST JUL 25
259 : Glenavy Village Plan Actions: Replacement of existing bins and increased capacity of bins in Glenavy area.	TARGET Yes	ACTUAL Yes	STATUS Green
Notes: Completed by Waste Management			

COMMUNITIES			DUE 1ST JUL 25
259 : Glenavy Village Plan Actions: Establishment of a pedestrian crossing in the village of Glenavy.	TARGET No	ACTUAL No	STATUS Green
Notes: Economic Development taking forward , and will follow up with Dfl in terms of the process. Further update to follow.			

COMMUNITIES			DUE 1ST JUL 25
259 : Glenavy Village Plan Actions: Capacity building with local community groups (cumulative)	TARGET 1	ACTUAL 1	STATUS Green
Notes: A networking event was held at St Clare’s Community Hall in Glenavy with local community organisations to identify needs on 29 Jan 2025. Following this, accredited food hygiene and CPR training has been delivered. Further engagement through a subsequent networking event is planned for Sep 2025.			

COMMUNITIES			DUE 1ST JUL 25
259 : Glenavy Village Plan Actions: Biodiversity projects with schools / woodland & horticulture events in Glenavy throughout year (cumulative)	TARGET 1	ACTUAL 1	STATUS Green
Notes: Ballymacrickett Primary School has a lovely woodland area and the Community Engagement Officer in Parks Dept worked with a group of pupils in autumn 2024 doing tree identification and seed collection. She returned to the school in Dec bringing a range of bulbs and worked with the eco counsellors and children from the afterschool club to plant the bulbs in flower beds surrounding the school. The primary school has great outdoor facilities with a mini forest, raised beds for vegetables and they are in the process of building an outdoor classroom.			

OPERATIONAL SERVICES			DUE 1ST JUL 25	
263 : Waste collection % of collected waste going to landfill through the residual waste treatment contract: Less than 10% of our collected waste will go to landfill	TARGET 10%	ACTUAL 0%	STATUS Green	30
Notes:				

FINANCE			DUE 1ST JUL 25	
268 : Finance Prompt payments: % of supplier invoices paid within 10 days	TARGET 65%	ACTUAL 85.2%	STATUS Green	
Notes:				

FINANCE			DUE 1ST JUL 25	
268 : Finance Prompt payments: % of supplier invoices paid within 30 days	TARGET 88%	ACTUAL 96.81%	STATUS Green	
Notes:				

Department : All

(Type = 'Corporate Plan')

Tuesday 19th of August 2025

Economic Development					
38 : New Jobs Number per annum					
Number of new jobs linked to economic development programmes (cumulative)	Target	15	40	70	160
	Actual	34 * 1	—	—	—
Notes:	1 Belfast City Council – Go-Succeed PMO have not verified Qtr.1 numbers				
Assets					
212 : Assets Rental from the Council's leased assets					
% Lettable areas within the Council's available leased assets	Target	80%	80%	80%	80%
	Actual	97% * 1	—	—	—
Notes:	1 The majority of the remaining lettable space within Bradford Court has been agreed for lease to a Government Agency. The two vacant units at Ballyoran have been agreed by way of license and the agreements are in progress with solicitors.				
Planning & Capital Development					
228 : Capital Programme Expenditure measured against Budget					
Cumulative % Expenditure against budget	Target	20%	40%	70%	95%
	Actual	62.54%	—	—	—
Regeneration & Growth					
245 : Progress the Dundonald International Ice Bowl redevelopment. DIIB project proceeding to Construction Phase and building complete					
Building completion	Target	30%	40%	50%	60%
	Actual	30%	—	—	—
Environmental Health, Risk & Emergency Planning					
246 : Enhance burial provision Increase number of plots in line with outline business case					
Number of new grave plots in operation (cumulative)	Target	50	150	300	400
	Actual	0 * 1	—	—	—
Notes:	1 Contractor procured during Q1. Contractor commenced onsite in July 2025. A further update will be provided at the end of Q2.				
IT & Commercialisation					
247 : Further projects with BRCD: Destination Royal Hillsborough Programme including planning and award of contracts.					
Planning permission by end Q2	Target	No	Yes	Yes	Yes
	Actual	No	—	—	—
Leisure & Community Wellbeing					
262 : Health & Wellbeing Programmes & events					

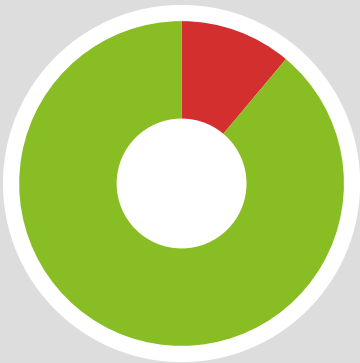
Number of Health & Wellbeing Programmes (cumulative)	Target	20	40	60	80
	Actual	27	—	—	—
Number of participants on the Health & Wellbeing programmes (cumulative)	Target	500	800	1300	1800
	Actual	1642 * 1	—	—	—
Notes:	1 Subsequent to the KPI being set a number of new programmes such as Pilates in the park were introduced by the Wellbeing team and they have proven to be very popular. Given that a number of these activities are seasonal the numbers will reduce after Q2.				
Number of Community Events (Cumulative)	Target	25	50	75	100
	Actual	27 * 1	—	—	—
Notes:	1 6 community events for Community Services, 10 Community Planning Events, 8 Age friendly events, 1 Mayors Parade, 2 Biodiversity				

Performance Summary

All

(Type = 'Corporate Plan')

Tuesday 19th of August 2025



Red = Target missed or Measure overdue
Amber = Measure fallen slightly short/behind
Green = Target met or exceeded
Grey = Measure not yet due

Environmental Health, Risk & Emergency Planning	1 Red
Regeneration & Growth	1 Green
Planning & Capital Development	1 Green
Assets	1 Green
Economic Development	1 Green
Leisure & Community Wellbeing	3 Green
IT & Commercialisation	1 Green

ECONOMIC DEVELOPMENT

DUE 1ST JUL 25

38 : New Jobs Number per annum:**Number of new jobs linked to economic development programmes (cumulative)**

TARGET
15

ACTUAL
34

STATUS
Green

Notes: Belfast City Council – Go-Succeed PMO have not verified Qtr.1 numbers

ASSETS

DUE 1ST JUL 25

212 : Assets Rental from the Council's leased assets:**% Lettable areas within the Council's available leased assets**

TARGET
80%

ACTUAL
97%

STATUS
Green

Notes: The majority of the remaining lettable space within Bradford Court has been agreed for lease to a Government Agency. The two vacant units at Ballyoran have been agreed by way of license and the agreements are in progress with solicitors.

PLANNING & CAPITAL DEVELOPMENT

DUE 1ST JUL 25

228 : Capital Programme Expenditure measured against Budget:
Cumulative % Expenditure against budget

TARGET
20%

ACTUAL
62.54%

STATUS
Green

Notes:

REGENERATION & GROWTH

DUE 1ST JUL 25

245 : Progress the Dundonald International Ice Bowl redevelopment. DIIB project proceeding to Construction Phase and building complete:
Building completion

TARGET
30%

ACTUAL
30%

STATUS
Green

Notes:

ENVIRONMENTAL HEALTH, RISK & EMERGENCY PLANNING

DUE 1ST JUL 25

246 : Enhance burial provision Increase number of plots in line with outline business case: **Number of new grave plots in operation (cumulative)**

TARGET
50

ACTUAL
0

STATUS
Red

Notes: Contractor procured during Q1. Contractor commenced onsite in July 2025. A further update will be provided at the end of Q2.

IT & COMMERCIALISATION

DUE 1ST JUL 25

247 : Further projects with BRCD: Destination Royal Hillsborough Programme including planning and award of contracts. : **Planning permission by end Q2**

TARGET
No

ACTUAL
No

STATUS
Green

Notes:

LEISURE & COMMUNITY WELLBEING			DUE 1ST JUL 25
262 : Health & Wellbeing Programmes & events : Number of Health & Wellbeing Programmes (cumulative)	TARGET 20	ACTUAL 27	STATUS Green
Notes:			

LEISURE & COMMUNITY WELLBEING			DUE 1ST JUL 25
262 : Health & Wellbeing Programmes & events : Number of participants on the Health & Wellbeing programmes (cumulative)	TARGET 500	ACTUAL 1642	STATUS Green
Notes: Subsequent to the KPI being set a number of new programmes such as Pilates in the park were introduced by the Wellbeing team and they have proven to be very popular. Given that a number of these activities are seasonal the numbers will reduce after Q2.			

LEISURE & COMMUNITY WELLBEING			DUE 1ST JUL 25
262 : Health & Wellbeing Programmes & events : Number of Community Events (Cumulative)	TARGET 25	ACTUAL 27	STATUS Green
Notes: 6 community events for Community Services, 10 Community Planning Events, 8 Age friendly events, 1 Mayors Parade, 2 Biodiversity			

Committee:	Governance & Audit Committee
Date:	11th September 2025
Report from:	Performance Improvement Officer

Item for:	Decision
Subject:	Performance Improvement Report 2024/25

1.0	<u>Background and Key Issues:</u>	
1.1	Attached under Appendix I is a copy of the fully detailed draft Performance Improvement Report for 2024/25, as required by the NI Audit Office.	
1.2	The council continues to meet the UK Government Accessibility Regulations to ensure its website remains compliant.	
1.3	In line with these regulations, our sustainability agenda and digital strategy we have created a digitally designed version of the Performance Improvement Self-Assessment Summary document. This will be used as the public document and will be published on the website. Residents can still review the Word version of the Performance Improvement Self-Assessment document should they wish to.	
1.4	The digital version can be viewed on this link: https://www.lisburncastlereagh.gov.uk/w/performance-improvement-report-2024-25-summary	
1.5	This link will be accessible on the website following approval by this Committee and ratification by Council.	
1.6	The Performance Improvement Report 2024/25 must be published by 30th September 2025 to meet the requirements of the legislation.	
2.0	<u>Recommendation</u>	
	It is recommended that Members approve the attached draft Performance Improvement Report for 2024/25.	
3.0	<u>Finance and Resource Implications</u>	
	None.	
4.0	<u>Equality/Good Relations and Rural Needs Impact Assessments</u>	
4.1	Has an equality and good relations screening been carried out?	No
4.2	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out	N/A – reporting on events that have already occurred

4.3	Has a Rural Needs Impact Assessment (RNIA) been completed?	No
4.4	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out.	N/A – reporting on events that have already occurred

Appendices:	Appendix I - Draft Performance Improvement Report for 2024/25
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Performance Improvement Report 2024-25

Draft

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Executive Summary

As a council we are committed to assessing ourselves against targets and standards set within our annual performance improvement plans and statutory indicators set by central government from statutory bodies.

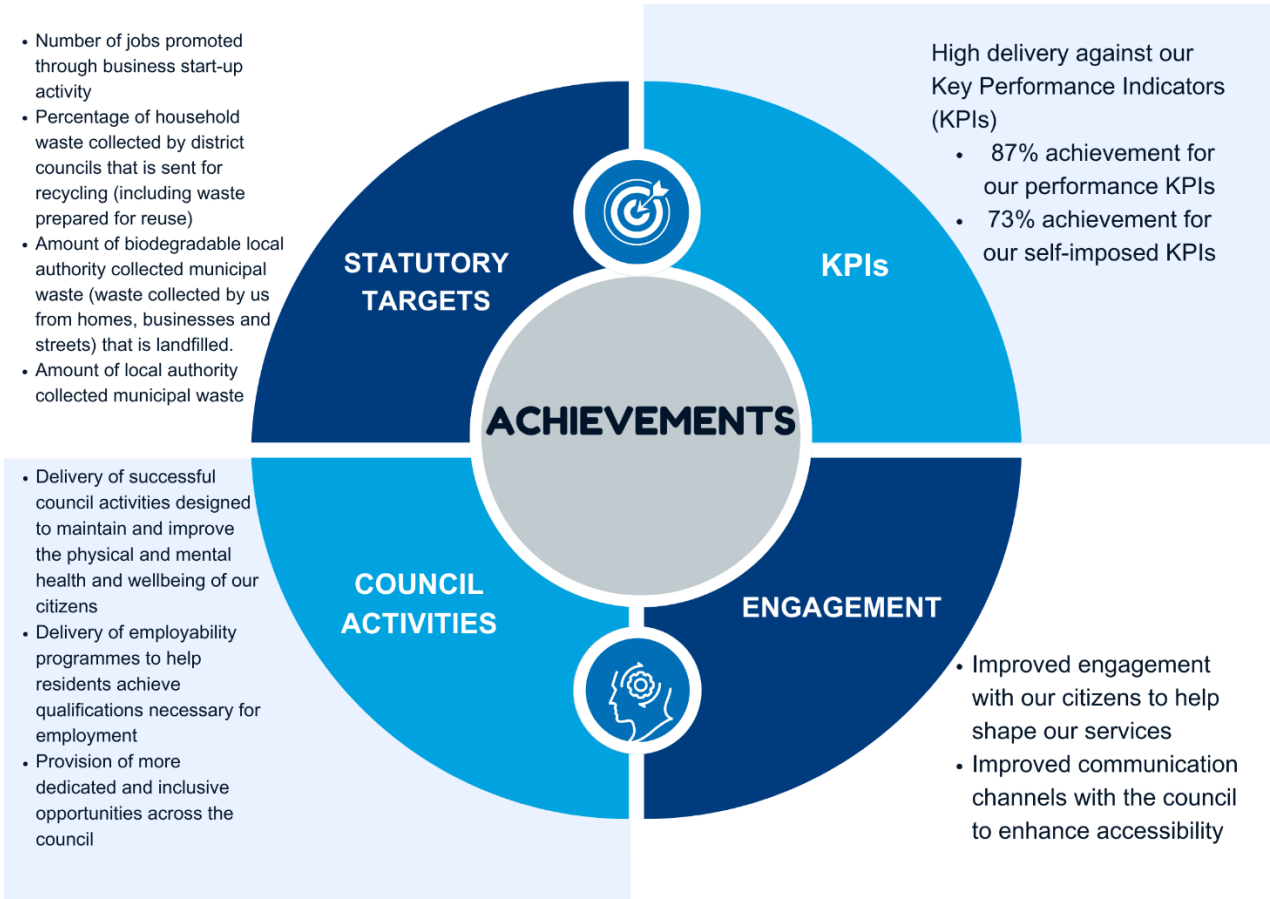
After assessing our performance within the year 2024/25 we have determined our achievements and areas we wish to continue to build on within the 2025/26 year.

Our achievements in 2024/25 include but are not limited to:

- meeting our statutory targets for the:
 - number of jobs promoted through business start-up activity
 - percentage of household waste collected by district councils that is sent for recycling (including waste prepared for reuse)
 - amount (tonnage) of biodegradable local authority collected municipal waste (waste collected by us from homes, businesses and streets) that is landfilled
 - amount (tonnage) of local authority collected municipal waste (arising)
- high delivery against our Key Performance Indicators (KPIs); 87% achievement for our performance KPIs and 73% achievement for our Corporate Plan (self-imposed) KPIs
- delivery of successful and popular council activities designed to maintain and improve the physical and mental health and wellbeing of our citizens
- improved engagement with our citizens to help shape our services
- delivery of range of employability programmes to help residents achieve qualifications necessary for employment
- provision of more dedicated and inclusive opportunities across the council

In 2025/26 our focus will be on enhancing the quality of our core services to meeting the aspirations of our communities.

Alongside the above objectives we will also continue to monitor our progress against statutory targets, and our key performance indicators.



SECTION 1: Introduction

Context

This document presents the results of the council's self-assessment in discharging its general duty under Part 12 of the Local Government Act (Northern Ireland) 2014 in relation to performance improvement arrangements.

It sets out an assessment of our performance against the following requirements:

- performance improvement objectives set out in the 2024/2025 Performance Improvement Plan
- statutory performance improvement indicators and standards for the functions of Economic Development, Planning and Waste for 2024/2025, including comparison with the previous two years
- performance information on self-imposed indicators and standards collected during 2024-2025

The publication of this information fulfils in part the council's statutory requirement under Part 12, Section 92 of the Act.

Performance improvement objectives

Statutory guidance defines improvement as “more than just quantifiable gains in service output or efficiency, or the internal effectiveness of an organisation. Improvement for councils should mean activity that enhances the sustainable quality of life and environment for ratepayers and communities.” Essentially, improvement is about making things better and our focus is on how we can deliver better services for the benefit of our residents and service users.

We are committed to driving continuous improvement and performance across all service areas. In 2024/2025 we set two areas for improvement as detailed in **Section 2** of this report. The Performance Improvement outcomes have been developed to reflect the outcomes in the Community Plan which will be in place for the next 7 years and the Corporate Plan 2024-28.

The Community Plan and related outcomes can be accessed using the following link:
[community_plan_2017-2032_email-pdf](#)

The Corporate Plan and related outcomes can be accessed using the following link:
[lccc-corporate-plan-2024-2028-web](#)

The ambition is to have improved the lives of those living in, working in or visiting the Lisburn and Castlereagh area within those 8 years of the Community Plan. It is therefore more difficult to show any real or statistical evidence that the actions have contributed in any significant way in such a short space of time.

Evidence has been gathered and will be monitored and reviewed regularly to allow us to gauge the impact of our actions in the short term. However, we have used case studies to

show what has been achieved and how the investment in the performance areas identified are contributing to the Community Plan and Corporate Plan outcomes. The results of the self-assessment are included at **Section 2**.

Statutory Performance Indicators

A set of seven statutory indicators have been set for Local Government via the Local Government (Performance Indicators and Standards) Order (NI) 2015 as part of the performance improvement arrangements for Councils. These relate to three council functions: waste management, economic development and planning. The results of the self-assessment are included at **Section 3**.

From 2017 The Local Government Act (Northern Ireland) 2014, Section 92 requires councils to compare their performance, so far as reasonably practicable, against the performance during that and previous financial years.

We will continue to work in conjunction with the Department for Communities to develop a comprehensive benchmarking framework to provide clear and transparent information to allow comparison across several council areas. **Section 4** outlines the results of external benchmarking based on data available in the public domain. In addition to results of other internal benchmarking undertaken in relation to absence and prompt payment.

Self-Imposed Indicators

We have a performance management framework in place which includes a range of self-imposed KPIs (Corporate Plan KPIs) as well KPIs relating to the Performance Improvement Objectives. Details of the self-assessment are included at **Section 5**.

To clearly demonstrate a track record of improvement, previous year(s) data where available, has been included in the self-assessment in section 5 to demonstrate how we have achieved continuous improvement towards the overall objective.

Discharging the general duty to secure continuous improvement in 2024-2025

The council has well-established governance arrangements in place to ensure delivery of all of its plans. These arrangements are used to ensure that the activity underpinning our improvement objectives is monitored on an ongoing basis.

They include:

- quarterly reports of our programme of activity to CMT (Corporate Management Team)
- reporting on the performance improvement process to the Governance & Audit Committee, on a quarterly basis as a standing item
- reporting on our Customer Care activity to the Governance & Audit Committee, on a quarterly basis as a standing item

- consideration of the full costs included in our estimates process
- appropriate risk management in relation to main programmes of work
- appropriate monitoring, reporting and performance management arrangements underpinning all the above

We measure how we are doing in lots of ways across the organisation.

How the council has got better in relation to its General Duty to improve

During 2024/25 the Governance & Audit Committee received quarterly reports detailing performance management information on the self-imposed and service KPIs.

The Performance Improvement KPIs demonstrate improvement against the Performance Improvement Objectives and are measured on a quarterly or annual basis (depending on the target), these were also reported to the Governance & Audit Committee.

We monitor complaints identifying underlying root causes and actions to enhance service provision. This is reported to the Corporate Management Team for internal scrutiny and the Governance & Audit Committee on a quarterly basis.

In addition to formal reporting of the self-imposed KPI's, we are always striving to identify new ways of working and opportunities to improve. Within 2024/2025 the council continued with a number of arrangements all of which fall within the general duty to improve including but not limited to:

- the Portfolio and Digital Team continued to promote the digital and transformation agenda
- DMT (Directorate Management Team) meetings were attended quarterly by the Performance Improvement Officer to review Directorate performance
- monthly reporting of a Corporate Health Dashboard during 2024/2025 to help the Corporate Management Team assess performance against critical areas across the council
- regular monitoring of complaints identifying underlying root causes and actions to enhance service provision. **Appendix III** details the annual complaints information for 2024/25.
- annual review of the KPIs:
 - reviewed in the following categories: Performance improvement KPIs, Self-imposed (Corporate Plan KPIs) and Management Information KPIs
 - The Self-imposed (Corporate Plan KPIs) were reviewed in detail during 2024/25 to make them specific to the Corporate Plan 2024-28. The majority of the 51 Self-imposed (Corporate Plan KPIs) for 2024/25 were new.

SECTION 2: Performance Improvement Objectives - Self Assessment

Improvement Objective 2024/2025	Council Self-Evaluation
We will continue to improve our citizen engagement methods and ensure accessible processes for contacting the council	Target Achieved
We will continue to deliver council led activities, that seek to maintain and improve physical and mental wellbeing for our citizens	Target Achieved

Performance Improvement Objective 1

We will continue to improve our citizen engagement methods and simplify processes for contacting the council

Outcomes contributing to our Community Plan / Corporate Plan include:

- public services are enhanced through co design and co-production
- community ownership and management of local assets and facilities
- we feel a sense of belonging in our local neighbourhoods
- there is participation and volunteering in public and community life, arts, culture and sports by people of all backgrounds

Performance Improvement Objective 1	Enabling Improvement Projects	How did we do?	How did we measure this? How did we track progress in year? (See Appendix 2)	What difference did we make? (outcomes)
We will continue to improve our citizen engagement methods and ensure accessible processes for	Improve the customer’s experience when engaging with our services by providing outreach support to	Two Digital Customer Kiosks were installed in October 2024 at Lagan Valley Island and Ballyoran Community Centre to improve public access to council services. The kiosks allow users to: • Access council websites and updates • Report local issues	We installed devices in 2 facilities; (Ballyoran CC in Castlereagh and LVI in Lisburn)	

Performance Improvement Objective 1	Enabling Improvement Projects	How did we do?	How did we measure this? How did we track progress in year? (See Appendix 2)	What difference did we make? (outcomes)
contacting the council	residents who are not digitally enabled, ensuring no one is left behind	• View events and community activities • Submit service requests (e.g. bulky waste collection) • Ask general questions • Find information on local resources (libraries, parks, recycling) These secure kiosks support people who may struggle to access online services and include analytics for tracking use. Since installation, LVI recorded 301 user sessions and Ballyoran 147. Real-time data is being collected to help improve services, and there are plans to explore kiosk expansion to more locations.		See case studies for examples of outcomes achieved to date.
	Improve the processing times of planning applications and enforcement cases by developing and implementing a Planning Service Improvement Programme by the end of the financial year 24/25	A validation checklist has been developed and agreed with Members and is being used voluntarily ahead of its mandatory implementation in April 2025. Public and stakeholder consultation is planned. Processing times for local applications are improving and remain on track. Although targets for older applications are slightly behind, there is a strong foundation in place to make significant progress in the next financial year.	We have developed and implemented the first year of a Planning Service Improvement Programme through the following stages: Q1: Development of a validation checklist Y/N Q2: Implementation of the validation checklist Y/N Q3 & Q4: Proportion of invalid applications returned within 5 working days Q3 75% Q4 90% Reduce the % of older applications that are over 18 months old (recruiting additional staff to assist	See case studies for examples of outcomes achieved to date.

Performance Improvement Objective 1	Enabling Improvement Projects	How did we do?	How did we measure this? How did we track progress in year? (See Appendix 2)	What difference did we make? (outcomes)
			with this. Lower targets in Q1&Q2 while staff fill posts and are being trained to fill capacity) Q1: 20%, Q2: 40%, Q3: 70%, Q4: 90% Local planning applications processed within an average of 22.5 weeks. Q1: 42.5, Q2: 37.5, Q3: 30, Q4: 19.5	
	Continue to enable our citizens to influence decision making through community conversations in Lisburn South and Downshire West	The Glenavy Village Plan has been completed, including a detailed Action Plan. Two well-attended public engagement sessions were held in November 2024. Several short-term actions have already been delivered, such as community training, networking events, and initiatives led by statutory partners. Q4 ended with a successful networking event to strengthen connections among local organisations, with more meetings planned to support ongoing progress. Work is also underway to identify future village plan areas, including Lisburn South and Downshire West.	Development of a Village / Place shaping Plan in Lisburn South and Downshire West 1 to be completed by end of September 2024 1 to be completed by end of March 2025 Case studies on the difference the community conversations have made within the areas (capturing quick wins as well as long terms goals) Quarterly	See case studies for examples of outcomes achieved to date.
	Develop a community development toolkit to assist	The Community Development Toolkit was developed and launched in Q1, with initial user training completed by September 2024. Additional training in Q3 involved 13	Q1: Development & launch of community development toolkit by end of June 2024 Q2: Provide training to users by end of September 2024	

Performance Improvement Objective 1	Enabling Improvement Projects	How did we do?	How did we measure this? How did we track progress in year? (See Appendix 2)	What difference did we make? (outcomes)
	groups to establish and effectively manage sustainable community and / or voluntary organisation	participants from Downshire East and West. The toolkit has since guided all community development training and supported community and voluntary organisations. It is currently under design review before being published online. Evaluation took place in Q4.	Q3: Implementation of community development toolkit by end of December 2024 Q4: Difference made by community development toolkit captured by end of March 2025	See case studies for examples of outcomes achieved to date.

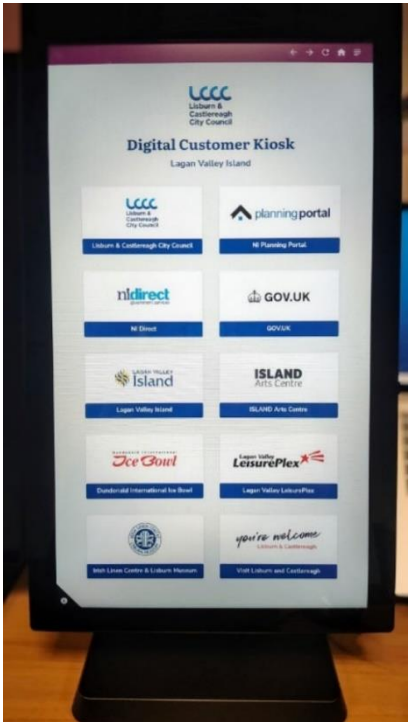
What difference did we make? Case Studies

Some highlights include the following:

Customer engagement & Digital outcomes

Two Digital Customer Kiosks are now available at Lagan Valley Island and Ballyoran Community Centre, allowing users to:

- **Access Council Information:** Browse and engage with a range of council-owned websites, including the corporate website, for services and updates.
- **Report Issues:** Quickly report local concerns or problems.
- **Stay Updated:** Browse upcoming events, community activities, and view the latest updates from the council.
- **Submit Requests:** Submit service requests, such as bulky waste collection.
- **General Enquiries:** Submit general questions or concerns.
- **Access Local Resources:** Find information on local facilities, including libraries, parks, and recycling centres.



These kiosks reflect the council's ongoing commitment to providing accessible digital solutions for the community, particularly for those facing challenges in accessing online services. The devices include built-in analytics to monitor usage and impact, so council can continue improving these devices. Both have been equipped with secure kiosk software so the public can access essential information and services securely. Devices have been in LVI & Ballyoran since beginning of October 2024. Since installation LVI has had a total of 301 sessions and Ballyoran has had a total of 147 sessions where a user has interacted with their respective kiosk. It has allowed for real-time data tracking for services being requested such as how many people have been accessing council information and how many are reporting issues by submitting forms. Further work to be explored to utilise these kiosks across all centres.

The below table is a breakdown of most popular pages visited:

	LVI	Ballyoran CC
Total use	301	147
	https://www.lisburncastlereagh.gov.uk/lccc-kiosk-lagan-valley-island	https://www.lisburncastlereagh.gov.uk/lccc-kiosk-ballyoran-community-centre
	https://www.lisburncastlereagh.gov.uk/	https://www.lisburncastlereagh.gov.uk/
	https://www.lisburncastlereagh.gov.uk/job-opportunities	https://www.lisburncastlereagh.gov.uk/job-opportunities
	https://www.lisburncastlereagh.gov.uk/bins-and-recycling/household-waste	https://www.lisburncastlereagh.gov.uk/bins-and-recycling/household-waste

	https://www.lisburncastlereagh.gov.uk/births-deaths-and-ceremonies	https://www.lisburncastlereagh.gov.uk/bins-and-recycling/household-waste/assisted-bin-collection-request
	https://www.lisburncastlereagh.gov.uk/christmas-programme-2024	https://www.lisburncastlereagh.gov.uk/w/help-with-waste-collections
	https://www.lisburncastlereagh.gov.uk/environmental-health	
	https://www.lisburncastlereagh.gov.uk/sport-and-leisure	
	https://www.lisburncastlereagh.gov.uk/bins-and-recycling	
	https://www.lisburncastlereagh.gov.uk/council-and-performance	
	https://www.lisburncastlereagh.gov.uk/home	
	https://www.lisburncastlereagh.gov.uk/national-key-scheme	
	https://www.lisburncastlereagh.gov.uk/w/collect-ion-days-and-holiday-information	
	https://www.lisburncastlereagh.gov.uk/bins-and-recycling/household-waste	
	https://www.lisburncastlereagh.gov.uk/building-control/resident/building-control-applications	
	https://www.lisburncastlereagh.gov.uk/reportit	
	https://www.lisburncastlereagh.gov.uk/sport-and-leisure/activity-centres	
	https://www.lisburncastlereagh.gov.uk/sport-and-leisure/leisure-facilities	

Communities’ outcomes

Our communities are important to us and we work with them in a wide variety of ways each year to build inclusive and sustainable communities.

Glenavy Village Plan has been produced with a detailed Action Plan. Two public engagement sessions took place during Q3, on the 4th and 25th November which were well



attended by local people and partner organisations. Several of the short-term actions have already been completed.

Short term actions have been delivered as a result of the action plan including localised community training, networking events and statutory partner-led delivery.



Q4 concluded with a successful networking event to support the connectivity between local organisations within the Glenavy area. Further networking meetings will be facilitated to progress actions from the Village Plan. Areas for the future village plans (Lisburn South & Downshire West) are being identified.

Community Development Toolkit was developed and launched in Q1, with training provided to community groups in Q2. Additional training and implementation of the toolkit took place during Q3. Training was provided to 2 groups (Downshire East & Downshire West) with 13 participants. Implementation of the Toolkit has progressed to shape all community development training, with support being offered to community and voluntary sector organisations. Toolkit is currently under design review prior to being available through webpage.

35 participants responded to the programme evaluation. Participants were monitored at different stages of the programme (beginning, during and end) by being asked to rate objectives from 1(no ability) to 5 (full ability). Outcomes being assessed were individual confidence in undertaking their role within the organisation and their understanding and ability to deliver the requirements of their role. The average participant response at the beginning of the programme was 2.1 (very little). Following the completion of the toolkit training, participants scores increased to 4.5 (very good).

Performance Improvement Objective 2

We will continue to deliver council led activities that seek to maintain and improve physical and mental health and wellbeing for our citizens

Outcomes contributing to our Community Plan / Corporate Plan:

- we live healthy, fulfilling and long lives
- good health will no longer be dependent on where we live or what income we have
- older people age actively and more independently to stay well connected
- people of all ages are more physically active more often
- we enjoy good mental health

Performance Improvement Objective 2	Enabling Improvement Projects	How did we do?	How did we measure this? How did we track progress in year? (See Appendix 2)	What difference did we make? (outcomes)
We will continue to deliver council led activities, that seek to maintain and improve physical and mental wellbeing of our citizens	Continue to improve the physical, mental and emotional wellbeing of our citizens through a number of programmes which include: i. developing skills in horticulture and biodiversity ii. physical activity programmes	During 24/25 we have provided: Physical Activity Referral Scheme (PARS) for 269 participants 41 Biodiversity projects with 1731 participants 66 wellbeing programmes with 1712 participants 58 woodland & horticulture programmes with 2803 participants	We have provided 60 wellbeing programmes with 1450 participants by the end of March 25. We have provided 30 Woodland programmes and 20 Horticulture programmes with 1500 participants by the end of March 25. We have provided 40 Biodiversity projects with 1550 participants by the end of March 25. We have provided Physical Activity Referral Scheme (PARS) for 215 participants by the end of March 25.	See case studies for examples of outcomes achieved to date

Performance Improvement Objective 2	Enabling Improvement Projects	How did we do?	How did we measure this? How did we track progress in year? (See Appendix 2)	What difference did we make? (outcomes)
	iii. health programmes (GP Referral / Cardio Referral)			
	Continue to respond to local labour market needs by delivering a range of employability programmes. We aim to support residents within our council area to achieve relevant qualifications that will enable them to gain employment	14 Employability Initiatives have been fully recruited with a total of 265 participants enrolled on the various programmes during 2024/25	Have supported 90 people within our council area to achieve relevant qualifications that will enable them to gain employment	See case studies for examples of outcomes achieved to date
	Further develop our activities for all by providing more dedicated and inclusive opportunities across the council	Museum An accessibility video (including BSL) created by the University of Atypical is now available online to support disabled visitors: Watch here. A multilingual welcome vinyl (in 17 languages) is displayed at the museum entrance. Leaflets for the Flax to Fabric exhibition have been translated into 12 languages and are available via QR codes. Sports Services In Q4, 1,102 inclusive activities were delivered, including Leisure Pool ASD sessions, silent discos,	Museum: improving digitisation of the museum collection. (compare with baseline) Providing inclusive and accessible access to museum programmes. (video of museum by disabled user eg sensory room) Testimonies of users Sports Services: Inclusive events Annual target - 3,000 participants Personal testimonies. Annual target - 40	See case studies for examples of outcomes achieved to date

Performance Improvement Objective 2	Enabling Improvement Projects	How did we do?	How did we measure this? How did we track progress in year? (See Appendix 2)	What difference did we make? (outcomes)
		Disability Skate, Sled Hockey, Indiana Land ASD sessions, and access to the Sensory Room. 13 personal testimonies were gathered to reflect participant experiences.		
	Progress a pilot community ownership / lease initiative of a council owned football pitch	Club identified & business case completed by end of Q1. Lease developed, engagement is ongoing with the community with a view to the lease being signed in the near future.	<u>Milestones of the project</u> Pitch at Lough Moss: Club identified & Business case by end of Q1 Yes / No Lease developed by Q2 Yes / No Handed over to community by end of Q2 Yes / No	See case studies for examples of outcomes achieved to date

What difference did we make? case Studies

The aim of this Performance Improvement Objective was to:

- contribute to the achievement of the outcome of our Community Plan that we live healthy, fulfilling and long lives
- deliver an attractive range of programmes to encourage people of all ages and abilities to participate in and enjoy regular physical activity, sustaining good physical and mental health
- provide safe, accessible leisure and sports facilities, endorsing pathways to sports for all
- deliver high-quality, cost-effective services that meet people's needs making use of new approaches to continual improvement, innovation and performance management
- ensure that:
 - children and young people are physically active and enjoy good mental health
 - good health will no longer be dependent on where we live or what income we have
 - older people age actively and more independently to stay well and connected
 - people of all ages are more physically active more often

Some highlights include the following:

Parks & Amenities outcomes

A lot of great work took place during 24/25 to improve the physical, mental and emotional wellbeing of our citizens. This included a number of programmes to develop their horticultural skills and help them understand the benefits of healthy eating.

The following are some highlights and customer testimonials:

Wellbeing Programmes

Allotment Club The allotment club is on every Monday 10.30am – 12.30pm and is open for anyone to attend free of charge. With the private allotment spaces at Bells Lane having such an extensive waiting list Council an allotment club was created at our council allotment at Bells Lane. There is now on average around 10 attendees each week. The group enjoy meeting up with each other and catching up over some tea, coffee and biscuits as well as working on the allotment.



Functional Fitness MOT Functional fitness is having the physiological capacity to perform normal everyday activities. Functional ability can decline with age but this can be prevented by making changes. The Functional Fitness MOT is 8 assessments that will assess an individual's strength, power, mobility, agility, balance and flexibility. Comments received

was “It was great to see what level I was at and how that compared with my peers” “Really enjoyed the assessment. I would regard myself as being physically fit but the assessment highlighted my balance was a weaknesses which I can now work on to improve” “I liked being able to see what my level of functional fitness is and how it compared to others my age.



Over 50's Circuit Training Programme



A 6 week Circuit Training Programme took place at Lough Moss Leisure Centre starting on 29th January. This was a highly requested programme and always attracts a high level of interest attending. Comments received “Please please please repeat the class as often as funding will allow, it is so beneficial.” “Excellent programme, I love it! Please let it continue. Thank you!” “Really enjoyed it. Jamie shows great enthusiasm and expertise. Will miss it.” “Great

programme run by Jamie. Hopefully another programme will follow.”

4 Week Cook It programme



A 4 week Cook It programme that ran over January and February at Lough Moss Leisure Centre. This 4 week programme focused on cooking things using an air fryer. Comments received “Assisted me in assessing cooking options.” “Feel good mixing with others and lots of fun. Now I can use my Airfryer more.” “Good interaction with other likeminded Air Fryer Cooks.” “Learned how to use a new appliance to prepare meals.”

Horticulture Programmes

Ballycarrickmaddy Primary School

Our horticulture programme was delivered at Ballycarrickmaddy Primary School in March. P1 and P5 took part in the programme and the activities included making a bug hotel, planting broad beans, weeding beds, harvesting rocket seeds, learning how compost is made and learning how a wormery works.



Fort Hill Primary School



Our horticulture programme was brought out to Fort Hill Primary School in February. Their P4 class took part in the programme. The class learned about how a wormery works as well as getting to feed the worms and how food waste gets turned into compost. They planted onion and garlic sets in the beds on the school grounds and planted microgreens that they took home with them.

Bird Walks Two Bird walks in March at Billy Neill Country Park and Moira Demesne. The walks were led by bird expert Dot Blakely. It was great to be able to put on this activity as well as showcase our lovely LCCC parks. A lot of the ones that attended commented on how well the parks were looking. Other comments were “Loved the experience with Dot learning about the birds, nature, bird song, the environment etc.” “A wonderful morning.” “A very enjoyable and informative outing. Thank you.” “A lovely morning, really enjoyed.”



Orchardville took part in our horticulture programme in March. Orchardville is a group of



individuals with either learning disabilities or Autism. This was a hybrid programme where 2 weeks was at our Allotment at Bells Lane and done 2 weeks were at Orchardville’s centre. At Bells Lane they planted potatoes and Parsnips in the raised beds and other seeds in trays that can be transferred to the raised beds once they get established and the warmer weather comes in. At their centre they enjoyed taking part in woodwork workshops making planters for outside their

centre.

Other Programmes – Walking group, Ten Pin Bowling group, Baby Massage, Baby Movers, Pilates, First Aid Course and Paediatric First Aid Course.



Harmony Hill Primary School, whip and bulb planting

Forest in a Box initiative is for children to plant native trees and some woodland bulbs to make their own mini forest. Forest in a Box was delivered to Harmony Hill Primary School and we helped every child in Harmony Hill Primary School to plant a native whip and some bulbs as part of their 60th anniversary celebrations.



Tree Giveaway at Moat Park,



two tree giveaways, one in Moat Park and one in Lisburn Square. People were interested in our free whips and they were delighted to get unexpected free bulbs as well. The event was promoted on LCCC social media.

(Native tree giveaway at Irish Linen Centre

Our native tree giveaway outside the Irish Linen Centre proved a great success. This was promoted on social media and word of mouth. Again members of the public were delighted to receive free bulbs.



Tree planting and litter picking with Lagan Valley Regional Park volunteers a planting afternoon was organised with LVRP and our volunteers. They worked on the cleared area at McIlroy Park and as well as planting 300 whips, and collected 5 bags of rubbish, mostly beer bottles.



Community garden at the Vineyard Church Lagan Valley Vineyard reached out to the Council team to help with their community garden and were offered native whips and bulbs and the experience of our Parks team to help their volunteers. Over 200 whips and 500 mixed bulbs were planted which will bring this outside area to life in times to come. It's a beautiful area for everyone to relax and enjoy being outdoors. A fantastic commendation was received from the group for our team.



Native Planting at Dundonald International Ice Bowl car park

Volunteers were organised to plant native whips at the new car park at Dundonald International Ice Bowl. A group of adults from Orchardville came to help as well as two other volunteers. An experienced Parks & Amenities team supported the volunteers which meant that 500 whips and shrubs were planted inside the allotted time. It was great to involve volunteers in this flagship Council project and the plan is to have the volunteers back throughout the project.



Biodiversity programmes

The Biodiversity Officer organised minibeast talks, bird talks and bat talks with DEA funding to numerous school groups during 2024/25. The following photos are just some examples:

Allan from Wee Critters showed the children a variety of animals and minibeasts in this interactive educational biodiversity talk.



Debbie Dolittle wildlife rescue and Aidan Crean delivered an educational topic on birds, bird ringing and showing the children birds up close.



Feedback: Just a quick message to say thank you for including our school in today's programme. We thoroughly enjoyed it and the children were so engaged and motivated.



Debbie Dolittle wildlife rescue and Aidan Crean delivered an educational topic on birds and showing the children wild animals.

*Feedback: Thank you for organising such an informative and engaging talk this morning.
Thank you again,
Philip*



Forest School is an exciting and innovative educational experience that has been shown to be hugely beneficial to all those taking part. Pupils from a school nominated by the Council, visit their local park or a location close to their school, to complete a 6-week programme.

All the Forest Schools activities can be linked directly to the curriculum which allows teachers to ensure continued progress towards academic targets. The use of outdoor classrooms and change of venue is a fantastic experience for both children and teachers and has demonstrated to be particularly useful for children who do not normally thrive in the classroom.

The aim is also to promote biodiversity and connect children with nature at a young age. It can reduce anti-social behaviour as it gives children a sense of ownership in their local park and improves mental health and wellbeing.

1. Ballycarrickmaddy Primary School
2. Ballymacward Primary School
3. Knockmore Primary School
4. McKinney Primary School
5. Riverdale Primary School

Economic Development outcomes

The Council strives to target those furthest from the labour market who face additional barriers to employment. As part of Lisburn & Castlereagh City Council’s Labour Market Partnership programme, the Council has developed a diverse range of employability programmes that will support our residents to achieve qualifications and gain employment. During 24/25, 265 local residents have enrolled on the 14 employability programmes that have been implemented by the Lisburn Castlereagh LMP Team.

Welding Academy

The engineering sector across Lisburn & Castlereagh is hugely important to the local economy and employees with welding skills are in high demand. On that basis, the Lisburn and Castlereagh Labour Market Partnership successfully delivered an innovative Welding Academy to 15 of our local residents.



During the course of this programme, participants received industry standard training to gain a UK welding standard (British Standard 4872) certificate. The training provided them with the skills to take up welding roles in this important sector. The training was delivered by SERC at their dedicated training facility in Dundrod. One-to-one mentoring support with the Careers Team at SERC matched participants with local employers leading to an employment outcome of 80%, thus reaching our targets in full.

Vision to Venture: A Self-Employment Support Programme



Aspiring entrepreneurs have been given a boost with the launch of ‘Vision to Venture’ a new self-employment support programme which will offer participants up to £500 to assist with business start-up. Forty participants have enrolled on the programme and are currently over halfway through the programme.

Gamified Learning



Forty residents have graduated from the first 'Gamified Essential Learning Programme' provided by the Lisburn and Castlereagh Labour Market Partnership.

They all embraced the interactive non-classroom learning environment delivered by Studyseed CIC on the council's behalf.

Each of our 'Gamified Graduates' has shown that numeracy and literacy can be learnt in a fun, supportive game-style environment. From taking part in games to earn points to levelling up and from completing challenges to winning badges, there was 'plenty to play' for when taking part in the programme.

Our intention with this free programme was to help residents improve their employability. Participants have graduated and received a recognised qualification in numeracy or literacy, which is excellent.

The lessons took place in a relaxed environment in venues across the council area with some friendly competition taking place. I wish all our graduates every success as they use their new qualification to open the door to better job opportunities."

The council hopes to run this programme again in the next financial year.

Multiply Family Fun Day

Over 130 families from Lisburn and Castlereagh participated in the Multiply Family Fun Day at Lagan Valley LeisurePlex on Saturday, 29th March 2025.

Hosted by Healthy Kidz in partnership with Lisburn and Castlereagh City Council Labour Market Partnership, this action-packed event offered a fantastic mix of fun, fitness, and friendly competition, making it the perfect day out for children and parents alike.

With team challenges, interactive games, and fantastic prizes, families will have the opportunity to take part in a range of activities that promote physical activity and teamwork in a fun and inclusive setting.



SPARKX: Numeracy Bootcamp

In March, 40 local people of all ages came together to celebrate their achievements when completing the Sparkx Numeracy Bootcamp. This programme was targeted towards enhancing the numeracy skills of those who have additional needs. The celebration event had a brilliant buzz, with friends and families joining in the fun.



The SPARKS programme, delivered by Stepping Stones NI, has helped build confidence, skills and pathways to further learning. We're proud that 13 participants are now progressing to accredited Maths qualifications (Entry Level 1 to Level 3) – a fantastic step forward for their futures.-

Leisure Outcomes

A lot of good work has taken place during 24/25 across the council to develop our activities for all by providing more dedicated and inclusive opportunities. The following case studies within our Museum and Sports facilities highlight this.

Museum

- Accessibility videos from YouTube have been posted on our website.
- Continuing to make digital collections accessible via Virtual Museum.

Museum Case studies

- **Shared Education (St Aloysius + Ballymacash PS):** Workshops on recycling, science of flight, Victorian day, and family crest. These activities catered to a large number of students from different schools, promoting inclusivity and collaboration.
- **Annual Flaxie Day:** This large-scale event attracted over 1000 participants and featured a wide range of activities designed to engage attendees of all ages, with a special focus on encouraging participation from children under 5. The event included interactive workshops, educational demonstrations, and hands-on activities. By offering family-friendly entertainment and activities tailored to young children, Flaxie Day aimed to break the perception that the museum is not for the under 5 demographic.





- **Shared Education:** St Patrick's, Ballynahinch enjoyed a tailored guided tour and bespoke workshops, which included a significant number of participants and promoted educational inclusivity



- **Talks Programme:** attracted a wide audience, including first time visitors to the museum. The talks are also available on the museum's YouTube channel, allowing a wider audience to benefit from the content, extending the reach and impact of the museum's efforts.
- **To mark LGBT+ History Month "The Troubles I've Seen":** This event provided a platform for discussing important issues faced by the LGBTQ+ community, fostering understanding and acceptance. This event was part of the museum's commitment to creating inclusive opportunities for all members of the community.
- **Outreach Talks:** Various outreach talks were delivered to groups within the local community, ensuring that educational opportunities were accessible and inclusive for all participants.

Comments from Education groups:

"Staff were engaging, helpful and very hands on - which made the workshop feel relaxed and fun filled" - Home Education group

"Very well organised - kept the kids entertained for the full amount of time - some could have stayed on they enjoyed it that much. They got to use their imaginations and come up with very creative things. Would recommend" - Shared Education Group

Feedback on Friends' 250:

A visitor from London - A lovely exhibition + amazing to see so much history about friends! Thanks!

A local visitor – A great school, wonderful memories captured well in this exhibition! Thanks

Feedback on the Weaving Workshop and exhibitions:

Google Review:

I loved this! It's free to enter and there's so much to learn! Alison (the in-museum weaver) is so knowledgeable and talented and taught us all about the different looms and the card punching machine and the different weaving techniques. She really made the history come to life! The gift shop is also lovely. If you're in Lisburn, this is well worth a visit because you learn about so much more than just linen!

Google Review:

Our WI group visited the museum this morning. It was a very interesting experience; the guides were very informative and Angus was particularly engaging. It was also lovely that they provided us all with seats so we didn't have to stand! A really thoughtful touch. I intend to return and look at the **exhibits** all over again!

Comments from Flaxie event:

"This was an excellent experience for the children and age appropriate. They really enjoyed the activities provided for them."

"Enjoyed Arts and crafts and face paint! Would like more regular children's events. Staff very friendly, very helpful."

Comments on talks programme:

"Fabulous talk, very informative. Very welcoming & knowledgeable staff. Booking process very straightforward. Many thanks for a most entertaining evening."

"This was a fantastic informative talk by a true expert in a great venue"

"Easy & effective booking. Welcoming staff. Great talk. Would love to know more"

Sports Services

Sports Services Disability Friendly Sessions

Disability Friendly Skating sessions were delivered at Dundonald International Ice Bowl on the second Tuesday and last Friday of every month. The following video highlights the positive impact the sessions have made with our customers.

<https://vimeo.com/user107526214/disabilitysledging?share=copy>

The following table highlights the positive testimonies received from customers across the Sports Services Unit.

Programme	Testimonial
Parent & Infant Circuits	The excellent instructor Samuel. Really made the class enjoyable and was so good with providing supportive encouragement. The children really enjoyed the activities provided for them too.
Aqua Zumba	The energy that the instructor brought, along with the fun, music & enthusiasm. It was an excellent class which encouraged friendship too.
Zumba Gold	Friendly, fun, instructor pleasant knowledgeable
PARS	The class instructor and all the individuals who it means so much to. The PAR classes means so much to everyone who attend. There should be more class numbers for people who get so much out of the classes, both physically and mentally.
Yoga	Very inclusive, great instruction and great vibes. As a beginner I felt very welcome and comfortable. I got a lot from the class. Thanks!
Pilates	The teacher Cindy is just the best. She is the best craic and makes everyone so comfortable, but also pitches things at such a great level so everyone is able to push themselves for their own goals. And she aims to tackle the issues we all have - like sore backs from sitting at desks etc.. I've done Pilates classes with several instructors, but Cindy is by far and away the best
Zumba Gold	The music, the dancing that "craic" and most of all our wonderful teacher Cindy
Pilates	I love the way Nuela makes the class hard work but makes it easy for everyone to participate no matter what their ability. She doesn't give criticism and genuinely wants you to enjoy the class .
Over 50's Circuits	Always good fun and plenty of variety. You can go as fast or as easy as you like. The chat afterwards is great. Bill always takes time with new people and makes all of us feel welcome. Very positive experience.
PARS	'I Just wanted to let you know that I found the chair based exercise classes enjoyable and beneficial. I would never have believed that such a wide range of exercises from toes to finger tips could be achieved from a sitting position. My mobility issues are to do with arthritis in my knees and of course the many exercises focusing on leg movements were helpful and doable. However, I also found the upper body stretching exercises useful for back and shoulder movement and flexibility. I also appreciated the information you gave us about how the different muscles work.'
PARS	Just wanted to let you know how much we enjoyed your Tuesday class. John has Parkinson's and has difficulty sleeping but he was very keen to attend the class. It gave him goals and he enjoyed getting out and socialising. I attended as John's carer and I really enjoyed the class and it certainly helped to keep me moving. I had been going to Pilates but was starting to find it difficult. Your class certainly filled the gap. We're looking forward to the next class.

PARS	Just want to say thanks for starting this class, it has certainly helped me. After severe hip arthritis for a few years and then 2 replacements, I had lost a lot of muscle due to having very limited mobility and therefore not being able to do any exercise. This class had definitely helped me, muscle strength is improving as is mobility. I also do the Aqua for Health, which is also a great help in getting me back to a better degree fitness. I am very grateful for the Leisureplex and the Council running these programmes which encourage those of us with various health issues to get into exercises which help target our problems, the classes are enjoyable - and stretching - and also, importantly, social. All of these have been proven by several QUB PHD research to be some of the main things that are vital to maintaining physical and mental health in older people. So, again, thank you for doing these classes
Parkinsons Day – Social Club	We had the pleasure of Andrea attending a recent social club for people with Parkinson's and their carers. Andrea is a fantastic instructor who brought both energy and compassion to the session. She tailored the exercises to suit all levels, ensuring that everyone felt comfortable. Her clear instructions and positive encouragement made the session effective but also enjoyable.
Active Ageing & PARS	I want to take this opportunity to thank you for the most helpful 8 week 'Chair Based' exercise classes that I attended on Tuesday mornings. Your approach, encouragement and friendliness to everyone added to the enjoyment of the classes. You have a gift for making each person feel important and special, and without our realising it, you enabled each of us to push ourselves to benefit fully from all the movements and various exercises. A few of us were commenting on how much more flexible we feel and much stronger as a result of attending these particular classes. Andrea, I have also greatly benefited from the other classes I have had opportunity to attend over the past year. I enjoy the 'PARS Active Aging 50+' class on Wednesday and the Thursday morning 'PARS+ Pilates'. Likewise, I have enjoyed the 'Aquatic Activity for Health' programme when I have had opportunity to attend. Prior to attending these classes I had difficulty sleeping because of severe pain in my right leg. Now I sleep well and any discomfort I have at times I can cope with. You have certainly given me a greater quality of life and I feel much fitter and better able to cope with all the various duties and responsibilities that come my way. I do hope I will continue to have the privilege of benefitting from your excellent teaching.
PARS	I just want to take this opportunity to thank you and Marina personally for basically changing and improving my life When I first was accepted on the Pars course, I had a lot of weight to lose to improve my health and fitness. I have lost 8stone since starting Vitality and I joined your retro class and Marinas Zumba and I just love it. I look forward every week coming to classes as they are always fun my daughter now is doing Zumba with me and has lost 4 stone. I think when people like you both work so hard it isn't recognised, and I hope the powers that be see my email.

SECTION 3: Statutory Indicators – Self Assessment

Lisburn & Castlereagh City Council is committed to meeting and, where possible, exceeding the standards set by central government departments through the following seven statutory performance indicators. Below are the results for 2024/25, the council’s data for 2023/24 and 2022/23 has also been included to show comparisons.

Ref	Statutory Indicator	Standard to be met (annually)	Result			Explanation of 2024/2025 result
			2022/23	2023/24	Year End 2024/25	
ED1	The number of jobs promoted through business start-up activity (Business start-up activity means the delivery of completed client led business plans under the Department of Economy’s Regional Start Initiative or its successor programmes.)	85 (DfE) 116 (GfI)	113	73	119 (Estimated)	This business start-up activity is the delivery of the statutory jobs promotion target as set by Department for the Economy (DfE) via the Business Support Programme “Go Succeed”. The LCCC statutory target was historically for 85 jobs annually. However, DfE introduced a new annual target of 116 jobs in June 2023. This resulted in a blended target for 2023/24 of 111 jobs, with the new 116 job target being in place from 2024-25 onwards, The statutory job target has been outperformed by LCCC each year, until 23/24 year. Its ability in 23/24 was hampered by the delays in the implementation and setup phases of the Go-Succeed programme. The 2024/25 figure is a draft number to be finalised by the lead Council for the Programme, Belfast City Council. This is expected to be finalised in July 2025.
P1	The average processing time of major planning applications [An application in the category of major development within the meaning of the Planning (Development Management)	Major applications processed from date valid to decision or	87.2	56.4	59.2	The average processing times for major applications for all councils was reported in the Annual Statistical Bulletin 2024/25 as 39.6 weeks. Performance within LCCC for the 2024/25 period was 59.2 weeks compared to 56.4 weeks the previous year. LCCC demonstrates continuous improvement in the processing of this type of application over a three-year period ranking 9, relative to other councils. Some of the major obstacles to achieving performance of a 30-week

Ref	Statutory Indicator	Standard to be met (annually)	Result			Explanation of 2024/2025 result
			2022/23	2023/24	2024/25	
	Regulations (Northern Ireland) 2015(a)]	withdrawal within an average of 30 weeks.				turnaround for major applications remains the need to secure section 76 planning agreements. This adds significantly to the overall processing time for applications and not taken into account by the Department when this key performance indicator was designed. It remains the target of the council to present at least one major application to committee every month and there remains a continued focus on moving major applications through the planning system as soon as the process allows. A Protocol is implemented and is now realising improvement in the processing of legal agreements which should see an overall reduction in the processing times of major applications.
P2	The average processing time of local planning applications [Local applications mean an application in the category of local development within the meaning of the Planning (Development Management) Regulations (Northern Ireland) 2015, and any other applications for approval or consent under the Planning Act (Northern Ireland) 2011 (or any orders or regulations made under that Act)]	Local applications processed from date valid to decision or withdrawal within an average of 15 weeks.	16.2 weeks	42.4 weeks	38.8 weeks	The average processing times for local applications for all councils was reported in the Annual Statistical Bulletin 2024/25 as 19.0 weeks. Performance within LCCC for the 2024/25 year end was 38.8 weeks compared to 42.4 weeks the previous year. There was an decrease in average processing times of 3.6 weeks. The ability to achieve good performance was constrained by a number of factors including a backlog of older applications. The implementation of a review of the structure and a performance review means that a significant number of these applications are decided and this is reflected in the figure for 2024/25. It should be noted that the council processed approx. 120 more applications than it received. There remains a continued focus on reducing the backlog of older applications and the improvement project is continued with the aim of significantly reducing the median time taken to process local applications in the incoming financial year.

Ref	Statutory Indicator	Standard to be met (annually)	Result			Explanation of 2024/2025 result
			2022/23	2023/24	2024/25	
P3	The percentage of enforcement cases processed within 39 weeks [Enforcement cases are investigations into alleged breaches of planning control under Part 5 of the Planning Act (Northern Ireland) 2011 (or under any orders or regulations made under that Act). (b).]	70% of all enforcement cases progressed to target conclusion within 39 weeks of receipt of complaint.	83.9%	83.2%	69.6%	The council processed 69.6% of enforcement cases which is only 0.4% less than the agreed statutory target which is broadly in line with the average figure for NI which was 70.7%. The enforcement team were not able to perform to the same level as previous years due to a number of personnel changes within the team. A programme of capacity building is implemented to provide additional resilience in the team. There is a renewed focus on ensuring that the performance returns to the levels of previous years.
W1	The percentage of household waste collected by district councils that is sent for recycling (including waste prepared for reuse) [Household waste is as defined in Article 2 of the Waste and Contaminated Land (Northern Ireland) Order 1997(a) and the Controlled Waste and Duty of Care Regulations (Northern Ireland) 2013(b)]	50%	50.5%	50.9%	50.42% <i>(unverified until the NI Local Authority Collected Municipal Waste Statistics annual report is published later this year.)</i>	LCCC has achieved a household waste preparing for reuse, dry recycling and composting rate, KPI of over 50%. Performance improvement is required to increase municipal waste recycling rates, in line with the Waste (Circular Economy) (Amendment) Regulations (Northern Ireland) 2020. Ongoing work on harmonisation of kerbside dry recycling collections has been paused in anticipation of the outcomes of a central government consultation including proposals around delivery of council kerbside collections. This delay will have an impact on progress with regards to improving recycling rates. <i>The validated 2024/2025 figure will be included in the NIEA NI Local Authority Collected Municipal Waste Statistics annual report when published later this year. (Approx. November 2025)</i>
W2	The amount (tonnage) of biodegradable Local Authority	16,444 tonnes	14,240 tonnes	14,099 tonnes	12,548 <i>(unverified until the NI</i>	NILAS targets were set until 2019/20 so while there was no target for 2024/25 it is the expectation that levels of BLACMW should remain within the final year allowance.

Ref	Statutory Indicator	Standard to be met (annually)	Result		Year End	Explanation of 2024/2025 result
			2022/23	2023/24	2024/25	
	Collected Municipal Waste (BLACMW) that is landfilled [Local authority collected municipal waste is as defined in section 21 of the Waste and Emissions Trading Act 2003(c)]				Local Authority Collected Municipal Waste Statistics annual report is published later this year.)	The validated 2024/2025 figure will be included in the NIEA NI Local Authority Collected Municipal Waste Statistics annual report when published later this year. (Approx. November 2025)
W3	The amount (tonnage) of Local Authority Collected Municipal Waste arisings [Local authority collected municipal waste arisings is the total amount of local authority collected municipal waste which has been collected by a district council]	N/A	74,211 tonnes	77,617 tonnes	78,738 (unverified until the NI Local Authority Collected Municipal Waste Statistics annual report is published later this year.)	The validated 2024/2025 figure will be included in the NIEA NI Local Authority Collected Municipal Waste Statistics annual report when published later this year. (Approx. November 2025)

SECTION 4: Comparing LCCC performance with other NI councils

Since 2017, The Local Government Act (Northern Ireland) 2014, Section 92 requires councils to compare their performance, so far as reasonably practicable, against the performance during that and previous financial years of other councils.

Like previous year's comparison is limited, however we are continuing to work in conjunction with the Department of Communities to develop a comprehensive benchmarking framework to provide clear and transparent information to allow comparison across a number of council areas.

Benchmarking is still work in progress for all councils, as we continue to work together as a sector to develop a model that will benefit our ratepayers.

The following section provides a comparison of LCCC with the other 10 NI councils performance under the statutory KPIs. In addition to this, comparisons have been made in two other areas namely Absence and Prompt Payments.

It should be noted that only data available in the public domain has been used for these comparisons. In some cases, 2022/23 is the most up to date annual, validated data available.

Planning Key Performance Indicators

In the 2024/25 business year, 600 local applications were received, and 719 local decisions issued. Based on the Annual Statistical Bulletin 2024/25 as published, LCCC is ranked 10th amongst other Councils in respect of statutory performance for local applications.

There are very specific reasons for this as outlined above as the Council was focused on managing older applications out of the system to allow for a return to good performance. An improvement plan is implemented to take account of recent changes in the unit following a review of the structure; the introduction of the planning portal and the adoption of the LCCC plan strategy.

With regard to major applications, 15 were received and 11 were decided. The Annual Statistical Bulletin 2024/25 confirms that LCCC presented an average processing time of 59.2 weeks. When compared with the Northern Ireland average the Annual Statistical Bulletin 2024/25 reports a performance of 39.6 weeks. The Council is ranked ninth in terms of average processing times for major applications.

LCCC demonstrates continuous improvement in the processing of this type of application over a three-year period. It should be noted that the Council processed almost twice as many major applications in 2024/25 than in the previous year. Some of the major obstacles to achieving performance of a 30-week turnaround for major applications remains the need to secure section 76 planning agreements. This adds significantly to the overall processing time for applications and is not taken into account by the Department when this key performance indicator was designed. It remains the target of the Council to present at least

one major application to Committee every month and there remains a continued focus on moving major applications through the planning system as soon as the process allows. A protocol is implemented to achieve continued improvement in the processing of legal agreements.

A copy of the Annual Statistical Bulletin 2024/25 can be accessed using this link:

[Northern Ireland planning statistics April 2024 - March 2025 | Department for Infrastructure](#)

Economic Development KPI comparisons

During 2023/24 the ‘Go For It’ programme was replaced by ‘Go-Succeed’ (also known as NI Enterprise Support Service – NIESS) as a new service with Belfast City Council (BCC) taking over the reigns as the lead council from LCCC.

LCCC are unable to provide a comparative performance table with other councils, as this data is now managed centrally by the Programme Management Office (PMO) within Belfast City Council, the lead council for the Go Succeed programme. The release of benchmarking or comparative performance information is expected to follow internal validation and external audit and best placed to come directly from Belfast City Council. BCC has confirmed that internal Council verification for the period from November 2023 (start of Go-Succeed) to February 2025 (inclusive) has been completed. To date this information has not been published.

In terms of LCCC’s individual Business Start performance, recent statutory target outputs are outlined below:

LCCC Statutory Target Outputs		
Year	Jobs Created	Comment
2024/25	119 (Internally Verified Only)	Awaiting BCC External Audit - Awaiting BCC External Vouch
2023/24	73 (Internally Verified Only)	Delayed start and challenging rollout of Go Succeed - Awaiting BCC External Vouch
2022/23	113 (Verified)	Verified by LCCC and Externally Vouched
2021/22	129 (Verified)	Verified by LCCC and Externally Vouched
2020/21	106 (Verified)	Verified by LCCC and Externally Vouched – Impacted by COVID-19
2019/20	112 (Verified)	Verified by LCCC and Externally Vouched

Summary:

With the exception of 2020/21, which was impacted by COVID-19, and 2023/24, the challenging Go Succeed launch year, LCCC’s Business Start performance has remained consistent and strong.

Looking ahead, LCCC are working to meet the 119 jobs created in 2024/25 during the 2025/26 period.

Waste data KPI comparisons

Waste data for performance comparison purposes is based on the Northern Ireland Local Authority Collected Municipal Waste Management Statistics Annual Report 2023/2024, published in November 2024. This is the most up to date annual, validated data available.

This report provides both summary and detailed figures on the amount of local authority collected municipal waste in Northern Ireland in the latest reporting year.

Some key points relating to Lisburn & Castlereagh City Council are summarised below:

- its Local Authority Collected municipal waste arisings increased from 74,111 tonnes in 2022/23 to 77,617 tonnes in 2023/24
- its household waste preparing for reuse, dry recycling and composting rate was 50.9% up from 50.5% the previous year
- overall, there was considerable variation between household waste dry recycling rates. Derry City & Strabane recorded the highest dry recycling rate at 29.2 per cent, whilst Lisburn & Castlereagh recorded the lowest rate at 17.5 per cent, below the NI average of 22.7%
- the Lisburn & Castlereagh household waste composting rate was 33%, an increase from the 31.4% recorded for 2022/23, and above the NI average of 28%
- its household waste landfill rate of 37.8% reported for 2023/24 was above the NI average of 18%
- the Landfill Allowance Scheme (NI) Regulations 2004 (as amended) placed a statutory responsibility on councils, in each scheme year, to landfill no more than the quantity of biodegradable waste for which they had allowances. The scheme concluded at the end of the 2019/20 financial year. However, the continued monitoring of biodegradable waste is required for existing target commitments which specify it must be reduced to 35 per cent of the total amount (by weight) of biodegradable municipal waste produced in 1995. The L&CCC allocation for 2019/20 was 16,444 tonnes with the council landfilling 14,099 tonnes of Biodegradable Local Authority Collected Municipal Waste in 2023/24

Future targets in the Waste (Circular Economy) (Amendment) Regulations (Northern Ireland) for municipal waste as follows:

- 55% recycling by 2025
- 60% recycling by 2030
- 65% recycling by 2035
- the amount of municipal waste landfilled to be reduced to 10% or less of the total amount of municipal waste generated by 2035

In 2023/24, LCCC recycled 51.3% of municipal waste (down slightly from 51.4% in 2022/23) and landfilled 37.8% of municipal waste (compared to 38.4% the previous year).

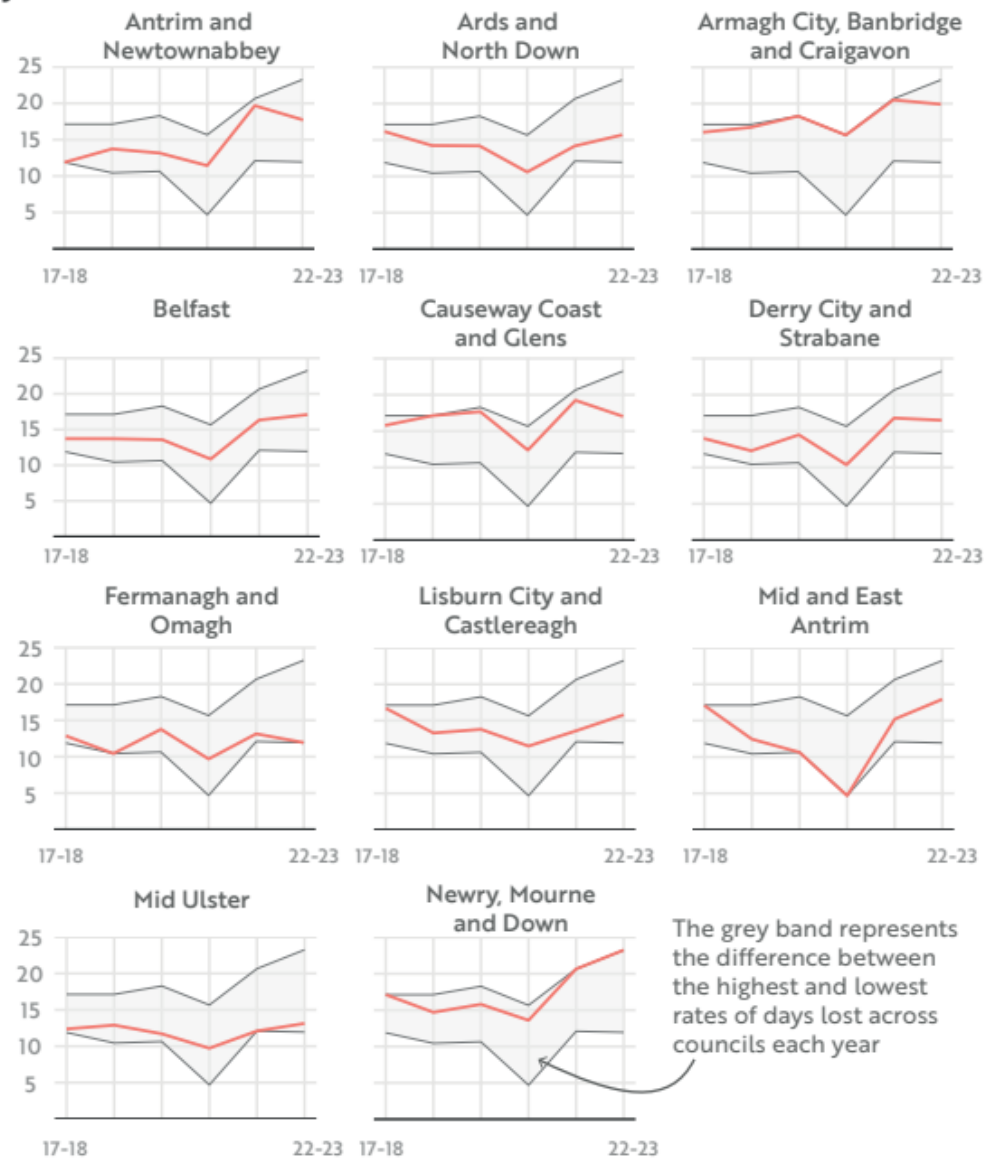
Comparison of absence figures

Northern Ireland Audit Office – Local Government Audit Report October 2024

Whilst there are no Absence figures yet published for 2024-2025 the NIAO advised in their Audit report of 25 October 2024 the following:

“Staff sickness absence rates across the public sector were significantly impacted by the global pandemic. In all 11 councils, absence levels reduced during the early stages of the Covid-19 pandemic in 2020-21 to their lowest over the previous five years. However, as the pandemic ended and restrictions eased, this trend has reversed. In overall terms, the average 16.9 days absence per council staff member in 2022-23 is much higher than the 11.0 days in 2020-21. This rising post-pandemic trend is also apparent across the vast majority of the 11 councils”.

Figure 12. Number of days lost per staff member to sickness absence per year



Number of days lost to sickness absence per year

COUNCIL	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Antrim and Newtownabbey	11.9	13.7	13.2	11.4	9.7	17.7
Ards and North Down	16.2	14.2	14.2	10.6	14.2	15.7
Armagh City, Banbridge and Craigavon	16.1	16.7	18.3	15.7	20.5	19.9
Belfast	13.7	13.7	13.6	10.9	16.3	17.1
Causeway Coast and Glens	15.8	17.1	17.7	12.4	19.2	17.0
Derry City and Strabane	14.0	12.3	14.5	10.4	16.8	16.5
Fermanagh and Omagh	12.9	10.4	13.8	9.7	13.1	11.9
Lisburn City and Castlereagh	16.7	13.3	13.8	11.5	13.6	15.8
Mid and East Antrim	17.1	14.1	10.6	4.7	15.2	17.9
Mid Ulster	12.4	12.9	11.7	9.7	12.1	13.1
Newry, Mourne and Down	17.1	14.7	15.8	13.6	20.7	23.3

In the NIAO report for the 2022/2023 period Lisburn & Castlereagh City Council had the fourth lowest number of sick days per person at 15.8 (16.26 with Covid absences included) No further absence information has been published from the Department for Communities or Northern Ireland Audit Office for the 2023/2024 or 2024/2025 periods.

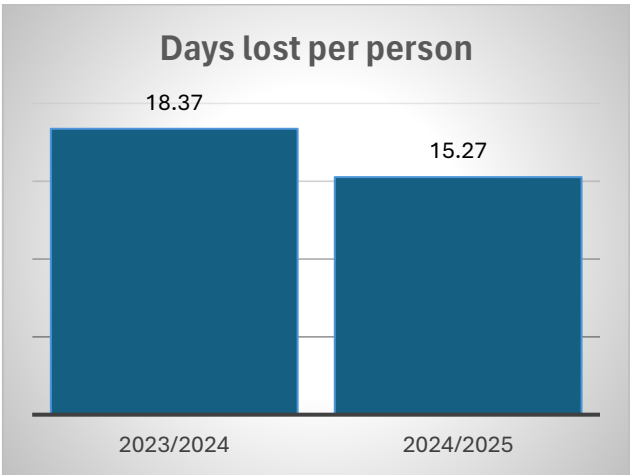
Council’s Absence Trend

This report is comparing the Council’s absence period from 2023/2024 Financial Year against the 2024/2025 period.

In the 2023/2024 Financial Year a new Absence system error incorrectly reported that the Council had 16.26 absence days lost per person, however the accurate figure was amended and reported to NIAO at 18.37 days lost per person.

For the 2024/2025 period, the Council reported 15.27 absence days lost per person, reflecting a reduction of 3.1 days compared to the 2023/2024 figures.

A previous year-on-year comparison of the Council’s absence has been analysed and is detailed below.



It should be noted that Environmental Services days lost per person reduced by 10.88 days on the 2023/2024 Financial Year.

The Council maintains a strategic approach to absence management using proactive, preventative strategies and interventions. It is continuously reviewing its approach to absence management and adopting new methods, good practice alongside benchmarking with other Council's in Northern Ireland, Wales, Scotland, and companies in Northern Ireland.

We had undertaken to review the Policy for Managing Attendance and after detailed consultations with local trade union representatives, Heads of Service, CMT and the Absence Working group which consisted of line manager representatives, a new Policy and Procedure was implemented on 1 April 2025.

HR clinics and training for line managers have commenced in the areas which have the highest sickness absence levels to provide them with the necessary support and guidance.

Health & Wellbeing

We have established a number of working groups internally and externally which aim to obtain perspectives about sickness absence in the Council and to elicit ideas and suggestions on how the Council can increase attendance levels. We have implemented workplace health programmes and policies to create a supportive culture and physical environment that encourages healthy lifestyles together with 25 trained Mental Health First Aiders across the organisation.

The Council leads the subgroup for Managing Attendance established through PPMA. The Northern Ireland Fire Service and Housing Executive are also represented on the group enabling the Council to benchmark with external organisations.

We have a dedicated HR Rep for Long & Short-Term Sickness absence, working in partnership with Managers offering a supportive and coaching approach to tackling attendance issues.

We offer a range of voluntary contribution Healthcare schemes and have organised virtual presentations for staff to help promote these services.

We are currently working to update the Health & Wellbeing Strategy and Action Plan.

A Health & Wellbeing Survey has been created and sent to all employees in June 2024.

The results of the survey were reviewed and analysed and will complement the draft Health & Wellbeing Strategy. The results of the survey has also been taken into consideration when planning and organising Health & Wellbeing events and initiatives throughout the year.

We have 25 Mental Health First Aiders who provide first aid support for employees experiencing mental health problems at work. These employees have also been trained to recognise signs and symptoms of mental ill health and respond appropriately.

The HR&OD Unit is working to ensure all information and support relating to managing mental health concerns are available and accessible to managers and employees through a variety of methods such as the StayWell, a health and wellbeing hub.

Health and Wellbeing bulletins providing advice on a range of topics including National Wellbeing days.

A range of Health and Wellbeing activities were held in 2024/2025 including the following examples which are linked to the four Health & Wellbeing pillars in our draft Health & Wellbeing Strategy:

Mental Wellbeing	Physical Wellbeing	Social Wellbeing	Financial Wellbeing
Mental Health – Managing Stress	Healthy Lifestyles	Parents Emotional Wellbeing	Financial Health
Mental Health Awareness Week – Putting the spotlight on Anxiety webinar	Men’s Health Week	Easter flower arranging	Christmas Shopping tips webinar
Men’s Health Week – Challenges & Choices	Diabetes Awareness Week	Webinar for families dealing with school changes – Dealing with transitions	Save money with your household budget webinar
World Suicide Prevention Day	Step Challenge	Help and support for Parents and Students at results time	Help for all – Cost of living event
Christmas Wellbeing tips	Healthy Eating	Skills building for children with ADHD and Autistic traits	Keep yourself and your loved ones safe from scams
Time to talk day	Summer Safety Tips	Christmas wreath making workshop	
	Cycle to Workday	Protecting the environment	
	Psoriasis Awareness month		
	Breast Cancer Awareness		
	World Menopause Day		
	Women’s Health		

USEL

The Council continues to work in partnership with USEL a government-based organisation who can assist employers with absence relating to physical impairment or mental health issues. They offer services such as Physiotherapy and Counselling at no cost to the Council. The Employment Services Officer keeps in regular contact with employees (normally bi-weekly).

Currently there are 12 employees on both the Workable (NI) Programme and Condition Management Programme with USEL.

Employees must be at work or coming back to the workplace to avail of the programme. All employees have been referred to various programmes and are receiving support and assistance.

Absence Reporting

Absence management reports are provided monthly to the Corporate Management Team as part of our Corporate Health Dashboard. Reports are also provided on a quarterly basis to the Corporate Services Committee and to the Governance & Audit Committee as part of the Council KPI’s.

Directors and Heads of Service are provided with sickness absence statistics monthly to help them effectively monitor and manage sickness absence levels within their units.

In addition, we review of how non-compliance issues are captured and reported, to ensure that sickness absence is managed as effectively and efficiently as possible.

Comparison of Prompt Payment Information

Data summarising DfC Quarterly Prompt Payment Reports

[illegible]

Comparison of LCCC ‘prompt payment’ performance with NI councils

The table on previous page shows prompt payment performance statistics for all councils in Northern Ireland over the past 6 years.

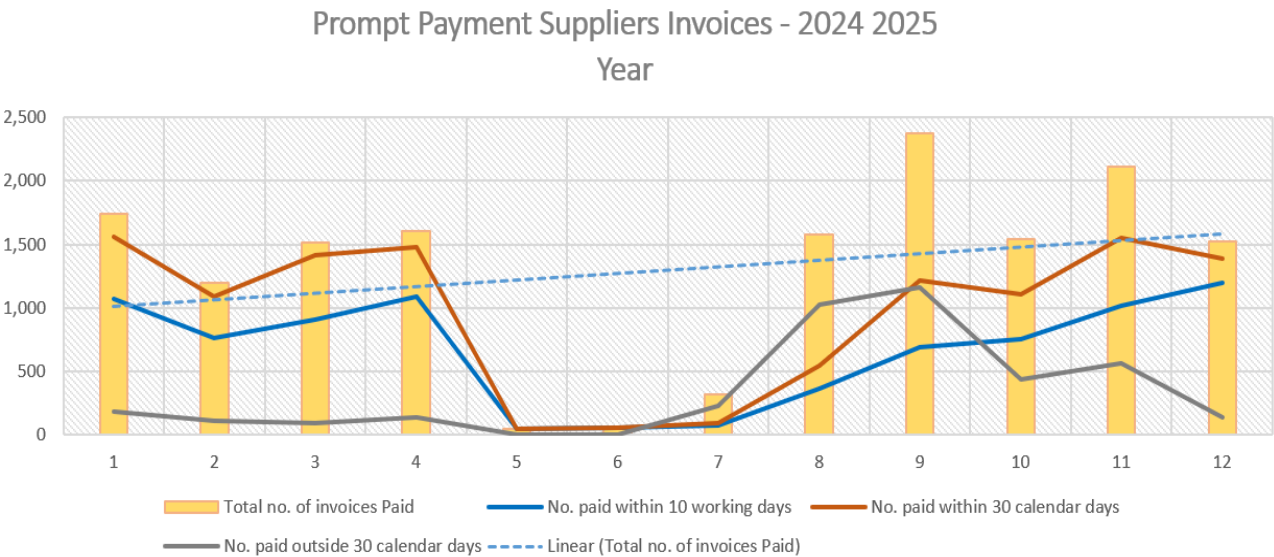
Comparing Lisburn & Castlereagh City Council with the other councils, the following table details how LCCC ranks compared to the other 10 Northern Ireland councils:

	20/21	21/22	22/23	23/24	24/25
Within 10 Days	6th	5th	5th	9th	9th
Within 30 Days	7th	8th	7th	7th	11th
Outside 30 Days	7th	8th	7th	7th	11th
Invoices Paid	13,813	17,497	17,627	17,838	17,632
Total Invoices Paid by Councils	227,877	289,572	307,076	287,661	277,849
% Paid by LCCC	6%	6%	6%	6%	6%

A caveat of the information above is that there may be inconsistencies in the way data is collated within individual councils therefore direct comparison may not be meaningful.

During 2024/2025 Financial Year the Council undertook the implementation of a new finance system – CiA, this financial package went live in September 2024.

In January 2025 the Councils Accounts Payable Team stopped processing paper-based invoices and began to upload invoices received via email directly into CiA.



SECTION 5: Self-assessment of Self-Imposed Indicators

The council had 90 internal KPI’s during 2024/2025 to monitor and track operational performance across all functional areas. These internal KPIs were categorised into 39 Performance Improvement and 51 Self-imposed (Corporate Plan) KPIs. *(Details of these can be found in appendix 1& 2)*

Performance Improvement KPI’S

Performance Improvement	Number of KPI’s	KPI’s Achieved	% Achieved
Ability to Measure KPI	39	34	87%

39 Performance Improvement KPIs were based on measurement in year.

34 were achieved by the end of March therefore 87% of our Performance Improvement KPIs scheduled for completion at the end of the financial year were achieved.

Below are some highlights of the KPIs which were achieved in 24/25:

1. Two digital devices were installed in two facilities to provide outreach support to residents who are not digitally enabled, ensuring no one is left behind.
2. A Community Development Toolkit was developed and launched to assist groups to establish and effectively manage sustainable community and / or voluntary organisation.
3. As a result of successful Community Conversations in Glenavy, a village plan was developed.
4. 66 wellbeing programmes were delivered during 2024/25. This exceeded the target of 60 set for the year, by 10%.
5. There were 1712 participants on the wellbeing programmes during 2024/25 this exceeded the target set of 1450 per annum by 18%.
6. 58 woodland & horticultural programmes were delivered during 2024/25. This exceeded the target of 50 programmes set for the year by 16%.
7. There were 2803 participants on these woodland & horticulture programmes during 2024/25 this far exceeded the target set of 1,500 per annum.
8. 41 biodiversity projects were delivered during 2024/25. This exceeded the target of 40 set for the year by 2.5%.
9. There were 1731 participants on these biodiversity projects during 2024/25 this exceeded the target set of 1550 per annum by 12%.
10. 265 residents within our area have been recruited onto various Labour Market Partnership Programmes, giving them the opportunity to pursue new employment outcomes. This far exceeded the target set of 90 per annum.
11. We delivered specialist employability support and advice to 32 residents with a disability. This was an increase of 28% on our target of 25 residents.
12. 60 residents completed the Physical Activity Referral Scheme.
13. We provided inclusive and accessible access to our museum platforms.

14. We held numerous inclusive events incorporating Leisure Pool ASD sessions, silent discos, Disability Skate & Sled Hockey, IndianaLand ASD Sessions, and access to Sensory Room.

The five KPIs which were not on target at the end of the financial year have specific reasons for not being achieved. These are set out below:

KPI Reference 148: This KPI refers to the reduction in the % of older planning applications that are more 18 months old. Whilst the KPI of processing 90% of these applications was not met significant progress was made (62% achieved) in reducing the total number of older applications in the system. This KPI has been carried forward into our 25/26 Performance Improvement Plan.

KPI Reference 189: This KPI refers to the Number of Wellbeing programme participants during 2024/25. Although the quarterly target was not met, there were 1712 participants in wellbeing programmes over the year, this far exceeded the annual target of 1450 participants. It should be noted that this was the winter quarter and many of the wellbeing programmes are delivered outside therefore the number of participants was affected by inclement weather.

KPI Reference 234: This KPI refers to average processing time for local planning applications. (Processed from date valid to decision issued or withdrawn within an average of 22.5 weeks). Linked to KPI: 148, there was a significant focus on getting older applications out of the system during Q4, this has impacted negatively on our ability to achieve the identified target of 30 weeks. That said the year to date performance is 39.0 weeks, there remains a focus on reducing the overall number of weeks taken to process local applications.

KPI Reference 235: This KPI refers to Planning Service Improvement Programme and the implementation of the validation checklist. This was not completed by the end of March 2025. Stakeholder consultation will take place in Q1 of the new FY 25/26, followed by a public consultation. The feedback from both consultations will be used to prepare a final validation checklist which will allow a direction to be prepared and brought forward in the second quarter of this FY 25/26.

KPI Reference 255 refers to pilot community ownership / lease initiative of a council owned football pitch. A club was identified during the year and a lease was developed but unfortunately the pitch was not handed over to the community during the 24/25 year. Engagement is ongoing with the community with a view to the lease being signed in the near future.

Appendix 1 provides a detailed breakdown of how we performed against each performance improvement KPI. They were analysed either on a quarterly basis or at the end of the financial year.

Corporate Plan - Self-imposed KPI'S

Corporate Plan	Number of KPI's	KPI's Achieved	% Achieved
Ability to Measure KPI	51	37	73%

Corporate Plan 2024-2028 Theme	KPI	Target 2024/25	Actual 2024/25	Result
Civic Leadership	Prompt payments – paid within 30 days	100%	85.2%	
	Prompt payments - paid within 10 days	90%	61.95%	
	Implementation of Finance System	Yes	Yes	
	Revise Accounting Manual	Yes	Yes	
	Refresh of Constitution	Yes	No	
	Development of Planning Validation Checklist	Yes	Yes	
	Implementation of Planning Validation Checklist	Yes	No	
	Proportion of invalid applications returned within 5 working days	Yes	Yes	
	Local planning applications processed within an average of 22.5 weeks.	22.5	47	
	Reduce the % of older applications that are processed over 18 months old.	90% (by end of year)	61.32%	
	Increase our digital offering to increase accessibility by piloting devices in two facilities (Lisburn and Castlereagh areas).	Yes	Yes	
	Engaged and established community resilience group with Dromara and learnings identified for future engagement.	Yes	Yes	
	Commercial quick wins identified and progressed.	Yes	Yes	

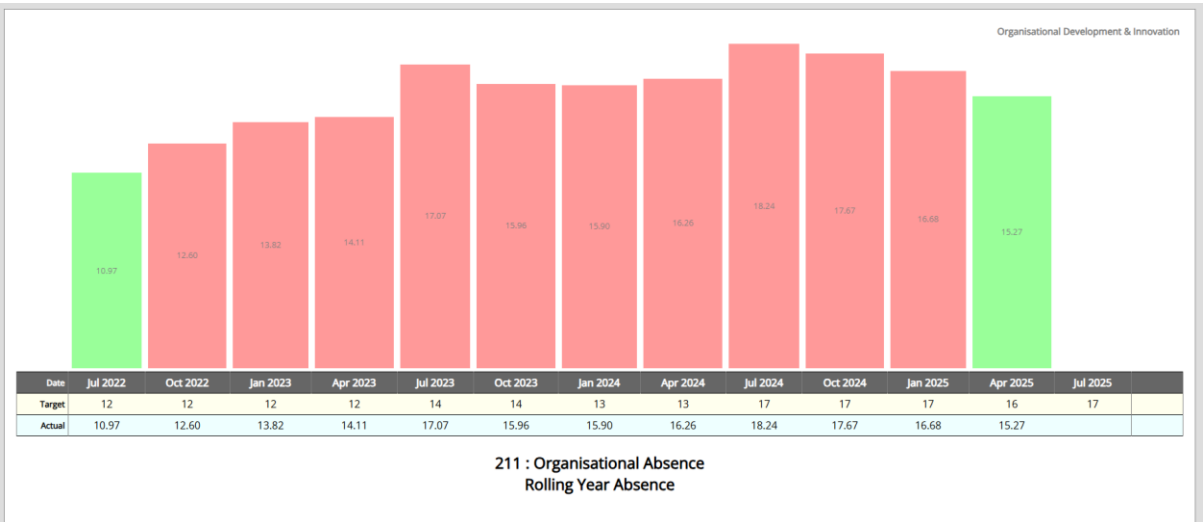
Prosperity	Destination Royal Hillsborough Programme public realm contracts.	Yes	Yes	
	Destination Royal Hillsborough Programme public realm planning	Yes	No	
	Destination Royal Hillsborough Programme public realm award of works	Yes	No	
	Member approval for a categorised approach to works programme and progression of funding to support programme.	Yes	Yes	
People	Organisational Absence – rolling year absence	16	15.27	
	Launch, assess and award Community Investment Fund and Community Facilities Fund.	Yes	Yes	
	Launch, assess and award Sports Fund and Bursary Scheme.	Yes	Yes	
	Launch, assess and award DIY / Technical Fund. Review of Councils financial assistance support.	Yes	Yes	
	Launch, assess and award Arts funds and Community Support Grant Aid.	Yes	Yes	
	Peaceplus action plan to be approved by SEUPB and letter of offer issued.	Yes	Yes	
Planet	Develop and deliver a Fleet Strategy	Yes	Yes	
	5 Electric Vehicle Chargers onsite at LVI by end of 24/25	Yes	Yes	
	Launch of City Centre Regeneration Scheme by end of September 2024	Yes	Yes	
	Progress the Dundonald International Ice Bowl redevelopment	Yes	Yes	
	Enhance burial provision – start works	Yes	Yes	

	New grave plots in operation	Yes	No	↓
	Develop a Council Sustainability Strategy and Climate Action Plan	Yes	No	↓
	Develop a Council Climate Adaptation Plan	Yes	No	↓

51 corporate plan - self-imposed KPIs were based on measurement in year. 37 were achieved by the end of March therefore 73% of our self-imposed KPIs scheduled for completion at the end of the financial year were achieved. 2 were suspended for the financial year and will resume measurement in 2025/26. 12 were not met and there are plans in place to address these during the year ahead.

During 2024/25 a review of all KPIs was undertaken, with the organisation’s suite of indicators categorised into; Performance improvement KPIs, Self-imposed (Corporate Plan KPIs) and Management Information KPIs. The Self-imposed (Corporate Plan KPIs) were reviewed in detail during 2024/25 to make them specific to the Corporate Plan 2024-28. The majority of the 51 Self-imposed (Corporate Plan KPIs) for 2024/25 were new.

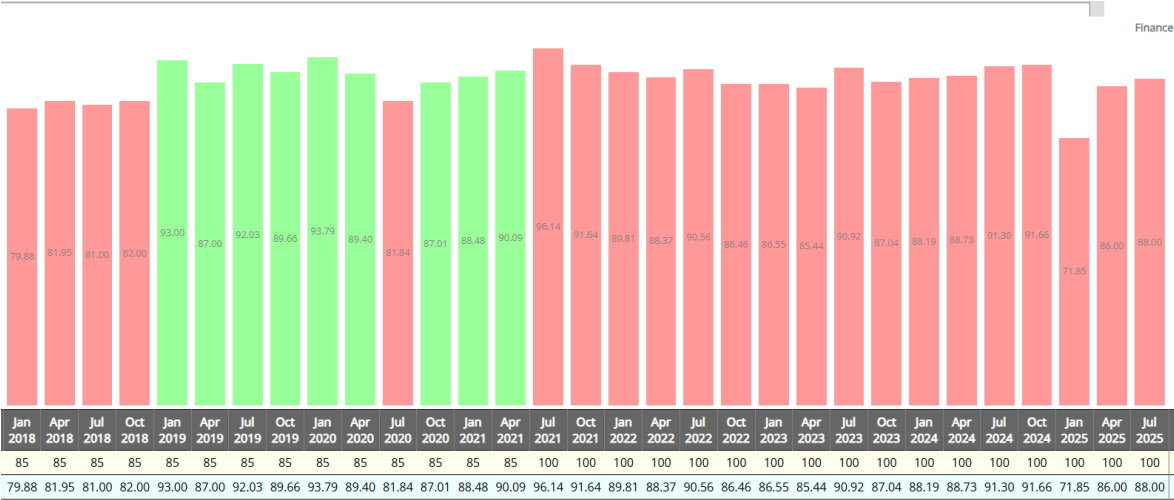
There were notable improvements during 23/24 under some of the themes of the Corporate Plan as is shown in the following points. *Trend analysis is provided where available.*



1. Theme of People – this KPI relates to the Organisational Absence. For the 2024/2025 period, the Council reported 15.27 absence days lost per person, reflecting a reduction of 3.1 days compared to the 2023/2024 figures. The Council maintains a strategic approach to absence management using proactive, preventative strategies and interventions. It is continuously reviewing its approach to absence management

and adopting new methods, good practice alongside benchmarking with other Council's in Northern Ireland, Wales, Scotland, and companies in Northern Ireland.

2. Theme of Civic leadership – one of the KPIs under this theme relates to the prompt payments there had been a significant improvement up until 2021. Performance in this area declined during the past few years and achievement of the targets will continue to be challenging until the implementation of a new finance system. The new system is currently at implementation stage and will significantly improve our performance in this area in the year ahead.



16 : Finance
Percentage supplier invoices paid within 30 Days

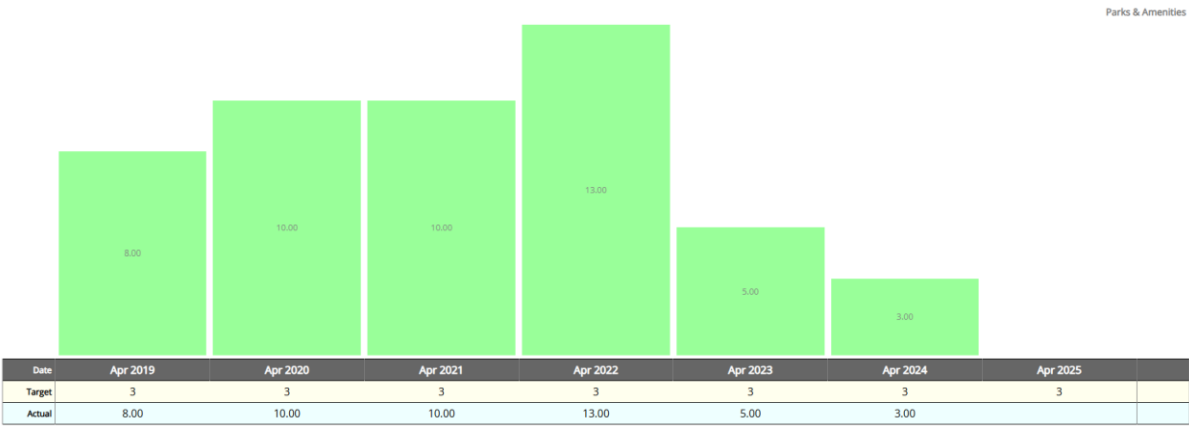
3. Theme of Prosperity – under this theme the area of focus was the number of jobs linked to business start activity and new investment. This target had been exceeded every year until 2022.

In October 2023, ‘Go For It’ was replaced by ‘Go-Succeed’ (also known as NI Enterprise Support Service – NIESS) as a new service with Belfast CC taking over the reigns as the lead council from LCCC. For Financial Year 2024/25 a blended target of two months ‘Go For It’ and 10 months of the new target under ‘Go Succeed’ was applied by DfE. The LCCC annual target for 2024-25 from Go-Succeed was for 116 jobs. LCCC exceeded the target for 2024/25 as shown below.



38 : New jobs
Number of new jobs linked to business start activity and new investment

4. Under the theme of Planet - under this theme we have measured the number of ‘Keep NI Beautiful’ Projects over the past 6 years. The trend chart shows how this target continues to be achieved each year.



121 : Keep Northern Ireland Beautiful Projects
Number of Keep Northern Ireland Beautiful Projects per annum

Appendix 2 provides a detailed breakdown of how the council performed against each self-imposed KPI, including explanatory notes where necessary. The KPIs were analysed on a quarterly basis (where possible).

Appendix 1 – Performance Improvement KPIs

Planning & Capital Development					
148 : Older Applications Reduce the % of older applications that are more 18 months old					
Reduce the % of older applications that are more 18 months old (*based on 243 older applications as at 31st March 2024)	Target	20%	40%	70%	90%
	Actual	12% * 1	26.5% * 2	56% * 3	61.32% * 4
Notes:	1 This target has not been met as better performance was achieved in reducing the overall number of weeks that all applications were processed. This means that a higher proportion of newer applications were processed as measured within the regional performance framework. A focus on the older applications is now being applied and resourced through the most recent recruits. 2 58 of 97 older applications that were due to be processed by the end of Q2 have been issued. 3 108 of 170 older applications that were due to be processed by the end of Q3 have been issued. There was a significant focus on getting older applications out of the system in this quarter, this means 50 older applications were issued in 1 quarter which is almost the same quantity as was issued in Q1 & Q2 together. 4 Whilst the KPI of processing 90% of these applications was not met significant progress was made (62% achieved) in reducing the total number of older applications in the system.				
Parks & Amenities					
187 : Biodiversity Projects Number of biodiversity projects delivered during 2024/25					
Number of biodiversity projects delivered during 2024/25	Target	3	5	15	17
	Actual	4	5	15	17
Number of participants in the biodiversity projects	Target	160	150	585	663
	Actual	177	155	690 * 1	709
Notes:	1 Biodiversity projects were delivered in schools during Q3. Projects were adapted to suit school requests and were delivered to individual classes rather than as a session, hence the increase in participant numbers.				
189 : Wellbeing programmes Wellbeing programme KPIs					
Number of Wellbeing programmes delivered during 2024/25	Target	16	10	20	14
	Actual	17	10	23	16
Number of Wellbeing programme participants during 2024/25	Target	400	200	450	400
	Actual	450	214	725 * 1	323 * 2
Notes:	1 Some of the well being projects were delivered in schools during Q3. Projects were adapted to suit school requests and were delivered to individual classes rather than as a session, hence the increase in participant numbers. 2 Although the quarterly target was not met, there were 1712 participants in wellbeing programmes over the year, this far exceeded the annual target of 1450 participants. It should be noted that this was the winter quarter and many of the wellbeing programmes are delivered outside therefore the number of participants was affected by inclement weather.				
213 : Sustainability Projects Woodland & Horticulture programmes & participants					
Number of woodland programmes	Target	6	6	10	8
	Actual	8	8	11	8
Number of horticulture programmes	Target	5	4	8	3
	Actual	5	4	11	3
Number of woodland participants	Target	650	75	150	300
	Actual	684	247 * 1	1256 * 2	616 * 3
Notes:	1 The increase in numbers for Q2 was due to the large numbers of participation from the summer schemes. In previous years there were approx. 15 at each session however this year there were two sessions of 60 children accommodated which required the team to pull in extra resource. The programmes were delivered successfully with positive feedback from all. 2 The targets have been exceeded for both programmes and participants because of an opportunity for The Big Tree Project to partake in an Halloween event which had not been accounted for in the figures and this led to the numbers exceeding the original KPI figures 3 The inflated participant numbers are due to working with school groups. The numbers are hard to predict and we generally aim for a classroom of 30, however our aim is to educate and involve as many children/people as possible and therefore we do not refuse when the school wants to get multiple classes involved.				
Number of horticulture participants	Target	200	35	160	30
	Actual	453 * 1	46	205 * 2	35
Notes:	1 The participant numbers were higher in Q1 due to unanticipated funding from Lisburn City Centre Management to provide hanging basket workshops for the public in the City centre. Multiple sessions were held over 3 days. 2 The targets have been exceeded for both programmes and participants because of an opportunity for The Big Tree Project to partake in an Halloween event which had not been accounted for in the figures and this led to the numbers exceeding the original KPI figures				

Arts, Culture and Community Services					
219 : Community Conversations In Lisburn South and Downshire West					
Village plan developed for Lisburn South by end of September 24	Target Actual	No No	No No	Yes Yes	Yes Yes
Village plan developed for Downshire West by end March 25	Target Actual	No No	No No	Yes Yes	Yes Yes
	Notes:	1 Preparations for the development of a Village Plan in the Glenavy area of Killultagh are underway and consultations will take place in Q3. These will take place on the 4th and 25th November 2 Glenavy Village Plan complete and presented in draft to local community on 25 November 2024. 3 It should be noted that the Village Plan was developed for Killultagh instead of Downshire West as it was outstanding from the previous financial year. Downshire West will be carried forward to 25/26. With regard to Killultagh, short term actions have been delivered as a result of the action plan including localised community training, networking events and statutory partner-led delivery.			
IT & Commercialisation					
225 : Digital systems New systems provided to improve the customer experience					
Source 2 devices and develop data analytics to measure usage and impact	Target Actual	Yes Yes	Yes Yes	Yes Yes	Yes Yes
Install 2 devices in Ballyoran CC and LVI	Target Actual	No No	Yes No	Yes Yes	Yes Yes
	Notes:	1 Devices to be launched in centres in September 24 2 The launch of the kiosks is now scheduled for October to align with the release of citywide newsletter.			
Capture the usage and impact of devices at each facility during Q3 & Q4	Target Actual	No No	No No	Yes Yes	Yes Yes
	Notes:	1 Devices have been in LVI & Ballyoran since beginning of October 2024, figures have been recorded and will be shared within evaluation. 2 Q4 Ballyoran Community Centre Total Sessions - 65 Q4 LVI Total Sessions - 79			
Evaluate usage and impact of devices at each facility	Target Actual	No No	No No	No No	Yes Yes
	Notes:	1 Usage since installation: Ballyoran Community Centre Total Sessions - 147 LVI Total Sessions - 301			
Economic Development					
226 : Labour Market Partnership programme Participants					
Number of participants in the Labour Market Partnership programme	Target Actual	0 0	30 0	30 81	30 265
	Notes:	1 During Quarter 1 time has been spent developing and designing each of the 11 programmes. The procurement documents have been prepared for each programme and these are currently being tendered. Contracts will be awarded subject to a funding contract from DfC. 2 The Lisburn Castlereagh LMP are only in receipt of a Letter of Offer for the 2024/25 Action Plan from DfC, which was signed by the Chief Executive in September 2024. While 2 programmes have been launched, they are still in the recruitment phase. The remaining programmes will be launched and recruited once procured. An update will be provided in Q3. 3 The Lisburn and Castlereagh LMP awarded 9 out of the 11 contracts for programme delivery. 5 of these programmes were open for recruitment during this period with a total of 81 participants enrolled. 4 The Lisburn and Castlereagh LMP has 14 programmes at different stages of delivery. A total number of 265 people have been recruited onto the various programmes.			
Sports Services					
230 : Physical Activity Referral Scheme PARS Participants					
Number of participants	Target Actual	54 72	54 60	54 77	53 60
	Notes:	1 90 with 30 dropping out and not completing 2 84 enrolled with 77 completing 3 81 enrolled with 60 completing			

Planning & Capital Development					
234 : Local Applications (Internal KPI) Average processing time for local planning applications. (Processed from date valid to decision issued or withdrawn within an average of 22.5 weeks)					
Applications processed within an average of 22.5 weeks	Target	42.5	37.5	30	19.5
	Actual	33.3	35.9	41.23	47
		* 1	* 2	* 3	* 4
Notes:	1 This is an average of April, May and June. Note that this includes the unvalidated figure of 33 weeks for June. 2 Q2 = This is an average of the July, August and September statistical returns. The year to date performance is 34.1. 3 Q3 = This is an average of the October, November and December statistical returns. Linked to KPI: 148, there was a significant focus on getting older applications out of the system during Q3, this has impacted negatively on our ability to achieve the identified target of 30 weeks. That said the year to date performance is 36.8 weeks, there remains a focus on reducing the overall number of weeks taken to process local applications. 4 Q4 = This is an average of the January, February and March statistical returns. Linked to KPI: 148, there was a significant focus on getting older applications out of the system during Q4, this has impacted negatively on our ability to achieve the identified target of 30 weeks. That said the year to date performance is 39.0 weeks, there remains a focus on reducing the overall number of weeks taken to process local applications.				
235 : Planning Service Improvement Programme Development and implementation of a Planning Service Improvement Programme during 24/25					
Development of a validation checklist	Target	Yes	Yes	Yes	Yes
	Actual	Yes	Yes	Yes	Yes
		* 1	* 2		
Notes:	1 Draft validation checklist to be agreed by members in Q2 2 This has been approved by Committee				
Implementation of the validation checklist	Target	No	Yes	Yes	Yes
	Actual	No	No	No	No
		* 1	* 2	* 3	
Notes:	1 New legislation from DfI has come into effect on 8th October 2024, this will require a public consultation to be carried out. This will delay implementation of the validation checklist until end of Q3. 2 There is a legislative requirement for placing validation checklists on a statutory basis. This public consultation process is scheduled to take place before end of March 25 and as a consequence has delayed the implementation of the validation checklist at the end of Q4. 3 Stakeholder consultation will take place in Q1 of the new FY 25/26, followed by a public consultation. The feedback from both consultations will be used to prepare a final validation checklist which will allow a direction to be prepared and brought forward in the second quarter of this FY 25/26.				
Proportion of invalid applications returned within 5 working days Q3 75% Q4 90%	Target	No	No	Yes	Yes
	Actual	No	No	Yes	Yes
				* 1	* 2
Notes:	1 45% of invalid applications were returned within 5 working days. A number of applications received and in process were returned when it was discovered (following a site visit) that the application could not be processed. These were returned but have impacted adversely upon our ability to meet this target. 2 52.63% of invalid applications were returned within 5 working days. A number of applications received and in process were returned when it was discovered (following a site visit) that the application could not be processed. These were returned but have impacted adversely upon our ability to meet this target.				
Arts, Culture and Community Services					
250 : Community Development Develop a community development toolkit to assist groups to establish and effectively manage sustainable community and / or voluntary organisation					
Development & launch of community development toolkit by end of June 2024	Target	No	Yes	Yes	Yes
	Actual	No	Yes	Yes	Yes
		* 1	* 2	* 3	* 4
Notes:	1 The Community Development Toolkit is in the final stages of approval and ready to launch in Q2. It is currently being user tested in advance of finalisation. 2 The Toolkit is in final design stage with training delivered to 2 new groups (Killultagh & Castlereagh South). Additional training and implementation is scheduled for Q3. 3 Additional training and implementation of toolkit has progressed 4 Toolkit being delivered through Community group Health Checks and ongoing support				
Provide training to users by end of September 2024	Target	No	Yes	Yes	Yes
	Actual	No	Yes	Yes	Yes
			* 1	* 2	* 3
Notes:	1 The Toolkit is in final design stage with training delivered to 2 new groups (Killultagh & Castlereagh South). Additional training and implementation is scheduled for Q3. 2 Additional training has been provided to 2 groups (Downshire East & Downshire West) with feedback received to adapt Toolkit prior to official launch on webpage 3 Toolkit is being used as a reference point to deliver bespoke & generalised training to increase capacity and sustainability to local community groups.				
Implementation of community development toolkit by end of December 2024	Target	No	No	Yes	Yes
	Actual	No	No	Yes	Yes
				* 1	* 2
Notes:	1 Implementation of Toolkit has progressed to shape all community development training and support being offered to community and voluntary sector organisations 2 Toolkit is being implemented through training, support sessions and outreach clinics				
Difference made by community development toolkit captured by end of March 2025	Target	No	No	No	Yes
	Actual	No	No	No	Yes
					* 1

251 : Inclusivity Improving digitisation of the museum collection					
Photographing 500 artefacts during 2024/25	Target Actual	125 125	125 880	125 298	125 510
Notes:	1 A large number of the objects photographed were of proof napkins, sketches and designs transferred to point paper and these were less time consuming to photograph hence the target was far exceeded for this quarter. 2 The images are made available to staff, researchers and interested parties. This includes an author of one academic monograph, and one textile specialist for an international conference				
252 : Inclusivity Providing inclusive and accessible access to museum platforms					
Provision of museum video outlining how disabled visitors can participate in museum tours	Target Actual	No No	Yes Yes	Yes Yes	Yes Yes
Notes:	1 The video demonstrating accessibility in the museum is complete in two versions, one includes British Sign language the second Irish sign language and ready to use pending internal review. Alongside this we will post a video with 6 foreign language sub titles. 2 Museum video is online on Lisburnmuseum.com 3 The university of atypical videos continues to have views on our YouTube page (please see the case studies below for inclusive sessions we have had in Q3) Museum Case studies We had 12 group visits October – December 1. High Engagement: A total of 236 users participated in various events, indicating strong engagement across different groups. 2. Diverse Needs Addressed: The events catered to a wide range of needs, including learning disabilities, speech delays, mild learning difficulties, and physical disabilities. 3. Positive Feedback: Many groups provided positive comments, highlighting the effectiveness and enjoyment of the sessions. Specific commendation was given to staff and engaging activities and the welcoming atmosphere. 4. Repeated Participation: Some groups participated in multiple sessions, suggesting satisfaction and ongoing interest. 5. Inclusive Environment: The events were inclusive, accommodating participants with various disabilities and ensuring a suitable environment for all. 4 Provision of museum video outlining how disabled visitors can participate in museum tours videos now online https://www.lisburnmuseum.com/media-video-podcasts/accessibility-video-by-university-of-atypical-is/ Accessibility video by University of Atypical (BSL) - Irish Linen Centre & Lisburn Museum				
Museum vinyl will be displayed in Museum Foyer,“ Welcome to Lisburn Museum” in 17 languages	Target Actual	No No	Yes No	Yes No	Yes Yes
Notes:	1 The hanging banners with 17 foreign languages will be installed in Quarter 2. 2 The Foyer banners have been printed, installation has been postponed until Q4. 3 The banners will be in place second week in January. 4 Museum vinyl will be displayed in Museum Foyer;“ Welcome to Lisburn Museum” in 17 languages On display, hanging North side Museum entrance				
Leaflets explaining key aspects of the museum's Flax to Fabric exhibition will be translated into 12 languages that can be downloaded using QR codes	Target Actual	No No	Yes Yes	Yes Yes	Yes Yes
Notes:	1 This is currently under procurement and on target for implementation. An open day for groups/individuals from migrant communities took place on 17 August whereby 800 attended the Irish Linen Centre and Lisburn Museum. 2 QR leaflets panel has been installed in Flax to Fabric Gallery. 3 This is in place, a combination of printed copies and a display panel of QR codes is in Flax to Fabric exhibition 4 Leaflets explaining key aspects of the museum's Flax to Fabric exhibition will be translated into 12 languages that can be downloaded using QR codes Now available to download Flax to Fabric Gallery				
Sports Services					
253 : Inclusivity Inclusive events incorporating Leisure Pool ASD sessions, silent discos, Disability Skate & Sled Hockey, IndianaLand ASD Sessions, and access to Sensory Room.					
Participants at Inclusive events	Target Actual	750 1288	750 1168	750 859	750 1102
Notes:	1 These events are proving to be very popular which is why the target is being far exceeded. Their popularity could not have been anticipated at the time of the targets being agreed. Also a few of the events are new and as such it is difficult to gauge initial demand.				
Personal testimonies	Target Actual	10 10	10 19	10 13	10 13
Economic Development					
254 : Inclusivity Delivery of specialist employability support and advice for those with a disability.					
Number of people supported	Target Actual	25 32			
Notes:	1 During Quarter 4 the Pathways to Employment for Individuals with a Disability Programme opened for recruitment. The programme has been a huge success and had exceeded the recruitment target of 25 participants to be enrolled. A total of 32 participants have been offered a place on the programme. Furthermore, the Lisburn Castlereagh LMP bid for additional money to support the design and delivery of an employer's toolkit educate and guide local employers with regards to employing people with a disability. The provision of an employer's toolkit will enable local businesses to shape their workplace cultures, employment practices, and contribute to supporting disabled people to find, sustain and thrive in employment.				

Recruitment onto specialist programme of support	Target Actual	No No	Yes No * 1	Yes No * 2	Yes Yes * 3
	Notes:	1 The Lisburn Castlereagh LMP (Labour Market Partnership) received the Letter of Offer for the 2024/25 Action Plan from DfC, this was signed off by the Chief Executive at the start of September. The Pathways to Employment for Individuals with a Disability Programme is included in the range of projects to be funded by DfC. At this stage the procurement exercise is live on e-tenders, closing for applications during mid-October. It is anticipated that the programme will launch in November 2024. 2 During Quarter 3, the Lisburn Castlereagh LMP awarded the contract to deliver the Pathway to Employment for Individuals with a Disability Programme. Recruitment will take place in Quarter 4. 3 During Quarter 4 the Pathways to Employment for Individuals with a Disability Programme opened for recruitment. The programme has been a huge success and had exceeded the recruitment target of 25 participants to be enrolled. A total of 32 participants have been offered a place on the programme. Furthermore, the Lisburn Castlereagh LMP bid for additional money to support the design and delivery of an employer's toolkit educate and guide local employers with regards to employing people with a disability. The provision of an employer's toolkit will enable local businesses to shape their workplace cultures, employment practices, and contribute to supporting disabled people to find, sustain and thrive in employment.			
Delivery of accredited training	Target Actual	No No	No No	Yes No * 1	Yes Yes * 2
	Notes:	1 During Quarter 3, the Lisburn Castlereagh LMP awarded the contract to deliver the Pathway to Employment for Individuals with a Disability Programme. Recruitment will take place in Quarter 4. 2 32 participants have been enrolled onto the programme. Participants will receive one-to-one mentoring support, whereby, a bespoke action plan will be developed to coincide with the career aspirations of participants. All 32 participants will be offered accredited training, although some may opt out of training, instead requiring support with job searching to include support to development of CV and preparing for an interview. Receive bespoke mentoring tailored to each individual action plan – Yes Supporting participants on their journey into Employment / Further Education – Yes			
Receive bespoke mentoring tailored to each individual action plan	Target Actual	No No	No No	No No	Yes Yes
Supporting participants on their journey Employment / Further Education	Target Actual	No No	No No	No No	Yes Yes

Assets

255 : Community ownership Pilot community ownership / lease initiative of a council owned football pitch

Club identified & Business case by end of Q1	Target Actual	Yes Yes	Yes Yes	Yes Yes	Yes Yes
Lease developed by Q2	Target Actual	No No	Yes Yes	Yes Yes	Yes Yes
Handed over to community by end of Q2	Target Actual	No No	Yes No * 1	Yes No * 2	Yes No * 3
	Notes:	1 Engagement is ongoing with the community with a view to the lease being signed in the near future. 2 Engagement is ongoing with the community with a view to the lease being signed in the near future. 3 Engagement is ongoing with the community with a view to the lease being signed in the near future.			

Appendix 2 – Self Imposed Key Performance Indicators (KPIs)

Please click here for link to Appendix 2:

<https://www.lisburncastlereagh.gov.uk/documents/d/guest/appendix-2-corporate-plan-kpis-2024-25>

Appendix 3 – Annual Complaints Report 2024/25

See links below:

<https://www.lisburncastlereagh.gov.uk/documents/d/guest/digital-services-customer-care-complaints-compliments-2024-annual-report>

<https://www.lisburncastlereagh.gov.uk/documents/d/guest/annual-complaints-report-24-25-amended-1>

Contacts for Feedback and Review

If you would like further information or if you wish to get in touch, please do so by one of the following methods:

Website: <https://www.lisburncastlereagh.gov.uk/w/performance-improvement>

Telephone: Performance Improvement Officer on 028 9244 7415

Email: performance@lisburncastlereagh.gov.uk

Write to Us: Performance Improvement Officer, Lisburn & Castlereagh City Council, Civic Headquarters, Lagan Valley Island, Lisburn, BT27 4RL

Lisburn & Castlereagh City Council, on request, will take all reasonable steps to provide this document in alternative formats and in minority languages to meet the needs of those who are not fluent in English.

Committee:	Governance & Audit
Date:	11 September 2025
Report from:	Samantha Rice, Environmental Health Manager (Acting)

Item for:	Decision
Subject:	Corporate Risk Register

1.0	<u>Background and Key Issues</u>	
1.1	The Council's risks continue to be monitored and managed (Appendix I), with 1 high risk remaining on the Council's Corporate Risk Register: CRR 6 Cyber Security – due to the threat to Council infrastructure	
1.2	In accordance with the Council's Risk Management Strategy bi-annual reporting schedule, Directorate Risk Registers will be presented for Members reference through Risk Register report in December 2025.	
1.3	In addition, two risks are due to undergo a deep dive analysis in the 2025/26 financial year. All corporate risks have to date been scrutinised and as per rotation the next highest in terms of risk are those at a residual medium level 9 rating, the following two of which are proposed: • CRR 7 Financial Sustainability on the basis of delivering a balanced budget and longer-term financial resilience and sustainability in line with the Council's ambitious programme. • CRR 11 Burial Grounds taking into consideration current burial ground capacity and progression of the long-term cemetery strategy. The remaining residual medium level 9 risks continue to undergo action and will be presented at the next deep dive analysis.	
2.0	<u>Recommendation</u> It is recommended that Members: 1. Note the Corporate Risk Register (Appendix I). 2. Approve the deep dive analysis of CCR 7 financial sustainability and CCR 11 burial grounds.	
3.0	<u>Finance and Resource Implications</u> Not Applicable.	
4.0	<u>Equality/Good Relations and Rural Needs Impact Assessments</u>	
4.1	Has an equality and good relations screening been carried out?	No
4.2	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out Not required – Internal documentation for Noting only.	
4.3	Has a Rural Needs Impact Assessment (RNIA) been completed?	No
4.4	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out.	

	Not required – Internal documentation for Noting on	
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Appendices:	Appendix I -Corporate Risk Register Dashboard
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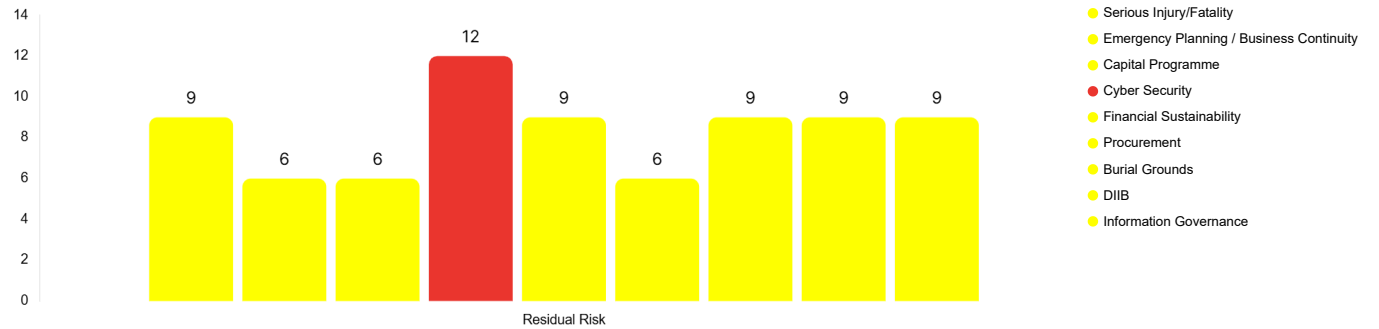
LCCC CORPORATE RISK

LIVE DASHBOARD

Risk Matrix				
Likelihood	Minor	Moderate	Major	Catastrophic
Very Likely	4	8	12	16
Likely	3	6	9	12
Unlikely	2	4	6	8
Very Unlikely	1	2	3	4
	Minor	Moderate	Major	Catastrophic

CORPORATE SUMMARY

Corporate Risk Summary



CORPORATE RISK REGISTER

Corporate Risks									
High Risk	Ref.	Risk	Risk Description	Risk Owner	Inherent Risk	Current Controls / Additional Actions	Residual Risk	Fluctuation since last review	Rationale
	CRR 002	Emergency Planning / Business Continuity	Inability to respond to Command, Control & Coordination arrangements or concurrent emergencies due to increased strain on current resources resulting in impact on resilience.	HOS Environmental Health, Risk & Emergency Planning	12	CRR 2 Emergency Planning / Business Continuity	6	↔	
	CRR 004	Capital Programme	Potential failure to deliver the agreed outcomes of the capital programme as a result of affordability or changes in third party funding arrangements.	HOS Planning	12	CRR 4 Capital Programme	6	↔	
	CRR 006	Cyber Security	Cyber attack resulting in significant outage or data loss.	Director Organisation Development & Innovation	16	CRR 6 Cyber Security	12	↔	
	CRR 007	Financial Sustainability	Failure to deliver balanced budget and longer term financial resilience and sustainability.	HOS Finance	16	CRR 7 Financial Sustainability	9	↔	
	CRR 009	Procurement	Non compliance with procurement and contract regulations, policies and processes resulting in reputation/financial loss and risk of litigation.	HOS Assets	9	CRR 9 Procurement	6	↔	
	CRR 011	Burial Grounds	Risk of insufficient LCCC burial ground capacity within the Council area.	HOS Environmental Health, Risk & Emergency Planning	12	CRR 011 Burial Grounds	9	↔	
	CRR 012	DIIB	Risk of not delivering the DIIB project in line with agreed business case due to the significant Capital Investment representation on LCCCs Capital Programme and significant transformational project to modernise the facility.	Director of Leisure & Comm Wellbeing	12	CRR 012 DIIB	9	↔	
	CRR 013	Information Governance	Inadequate controls relating to information governance leading to non compliance.	Director of Finance & Corporate Services	16	FCS 5 Information Governance	9	↔	



Committee:	Governance and Audit Committee
Date:	11 th September 2025
Report from:	Internal Audit Manager

Item for:	Approval
Subject:	Draft Internal Audit Charter

1.0	<u>Background and Key Issues</u> The Internal Audit Manager has a responsibility to prepare an Internal Audit Charter that conforms with the new Global Internal Audit Standards (UK public sector). To be effective and to meet the requirements of professional standards, internal audit's authority needs to be established. In local government in the UK, internal audit's authority has statutory backing through the regulations issued by national UK governments. The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015. Internal Audit derives further authority from those authorising this Charter to provide a free and unfettered ability to plan and undertake audit assignments deemed necessary to fulfil its purpose. This is detailed on page 5/6 of the Internal Audit Charter. When reviewing the charter, the audit committee should be satisfied that it covers the governance arrangements for internal audit. It must include the mandate derived from the regulations, plus any additional agreed mandate, and include internal audit's reporting line to the audit committee. The charter should include the administrative reporting arrangements for internal audit and the chief audit executive (Internal Audit Manager). The Role of the Audit Committee (Principle 6 of GIAS) is in detail on page 4/5 of the Internal Audit Charter and on page 29 of the condensed GIAS document attached to the GIAS – Self-Assessment report	
2.0	<u>Recommendation</u> Members are required to approve the Internal Audit Charter.	
3.0	<u>Finance and Resource Implications</u> None	
4.0	<u>Equality/Good Relations and Rural Needs Impact Assessments</u>	
4.1	Has an equality and good relations screening been carried out?	No

4.2	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out <i>Internal Audit is an independent assurance function and is non-operational therefore no assessment required.</i>	N/A
	Has a Rural Needs Impact Assessment (RNIA) been completed?	No
4.4	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out. <i>Internal Audit is an independent assurance function and is non-operational therefore no assessment required.</i>	N/A

Appendices:	Internal Audit Charter
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LCCC - Internal Audit Charter:

Introduction

Lisburn & Castlereagh City Council has adopted the Global Internal Audit Standards (UK Public Sector) referred to as GIAS going forward.

The Global Internal Audit Standards were published by the Institute of Internal Auditors (IIA) on January 9, 2024, replacing the previous standards that had been in effect since 2017. These standards are part of the International Professional Practices Framework (IPPF), which defines consistent standards for the internal audit profession globally.

The CIPFA GIAS UK Public Sector – Application Note - [Global Internal Audit Standards in the UK Public Sector | CIPFA](#)

GIAS in the UK public sector became applicable from 1 April 2025 and requires that the purpose, authority and responsibility of the Internal Audit activity must be formally defined in an Internal Audit Charter which is consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards.

The Institute of Internal Auditors' Global Internal Audit Standards guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. At the heart of the Standards are 15 guiding principles that enable effective internal auditing. Each principle is supported by standards that contain requirements, considerations for implementation, and examples of evidence of conformance. Together, these elements help internal auditors achieve the principles and fulfil the Purpose of Internal Auditing.

The GIAS set forth principles, requirements, considerations, and examples for the professional practice of internal auditing globally. The Standards apply to any individual or function that provides internal audit services, whether an organisation employs internal auditors directly, contracts them through an external service provider, or both. Organisations receiving internal audit services vary in sector and industry affiliation, purpose, size, complexity, and structure

The Standards are organised into five domains:

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

The Standards apply to the internal audit function and individual internal auditors including the Chief Audit Executive. While the Chief Audit Executive is accountable for the internal audit function's implementation of and conformance with all principles and standards, all internal auditors are responsible for conforming with the principles and standards relevant to performing their job responsibilities, which are presented primarily in Domain II: Ethics and Professionalism and Domain V: Performing Internal Audit Services.

While the Global Internal Audit Standards apply to all internal audit functions, internal auditors in the public sector work in a political environment under governance, organisational, and funding structures that may differ from those of the private sector. The nature of these structures and related conditions may be affected by the jurisdiction and level of government in which the internal audit function operates. Additionally, some terminology used in the public sector differs from that of the private sector. These differences may affect how internal audit functions in the public sector apply the Standards. The section “Applying the Global Internal Audit Standards in the Public Sector,” which follows Domain V: Performing Internal Audit Services, describes strategies for conformance amid the circumstances and conditions unique to internal auditing in the public sector. The application of the GIAS for public sector is laid out in the CIPFA – Application Note.

Auditors working in the UK public sector must follow the requirements of the GIAS subject to the interpretations and additional requirements set out in the Application Note. When expressing conformance with standards, auditors must be clear that they are conforming to the GIAS subject to the Application Note and must refer to this as conformance with Global Internal Audit Standards in the UK Public Sector. Auditors must confirm adherence to the Application Note alongside all other reports on conformance with the Global Internal Audit Standards such as Standard 12.1 on internal quality assessment. Auditors must also note any non-conformance with this Application Note alongside any other nonconformance reporting such as that described in Standard 4.1 (Conformance with the Global Internal Audit Standards). External Quality Assessors working in the UK public sector under Standard 8.4 (External Quality Assessment) must also consider conformance with this Application Note as part of reporting their results.

This Charter has been updated to take account of any changes.

This Charter establishes the Internal Audit unit’s position within the Council, including the nature of the Internal Audit Manager’s reporting relationship with the Chief Executive, Corporate Management Team and the Governance & Audit Committee. The GIAS require the Charter to be periodically reviewed by the Chief Audit Executive and presented to Senior Management and the Board for approval. These roles are explained below.

GIAS Core Principles

The Core Principles, taken as a whole, articulate internal audit effectiveness. For an internal audit function to be considered effective, all Principles should be present and operating effectively. How an internal auditor, as well as an internal audit activity, demonstrates achievement of the Core Principles may be quite different from organisation to organisation, but failure to achieve any of the Principles would imply that an internal audit activity was not as effective as it could be in achieving internal audit’s mission (see Mission of Internal Audit).

- 1) Demonstrates integrity.
- 2) Maintain objectivity.
- 3) Demonstrates competency.
- 4) Exercise due professional care.
- 5) Maintain confidentiality.
- 6) Authorised by the Board.
- 7) Positioned independently.
- 8) Overseen by the Board.

- 9) Plan strategically.
- 10) Manage resources.
- 11) Communicate effectively.
- 12) Enhance quality.
- 13) Plan engagements effectively.
- 14) Conduct engagement work.
- 15) Communicate engagement work and monitor action plans.

Mission Statement

To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

Internal Audit Purpose Statement (Principle 1)

Internal auditing strengthens the organisation's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal auditing enhances the organisations:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Internal auditing is most effective when:

- It is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the board.
- Internal auditors are free from undue influence and committed to making objective assessments.

The primary purpose of internal audit should be to help the board and senior management to protect the assets, reputation and sustainability of the organisation.

Roles and Definitions

The GIAS (UK public sector) requires the Council to define its interpretation of the following generic terms for the purposes of internal audit activity:

- 'The Board' – the Governance and Audit Committee
- 'The Chief Audit Executive' – the Internal Audit Manager
- 'Senior Management' – the Corporate Management Team

Other roles defined in Lisburn and Castlereagh City Council as:

- 'The Head of Paid Service' – Chief Executive

- ‘The Chief Financial Officer’ – Currently being covered by the Chief Executive while the role of Head of Finance and Corporate Services remains vacant.

As one of the setters of the GIAS (UK public sector), the Chartered Institute of Public Finance and Accountancy (CIPFA) considers it essential that public service organisations properly support their internal auditors to enable them to meet the standards. The requirements of management are set out in The Role of the Head of Internal Audit in Public Service Organisations (2019 edition). [See link.](#)

Internal Audit Responsibilities and Objectives (Principle 1)

Internal Audit is responsible for the provision of an independent and objective opinion to the Chief Executive, Corporate Management Team and Governance & Audit Committee on the control environment consisting of the risk management, control and governance by objectively examining, evaluating and reporting on the adequacy of the control environment as a contribution to the proper economic efficient and effective use of resources in achieving the Council’s agreed objectives.

The strategic objectives of Internal Audit are:

- To give management assurance that the internal controls, risk management and corporate governance processes within their remit are robust.
- To maintain up to date audit practice and knowledge.
- To contribute towards the Annual Governance Statement by way of the annual audit opinion.

It does this by:

- Providing independent, risk-based and objective assurance, advice, insight and foresight through the reporting of audit reviews carried out.
- Assessing whether all significant risks are identified and appropriately reported by management to the board and senior management.
- Evaluating whether the organisation is adequately controlled.
- Challenging and influencing senior management to improve the effectiveness of governance, risk management and internal controls, including identifying efficiencies and removing duplicative and/or redundant controls.
- Providing internal audit assurance reports with recommendations on control weaknesses.
- Following up the implementation of recommendations. See **Appendix 2** for follow up process.

It is the responsibility of management to identify, understand and manage risks effectively including taking appropriate and timely action in response to audit findings. It is also management’s responsibility to maintain a sound system of internal control and improvement of the same. The existence of an internal audit function does not therefore relieve them of this responsibility.

Role of the Audit Committee (Principle 6)

The Governance and Audit Committee acts as the Council's audit committee. In that capacity it has the following responsibilities:

- approving the Internal Audit Charter.
- approving the Internal Audit Strategy and risk based internal audit plan.
- receiving communications from the Internal Audit Manager on Internal Audit performance relative to its plan and other matters; and
- making appropriate enquiries of management and the Internal Audit Manager to determine whether there are inappropriate scope or resource limitations placed on the service.
- has the right to request officers to attend G&A Committee meetings to answer any questions.

Role of Senior Management (Principle 6)

Internal Audit can only provide an effective independent and objective service if it receives the full co-operation of the management team. By approving this Internal Audit Charter, the Chief Executive and the Governance and Audit Committee are mandating management to co-operate with Internal Audit in the delivery of the service by:

- Agreeing Terms of Reference to include agreements on duration, scope, reporting and response.
- Providing Internal Audit with full support and co-operation, including complete access to all records, data, property and personnel relevant to the performance of their responsibilities at all levels of operations, without unreasonable delay.
- Responding to the draft internal report, including provision of management responses to recommendations, within the timescale requested by the audit team.
- Implementing agreed management actions in accordance with the agreed timescales or providing reasons for not complying.
- Updating Internal Audit with progress made on management actions, informing Internal Audit of proposed changes and developments in process and systems, newly identified significant risks and cases of a criminal nature.

Instances of late responses to reports and agreed actions not being implemented will be escalated to the relevant Director in the first instance then the Chief Executive. Where not resolved, these will then be reported to the Chair of the Governance and Audit Committee.

Internal Audit is involved in the determination of its priorities in consultation with those charged with governance. Accountability for the response to the advice and recommendations of Internal Audit lies with management. Managers must either accept and implement the advice and recommendations or formally reject them accepting responsibility and accountability for doing so.

Providing authority for internal audit (Principle 6)

To be effective and to meet the requirements of professional standards, internal audit's authority needs to be established. In local government in the UK, internal audit's authority has statutory backing through the regulations issued by national UK governments.

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015

Regulations also include internal audit's rights of access. In GIAS (UK public sector) this is referred to as internal audit's mandate, so the primary mandate comes from the regulations.

Authority of Audit (Principle 6)

Internal Audit derives further authority from those authorising this Charter to provide a free and unfettered ability to plan and undertake audit assignments deemed necessary to fulfil its purpose. To enable the service to discharge its duties fully, Internal Audit staff are authorised, on production of identification, to:

- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- enter at all reasonable times on any Council premises or land.
- have unrestricted access to all systems, data, records, information and personnel.
- has the authority to remove records where necessary to carry out an audit review.
- have access to all IT hardware/software running systems on behalf of the Council, including hardware/ software owned by third party service providers, in line with agreed protocols.
- require and receive such explanations as are necessary concerning any matter under examination; and
- require any employee of the Council to produce cash, stores or any other Council property under his/ her control.

Scope

All LCCC activities are within the scope of Internal Audit.

- The scope of Internal Audit work may include review of the following areas: the relevance of established policies, plans and procedures, the extent of compliance with these and their financial effect.
- The adequacy of guidance.
- The appropriateness of organisational, personnel and supervisory arrangements,
- The extent to which assets and interests are accounted for and safeguarded from loss of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other cause
- The appropriateness, reliability and integrity of financial and other management information and the means to identify, measure, classify, report and act upon this information
- Integrity of IT systems
- Follow up action taken to address recommendations and weaknesses previously identified. Please refer to **Appendix 2** for the follow-up procedures in place.

Independence and objectivity (Principle 7 and Principle 2)

The internal audit activity must be free from interference in determining the scope of internal auditing, performing work and communicating results. The Chief Audit Executive must disclose such interference to the board and discuss the implications.

Internal Audit has no executive responsibilities and is independent of the operational activities that it audits to enable auditors to provide impartial and unbiased professional evaluations, opinions and recommendations. Definitions: -

Independence is the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the Chief Audit Executive has direct and unrestricted access to senior management and the board. This can be achieved through a dual-reporting relationship to the Chief Executive and the Governance and Audit Committee. Threats to independence must be managed at the individual auditor, engagement, functional and organisational levels.

Objectivity is an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others. Threats to objectivity must be managed at the individual auditor, engagement, functional and organisational levels.

To ensure integrity and objectivity is not impaired, auditors will not audit areas of previous responsibility for a period of at least 12 months after the responsibility ended.

Internal auditors will treat as confidential the information they receive in carrying out their duties. There must not be any unauthorised disclosure of information unless there is a legal or professional requirement to do so. Confidential information gained during an audit will not be used to effect personal gain.

Position of Internal Audit (Principle 7)

The Chief Audit Executive must report functionally to the board. The Chief Audit Executive must also establish effective communication with, and have free and unfettered access to, the Chief Executive, Corporate Management Team and the chair of the Audit Committee.

Internal Audit forms part of the Chief Executive's Office with the Internal Audit Manager reports directly to the Chief Executive. The Internal Audit Manager also has direct access to the Chair of the Governance & Audit Committee and unfettered access to the Corporate Management Team. Internal Audit reports at least four times a year to the Governance & Audit Committee.

Periodically the Internal Audit Manager will meet with the Chair, Vice Chair (Lay Member) of the Governance & Audit Committee to discuss internal audit matters. The Internal Audit Manager and the Chair reserve the right to meet in private at any time to discuss internal audit matters if required.

Once per year, the Internal Audit Manager will meet the Governance and Audit Committee Members with the External Audit Manager present to discuss any matters that are of concern to them.

The performance of Internal Audit will be monitored through a Quality Assurance and Improvement Programme, the results of which will be shared with CMT and Governance & Audit Committee.

Ethics and Professional competence (Principles 1 – 5)

The Internal Audit function will perform its duties with professional competence and due care and will comply with GIAS Domain II: Ethics and Professionalism.

- **Principle 1 Demonstrate Integrity**
 - Standard 1.1 Honesty and Professional Courage
 - Standard 1.2 Organisation's Ethical Expectations
 - Standard 1.3 Legal and Ethical Behaviour
- **Principle 2 Maintain Objectivity**
 - Standard 2.1 Individual Objectivity
 - Standard 2.2 Safeguarding Objectivity
 - Standard 2.3 Disclosing Impairments to Objectivity
- **Principle 3 Demonstrate Competency**
 - Standard 3.1 Competency
 - Standard 3.2 Continuing Professional Development
- **Principle 4 Exercise Due Professional Care**
 - Standard 4.1 Conformance with the Global Internal Audit Standards
 - Standard 4.2 Due Professional Care
 - Standard 4.3 Professional Scepticism
- **Principle 5 Maintain Confidentiality**
 - Standard 5.1 Use of Information
 - Standard 5.2 Protection of Information

The UK government has set out Seven Principles of Public Life (also known as the '**Nolan Principles**') that apply to all public servants (including contractors working in the public service).

Internal auditors working in the UK public sector must apply these alongside all other relevant ethical frameworks.

Arrangements for Appropriate Resourcing (Principle 8)

No formula exists that can be applied to determine internal audit coverage needs. However, as a guide, the minimum level of coverage is that required to give an annual evidenced-based opinion.

If during the risk assessment at the planning stage a shortfall in resources available is identified, the Internal Audit Manager will advise the Chief Executive followed by the Corporate Management Team and reported to the Governance and Audit Committee as required to assess the associated risks or to recommend additional resources as identified.

Internal audit work is prioritised according to risk, through the judgement of the Internal Audit Manager, informed by the Council's risk registers and in consultation with the Corporate Management Team. High risks identified during the year can be accommodated and the audit plan adjusted.

Should circumstances arise, during the year, that resources fall or appear to be falling below the minimum level required to provide an annual evidence-based opinion the Internal Audit Manager will advise the Chief Executive who Internal Audit directly reports to in the first instance, the Corporate Management Team by way of report and the Governance and Audit Committee will be advised through the resources section in the quarterly progress report.

Managing the Internal Audit Function (Principles 9 - 15)

To develop an effective Internal Audit Strategy and plan, the Chief Audit Executive must understand the organisation's governance, risk management, and control processes.

Assurance Services

Internal Audit work covers all Council activities, systems and processes and includes (but is not limited to):

- examining and evaluating the adequacy of the Council's system of internal control, including those pertaining to the deterrence, detection and investigation of fraudulent or illegal acts.
- reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.
- reviewing the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations.
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- appraising the economy and efficiency with which resources are employed.
- reviewing the identification and assessment of risk by management.
- reviewing aspects of the control environment affected by significant changes to the organisation's risk environment.
- reviewing the Council's procedures and activities in relation to best value.
- co-ordinating Internal Audit activities with the work of the external auditors and assisting the external auditors as required.
- recommending, in consultation with management, appropriate solutions to identified systems weaknesses.
- ensuring management has confirmed action has been taken to implement audit recommendations; and
- in line with the principles of Following the Public Pound Internal Audit shall review, appraise and report on all services and other activities for which the Council is responsible or accountable, whether delivered directly or by third parties through contracts, partnerships or other arrangements.

Consultancy/Advisory Services

Consultancy work adds to the internal audit team's knowledge base and contributes to the overall internal audit opinion and/or assurance rating. However, this needs to be put into context to ensure that it does not lead to a distortion of the materiality of findings against risk

and control priorities. Reporting to the audit committee should incorporate the progress on consultancy engagements as well as the work on the assurance programme for both planned and unplanned work. In fact, where governance, risk management and control issues are significant to the organisation Standard 2440.C2 states that they must be communicated to senior management and the board.

Any major consulting exercise, not included in the annual audit plan, should have the approval of the audit committee.

- consultancy and advice services, including work on fraud related matters may be undertaken from time to time at the request of senior management. A provision is included in the annual audit plan for this type of work.
- when undertaking such work auditors will maintain their independence and objectivity and will not take on management or operational responsibility for the project.
- any significant consultancy assignments will be reported separately to the audit committee.

It should be noted however that when internal audit resources are constrained, the primary focus must be on assurance work.

Audit Strategy

The Internal Audit will develop and maintain an Internal Audit Strategy for providing the Chief Executive and the Governance and Audit Committee with objective evaluation of and opinions on the effectiveness of the Councils risk management, control and governance arrangements. This is facilitated via development of an Audit Strategy. The Strategy will be approved by the Governance & Audit Committee; this approval will include acceptance of risks or other areas of potential audit coverage which cannot be resourced and identification of consequent residual risk exposure. The Governance & Audit Committee will be advised by Internal Audit Manager that they are responsible for that residual risk.

Audit Approach

Internal Audit determines what areas within its scope should be included within the annual audit plan by adopting an independent risk-based approach including development of an audit needs assessment and development of annual audit plans. This is consistent with GIAS. Internal Audit does not necessarily cover all potential scope areas every year. The audit programme includes obtaining an understanding of the processes and system under audit, evaluating their adequacy and testing the operating effectiveness of key controls.

Internal Audit will coordinate with other internal and external providers of assurance and consulting services to ensure proper coverage and minimise duplication of efforts.

At the end of each audit review from the operational plan, the Internal Audit Manager or designee will prepare a written report and distribute it as appropriate.

Internal Audit will raise significant issues for the attention of line management as soon as identified during an audit review and at the close out meetings discuss all findings and agree recommendations that will be included in the draft reports with the auditee and consider the assurance level to be assigned. Levels of internal audit opinion can be seen in **Appendix 1**.

The Governance & Audit Committee will be updated regularly on the work of Internal Audit through periodic and annual reports. The Internal Audit Manager shall prepare reports of

audit activities with significant findings along with any relevant recommendations and provide periodic information on the status of the annual audit plan.

Annual Report

In addition to quarterly update reports, the Internal Audit Manager will produce an annual report summarising the main issues raised by Internal Audit and on the performance of Internal Audit. This report will include:

- A summary of the work carried out by Internal Audit during the year, the purpose of which is to provide an audit opinion on the adequacy and effectiveness of the Council's governance, risk and controls to support the preparation of the Annual Governance Statement.
- Highlight areas of significant risk which need corrective action to improve the control framework.
- Consider the performance and contribution of Internal Audit in conjunction with staffing and resources.

Overall Opinions

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This opinion can then be used by the organisation to inform its annual governance statement by management.

The annual report must also include a statement on conformance with Global Internal Audit Standards in the UK Public Sector and the results of the quality assurance and improvement programme.

Quality Assurance (Principle 12)

Internal Audit Manager will develop and maintain a quality assurance and improvement programme covering all aspects of the internal audit activity and conforming to the relevant standards.

Fraud & Irregularity

Management is responsible for fraud prevention and detection. As internal audit performs its work programs, it will be observant of manifestations of the existence of fraud and weaknesses in internal control which would permit fraud to occur or would impede its detection. This will be communicated to Management via recommendations within the audit reports.

Internal Audit should be informed of all suspected or detected fraud, corruption or impropriety so that the auditors can consider the adequacy of the relevant controls and evaluate the implication of fraud and corruption on the internal control environment.

Internal Audit is the key contact for co-ordinating the National Fraud Initiative exercises.

Appendix I

Internal Audit Levels of Opinion

The following table of Internal Audit Opinions should be used in all Internal Audit Reviews:

Opinion	Definition
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.

Priority	Definition
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 misuse of public funds.
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.
3	Failure to implement the recommendation could lead to an increased risk exposure.

Appendix 2

Follow-up Procedures – to ensure implementation of audit recommendations:

1) Issue of Recommendations:

When the any Internal Audit Report is issued to management for their responses – it is the Directors discretion to assign recommendations to an employee in their department.

On the recommendation tracking package each of the following must be clearly assigned:

- **Owner** – typically who is ultimately responsible for the recommendation (usually Director)
- **Assigned to** – typically the person who is assigned to undertake work on the recommendation on a day-to-day basis (person named on the Management Response)
- **Issue Manager** – who is typically either responsible for the person working on the recommendation or the person responsible for reporting on its status.

2) Automated reminders

The current package allows for the issue of the following automated reminders:

- **Recommendations passed their end or due date**
 This lists each overdue recommendation and its end date.
 It is issued on 1st of each month and is sent to Assigned to and Issue Managers (see explanations above)
- **List of Active Recommendation:**
 This lists all recommendations and their end date (includes all recs not just overdue recs).
 This is sent on the 14th of each month and is sent to Recommendation Owners (usually Directors)

3) Reports to Corporate Management Team (CMT):

A list of all overdue Recommendations will be presented with a summary report to CMT each month to allow progression and implementation of audit recommendations.

Committee:	Governance and Audit Committee
Date:	11 th September 2025
Report from:	Internal Audit Manager

Item for:	Noting
Subject:	Global Internal Audit Standards – Self Assessment against UK Public Sector Application Note.

1.0	<u>Background and Key Issues</u> The new Global Internal Audit Standards UK Public Sector came into effect in April 2025. The standards require that the chief audit executive (in LCCC this is the Internal Audit Manager) must discuss this domain with the board and senior management. The discussions should focus on: • The Purpose of Internal Auditing as articulated in Domain I: Purpose of Internal Auditing. • The essential conditions outlined under each of the standards in Domain III: Governing the Internal Audit Function. • The potential impact on the effectiveness of the internal audit function if the board or senior management does not provide the support outlined in the essential conditions. The purpose of this report is to draw to senior management and elected members attention this requirement. Further work is required to assess against the GIAS and Internal Audit Code of Practice. This will be brought to the December G&A. Copies of the condensed version of the GIAS and the CIPFA Application Note have been provided.	
2.0	<u>Recommendation</u> Members are required to note the contents of the report and familiarise themselves with the Condensed Global Internal Audit Standards and CIPFA Application Note.	
3.0	<u>Finance and Resource Implications</u> None	
4.0	<u>Equality/Good Relations and Rural Needs Impact Assessments</u>	
4.1	Has an equality and good relations screening been carried out?	No
4.2	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out	N/A

	<i>Internal Audit is an independent assurance function and is non-operational therefore no assessment required.</i>		117
	Has a Rural Needs Impact Assessment (RNIA) been completed?	No	
4.4	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out. <i>Internal Audit is an independent assurance function and is non-operational therefore no assessment required.</i>	N/A	

Appendices: 1 GIAS Self-assessment against UK Public Sector Application note. 2 CIPFA Application Note 3 Condensed GIAS	
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Global Internal Audit Standards (GIAS)

Internal Audit Self Assessment against CIPFA UK Public
Sector Application Note.

Introduction

The Internal Audit Manager is currently working through a self-assessment tool to assess the Internal Audit team for conformance against the Global Internal Audit Standards 2024, the Internal Audit Code of Practice and the UK Public Sector Application Note.

The purpose of this report is to inform the Corporate Management Team (CMT) and the Governance and Audit Committee of where the Council's Internal Audit sits currently in relation to conformance to the UK Public Sector Application Note – see **Appendix 1**.

Copies of the condensed GIAS and the CIPFA application note is attached to this report.

A more in-depth analysis will be brought to the December G&A Committee along with an action plan. This is to allow discussion with the Chief Executive, CMT and the Governance and Audit Committee on how some of these new requirements can be met as they will involve some changes to our processes and interactions with senior management and committee members.

Attached to this report is the CIPFA's Application Note - Global Internal Audit Standards in the UK Public Sector. The condensed version of the Global Internal Audit Standards is attached to the Internal Audit Charter report also being reported to this committee.

The Relevant Internal Audit Standards Setters (RIASS) mentioned in the reports are: HM Treasury in respect of central government, the Scottish Government, the Department of Finance Northern Ireland and the Welsh Government.

GIAS Domain III

For the purpose of this report, I would like to point you in the direction of Domain III – Governing the Internal Audit Function on page 25 of the condensed GIAS report and page 10 of the CIPFA Application Note.

The standards require that the chief audit executive (in LCCC this is the Internal Audit Manager) must discuss this domain with the board and senior management. The discussions should focus on:

- The Purpose of Internal Auditing as articulated in Domain I: Purpose of Internal Auditing.
- The **essential conditions** outlined under each of the standards in Domain III: Governing the Internal Audit Function.
- The potential impact on the effectiveness of the internal audit function if the board or senior management does not provide the support outlined in the essential conditions.

GIAS Domain I - Purpose of Audit

The primary purpose of internal audit should be to help the board and senior management to protect the assets, reputation and sustainability of the organisation.

It does this by:

- Providing independent, risk-based and objective assurance, advice, insight and foresight.
- Assessing whether all significant risks are identified and appropriately reported by management to the board and senior management.
- Evaluating whether the organisation is adequately controlled.
- Challenging and influencing senior management to improve the effectiveness of governance, risk management and internal controls, including identifying efficiencies and removing duplicative and/or redundant controls.

Essential Conditions - GIAS Domain III

Application of this Domain

The Standards apply to individuals and functions that provide internal audit services. Internal audit services may be provided by persons within or outside the organisation for organisations that vary in purpose, size, complexity, and structure. The Standards apply whether an organisation employs internal auditors directly, contracts them through an external service provider, or both. The chief audit executive's responsibilities are performed by one or more individuals designated by the board. The chief audit executive, whether employed directly by the organisation or through an external service provider, is responsible for conformance with the Standards as demonstrated through the quality assurance and improvement program. In all cases, the board retains the responsibility to support and oversee the internal audit function.

UK Public Sector Application Note

GIAS Domain III 'Governing the Internal Audit Function' explains that appropriate governance arrangements with boards and senior management are essential to fulfil the Purpose of Internal Audit. The individual standards within Domain III include baseline 'essential conditions' which need to be satisfied in order to achieve conformance. The GIAS allows that in some cases it may be appropriate to determine alternatives to the essential conditions that achieve the same results.

The GIAS section Applying the Global Internal Audit Standards in the Public Sector includes non-exhaustive material explaining that public sector governance and organisational structures may require internal audit functions to adjust the application of some standards. This is the case in many UK public sector bodies and in these cases, it will be necessary to determine alternatives to the Domain III essential conditions that achieve the same results. These must be agreed with the board/audit committee and, if permanent, must be explained in the Audit Charter.

The barriers to achievement of the baseline essential conditions vary in extent and effect across different parts of the UK public sector. The Relevant Internal Audit Standard Setters (RIASS) for individual sectors may choose to issue specific material for their sector, which internal auditors and quality assessors in the relevant sector must comply with. For this reason, no material on alternative conditions is provided in this Application Note.

Standard 6.1 Internal Audit Mandate

Board

- Discuss with the chief audit executive and senior management the appropriate authority, role, and responsibilities of the internal audit function.
- Approve the internal audit charter, which includes the internal audit mandate and the scope and types of internal audit services.

Senior Management

- Participate in discussions with the board and chief audit executive and provide input on expectations for the internal audit function that the board should consider when establishing the internal audit mandate.
- Support the internal audit mandate throughout the organization and promote the authority granted.

Standard 6.2 Internal Audit Charter

Board

- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter to enable an effective internal audit function.
- Approve the internal audit charter.
- Review the internal audit charter with the chief audit executive to consider changes affecting the organization, such as the employment of a new chief audit executive or changes in the type, severity, and interdependencies of risks to the organization.

Senior Management

- Communicate with the board and chief audit executive about management's expectations that should be considered for inclusion in the internal audit charter.

Standard 6.3 Board and Senior Management Support

Board

- **NEW** - Champion the internal audit function to enable it to fulfil the Purpose of Internal Auditing and pursue its strategy and objectives.

- Work with senior management to enable the internal audit function's unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfil the internal audit mandate.
- Support the chief audit executive through regular, direct communications.

Demonstrate support by:

- Specifying that the chief audit executive reports to a level within the organisation that allows the internal audit function to fulfil the internal audit mandate.
- Approving the internal audit charter, internal audit plan, budget, and resource plan.
- Making appropriate inquiries of senior management and the chief audit executive to determine whether any restrictions on the internal audit function's scope, access, authority, or resources limit the function's ability to carry out its responsibilities effectively.
- Meeting periodically with the chief audit executive in sessions without senior management present.

Senior Management

- **NEW** - Support recognition of the internal audit function throughout the organisation.
- Work with the board and management throughout the organisation to enable the internal audit function's unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfil the internal audit mandate.

Standard 7.1 Organisational Independence

Board

- Establish a direct reporting relationship with the chief audit executive and the internal audit function to enable the internal audit function to fulfil its mandate.
- Authorise the appointment and removal of the chief audit executive.
- Provide input to senior management to support the performance evaluation and remuneration of the chief audit executive.
- Provide the chief audit executive with opportunities to discuss significant and sensitive matters with the board, including meetings without senior management present.
- Require that the chief audit executive be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the board when necessary.

- Acknowledge the actual or potential impairments to the internal audit function's independence when approving roles or responsibilities for the chief audit executive that are beyond the scope of internal auditing.
- Engage with senior management and the chief audit executive to establish appropriate safeguards if chief audit executive roles and responsibilities impair or appear to impair the internal audit function's independence.
- Engage with senior management to ensure that the internal audit function is free from interference when determining its scope, performing internal audit engagements, and communicating results.

Senior Management

- Position the internal audit function at a level within the organisation that enables it to perform its services and responsibilities without interference, as directed by the board.
- Recognise the chief audit executive's direct reporting relationship with the board.
- Engage with the board and the chief audit executive to understand any potential impairments to the internal audit function's independence caused by non-audit roles or other circumstances and support the implementation of appropriate safeguards to manage such impairments.
- Provide input to the board on the appointment and removal of the chief audit executive.
- Solicit input from the board on the performance evaluation and remuneration of the chief audit executive.

UK Public Sector Application Note

Boards may not have authority over budgets and this may prevent the chief audit executive from being able to seek or obtain additional funding due to other funding priorities within the organisation.

Board

- Review the requirements necessary for the chief audit executive to manage the internal audit function, as described in Domain IV: Managing the Internal Audit Function.
- Approve the chief audit executive's roles and responsibilities and identify the necessary qualifications, experience, and competencies to carry out these roles and responsibilities.
- Engage with senior management to appoint a chief audit executive with the qualifications and competencies necessary to manage the internal audit function effectively and ensure the quality performance of internal audit services.

Senior Management

- Engage with the board to determine the chief audit executive's qualifications, experience, and competencies.
- Enable the appointment, development, and remuneration of the chief audit executive through the organisation's human resources processes.

UK Public Sector Application Note

GIAS 7.2 (Chief Audit Executive Qualifications) sets out expectations relevant to the global practice of internal audit. The RIASS seek to maintain an expectation that chief audit executives in the public sector hold appropriate professional qualifications alongside relevant experience. Therefore, in considering whether a chief audit executive is suitably qualified, an organisation must be looking for:

- CMIIA, or a CCAB qualification, or an equivalent professional qualification which includes training on the practice of internal audit; and
- suitable internal audit experience.

Standard 8.1 Board Interaction

Board

- Communicate with the chief audit executive to understand how the internal audit function is fulfilling its mandate.
- Communicate the board's perspective on the organisation's strategies, objectives, and risks to assist the chief audit executive with determining internal audit priorities.
- Set expectations with the chief audit executive for:
- The frequency with which the board wants to receive communications from the chief audit executive.
- The criteria for determining which issues should be escalated to the board, such as significant risks that exceed the board's risk tolerance.
- The process for escalating matters of importance to the board.
- Gain an understanding of the effectiveness of the organisation's governance, risk management, and control processes based on the results of internal audit engagements and discussions with senior management.
- Discuss with the chief audit executive disagreements with senior management or other stakeholders and provide support as necessary to enable the chief audit executive to perform the responsibilities outlined in the internal audit mandate.

Senior Management

- Communicate senior management's perspective on the organisation's strategies, objectives, and risks to assist the chief audit executive with determining internal audit priorities.

- Assist the board in understanding the effectiveness of the organisation's governance, risk management, and control processes.
- Work with the board and the chief audit executive on the process for escalating matters of importance to the board.

Standard 8.2 Resources

Board

- Collaborate with senior management to provide the internal audit function with sufficient resources to fulfil the internal audit mandate and achieve the internal audit plan.
- Discuss with the chief audit executive, at least annually, the sufficiency, both in numbers and capabilities, of internal audit resources to fulfil the internal audit mandate and achieve the internal audit plan.
- Consider the impact of insufficient resources on the internal audit mandate and plan.
- Engage with senior management and the chief audit executive on remedying the situation if the resources are determined to be insufficient.

Senior Management

- Engage with the board to provide the internal audit function with sufficient resources to fulfil the internal audit mandate and achieve the internal audit plan.
- Engage with the board and the chief audit executive on any issues of insufficient resources and how to remedy the situation.

UK Public Sector Application Note

Boards may not have authority over budgets and this may prevent the chief audit executive from being able to seek or obtain additional funding due to other funding priorities within the organisation. In such circumstances to fulfil GIAS 8.2 (Resources) the chief audit executive must develop a resource strategy which suggests practical approaches for consideration by the board.

The chief audit executive must inform the board of the impact of insufficient resources and any options available to mitigate that impact.

The chief audit executive must also inform the board of any resource management arrangements at the organisation that may put at risk the ability of the internal audit service to fulfil its mandate.

Standard 8.3 Quality

Board

- Discuss with the chief audit executive the quality assurance and improvement program, as outlined in Domain IV: Managing the Internal Audit Function.
- **NEW** - Approve the internal audit function's performance objectives at least annually. (See also Standard 12.2 Performance Management.)
- Assess the effectiveness and efficiency of the internal audit function. Such an assessment includes:
- Reviewing the internal audit function's performance objectives, including its conformance with the Standards, laws and regulations; ability to meet the internal audit mandate; and progress towards completion of the internal audit plan.
- Considering the results of the internal audit function's quality assurance and improvement program.
- Determining the extent to which the internal audit function's performance objectives are being met.

Senior Management

- **NEW** - Provide input on the internal audit function's performance objectives.
- **NEW** - Participate with the board in an annual assessment of the chief audit executive and internal audit function.

Standard 8.4 External Quality Assessment

Board

- Discuss with the chief audit executive the plans to have an external quality assessment of the internal audit function conducted by an independent, qualified assessor or assessment team.
- Collaborate with senior management and the chief audit executive to determine the scope and frequency of the external quality assessment.
- Consider the responsibilities and regulatory requirements of the internal audit function and the chief audit executive, as described in the internal audit charter, when defining the scope of the external quality assessment.
- Review and approve the chief audit executive's plan for the performance of an external quality assessment. Such approval should cover, at a minimum:
- The scope and frequency of assessments.
- The competencies and independence of the external assessor or assessment team.
- The rationale for choosing to conduct a self-assessment with independent validation instead of an external quality assessment.
- Require receipt of the complete results of the external quality assessment or self-assessment with independent validation directly from the assessor.

- Review and approve the chief audit executive's action plans to address identified deficiencies and opportunities for improvement, if applicable.
- Approve a timeline for completion of the action plans and monitor the chief audit executive's progress.

Senior Management

- Collaborate with the board and the chief audit executive to determine the scope and frequency of the external quality assessment.
- Review the results of the external quality assessment, collaborate with the chief audit executive and board to agree on action plans that address identified deficiencies and opportunities for improvement, if applicable, and agree on a timeline for completion of the action plans.

UK Public Sector Application Note

The RIASS have determined that the qualification requirement in GIAS 8.4 (External Quality Assessment) should be replaced by a different qualification requirement. GIAS 8.4 sets out a requirement that when selecting the independent assessor or assessment team, the chief audit executive must ensure at least one person holds an active Certified Internal Auditor designation. The RIASS have determined that this requirement is replaced by a requirement that at least one person have the characteristics outlined for chief audit executive qualification. The RIASS consider that such a person would normally have an understanding of the GIAS commensurate with the Certified Internal Auditor designation, including internal audit relevant continuing professional development and an understanding of how the GIAS are applied in the UK public sector. These matters must be considered as part of the selection process.

Potential Impact of Lack of Support

As stated above the chief audit executive, is responsible for conformance with the Standards as demonstrated through the quality assurance and improvement program. Lack of support from senior management and the G&A Committee will result in non-conformance as per the essential conditions reported above. Non-conformance will require to be reported through the regular Internal Audit progress updates and annual report.

Recommendation

The internal audit manager will arrange to meet with Corporate Management Team, Head of Service Team, and Departmental Teams to discuss the requirements expected from senior management.

A meeting can be arranged at a suitable time to meet with the Governance and Audit Committee to discuss any requirements expected from the committee members.

Internal audit manager will bring a detailed analysis of conformance with the GIAS to the December meeting.

Appendix 1

UK Public Sector Application Note			
Application Note Topic	Assessment	Notes	GIAS Standard
Ethics and standards in public life	Fully achieved	Internal Auditors follow the Councils code of conduct and the Nolan principles as well as the individual code of ethics of the individual societies of which we are members (IIA and ACCA).	1.2 - Organisation's ethical expectations
Handling information	Fully achieved	All our audit files are held within a restricted folder with no one other than audit staff having access.	2.5 - Protection of information
Value for Money	Fully achieved	Internal Audit Manager understands the organisation's governance, risk management and control processes. This knowledge is used to develop the strategy and annual operational plan. Auditors are aware of the importance of securing value for money during the course of their work.	9.1 - Understanding Governance, risk management and control processes
Value for money	Fully achieved	As above	13.4 - Evaluation criteria
The role of regulators	Generally achieved	With the introduction of the Corporate Assurance Framework Tracker, other regulatory reports are being tracked and recommendations taken into consideration. We don't necessarily place reliance.	9.5 - Coordination and reliance
Resources	Generally achieved	More awareness through training could improve this area. Attendance at DMT's to discuss the role of Internal Audit and the role of management. Training is offered to elected members on an annual basis but this is not well attended.	6.3 - Board and senior management support
Resources	Generally achieved	Within public sector Audit Committees do not have authority over the Internal Audit budget.	8.2 - Resources
Resources	Generally achieved	As above	10.1 - Financial resource management
Resources	Generally achieved	The chief audit executive may have no ability to develop resource management approaches distinct from their organisation and tailored to the needs of the internal audit function. The chief audit executive's ability to develop a strategy to obtain sufficient resources and address shortfalls may also be constrained by their organisation's legal or regulatory obligations. Under these circumstances the chief audit executive will not be expected to follow the requirements of GIAS 10.1 to 10.3 (Manage Resources) if they cannot develop approaches that achieve the objectives of those standards. Instead, a chief audit executive must set out in the Charter what alternative approaches apply to the internal audit service, and then seek to manage financial, human and IT resources within those constraints.	10.2 - Human resources management
Resources	Not applicable	We are a small Internal Audit team and do not require specific audit management systems.	10.3 - Technological resources
Overall conclusion and annual reporting	Fully achieved	Annual report	11.3 - Communicating results
Overall conclusion and annual reporting	Partially achieved	Internal audit functions should develop a QAIP, with the work performed by individuals who are independent of the delivery of the audit. This will need to be discussed with the Chief Executive on how to address this as prior to this Internal Audit did their own self assessment	12.1 - Internal quality assessment
Chief audit executive qualifications	Fully achieved	Fellow of the Association of Chartered Certified Accountants with 19 years local government internal audit experience.	7.2 - Chief audit executive qualifications
Selecting independent assessors	Generally achieved	Recently carried out with the results going to this Committee. Next external quality assessment will be due in 5 years time.	8.4 - External Quality Assessment

Application Note

Global Internal Audit Standards in the UK Public Sector

Applicable from 1 April 2025

Issued by the Relevant Internal Audit Standard Setters:



In collaboration with:



December 2024

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1. Purpose

This document provides a framework for the practice of internal audit in the UK public sector when taken together with the Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors (IIA).

It sets out interpretations and requirements which need to be applied to the GIAS requirements, in order that these form a suitable basis for internal audit practice in the UK public sector.

2. Scope

The requirements herein apply to all internal audit service providers, whether in-house, shared services or outsourced, which are operating within or providing internal audit services to the UK public sector.

All internal audit assurance and advisory services fall within the scope of this document.

3. Effective date

From 1 April 2025 the requirements of this Application Note and of the Global Internal Audit Standards apply to work on internal audit engagements commenced on or after this date.

4. Review process

This Application Note will periodically be reviewed by the IASAB on behalf of the RIASS. This review will include consideration of the applicability within the UK public sector of any Topical Requirements issued by the IIA.

5. Authority for setting standards

The authority for setting standards for internal audit in the UK public sector rests with the Relevant Internal Audit Standard Setters (RIASS). These are HM Treasury in respect of central government; the Scottish Government, the Department of Finance Northern Ireland and the Welsh Government in respect of central government and the health sector in their administrations; the Department of Health and Social Care in respect of the health sector in England; and the Chartered Institute of Public Finance and Accountancy in respect of local government across the United Kingdom. To support the development process, the UK public sector Internal Audit Standards Advisory Board (IASAB) was created. This includes representation from each of the RIASS, audit committees, internal audit practitioners and the Chartered IIA. The role of the IASAB is to develop material to support UK public sector internal audit, to consult on that material, and based on that consultation to advise the RIASS on the standards to be used.

6. Application of standards in the UK public sector

Together the RIASS determine the standards and requirements applicable to the practice of internal auditing in the UK public sector as a whole. The RIASS have determined that the Global Internal Audit Standards (GIAS) issued by the Institute for Internal Auditors (IIA) are a suitable basis for the practice of internal auditing in the UK public sector, subject to interpretations and requirements set out in this note.

The GIAS include a section on *Applying the Global Internal Audit Standards in the Public Sector*, and recognise that differences in governance structures, regulations and funding in the public sector may sometimes demand different approaches to maintain appropriate quality, efficiency and effectiveness in delivering internal audit. While the appendix is welcome, it encompasses a broader scope of public sector circumstances internationally than those which are relevant to the UK. At the same time, it is not an exhaustive guide to public sector context either internationally or in relation to the UK.

This Application Note therefore provides UK public sector-specific context, interpretations of GIAS requirements in the specific circumstances expected to apply across the UK public sector and some additional requirements which the RIASS consider essential for the practice of internal audit in the UK public sector.

Each RIASS may provide guidance or set specific requirements applicable to the part of the public sector over which they have authority. Sub-sector specific material is not presented in this note.

7. Conformance

Auditors working in the UK public sector must follow the requirements of the GIAS subject to the interpretations and additional requirements set out in this Application Note. When expressing conformance with standards, auditors must be clear that they are conforming to the GIAS subject to the Application Note, and must refer to this as conformance with *Global Internal Audit Standards in the UK Public Sector*.

Auditors must confirm adherence to the Application Note alongside all other reports on conformance with the Global Internal Audit Standards such as Standard 12.1 on internal quality assessment. Auditors must also note any non-conformance with this Application Note alongside any other non-conformance reporting such as that described in Standard 4.1 (*Conformance with the Global Internal Audit Standards*).

External Quality Assessors working in the UK public sector under Standard 8.4 (*External Quality Assessment*) must also consider conformance with this Application Note as part of reporting their results.

8. Relevant internal audit standard setters in the UK

	Central government	Health sector	Local government*
	government departments and related public bodies, parliamentary bodies and counterpart bodies in the devolved government administrations	boards, trusts and authorities managed within NHS England, NHS Scotland, NHS Wales and Health and Social Care (Northern Ireland)	elected councils and combined authorities, police bodies, fire and emergency bodies, parks authorities, passenger transport authorities and partnerships and various other bodies
UK wide bodies	HM Treasury	–	–
England	HM Treasury	Department for Health and Social Care	CIPFA
Scotland	Scottish Government	Scottish Government	CIPFA
Wales	Welsh Government	Welsh Government	CIPFA

*Internal audit functions in some smaller local government bodies may not be required to follow the global standards or this Application Note. While CIPFA is the standard setter for local government in England, some smaller authorities may instead follow guidance issued by the Joint Panel on Accountability and Governance (JPAG). Where internal audit is carried out using the Global Internal Audit Standards, it must also be carried out in conformance with the Application Note: *Global Internal Audit Standards in the UK Public Sector*.

9. General context for the UK public sector

9A. Ethics and standards in public life

The GIAS generally and GIAS 1.2 (*Organisation's Ethical Expectations*) specifically describe the importance of internal auditors encouraging and promoting an ethics-based culture alongside personal adherence to the ethical expectations of their organisation. This need for ethical behaviour is especially relevant in the UK public sector where those delivering public services are both servants of the public and stewards of public resources. The government has set out Seven Principles of Public Life (also known as the 'Nolan Principles') that apply to all public servants (including contractors working in the public service).

The Seven Principles of Public Life

- **Selflessness:** Holders of public office should act solely in terms of the public interest.
- **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.
- **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- **Honesty:** Holders of public office should be truthful.
- **Leadership:** Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

Internal auditors working in the UK public sector must apply these alongside all other relevant ethical frameworks.

9B. Handling information

The GIAS set out the duty on internal auditors to be faithful custodians of the information they gather, sharing only in limited, defined and controlled ways. GIAS 5.2 (*Protection of Information*) describes the need for awareness of responsibilities in protecting information and demonstrating respect for the confidentiality, privacy and ownership of information.

While the duties under GIAS mainly relate to restricting the sharing of information, auditors working in the UK public sector must also be aware of circumstances under which sharing or publication of

information will be required. They must be aware of their organisation's policies and procedures for routine publication of certain information and where there are statutory obligations to share or publish information.

9C. Value for money

GIAS 9.1 (*Understanding Governance, Risk Management, and Control Processes*) describes the need for a chief audit executive to understand the organisation's governance, risk management and control processes to develop an effective strategy and plan. Alongside the listed requirements in the Standard, auditors in the UK public sector must be aware of the importance of securing value for money and the definitions which define that term in their part of the UK public sector.

Auditors must also be aware of the importance of value for money, alongside other key considerations, when determining appropriate evaluation criteria under GIAS 13.4 (*Evaluation Criteria*).

9D. The role of regulators

GIAS 9.5 (*Coordination and Reliance*) sets out a duty for chief audit executives to co-ordinate with other assurance providers. In the UK public sector, there are various relevant outside assurance providers whose authority flows from separate legal or regulatory sources beyond the control or influence of the chief audit executive. The chief audit executive may not have any ability to access the work of those assurance providers or gain insight into the scope and timing of their work. Under these circumstances the chief audit executive must consider whether it is possible or practical to co-ordinate. Where they do not co-ordinate, they must set out to the board the barriers which prevent effective co-ordination.

10. UK public sector-specific interpretations and requirements

10A. Resources

The GIAS section on *Applying the Global Internal Audit Standards in the Public Sector* notes that funding processes for internal audit functions vary, that some governance and organisational structures do not give boards authority over budget and that such conditions prevent the chief audit executive from being able to seek or obtain additional funding due to other funding priorities within the organisation. Chief audit executives may also be constrained in the way in which they use financial resources and manage human and technological resources.

The circumstances outlined above are relevant to most UK public sector internal audit functions and their associated audit committees, and interpretation is required to provide an appropriate basis for conformance, as follows:

- Boards may not have authority over budgets and this may prevent the chief audit executive from being able to seek or obtain additional funding due to other funding priorities within the organisation. In such circumstances to fulfil GIAS 8.2 (*Resources*) the chief audit executive must develop a resource strategy which suggests practical approaches for consideration by the board.
- The chief audit executive must inform the board of the impact of insufficient resources and any options available to mitigate that impact.
- The chief audit executive may have no ability to develop resource management approaches distinct from their organisation and tailored to the needs of the internal audit function. The chief audit executive's ability to develop a strategy to obtain sufficient resources and address shortfalls may also be constrained by their organisation's legal or regulatory obligations. Under these circumstances the chief audit executive will not be expected to follow the requirements of GIAS 10.1 to 10.3 (*Manage Resources*) if they cannot develop approaches that achieve the objectives of those standards. Instead, a chief audit executive must set out in the Charter what alternative approaches apply to the internal audit service, and then seek to manage financial, human and IT resources within those constraints.

The chief audit executive must also inform the board of any resource management arrangements at the organisation that may put at risk the ability of the internal audit service to fulfil its mandate.

10B. Overall conclusions and annual reporting

GIAS 11.3 (*Communicating Results*) references the possibility that a chief audit executive may be required to make a conclusion at the level of the organisation about the effectiveness of governance, risk management and/or control. In the UK public sector, a chief audit executive must prepare such an overall conclusion at least annually in support of wider governance reporting, mindful of any specific sector obligations or processes. This overall conclusion must encompass governance, risk management and control.

The chief audit executive must also report annually on the results of quality assessment carried out under GIAS 12.1 (*Internal Quality Assessment*), including progress against action plans to address instances of non-conformance.

The requirement for an overall conclusion must also inform planning carried out under GIAS 9.4 (*Internal Audit Plan*). The requirement for an annual conclusion does not imply that planning needs to follow an annual cycle, but where planning is carried out in other timeframes it must still be clear to senior management and the board that this supports an annual conclusion.

10C. Chief audit executive qualifications

GIAS 7.2 (*Chief Audit Executive Qualifications*) sets out expectations relevant to the global practice of internal audit. The RIASS seek to maintain an expectation that chief audit executives in the public sector hold appropriate professional qualifications alongside relevant experience. Therefore, in considering whether a chief audit executive is suitably qualified, an organisation must be looking for:

- CMIIA, or a CCAB qualification, or an equivalent professional qualification which includes training on the practice of internal audit, and
- suitable internal audit experience.

10D. Selecting independent assessors

The RIASS have determined that the qualification requirement in GIAS 8.4 (*External Quality Assessment*) should be **replaced** by a different qualification requirement.

GIAS 8.4 sets out a requirement that when selecting the independent assessor or assessment team, the chief audit executive must ensure at least one person holds an active Certified Internal Auditor designation. The RIASS have determined that this requirement is **replaced** by a requirement that at least one person have the characteristics outlined for chief audit executive qualification. The RIASS consider that such a person would normally have an understanding of the GIAS commensurate with the Certified Internal Auditor designation, including internal audit relevant continuing professional development and an understanding of how the GIAS are applied in the UK public sector. These matters must be considered as part of the selection process.

11. Determining the essential conditions in relation to governance

GIAS Domain III (*Governing the Internal Audit Function*) explains that appropriate governance arrangements with boards and senior management are essential to fulfil the Purpose of Internal Audit. The individual standards within Domain III include baseline 'essential conditions' which need to be satisfied in order to achieve conformance. The GIAS allows that in some cases it may be appropriate to determine alternatives to the essential conditions that achieve the same results.

The GIAS section *Applying the Global Internal Audit Standards in the Public Sector* includes non-exhaustive material explaining that public sector governance and organisational structures may require internal audit functions to adjust the application of some standards. This is the case in many UK public sector bodies and in these cases it will be necessary to determine alternatives to the Domain III essential conditions that achieve the same results. These must be agreed with the board/audit committee and, if permanent, must be explained in the Audit Charter.

The barriers to achievement of the baseline essential conditions vary in extent and effect across different parts of the UK public sector. The RIASS for individual sectors¹ may choose to issue specific material for their sector, which internal auditors and quality assessors in the relevant sector must comply with. For this reason no material on alternative conditions is provided in this Application Note.

¹ CIPFA as RIASS for local government has issued the *Code of Practice for the Governance of Internal Audit in UK Local Government* that among other things includes conditions, which, when applied in the local government internal audit context, will achieve the objectives of the GIAS conditions.

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Condensed Version of the
**Global
Internal Audit
Standards™**



The Institute of
Internal Auditors

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About the International Professional Practices Framework

A framework provides a structural blueprint and coherent system that facilitates the consistent development, interpretation, and application of a body of knowledge useful to a discipline or profession. The International Professional Practices Framework (IPPF)® organizes the authoritative body of knowledge, promulgated by The Institute of Internal Auditors, for the professional practice of internal auditing. The IPPF includes Global Internal Audit Standards, Topical Requirements, and Global Guidance.

The IPPF addresses current internal audit practices while enabling practitioners and stakeholders globally to be flexible and responsive to the ongoing needs for high-quality internal auditing in diverse environments and organizations of different purposes, sizes, and structures.

Mandatory	Global Internal Audit Standards guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. At the heart of the Standards are 15 guiding principles that enable effective internal auditing. Each principle is supported by standards that contain requirements, considerations for implementation, and examples of evidence of conformance. Together, these elements help internal auditors achieve the principles and fulfill the Purpose of Internal Auditing.
	Topical Requirements are designed to enhance the consistency and quality of internal audit services related to specific audit subjects and to support internal auditors performing engagements in those risk areas. Internal auditors must conform with the relevant requirements when the scope of an engagement includes one of the identified topics. Topical Requirements strengthen the ongoing relevance of internal auditing in addressing the evolving risk landscape across industries and sectors.

Supplemental	Global Guidance supports the Standards by providing nonmandatory information, advice, and best practices for performing internal audit services. It is endorsed by The IIA through formal review and approval processes. Global Practice Guides provide detailed approaches, step-by-step processes, and examples on subjects including: • Assurance and advisory services. • Engagement planning, performance, and communication. • Financial services. • Fraud and other pervasive risks. • Strategy and management of the internal audit function. • Public sector. • Sustainability. Global Technology Audit Guides (GTAG®) provide auditors with the knowledge to perform assurance or consulting services related to an organization’s information technology and information security risks and controls.
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Fundamentals of the Global Internal Audit Standards



The Institute of Internal Auditors' Global Internal Audit Standards guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. At the heart of the Standards are 15 guiding principles that enable effective internal auditing. Each principle is supported by standards that contain requirements, considerations for implementation, and examples of evidence of conformance. Together, these elements help internal auditors achieve the principles and fulfill the Purpose of Internal Auditing.

Internal Auditing and the Public Interest

Public interest encompasses the social and economic interests and overall well-being of a society and the organizations operating within that society (including those of employers, employees, investors, the business and financial community, clients, customers, regulators, and government). Questions of public interest are context specific and should weigh ethics, fairness, cultural norms and values, and potential disparate impacts on certain individuals and subgroups of society.

Internal auditing plays a critical role in enhancing an organization's ability to serve the public interest. While the primary function of internal auditing is to strengthen governance, risk management, and control processes, its effects extend beyond the organization. Internal auditing contributes to an organization's overall stability and sustainability by providing assurance on its operational efficiency, reliability of reporting, compliance with laws and/or regulations, safeguarding of assets, and ethical culture. This, in turn, fosters public trust and confidence in the organization and the broader systems of which it is a part.

The IIA is committed to setting standards with input from the public and to benefit the public. The International Internal Audit Standards Board is responsible for establishing and maintaining the Standards in the interest of the public. This is achieved through an extensive, ongoing due process overseen by an independent body, the IPPF Oversight Council. The process includes soliciting input from and considering the interests of various stakeholders—including internal audit practitioners, industry experts, government bodies, regulatory agencies, public representatives, and others—so that the Standards reflect the diverse needs and priorities of society.

Applicability and Elements of the Standards

The Global Internal Audit Standards set forth principles, requirements, considerations, and examples for the professional practice of internal auditing globally. The Standards apply to any individual or function that provides internal audit services, whether an organization employs internal auditors directly, contracts them through an external service provider, or both. Organizations receiving internal audit services vary in sector and industry affiliation, purpose, size, complexity, and structure.

The Standards apply to the internal audit function and individual internal auditors including the chief audit executive. While the chief audit executive is accountable for the internal audit function's implementation of and conformance with all principles and standards, all internal auditors are responsible for conforming with the principles and standards relevant to performing their job responsibilities, which are presented primarily in Domain II: Ethics and Professionalism and Domain V: Performing Internal Audit Services.

The Standards are organized into five domains:

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

Domains II through V contain the following elements:

- Principles: broad descriptions of a related group of requirements and considerations.
- Standards, which include:
 - Requirements: mandatory practices for internal auditing.
 - Considerations for Implementation: common and preferred practices to consider when implementing the requirements.
 - Examples of Evidence of Conformance: ways to demonstrate that the requirements of the Standards have been implemented.

The Standards use the word “must” in the Requirements sections and the words “should” and “may” to specify common and preferred practices in the Considerations for Implementation sections. Each standard ends with a list of examples of evidence. The examples are neither requirements nor the only ways to demonstrate conformance; rather, they are provided to help internal audit functions prepare for quality assessments, which rely on demonstrative evidence. The Standards use certain terms as defined in the accompanying glossary. To understand and implement the Standards correctly, it is necessary to understand and adopt the specific meanings and usage of the terms as described in the glossary.

Demonstrating Conformance with the Standards

The requirements, considerations for implementation, and examples of evidence of conformance are designed to help internal auditors conform with the Standards. While conformance with the requirements is expected, internal auditors occasionally may be unable to conform with a requirement yet still achieve the intent of the standard. Circumstances that may necessitate adjustments are often related to resource limitations or specific aspects of a sector, industry, and/or jurisdiction. In these exceptional circumstances, alternative actions should be implemented to meet the intent of the related standard. The chief audit executive is responsible for documenting and conveying the rationale for the deviation and the adopted alternative actions to the appropriate parties. Related requirements and information appear in Standard 4.1 Conformance with Global Internal Audit Standards and Domain III: Governing the Internal Audit Function together with its principles and standards. While the circumstances necessitating adjustments are too varied to list, the following section acknowledges two areas that consistently draw questions: small internal audit functions and those in the public sector.

Application in Small Internal Audit Functions

The internal audit function's ability to fully conform with the Standards may be affected by its size or the size of the organization. With limited resources, completing certain tasks may be challenging. Additionally, if the internal audit function comprises only one member, an adequate quality assurance and improvement program will require assistance from outside the internal audit function. (See also Standards 10.1 Financial Resource Management, 12.1 Internal Quality Assessment, and 12.3 Oversee and Improve Engagement Performance.)

Application in the Public Sector

While the Global Internal Audit Standards apply to all internal audit functions, internal auditors in the public sector work in a political environment under governance, organizational, and funding structures that may differ from those of the private sector. The nature of these structures and related conditions may be affected by the jurisdiction and level of government in which the internal audit function operates. Additionally, some terminology used in the public sector differs from that of the private sector. These differences may affect how internal audit functions in the public sector apply the Standards. The section "Applying the Global Internal Audit Standards in the Public Sector," which follows Domain V: Performing Internal Audit Services, describes strategies for conformance amid the circumstances and conditions unique to internal auditing in the public sector.

Glossary

activity under review – The subject of an internal audit engagement. Examples include an area, entity, operation, function, process, or system.

advisory services – Services through which internal auditors provide advice to an organization’s stakeholders without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders. Examples include advising on the design and implementation of new policies, processes, systems, and products; providing forensic services; providing training; and facilitating discussions about risks and controls. “Advisory services” are also known as “consulting services.”

assurance – Statement intended to increase the level of stakeholders’ confidence about an organization’s governance, risk management, and control processes over an issue, condition, subject matter, or activity under review when compared to established criteria.

assurance services – Services through which internal auditors perform objective assessments to provide assurance. Examples of assurance services include compliance, financial, operational/performance, and technology engagements. Internal auditors may provide limited or reasonable assurance, depending on the nature, timing, and extent of procedures performed.

board – Highest-level body charged with governance, such as:

- A board of directors.
- An audit committee.
- A board of governors or trustees.
- A group of elected officials or political appointees.
- Another body that has authority over the relevant governance functions.

In an organization that has more than one governing body, “board” refers to the body/bodies authorized to provide the internal audit function with the appropriate authority, role, and responsibilities.

If none of the above exist, “board” should be read as referring to the group or person that acts as the organization’s highest-level governing body. Examples include the head of the organization and senior management.

chief audit executive – The leadership role responsible for effectively managing all aspects of the internal audit function and ensuring the quality performance of internal audit services in accordance with Global Internal Audit Standards. The specific job title and/or responsibilities may vary across organizations.

competency – Knowledge, skills, and abilities.

compliance – Adherence to laws, regulations, contracts, policies, procedures, and other requirements.

conflict of interest – A situation, activity, or relationship that may influence, or appear to influence, an internal auditor’s ability to make objective professional judgments or perform responsibilities objectively.

control – Any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved.

control processes – The policies, procedures, and activities designed and operated to manage risks to be within the level of an organization’s risk tolerance.

criteria – In an engagement, specifications of the desired state of the activity under review (also called “evaluation criteria”).

engagement – A specific internal audit assignment or project that includes multiple tasks or activities designed to accomplish a specific set of related objectives. See also “assurance services” and “advisory services.”

engagement conclusion – Internal auditors’ professional judgment about engagement findings when viewed collectively. The engagement conclusion should indicate satisfactory or unsatisfactory performance.

engagement objectives – Statements that articulate the purpose of an engagement and describe the specific goals to be achieved.

engagement planning – Process during which internal auditors gather information, assess and prioritize risks relevant to the activity under review, establish engagement objectives and scope, identify evaluation criteria, and create a work program for an engagement.

engagement results – The findings and conclusion of an engagement. Engagement results may also include recommendations and/or agreed upon action plans.

engagement supervisor – An internal auditor responsible for supervising an internal audit engagement, which may include training and assisting internal auditors as well as reviewing and approving the engagement work program, workpapers, final communication, and performance. The chief audit executive may be the engagement supervisor or may delegate such responsibilities.

engagement work program – A document that identifies the tasks to be performed to achieve the engagement objectives, the methodology and tools necessary, and the internal auditors assigned to perform the tasks. The work program is based on information obtained during engagement planning.

external service provider – Resource from outside the organization that provides relevant knowledge, skills, experience, and/or tools to support internal audit services.

finding – In an engagement, the determination that a gap exists between the evaluation criteria and the condition of the activity under review. Other terms, such as “observations,” may be used.

fraud – Any intentional act characterized by deceit, concealment, dishonesty, misappropriation of assets or information, forgery, or violation of trust perpetrated by individuals or organizations to secure unjust or illegal personal or business advantage.

governance – The combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives.

impact – The result or effect of an event. The event may have a positive or negative effect on the entity's strategy or business objectives.

independence – The freedom from conditions that may impair the ability of the internal audit function to carry out internal audit responsibilities in an unbiased manner.

inherent risk – The combination of internal and external risk factors that exists in the absence of any management actions.

integrity – Behavior characterized by adherence to moral and ethical principles, including demonstrating honesty and the professional courage to act based on relevant facts.

internal audit charter – A formal document that includes the internal audit function's mandate, organizational position, reporting relationships, scope of work, types of services, and other specifications.

internal audit function – A professional individual or group responsible for providing an organization with assurance and advisory services.

internal audit mandate – The internal audit function's authority, role, and responsibilities, which may be granted by the board and/or laws and regulations.

internal audit manual – The chief audit executive's documentation of the methodologies (policies, processes, and procedures) to guide and direct internal auditors within the internal audit function.

internal audit plan – A document, developed by the chief audit executive, that identifies the engagements and other internal audit services anticipated to be provided during a given period. The plan should be risk-based and dynamic, reflecting timely adjustments in response to changes affecting the organization.

internal auditing – An independent, objective assurance and advisory service designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

likelihood – The possibility that a given event will occur.

may – As used in the Considerations for Implementation of the Global Internal Audit Standards, the word "may" describes optional practices to implement the Requirements.

methodologies – Policies, processes, and procedures established by the chief audit executive to guide the internal audit function and enhance its effectiveness.

must – The Global Internal Audit Standards use the word "must" to specify an unconditional requirement.

objectivity – An unbiased mental attitude that allows internal auditors to make professional judgments, fulfill their responsibilities, and achieve the Purpose of Internal Auditing without compromise.

outsourcing – Contracting with an independent external provider of internal audit services. Fully outsourcing a function refers to contracting the entire internal audit function, and partially outsourcing (also called "cosourcing") indicates that only a portion of the services are outsourced.

periodically – At regularly occurring intervals, depending on the needs of the organization, including the internal audit function.

professional skepticism – Questioning and critically assessing the reliability of information.

public sector – Governments and all publicly controlled or publicly funded agencies, enterprises, and other entities that deliver programs, goods, or services to the public.

quality assurance and improvement program – A program established by the chief audit executive to evaluate and ensure the internal audit function conforms with the Global Internal Audit Standards, achieves performance objectives, and pursues continuous improvement. The program includes internal and external assessments.

residual risk – The portion of inherent risk that remains after management actions are implemented.

results of internal audit services – Outcomes, such as engagement conclusions, themes (such as effective practices or root causes), and conclusions at the level of the business unit or organization.

risk – The positive or negative effect of uncertainty on objectives.

risk and control matrix – A tool that facilitates the performance of internal auditing. It typically links business objectives, risks, control processes, and key information to support the internal audit process.

risk appetite – The types and amount of risk that an organization is willing to accept in the pursuit of its strategies and objectives.

risk assessment – The identification and analysis of risks relevant to the achievement of an organization's objectives. The significance of risks is typically assessed in terms of impact and likelihood.

risk management – A process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organization's objectives.

risk tolerance – Acceptable variations in performance related to achieving objectives.

root cause – Core issue or underlying reason for the difference between the criteria and the condition of an activity under review.

senior management – The highest level of executive management of an organization that is ultimately accountable to the board for executing the organization's strategic decisions, typically a group of persons that includes the chief executive officer or head of the organization.

should – As used in the Considerations for Implementation of the Global Internal Audit Standards, the word "should" describes practices that are preferred but not required.

significance – The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, relevance, and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

stakeholder – A party with a direct or indirect interest in an organization’s activities and outcomes. Stakeholders may include the board, management, employees, customers, vendors, shareholders, regulatory agencies, financial institutions, external auditors, the public, and others.

workpapers – Documentation of the internal audit work done when planning and performing engagements. The documentation provides the supporting information for engagement findings and conclusions.

Domain I: Purpose of Internal Auditing

The purpose statement is intended to assist internal auditors and internal audit stakeholders in understanding and articulating the value of internal auditing.



Purpose Statement

Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal auditing enhances the organization's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Internal auditing is most effective when:

- It is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the board.
- Internal auditors are free from undue influence and committed to making objective assessments.

Domain II: Ethics and Professionalism



The principles and standards in the Ethics and Professionalism domain of the Global Internal Audit Standards replace The IIA's former Code of Ethics and outline the behavioral expectations for professional internal auditors; including chief audit executives, other individuals, and any entities that provide internal audit services.

Conformance with these principles and standards instills trust in the profession of internal auditing, creates an ethical culture within the internal audit function, and provides the basis for reliance on internal auditors' work and judgment.

All internal auditors are required to conform with the standards of ethics and professionalism. If internal auditors are expected to abide by other codes of ethics, behavior, or conduct, such as those of an organization, conformance with the principles and standards of ethics and professionalism contained herein is still expected. The fact that a particular behavior is not mentioned in these principles and standards does not preclude it from being considered unacceptable or discreditable.

While internal auditors are responsible for their own conformance, the chief audit executive is expected to support and promote conformance with the principles and standards in the Ethics and Professionalism domain by providing opportunities for training and guidance. The chief audit executive may choose to delegate certain responsibilities for managing conformance but retains accountability for the ethics and professionalism of the internal audit function.

Principle 1 Demonstrate Integrity

Internal auditors demonstrate integrity in their work and behavior.

Integrity is behavior characterized by adherence to moral and ethical principles, including demonstrating honesty and the courage to act based on relevant facts, even when facing pressure to do otherwise, or when doing so might create potential adverse personal or organizational consequences. In simple terms, internal auditors are expected to tell the truth and do the right thing, even when it is uncomfortable or difficult.

Integrity is the foundation of the other principles of ethics and professionalism, including objectivity, competency, due professional care, and confidentiality. The integrity of internal auditors is essential to establishing trust and earning respect.

Standard 1.1 Honesty and Professional Courage

Requirements

Internal auditors must perform their work with honesty and professional courage.

Internal auditors must be truthful, accurate, clear, open, and respectful in all professional relationships and communications, even when expressing skepticism or offering an opposing viewpoint. Internal auditors must not make false, misleading, or deceptive statements, nor conceal or omit findings or other pertinent information from communications. Internal auditors must disclose all material facts known to them that, if not disclosed, could affect the organization's ability to make well-informed decisions.

Internal auditors must exhibit professional courage by communicating truthfully and taking appropriate action, even when confronted by dilemmas and difficult situations.

The chief audit executive must maintain a work environment where internal auditors feel supported when expressing legitimate, evidence-based engagement results, whether favorable or unfavorable.

Standard 1.2 Organization's Ethical Expectations

Requirements

Internal auditors must understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and must be able to recognize conduct that is contrary to those expectations.

Internal auditors must encourage and promote an ethics-based culture in the organization. If internal auditors identify behavior within the organization that is inconsistent with the organization's ethical expectations, they must report the concern according to applicable policies and procedures.

Standard 1.3 Legal and Ethical Behavior

Requirements

Internal auditors must not engage in or be a party to any activity that is illegal or discreditable to the organization or the profession of internal auditing or that may harm the organization or its employees.

Internal auditors must understand and abide by the laws and/or regulations relevant to the industry and jurisdictions in which the organization operates, including making disclosures as required.

If internal auditors identify legal or regulatory violations, they must report such incidents to individuals or entities that have the authority to take appropriate action, as specified in laws, regulations, and applicable policies and procedures.

Principle 2 Maintain Objectivity

Internal auditors maintain an impartial and unbiased attitude when performing internal audit services and making decisions.

Objectivity is an unbiased mental attitude that allows internal auditors to make professional judgments, fulfill their responsibilities, and achieve the Purpose of Internal Auditing without compromise. An independently positioned internal audit function supports internal auditors' ability to maintain objectivity.

Standard 2.1 Individual Objectivity

Requirements

Internal auditors must maintain professional objectivity when performing all aspects of internal audit services. Professional objectivity requires internal auditors to apply an impartial and unbiased mindset and make judgments based on balanced assessments of all relevant circumstances.

Internal auditors must be aware of and manage potential biases.

Standard 2.2 Safeguarding Objectivity

Requirements

Internal auditors must recognize and avoid or mitigate actual, potential, and perceived impairments to objectivity.

Internal auditors must not accept any tangible or intangible item, such as a gift, reward, or favor, that may impair or be presumed to impair objectivity.

Internal auditors must avoid conflicts of interest and must not be unduly influenced by their own interests or the interests of others, including senior management or others in a position of authority, or by the political environment or other aspects of their surroundings.

When performing internal audit services:

- Internal auditors must refrain from assessing specific activities for which they were previously responsible. Objectivity is presumed to be impaired if an internal auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous 12 months.
- If the internal audit function is to provide assurance services where it had previously performed advisory services, the chief audit executive must confirm that the nature of the advisory services does not impair objectivity and must assign resources such that individual objectivity is managed. Assurance engagements for functions over which the chief audit executive has responsibility must be overseen by an independent party outside the internal audit function.
- If internal auditors are to provide advisory services relating to activities for which they had previous responsibilities, they must disclose potential impairments to the party requesting the services before accepting the engagement.

The chief audit executive must establish methodologies to address impairments to objectivity. Internal auditors must discuss impairments and take appropriate actions according to relevant methodologies.

Standard 2.3 Disclosing Impairments to Objectivity

Requirements

If objectivity is impaired in fact or appearance, the details of the impairment must be disclosed promptly to the appropriate parties.

If internal auditors become aware of an impairment that may affect their objectivity, they must disclose the impairment to the chief audit executive or a designated supervisor.

If the chief audit executive determines that an impairment is affecting an internal auditor's ability to perform duties objectively, the chief audit executive must discuss the impairment with the management of the activity under review, the board, and/or senior management and determine the appropriate actions to resolve the situation.

If an impairment that affects the reliability or perceived reliability of the engagement findings, recommendations, and/or conclusions is discovered after an engagement has been completed, the chief audit executive must discuss the concern with the management of the activity under review, the board, senior management, and/or other affected stakeholders and determine the appropriate actions to resolve the situation. (See also Standard 11.4 Errors and Omissions.)

If the objectivity of the chief audit executive is impaired in fact or appearance, the chief audit executive must disclose the impairment to the board. (See also Standard 7.1 Organizational Independence.)

Principle 3 Demonstrate Competency

Internal auditors apply the knowledge, skills, and abilities to fulfill their roles and responsibilities successfully.

Demonstrating competency requires developing and applying the knowledge, skills, and abilities to provide internal audit services. Because internal auditors provide a diverse array of services, the competencies needed by each internal auditor vary. In addition to possessing or obtaining the competencies needed to perform services, internal auditors improve the effectiveness and quality of services by pursuing professional development.

Standard 3.1 Competency

Requirements

Internal auditors must possess or obtain the competencies to perform their responsibilities successfully. The required competencies include the knowledge, skills, and abilities suitable for one's job position and responsibilities commensurate with their level of experience. Internal auditors must possess or develop knowledge of The IIA's Global Internal Audit Standards.

Internal auditors must engage only in those services for which they have or can attain the necessary competencies.

Each internal auditor is responsible for continually developing and applying the competencies necessary to fulfill their professional responsibilities. Additionally, the chief audit executive must ensure that the internal audit function collectively possesses the competencies to perform the internal audit services described in the internal audit charter or must obtain the necessary competencies. (See also Standards 7.2 Chief Audit Executive Qualifications and 10.2 Human Resources Management.)

Standard 3.2 Continuing Professional Development

Requirements

Internal auditors must maintain and continually develop their competencies to improve the effectiveness and quality of internal audit services. Internal auditors must pursue continuing professional development including education and training. Practicing internal auditors who have attained professional internal audit certifications must follow the continuing professional education policies and fulfill the requirements applicable to their certifications.

Principle 4 Exercise Due Professional Care

Internal auditors apply due professional care in planning and performing internal audit services.

The standards that embody exercising due professional care require:

- Conformance with the Global Internal Audit Standards.
- Consideration of the nature, circumstances, and requirements of the work to be performed.
- Application of professional skepticism to critically assess and evaluate information.

Due professional care requires planning and performing internal audit services with the diligence, judgment, and skepticism possessed by prudent and competent internal auditors. When exercising due professional care, internal auditors perform in the best interests of those receiving internal audit services but are not expected to be infallible.

Standard 4.1 Conformance with the Global Internal Audit Standards

Requirements

Internal auditors must plan and perform internal audit services in accordance with the Global Internal Audit Standards.

The internal audit function's methodologies must be established, documented, and maintained in alignment with the Standards. Internal auditors must follow the Standards and the internal audit function's methodologies when planning and performing internal audit services and communicating results.

If the Standards are used in conjunction with requirements issued by other authoritative bodies, internal audit communications must also cite the use of the other requirements, as appropriate.

If laws or regulations prohibit internal auditors or the internal audit function from conforming with any part of the Standards, conformance with all other parts of the Standards is required and appropriate disclosures must be made.

When internal auditors are unable to conform with a requirement, the chief audit executive must document and communicate a description of the circumstance, alternative actions taken, the impact of the actions, and the rationale. Requirements related to disclosing nonconformance with the Standards are described in Standards 8.3 Quality, 12.1 Internal Quality Assessment, and 15.1 Final Engagement Communication.

Standard 4.2 Due Professional Care

Requirements

Internal auditors must exercise due professional care by assessing the nature, circumstances, and requirements of the services to be provided, including:

- The organization's strategy and objectives.
- The interests of those for whom internal audit services are provided and the interests of other stakeholders.
- Adequacy and effectiveness of governance, risk management, and control processes.
- Cost relative to potential benefits of the internal audit services to be performed.
- Extent and timeliness of work needed to achieve the engagement's objectives.
- Relative complexity, materiality, or significance of risks to the activity under review.
- Probability of significant errors, fraud, noncompliance, and other risks that might affect objectives, operations, or resources.
- Use of appropriate techniques, tools, and technology.

Standard 4.3 Professional Skepticism

Requirements

Internal auditors must exercise professional skepticism when planning and performing internal audit services.

To exercise professional skepticism, internal auditors must:

- Maintain an attitude that includes inquisitiveness.
- Critically assess the reliability of information.
- Be straightforward and honest when raising concerns and asking questions about inconsistent information.
- Seek additional evidence to make a judgment about information and statements that might be incomplete, inconsistent, false, or misleading.

Principle 5 Maintain Confidentiality

Internal auditors use and protect information appropriately.

Because internal auditors have unrestricted access to the data, records, and other information necessary to fulfill the internal audit mandate, they often receive information that is confidential, proprietary, and/or personally identifiable. (See also Principle 6 Authorized by the Board and its standards.) This includes information in physical and digital form as well as information derived from oral communication, such as formal or informal meeting discussions. Internal auditors must respect the value and ownership of information they receive by using it only for professional purposes and protecting it from unauthorized access or disclosure, internally and externally.

Standard 5.1 Use of Information

Requirements

Internal auditors must follow the relevant policies, procedures, laws, and regulations when using information. The information must not be used for personal gain or in a manner contrary or detrimental to the organization's legitimate and ethical objectives.

Standard 5.2 Protection of Information

Requirements

Internal auditors must be aware of their responsibilities for protecting information and demonstrate respect for the confidentiality, privacy, and ownership of information acquired when performing internal audit services or as the result of professional relationships.

Internal auditors must understand and abide by the laws, regulations, policies, and procedures related to confidentiality, information privacy, and information security that apply to the organization and internal audit function.

Considerations specifically relevant to the internal audit function include:

- Custody, retention, and disposal of engagement records.
- Release of engagement records to internal and external parties.
- Handling of, access to, or copies of confidential information when it is no longer needed.

Internal auditors must not disclose confidential information to unauthorized parties unless there is a legal or professional responsibility to do so.

Internal auditors must manage the risk of exposing or disclosing information inadvertently.

The chief audit executive must ensure that the internal audit function and individuals assisting the internal audit function adhere to the same protection requirements.

Domain III: Governing the Internal Audit Function



Appropriate governance arrangements are essential to enable the internal audit function to be effective. This domain outlines the requirements for chief audit executives to work closely with the board to establish the internal audit function, position it independently, and oversee its performance. This domain also outlines senior management's responsibilities that support the board's responsibilities and promote strong governance of the internal audit function.

While the chief audit executive is responsible for the requirements in this domain, activities of the board and senior management are essential to the internal audit function's ability to fulfill the Purpose of Internal Auditing. These activities are identified as "essential conditions" in each standard and establish a necessary foundation for an effective dialogue between the board, senior management, and the chief audit executive, ultimately enabling an effective internal audit function.

Meeting with the Board and Senior Management

The chief audit executive must discuss this domain with the board and senior management. The discussions should focus on:

- The Purpose of Internal Auditing as articulated in Domain I: Purpose of Internal Auditing.
- The essential conditions outlined under each of the standards in Domain III: Governing the Internal Audit Function.
- The potential impact on the effectiveness of the internal audit function if the board or senior management does not provide the support outlined in the essential conditions.

The discussions are needed to inform the board and senior management about the importance of the essential conditions and to gain alignment among their respective responsibilities.

The nature and frequency of these discussions depend on the circumstances and changes in the organization. For example, the chief audit executive should discuss these essential conditions with the board and senior management if:

- The Standards change significantly or a new internal audit function is created.
- The chief audit executive is new to the role or organization.
- There are significant changes in the relationship between the board and the chief audit executive, such as a new chairperson to whom the chief audit executive reports or a change in the structure or composition of the board that affects this reporting relationship.
- There are significant changes in the structure or composition of senior management that affect the chief audit executive's positioning within the organization.

It is important for the chief audit executive to receive input from both the board and senior management. While the board may have the ultimate responsibility to approve the internal audit mandate, charter, and other requirements outlined in this domain, senior management typically has a key role in providing input to the board and the chief audit executive. Senior management's perspective is valuable and helps support the internal audit function's positioning and authority in the organization.

Disagreements on Essential Conditions

If either the board or senior management disagrees with one or more of these essential conditions, the chief audit executive must emphasize – with examples – how absence of the condition(s) may affect the internal audit function’s ability to fulfill its purpose or conform with specific standards. The chief audit executive should also discuss alternatives to the essential conditions that may provide the same results.

The chief audit executive may reach agreement with the board and senior management that one or more of the essential conditions are not necessary to conform with the Standards. In such instances, the chief audit executive must document:

- The reasons for agreeing that a particular condition is unnecessary.
- Alternative conditions that compensate for the absent conditions, to support the judgments of the board and senior management.

If the chief audit executive does not agree with the board’s and/or senior management’s reasons for not performing one or more of the conditions, the chief audit executive may conclude that the internal audit function cannot conform with the Standards. In such cases, the chief audit executive should document the reasons why the board and/or senior management will not perform the essential conditions. This documentation should be shared with the board and senior management to ensure clarity regarding their positions and made available to an external quality assessor.

If the chief audit executive position is open for any reason, the board should appoint one or more individuals in the interim.

Definition of Board

The glossary to the Global Internal Audit Standards defines the term “board” as the highest-level body charged with governance, such as:

- A board of directors.
- An audit committee.
- A board of governors or trustees.
- A group of elected officials or political appointees.
- Another body that has authority over the relevant governance functions.

In an organization that has more than one governing body, “board” refers to the body or bodies authorized to provide the internal audit function with the appropriate authority, role, and responsibilities.

If none of the above exists, “board” should be read as referring to the group or person that acts as the organization’s highest-level governing body. Examples include the head of the organization and senior management.

If the nature of the board varies from the definition provided in the glossary, the chief audit executive should document the governing structure to which the internal audit function reports and how this structure is consistent with the definition of board. This may include environments where multiple boards exist, sometimes found in multi-national organizations or the public sector, or where a multi-tiered structure is in place.

Application of this Domain

The Standards apply to individuals and functions that provide internal audit services. Internal audit services may be provided by persons within or outside the organization for organizations that vary in purpose, size, complexity, and structure. The Standards apply whether an organization employs internal auditors directly, contracts them through an external service provider, or both. The chief audit executive's responsibilities are performed by one or more individuals designated by the board. The chief audit executive, whether employed directly by the organization or through an external service provider, is responsible for conformance with the Standards as demonstrated through the quality assurance and improvement program. In all cases, the board retains the responsibility to support and oversee the internal audit function.

Principle 6 Authorized by the Board

The board establishes, approves, and supports the mandate of the internal audit function.

The internal audit function receives its mandate from the board (or applicable law in certain public sector environments). The mandate specifies the authority, role, and responsibilities of the internal audit function and is documented in the internal audit charter. The mandate empowers the internal audit function to provide the board and senior management with objective assurance, advice, insight, and foresight. The internal audit function carries out the mandate by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes throughout the organization.

Standard 6.1 Internal Audit Mandate

Requirements

The chief audit executive must provide the board and senior management with the information necessary to establish the internal audit mandate. In those jurisdictions and industries where the internal audit function's mandate is prescribed wholly or partially in laws or regulations, the internal audit charter must include the legal requirements of the mandate. (See also Standard 6.2 Internal Audit Charter and "Applying the Global Internal Audit Standards in the Public Sector.")

To help the board and senior management determine the scope and types of internal audit services, the chief audit executive must coordinate with other internal and external assurance providers to gain an understanding of each other's roles and responsibilities. (See also Standard 9.5 Coordination and Reliance.)

The chief audit executive must document or reference the mandate in the internal audit charter, which is approved by the board. (See also Standard 6.2 Internal Audit Charter.)

Periodically, the chief audit executive must assess whether changes in circumstances justify a discussion with the board and senior management about the internal audit mandate. If so, the chief audit executive must discuss the internal audit mandate with the board and senior management to assess whether the authority, role, and responsibilities continue to enable the internal audit function to achieve its strategy and accomplish its objectives.

Essential Conditions

Board

- Discuss with the chief audit executive and senior management the appropriate authority, role, and responsibilities of the internal audit function.
- Approve the internal audit charter, which includes the internal audit mandate and the scope and types of internal audit services.

Senior Management

- Participate in discussions with the board and chief audit executive and provide input on expectations for the internal audit function that the board should consider when establishing the internal audit mandate.
- Support the internal audit mandate throughout the organization and promote the authority granted to the internal audit function.

Standard 6.2 Internal Audit Charter

Requirements

The chief audit executive must develop and maintain an internal audit charter that specifies, at a minimum, the internal audit function's:

- Purpose of Internal Auditing.
- Commitment to adhering to the Global Internal Audit Standards.
- Mandate, including scope and types of services to be provided, and the board's responsibilities and expectations regarding management's support of the internal audit function. (See also Standard 6.1 Internal Audit Mandate.)
- Organizational position and reporting relationships. (See also Standard 7.1 Organizational Independence.)

The chief audit executive must discuss the proposed charter with the board and senior management to confirm that it accurately reflects their understanding and expectations of the internal audit function.

Essential Conditions

Board

- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter to enable an effective internal audit function.
- Approve the internal audit charter.

- Review the internal audit charter with the chief audit executive to consider changes affecting the organization, such as the employment of a new chief audit executive or changes in the type, severity, and interdependencies of risks to the organization.

Senior Management

- Communicate with the board and chief audit executive about management's expectations that should be considered for inclusion in the internal audit charter.

Standard 6.3 Board and Senior Management Support

Requirements

The chief audit executive must provide the board and senior management with the information needed to support and promote recognition of the internal audit function throughout the organization.

The chief audit executive must coordinate the internal audit function's board communications with senior management to support the board's ability to fulfill its requirements.

Essential Conditions

Board

- Champion the internal audit function to enable it to fulfill the Purpose of Internal Auditing and pursue its strategy and objectives.
- Work with senior management to enable the internal audit function's unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfill the internal audit mandate.
- Support the chief audit executive through regular, direct communications.
- Demonstrate support by:
 - Specifying that the chief audit executive reports to a level within the organization that allows the internal audit function to fulfill the internal audit mandate.
 - Approving the internal audit charter, internal audit plan, budget, and resource plan.
 - Making appropriate inquiries of senior management and the chief audit executive to determine whether any restrictions on the internal audit function's scope, access, authority, or resources limit the function's ability to carry out its responsibilities effectively.
 - Meeting periodically with the chief audit executive in sessions without senior management present.

Senior Management

- Support recognition of the internal audit function throughout the organization.
- Work with the board and management throughout the organization to enable the internal audit function's unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfill the internal audit mandate.

Principle 7 Positioned Independently

The board establishes and protects the internal audit function's independence and qualifications.

The board is responsible for enabling the independence of the internal audit function. Independence is defined as the freedom from conditions that impair the internal audit function's ability to carry out its responsibilities in an unbiased manner. The internal audit function is only able to fulfill the Purpose of Internal Auditing when the chief audit executive reports directly to the board, is qualified, and is positioned at a level within the organization that enables the internal audit function to discharge its services and responsibilities without interference.

Standard 7.1 Organizational Independence

Requirements

The chief audit executive must confirm to the board the organizational independence of the internal audit function at least annually. This includes communicating incidents where independence may have been impaired and the actions or safeguards employed to address the impairment.

The chief audit executive must document in the internal audit charter the reporting relationships and organizational positioning of the internal audit function, as determined by the board. (See also Standard 6.2 Internal Audit Charter.)

The chief audit executive must discuss with the board and senior management any current or proposed roles and responsibilities that have the potential to impair the internal audit function's independence, either in fact or appearance. The chief audit executive must advise the board and senior management of the types of safeguards to manage actual, potential, or perceived impairments.

When the chief audit executive has one or more ongoing roles beyond internal auditing, the responsibilities, nature of work, and established safeguards must be documented in the internal audit charter. If those areas of responsibility are subject to internal auditing, alternative processes to obtain assurance must be established, such as contracting with an objective, competent external assurance provider that reports independently to the board.

When the chief audit executive's nonaudit responsibilities are temporary, assurance for those areas must be provided by an independent third party during the temporary assignment and for the subsequent 12 months. Also, the chief audit executive must establish a plan to transition those responsibilities to management.

If the governing structure does not support organizational independence, the chief audit executive must document the characteristics of the governing structure limiting independence and any safeguards that may be employed to achieve this principle.

Essential Conditions

Board

- Establish a direct reporting relationship with the chief audit executive and the internal audit function to enable the internal audit function to fulfill its mandate.
- Authorize the appointment and removal of the chief audit executive.
- Provide input to senior management to support the performance evaluation and remuneration of the chief audit executive.
- Provide the chief audit executive with opportunities to discuss significant and sensitive matters with the board, including meetings without senior management present.
- Require that the chief audit executive be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the board when necessary.
- Acknowledge the actual or potential impairments to the internal audit function's independence when approving roles or responsibilities for the chief audit executive that are beyond the scope of internal auditing.
- Engage with senior management and the chief audit executive to establish appropriate safeguards if chief audit executive roles and responsibilities impair or appear to impair the internal audit function's independence.
- Engage with senior management to ensure that the internal audit function is free from interference when determining its scope, performing internal audit engagements, and communicating results.

Senior Management

- Position the internal audit function at a level within the organization that enables it to perform its services and responsibilities without interference, as directed by the board.
- Recognize the chief audit executive's direct reporting relationship with the board.
- Engage with the board and the chief audit executive to understand any potential impairments to the internal audit function's independence caused by nonaudit roles or other circumstances and support the implementation of appropriate safeguards to manage such impairments.
- Provide input to the board on the appointment and removal of the chief audit executive.
- Solicit input from the board on the performance evaluation and remuneration of the chief audit executive.

Standard 7.2 Chief Audit Executive Qualifications

Requirements

The chief audit executive must help the board understand the qualifications and competencies of a chief audit executive that are necessary to manage the internal audit function. The chief audit executive facilitates this understanding by providing information and examples of common and leading qualifications and competencies.

The chief audit executive must maintain and enhance the qualifications and competencies necessary to fulfill the roles and responsibilities expected by the board. (See also Principle 3 Demonstrate Competency and its standards.)

Essential Conditions

Board

- Review the requirements necessary for the chief audit executive to manage the internal audit function, as described in Domain IV: Managing the Internal Audit Function.
- Approve the chief audit executive's roles and responsibilities and identify the necessary qualifications, experience, and competencies to carry out these roles and responsibilities.
- Engage with senior management to appoint a chief audit executive with the qualifications and competencies necessary to manage the internal audit function effectively and ensure the quality performance of internal audit services.

Senior Management

- Engage with the board to determine the chief audit executive's qualifications, experience, and competencies.
- Enable the appointment, development, and remuneration of the chief audit executive through the organization's human resources processes.

Principle 8 Overseen by the Board

The board oversees the internal audit function to ensure the function's effectiveness.

Board oversight is essential to enable the overall effectiveness of the internal audit function. Achieving this principle requires collaborative and interactive communication between the board and the chief audit executive as well as the board's support in ensuring the internal audit function obtains sufficient resources to fulfill the internal audit mandate. Additionally, the board receives assurance about the quality of the performance of the chief audit executive and the internal audit function through the quality assessment and improvement program, including the board's direct review of the results of the external quality assessment.

Standard 8.1 Board Interaction

Requirements

The chief audit executive must provide the board with the information needed to conduct its oversight responsibilities. This information may be specifically requested by the board or may be, in the judgment of the chief audit executive, valuable for the board to exercise its oversight responsibilities.

The chief audit executive must report to the board and senior management:

- The internal audit plan and budget and subsequent significant revisions to them. (See also Standards 6.3 Board and Senior Management Support and 9.4 Internal Audit Plan.)
- Changes potentially affecting the mandate or charter. (See also Standards 6.1 Internal Audit Mandate and 6.2 Internal Audit Charter.)
- Potential impairments to independence. (See also Standard 7.1 Organizational Independence.)
- Results of internal audit services, including conclusions, themes, assurance, advice, insights, and monitoring results. (See also Standards 11.3 Communicating Results, 14.5 Engagement Conclusions, and 15.2 Confirming the Implementation of Recommendations or Action Plans.)
- Results from the quality assurance and improvement program. (See also Standards 8.3 Quality, 8.4 External Quality Assessment, 12.1 Internal Quality Assessment, and 12.2 Performance Measurement.)

There may be instances when the chief audit executive disagrees with senior management or other stakeholders on the scope, findings, or other aspects of an engagement that may affect the ability of the internal audit function to execute its responsibilities. In such cases, the chief audit executive must provide the board with the facts and circumstances to allow the board to consider whether, in its oversight role, it should intervene with senior management or other stakeholders.

Essential Conditions

Board

- Communicate with the chief audit executive to understand how the internal audit function is fulfilling its mandate.
- Communicate the board's perspective on the organization's strategies, objectives, and risks to assist the chief audit executive with determining internal audit priorities.
- Set expectations with the chief audit executive for:
 - The frequency with which the board wants to receive communications from the chief audit executive.
 - The criteria for determining which issues should be escalated to the board, such as significant risks that exceed the board's risk tolerance.
 - The process for escalating matters of importance to the board.

- Gain an understanding of the effectiveness of the organization's governance, risk management, and control processes based on the results of internal audit engagements and discussions with senior management.
- Discuss with the chief audit executive disagreements with senior management or other stakeholders and provide support as necessary to enable the chief audit executive to perform the responsibilities outlined in the internal audit mandate.

Senior Management

- Communicate senior management's perspective on the organization's strategies, objectives, and risks to assist the chief audit executive with determining internal audit priorities.
- Assist the board in understanding the effectiveness of the organization's governance, risk management, and control processes.
- Work with the board and the chief audit executive on the process for escalating matters of importance to the board.

Standard 8.2 Resources

Requirements

The chief audit executive must evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan. If not, the chief audit executive must develop a strategy to obtain sufficient resources and inform the board about the impact of insufficient resources and how any resource shortfalls will be addressed.

Essential Conditions

Board

- Collaborate with senior management to provide the internal audit function with sufficient resources to fulfill the internal audit mandate and achieve the internal audit plan.
- Discuss with the chief audit executive, at least annually, the sufficiency, both in numbers and capabilities, of internal audit resources to fulfill the internal audit mandate and achieve the internal audit plan.
- Consider the impact of insufficient resources on the internal audit mandate and plan.
- Engage with senior management and the chief audit executive on remedying the situation if the resources are determined to be insufficient.

Senior Management

- Engage with the board to provide the internal audit function with sufficient resources to fulfill the internal audit mandate and achieve the internal audit plan.
- Engage with the board and the chief audit executive on any issues of insufficient resources and how to remedy the situation.

Standard 8.3 Quality

Requirements

The chief audit executive must develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program includes two types of assessments:

- External assessments. (See also Standard 8.4 External Quality Assessment.)
- Internal assessments. (See also Standard 12.1 Internal Quality Assessment.)

At least annually, the chief audit executive must communicate the results of the internal quality assessment to the board and senior management. The results of the external quality assessments must be reported when completed. In both cases, such communications include:

- The internal audit function's conformance with the Standards and achievement of performance objectives.
- If applicable, compliance with laws and/or regulations relevant to internal auditing.
- If applicable, plans to address the internal audit function's deficiencies and opportunities for improvement.

Essential Conditions

Board

- Discuss with the chief audit executive the quality assurance and improvement program, as outlined in Domain IV: Managing the Internal Audit Function.
- Approve the internal audit function's performance objectives at least annually. (See also Standard 12.2 Performance Management.)
- Assess the effectiveness and efficiency of the internal audit function. Such an assessment includes:
 - Reviewing the internal audit function's performance objectives, including its conformance with the Standards, laws and regulations; ability to meet the internal audit mandate; and progress towards completion of the internal audit plan.
 - Considering the results of the internal audit function's quality assurance and improvement program.
 - Determining the extent to which the internal audit function's performance objectives are being met.

Senior Management

- Provide input on the internal audit function's performance objectives.
- Participate with the board in an annual assessment of the chief audit executive and internal audit function.

Standard 8.4 External Quality Assessment

Requirements

The chief audit executive must develop a plan for an external quality assessment and discuss the plan with the board. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team. The requirement for an external quality assessment may also be met through a self-assessment with independent validation.

When selecting the independent assessor or assessment team, the chief audit executive must ensure at least one person holds an active Certified Internal Auditor® designation.

Essential Conditions

Board

- Discuss with the chief audit executive the plans to have an external quality assessment of the internal audit function conducted by an independent, qualified assessor or assessment team.
- Collaborate with senior management and the chief audit executive to determine the scope and frequency of the external quality assessment.
- Consider the responsibilities and regulatory requirements of the internal audit function and the chief audit executive, as described in the internal audit charter, when defining the scope of the external quality assessment.
- Review and approve the chief audit executive's plan for the performance of an external quality assessment. Such approval should cover, at a minimum:
 - The scope and frequency of assessments.
 - The competencies and independence of the external assessor or assessment team.
 - The rationale for choosing to conduct a self-assessment with independent validation instead of an external quality assessment.
- Require receipt of the complete results of the external quality assessment or self-assessment with independent validation directly from the assessor.
- Review and approve the chief audit executive's action plans to address identified deficiencies and opportunities for improvement, if applicable.
- Approve a timeline for completion of the action plans and monitor the chief audit executive's progress.

Senior Management

- Collaborate with the board and the chief audit executive to determine the scope and frequency of the external quality assessment.
- Review the results of the external quality assessment, collaborate with the chief audit executive and board to agree on action plans that address identified deficiencies and opportunities for improvement, if applicable, and agree on a timeline for completion of the action plans.

Domain IV: Managing the Internal Audit Function



The chief audit executive is responsible for managing the internal audit function in accordance with the internal audit charter and Global Internal Audit Standards. This responsibility includes strategic planning, obtaining and deploying resources, building relationships, communicating with stakeholders, and ensuring and enhancing the performance of the function.

The individual responsible for managing the internal audit function is expected to conform with the Standards including performing the responsibilities described in this domain whether the individual is directly employed by the organization or contracted through an external service provider. The specific job title and responsibilities may vary across organizations.

The chief audit executive may delegate appropriate responsibilities to other qualified professionals in the internal audit function but retains ultimate accountability.

The direct reporting relationship between the board and the chief audit executive enables the internal audit function to fulfill its mandate. (See also Standard 7.1 Organizational Independence.) In addition, the chief audit executive typically has an administrative reporting line to the highest-ranking person in senior management, such as the chief executive officer, to support day-to-day activities and establish the status and authority necessary to ensure the results of the internal audit services are given due consideration.

Principle 9 Plan Strategically

The chief audit executive plans strategically to position the internal audit function to fulfill its mandate and achieve long-term success.

Planning strategically requires the chief audit executive to understand the internal audit mandate and the organization's governance, risk management, and control processes. A properly resourced and positioned internal audit function develops and implements a strategy to support the organization's success. In addition, the chief audit executive creates and implements methodologies to guide the internal audit function and develop the internal audit plan.

Standard 9.1 Understanding Governance, Risk Management, and Control Processes

Requirements

To develop an effective internal audit strategy and plan, the chief audit executive must understand the organization's governance, risk management, and control processes.

To understand governance processes, the chief audit executive must consider how the organization:

- Establishes strategic objectives and makes strategic and operational decisions.
- Oversees risk management and control.
- Promotes an ethical culture.
- Delivers effective performance management and accountability.
- Structures its management and operating functions.
- Communicates risk and control information throughout the organization.
- Coordinates activities and communications among the board, internal and external providers of assurance services, and management.

To understand risk management and control processes, the chief audit executive must consider how the organization identifies and assesses significant risks and selects appropriate control processes. This includes understanding how the organization identifies and manages the following key risk areas:

- Reliability and integrity of financial and operational information.
- Effectiveness and efficiency of operations and programs.
- Safeguarding of assets.
- Compliance with laws and/or regulations.

Standard 9.2 Internal Audit Strategy

Requirements

The chief audit executive must develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organization and aligns with the expectations of the board, senior management, and other key stakeholders.

An internal audit strategy is a plan of action designed to achieve a long-term or overall objective. The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function. An internal audit strategy helps guide the internal audit function toward the fulfillment of the internal audit mandate.

The chief audit executive must review the internal audit strategy with the board and senior management periodically.

Standard 9.3 Methodologies

Requirements

The chief audit executive must establish methodologies to guide the internal audit function in a systematic and disciplined manner to implement the internal audit strategy, develop the internal audit plan, and conform with the Standards. The chief audit executive must evaluate the effectiveness of the methodologies and update them as necessary to improve the internal audit function and respond to significant changes that affect the function. The chief audit executive must provide internal auditors with training on the methodologies. (See also Principles 13 Plan Engagements Effectively, 14 Conduct Engagement Work, and 15 Communicate Engagement Results and Monitor Action Plans, and their standards.)

Standard 9.4 Internal Audit Plan

Requirements

The chief audit executive must create an internal audit plan that supports the achievement of the organization's objectives.

The chief audit executive must base the internal audit plan on a documented assessment of the organization's strategies, objectives, and risks. This assessment must be informed by input from the board and senior management as well as the chief audit executive's understanding of the organization's governance, risk management, and control processes. The assessment must be performed at least annually.

The internal audit plan must:

- Consider the internal audit mandate and the full range of agreed-to internal audit services.
- Specify internal audit services that support the evaluation and improvement of the organization's governance, risk management, and control processes.
- Consider coverage of information technology governance, fraud risk, the effectiveness of the organization's compliance and ethics programs, and other high-risk areas.
- Identify the necessary human, financial, and technological resources necessary to complete the plan.
- Be dynamic and updated timely in response to changes in the organization's business, risks operations, programs, systems, controls, and organizational culture.

The chief audit executive must review and revise the internal audit plan as necessary and communicate timely to the board and senior management:

- The impact of any resource limitations on internal audit coverage.
- The rationale for not including an assurance engagement in a high-risk area or activity in the plan.

- Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.
- Limitations on scope or restrictions on access to information.

The chief audit executive must discuss the internal audit plan, including significant interim changes, with the board and senior management. The plan and significant changes to the plan must be approved by the board.

Standard 9.5 Coordination and Reliance

Requirements

The chief audit executive must coordinate with internal and external providers of assurance services and consider relying upon their work. Coordination of services minimizes duplication of efforts, highlights gaps in coverage of key risks, and enhances the overall value added by providers.

If unable to achieve an appropriate level of coordination, the chief audit executive must raise any concerns with senior management and, if necessary, the board.

When the internal audit function relies on the work of other assurance service providers, the chief audit executive must document the basis for that reliance and is still responsible for the conclusions reached by the internal audit function.

Principle 10 Manage Resources

The chief audit executive manages resources to implement the internal audit function's strategy and achieve its plan and mandate.

Managing resources requires obtaining and deploying financial, human, and technological resources effectively. The chief audit executive needs to obtain the resources required to perform internal audit responsibilities and deploy the resources according to the methodologies established for the internal audit function.

Standard 10.1 Financial Resource Management

Requirements

The chief audit executive must manage the internal audit function's financial resources.

The chief audit executive must develop a budget that enables the successful implementation of the internal audit strategy and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and acquisition of technology and tools. The chief audit executive must manage the day-to-day activities of the internal audit function effectively and efficiently, in alignment with the budget.

The chief audit executive must seek budget approval from the board. The chief audit executive must communicate promptly the impact of insufficient financial resources to the board and senior management.

Standard 10.2 Human Resources Management

Requirements

The chief audit executive must establish an approach to recruit, develop, and retain internal auditors who are qualified to successfully implement the internal audit strategy and achieve the internal audit plan.

The chief audit executive must strive to ensure that human resources are appropriate, sufficient, and effectively deployed to achieve the approved internal audit plan. *Appropriate* refers to the mix of knowledge, skills, and abilities; *sufficient* refers to the quantity of resources; and *effective deployment* refers to assigning resources in a way that optimizes the achievement of the internal audit plan.

The chief audit executive must communicate with the board and senior management regarding the appropriateness and sufficiency of the internal audit function's human resources. If the function lacks appropriate and sufficient human resources to achieve the internal audit plan, the chief audit executive must determine how to obtain the resources or communicate timely to the board and senior management the impact of the limitations. (See also Standard 8.2 Resources.)

The chief audit executive must evaluate the competencies of individual internal auditors within the internal audit function and encourage professional development. The chief audit executive must collaborate with internal auditors to help them develop their individual competencies through training, supervisory feedback, and/or mentoring. (See also Standard 3.1 Competency.)

Standard 10.3 Technological Resources

Requirements

The chief audit executive must strive to ensure that the internal audit function has technology to support the internal audit process. The chief audit executive must regularly evaluate the technology used by the internal audit function and pursue opportunities to improve effectiveness and efficiency.

When implementing new technology, the chief audit executive must implement appropriate training for internal auditors in the effective use of technological resources. The chief audit executive must collaborate with the organization's information technology and information security functions to implement technological resources properly.

The chief audit executive must communicate the impact of technology limitations on the effectiveness or efficiency of the internal audit function to the board and senior management.

Principle 11 Communicate Effectively

The chief audit executive guides the internal audit function to communicate effectively with its stakeholders.

Effective communication requires building relationships, establishing trust, and enabling stakeholders to benefit from the results of internal audit services. The chief audit executive is responsible for helping the internal audit function establish ongoing communication with stakeholders to build trust and foster relationships. Additionally, the chief audit executive oversees the internal audit function's formal communications with the board and senior management to enable quality and provide insights based on the results of internal audit services.

Standard 11.1 Building Relationships and Communicating with Stakeholders

Requirements

The chief audit executive must develop an approach for the internal audit function to build relationships and trust with key stakeholders, including the board, senior management, operational management, regulators, and internal and external assurance providers and other consultants.

The chief audit executive must promote formal and informal communication between the internal audit function and stakeholders, contributing to the mutual understanding of:

- Organizational interests and concerns.
- Approaches for identifying and managing risks and providing assurance.
- Roles and responsibilities of relevant parties and opportunities for collaboration.
- Relevant regulatory requirements.
- Significant organizational processes, including financial reporting.

Standard 11.2 Effective Communication

Requirements

The chief audit executive must establish and implement methodologies to promote accurate, objective, clear, concise, constructive, complete, and timely internal audit communications.

Standard 11.3 Communicating Results

Requirements

The chief audit executive must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate. The chief audit executive must understand the expectations of the board and senior management regarding the nature and timing of communications.

The results of internal audit services can include:

- Engagement conclusions.
- Themes such as effective practices or root causes.
- Conclusions at the level of the business unit or organization.

Engagement Conclusions

The chief audit executive must review and approve final engagement communications, which include engagement conclusions, and decide to whom and how they will be disseminated before they are issued. If these duties are delegated to other internal auditors, the chief audit executive retains overall responsibility. The chief audit executive must seek the advice of legal counsel and/or senior management as required before releasing final communications to parties outside the organization, unless otherwise required or restricted by laws and/or regulations. (See also Standards 11.4 Errors and Omissions, 11.5 Communicating the Acceptance of Risks, and 15.1 Final Engagement Communication.)

Themes

The findings and conclusions of multiple engagements, when viewed holistically, may reveal patterns or trends, such as root causes. When the chief audit executive identifies themes related to the organization's governance, risk management, and control processes, the themes must be communicated timely, along with insights, advice, and/or conclusions, to the board and senior management.

Conclusions at the Level of the Business Unit or Organization

The chief audit executive may be required to make a conclusion at the level of the business unit or organization about the effectiveness of governance, risk management, and/or control processes, due to industry requirements, laws and/or regulations, or the expectations of the board, senior management, and/or other stakeholders. Such a conclusion reflects the professional judgment of the chief audit executive based on multiple engagements and must be supported by relevant, reliable, and sufficient information.

When communicating such a conclusion to the board or senior management, the chief audit executive must include:

- A summary of the request.
- The criteria used as a basis for the conclusion; for example, a governance framework or risk and control framework.
- The scope, including limitations and the period to which the conclusion pertains.
- A summary of the information that supports the conclusion.
- A disclosure of reliance on the work of other assurance providers, if any.

Standard 11.4 Errors and Omissions

Requirements

If a final engagement communication contains a significant error or omission, the chief audit executive must communicate corrected information promptly to all parties who received the original communication.

Significance is determined according to criteria agreed upon with the board.

Standard 11.5 Communicating the Acceptance of Risks

Requirements

The chief audit executive must communicate unacceptable levels of risk.

When the chief audit executive concludes that management has accepted a level of risk that exceeds the organization's risk appetite or risk tolerance, the matter must be discussed with senior management. If the chief audit executive determines that the matter has not been resolved by senior management, the matter must be escalated to the board. It is not the responsibility of the chief audit executive to resolve the risk.

Principle 12 Enhance Quality

The chief audit executive is responsible for the internal audit function's conformance with the Global Internal Audit Standards and continuous performance improvement.

Quality is a combined measure of conformance with the Global Internal Audit Standards and the achievement of the internal audit function's performance objectives. Therefore, a quality assurance and improvement program is designed to evaluate and promote the internal audit function's conformance with the Standards, achievement of performance objectives, and pursuit of continuous improvement. The program includes internal and external assessments. (See also Standards 8.3 Quality and 8.4 External Quality Assessment.)

The chief audit executive is responsible for ensuring that the internal audit function is continuously seeking improvement. This requires developing measures to assess the performance of internal audit engagements, internal auditors, and the internal audit function. These measures form the basis for evaluating progress toward performance objectives including continuous improvement.

Standard 12.1 Internal Quality Assessment

Requirements

The chief audit executive must develop and conduct internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and progress toward performance objectives.

The chief audit executive must establish a methodology for internal assessments, as described in Standard 8.3 Quality, that includes:

- Ongoing monitoring of the internal audit function's conformance with the Standards and progress toward performance objectives.
- Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices to evaluate conformance with the Standards.
- Communication with the board and senior management about the results of internal assessments.

Based on the results of periodic self-assessments, the chief audit executive must develop action plans to address instances of nonconformance with the Standards and opportunities for improvement, including a proposed timeline for actions. The chief audit executive must communicate the results of periodic self-assessments and action plans to the board and senior management. (See also Standards 8.1 Board Interaction, 8.3 Quality, and 9.3 Methodologies.)

Internal assessments must be documented and included in the evaluation conducted by an independent third party as part of the organization's external quality assessment. (See also Standard 8.4 External Quality Assessment.)

If nonconformance with the Standards affects the overall scope or operation of the internal audit function, the chief audit executive must disclose to the board and senior management the nonconformance and its impact.

Standard 12.2 Performance Measurement

Requirements

The chief audit executive must develop objectives to evaluate the internal audit function's performance. The chief audit executive must consider the input and expectations of the board and senior management when developing the performance objectives.

The chief audit executive must develop a performance measurement methodology to assess progress toward achieving the function's objectives and to promote the continuous improvement of the internal audit function.

When assessing the internal audit function's performance, the chief audit executive must solicit feedback from the board and senior management as appropriate.

The chief audit executive must develop an action plan to address issues and opportunities for improvement.

Standard 12.3 Oversee and Improve Engagement Performance

Requirements

The chief audit executive must establish and implement methodologies for engagement supervision, quality assurance, and the development of competencies.

- The chief audit executive or an engagement supervisor must provide internal auditors with guidance throughout the engagement, verify work programs are complete, and confirm engagement workpapers adequately support findings, conclusions, and recommendations.
- To assure quality, the chief audit executive must verify whether engagements are performed in conformance with the Standards and the internal audit function's methodologies.
- To develop competencies, the chief audit executive must provide internal auditors with feedback about their performance and opportunities for improvement.

The extent of supervision required depends on the maturity of the internal audit function, the proficiency and experience of internal auditors, and the complexity of engagements.

The chief audit executive is responsible for supervising engagements, whether the engagement work is performed by the internal audit staff or by other service providers. Supervisory responsibilities may be delegated to appropriate and qualified individuals, but the chief audit executive retains ultimate responsibility.

The chief audit executive must ensure that evidence of supervision is documented and retained, according to the internal audit function's established methodologies.

Domain V: Performing Internal Audit Services



Performing internal audit services requires internal auditors to effectively plan engagements, conduct the engagement work to develop findings and conclusions, collaborate with management to identify recommendations and/or action plans that address the findings, and communicate with management and the employees responsible for the activity under review throughout the engagement and after it closes.

Although the standards for performing engagements are presented in a sequence, the steps in performing engagements are not always distinct, linear, and sequential. In practice, the order in which steps are performed may vary by engagement and have overlapping and iterative aspects. For example, engagement planning includes gathering information and assessing risks, which may continue throughout the engagement. Each step may affect another or the engagement as a whole. Therefore, internal auditors should review and understand all standards in this domain before beginning an engagement.

Internal audit services involve providing assurance, advice, or both. Internal auditors are expected to apply and conform with the Standards when performing engagements, whether they are providing assurance or advice, except when otherwise specified in individual standards.

Assurance services are intended to provide confidence about governance, risk management, and control processes to the organization's stakeholders, especially the board, senior management, and the management of the activity under review. Through assurance services, internal auditors provide objective assessments of the differences between the existing conditions of an activity under review and a set of evaluation criteria. Internal auditors evaluate the differences to determine whether there are reportable findings and to provide a conclusion about the engagement results, including reporting when processes are effective.

Internal auditors may initiate advisory services or perform them at the request of the board, senior management, or the management of an activity. The nature and scope of advisory services may be subject to agreement with the party requesting the services. Examples of advisory services include advising on the design and implementation of new policies, processes, systems, and products; providing forensic services; providing training; and facilitating discussions about risks and controls. When performing advisory services, internal auditors are expected to maintain objectivity by not taking on management responsibility. For example, internal auditors may perform advisory services as individual engagements, but if the chief audit executive takes on responsibilities beyond internal auditing, then appropriate safeguards must be implemented to maintain the internal audit function's independence. (See also Standard 7.1 Organizational Independence.)

Internal audit services are performed as described in the chief audit executive's established methodologies. (See also Standard 9.3 Methodologies.) The chief audit executive may delegate appropriate responsibility to other qualified professionals in the internal audit function but retains ultimate accountability.

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Principle 13 Plan Engagements Effectively

Internal auditors plan each engagement using a systematic, disciplined approach.

The Global Internal Audit Standards, along with the methodologies established by the chief audit executive, form the foundation of internal auditors' systematic, disciplined approach to planning engagements. Internal auditors are responsible for effectively communicating at all stages of the engagement.

Engagement planning starts with understanding the initial expectations for the engagement and the reason the engagement was included in the internal audit plan. When planning engagements, internal auditors gather the information that enables them to understand the organization and the activity under review and to assess the risks relevant to the activity. The engagement risk assessment allows internal auditors to identify and prioritize the risks to determine the engagement objectives and scope. Internal auditors also identify the criteria and resources needed to perform the engagement and develop an engagement work program, which describes the specific engagement steps to be performed.

Standard 13.1 Engagement Communication

Requirements

Internal auditors must communicate effectively throughout the engagement. (See also Principle 11 Communicate Effectively and its related standards and Standard 15.1 Final Engagement Communication.)

Internal auditors must communicate the objectives, scope, and timing of the engagement with management. Subsequent changes must be communicated with management timely. (See also Standard 13.3 Engagement Objectives and Scope.)

At the end of an engagement, if internal auditors and management do not agree on the engagement results, internal auditors must discuss and try to reach a mutual understanding of the issue with the management of the activity under review. If a mutual understanding cannot be reached, internal auditors must not be obligated to change any portion of the engagement results unless there is a valid reason to do so. Internal auditors must follow an established methodology to allow both parties to express their positions regarding the content of the final engagement communication and the reasons for any differences of opinion regarding the engagement results. (See also Standards 9.3 Methodologies and 14.4 Recommendations and Action Plans.)

Standard 13.2 Engagement Risk Assessment

Requirements

Internal auditors must develop an understanding of the activity under review to assess the relevant risks. For advisory services, a formal, documented risk assessment may not be necessary, depending on the agreement with relevant stakeholders.

To develop an adequate understanding, internal auditors must identify and gather reliable, relevant, and sufficient information regarding:

- The organization's strategies, objectives, and risks relevant to the activity under review.
- The organization's risk tolerance, if established.
- The risk assessment supporting the internal audit plan.
- The governance, risk management, and control processes of the activity under review.
- Applicable frameworks, guidance, and other criteria that can be used to evaluate the effectiveness of those processes.

Internal auditors must review the gathered information to understand how processes are intended to operate.

Internal auditors must identify the risks to review by:

- Identifying the potentially significant risks to the objectives of the activity under review.
- Considering specific risks related to fraud.
- Evaluating the significance of the risks and prioritizing them for review.

Internal auditors must identify the criteria that management uses to measure whether the activity is achieving its objectives.

When internal auditors have identified the relevant risks for an activity under review in past engagements, only a review and update of the previous engagement risk assessment is required.

Standard 13.3 Engagement Objectives and Scope

Requirements

Internal auditors must establish and document the objectives and scope for each engagement.

The engagement objectives must articulate the purpose of the engagement and describe the specific goals to be achieved, including those mandated by laws and/or regulations.

The scope must establish the engagement's focus and boundaries by specifying the activities, locations, processes, systems, components, time period to be covered in the engagement, and other elements to be reviewed, and be sufficient to achieve the engagement objectives.

Internal auditors must consider whether the engagement is intended to provide assurance or advisory services because stakeholder expectations and the requirements of the Standards differ depending on the type of engagement.

Scope limitations must be discussed with management when identified, with a goal of achieving resolution. Scope limitations are assurance engagement conditions, such as resource constraints or restrictions on access to personnel, facilities, data, and information, that prevent internal auditors from performing the work as expected in the audit work program. (See also Standard 13.5 Engagement Resources.)

If a resolution cannot be achieved with management, the chief audit executive must elevate the scope limitation issue to the board according to an established methodology.

Internal auditors must have the flexibility to make changes to the engagement objectives and scope when audit work identifies the need to do so as the engagement progresses.

The chief audit executive must approve the engagement objectives and scope and any changes that occur during the engagement.

Standard 13.4 Evaluation Criteria

Requirements

Internal auditors must identify the most relevant criteria to be used to evaluate the aspects of the activity under review defined in the engagement objectives and scope. For advisory services, the identification of evaluation criteria may not be necessary, depending on the agreement with relevant stakeholders.

Internal auditors must assess the extent to which the board and senior management have established adequate criteria to determine whether the activity under review has accomplished its objectives and goals. If such criteria are adequate, internal auditors must use them for the evaluation. If the criteria are inadequate, internal auditors must identify appropriate criteria through discussion with the board and/or senior management.

Standard 13.5 Engagement Resources

Requirements

When planning an engagement, internal auditors must identify the types and quantity of resources necessary to achieve the engagement objectives.

Internal auditors must consider:

- The nature and complexity of the engagement.
- The time frame within which the engagement is to be completed.
- Whether the available financial, human, and technological resources are appropriate and sufficient to achieve the engagement objectives.

If the available resources are inappropriate or insufficient, internal auditors must discuss the concerns with the chief audit executive to obtain the resources.

Standard 13.6 Work Program

Requirements

Internal auditors must develop and document an engagement work program to achieve the engagement objectives.

The engagement work program must be based on the information obtained during engagement planning, including, when applicable, the results of the engagement risk assessment.

The engagement work program must identify:

- Criteria to be used to evaluate each objective.
- Tasks to achieve the engagement objectives.
- Methodologies, including the analytical procedures to be used, and tools to perform the tasks.
- Internal auditors assigned to perform each task.

The chief audit executive must review and approve the engagement work program before it is implemented and promptly when any subsequent changes are made.

Principle 14 Conduct Engagement Work

Internal auditors implement the engagement work program to achieve the engagement objectives.

To implement the engagement work program, internal auditors gather information and perform analyses and evaluations to produce evidence. These steps enable internal auditors to:

- Provide assurance and identify potential findings.
- Determine the causes, effects, and significance of the findings.
- Develop recommendations and/or collaborate with management to develop action plans.
- Develop conclusions.

Standard 14.1 Gathering Information for Analyses and Evaluation

Requirements

To perform analyses and evaluations, internal auditors must gather information that is:

- Relevant – consistent with engagement objectives, within the scope of the engagement, and contributes to the development of engagement results.
- Reliable – factual and current. Internal auditors use professional skepticism to evaluate whether information is reliable. Reliability is strengthened when the information is:
 - Obtained directly by an internal auditor or from an independent source.
 - Corroborated.
 - Gathered from a system with effective governance, risk management, and control processes.
- Sufficient – when it enables internal auditors to perform analyses and complete evaluations and can enable a prudent, informed, and competent person to repeat the engagement work program and reach the same conclusions as the internal auditor.

Internal auditors must evaluate whether the information is relevant and reliable and whether it is sufficient such that analyses provide a reasonable basis upon which to formulate potential engagement findings and conclusions. (See also Standard 14.2 Analyses and Potential Engagement Findings.)

Internal auditors must determine whether to gather additional information for analyses and evaluation when evidence is not relevant, reliable, or sufficient to support engagement findings. If relevant evidence cannot be obtained, internal auditors must determine whether to identify that as a finding.

Standard 14.2 Analyses and Potential Engagement Findings

Requirements

Internal auditors must analyze relevant, reliable, and sufficient information to develop potential engagement findings. For advisory services, gathering evidence to develop findings may not be necessary, depending on the agreement with relevant stakeholders.

Internal auditors must analyze information to determine whether there is a difference between the evaluation criteria and the existing state of the activity under review, known as the “condition.” (See also Standard 13.4 Evaluation Criteria.)

Internal auditors must determine the condition by using information and evidence gathered during the engagement.

A difference between the criteria and the condition indicates a potential engagement finding that must be noted and further evaluated. If initial analyses do not provide sufficient evidence to support a potential engagement finding, internal auditors must exercise due professional care to determine whether additional analyses are required.

If additional analyses are required, the work program must be adjusted accordingly and approved by the chief audit executive.

If internal auditors determine that no additional analyses are required and there is no difference between the criteria and the condition, the internal auditors must provide assurance in the engagement conclusion regarding the effectiveness of the activity’s governance, risk management, and control processes.

Standard 14.3 Evaluation of Findings

Requirements

Internal auditors must evaluate each potential engagement finding to determine its significance. When evaluating potential engagement findings, internal auditors must collaborate with management to identify the root causes when possible, determine the potential effects, and evaluate the significance of the issue.

To determine the significance of the risk, internal auditors must consider the likelihood of the risk occurring and the impact the risk may have on the organization’s governance, risk management, or control processes.

If internal auditors determine that the organization is exposed to a significant risk, it must be documented and communicated as a finding.

Internal auditors must determine whether to report other risks as findings, based on the circumstances and established methodologies.

Internal auditors must prioritize each engagement finding based on its significance, using methodologies established by the chief audit executive.

Standard 14.4 Recommendations and Action Plans

Requirements

Internal auditors must determine whether to develop recommendations, request action plans from management, or collaborate with management to agree on actions to:

- Resolve the differences between the established criteria and the existing condition.
- Mitigate identified risks to an acceptable level.
- Address the root cause of the finding.
- Enhance or improve the activity under review.

When developing recommendations, internal auditors must discuss the recommendations with the management of the activity under review.

If internal auditors and management disagree about the engagement recommendations and/or action plans, internal auditors must follow an established methodology to allow both parties to express their positions and rationale and to determine a resolution. (See also Standard 9.3 Methodologies.)

Standard 14.5 Engagement Conclusions

Requirements

Internal auditors must develop an engagement conclusion that summarizes the engagement results relative to the engagement objectives and management's objectives. The engagement conclusion must summarize the internal auditors' professional judgment about the overall significance of the aggregated engagement findings.

Assurance engagement conclusions must include the internal auditors' judgment regarding the effectiveness of the governance, risk management, and/or control processes of the activity under review, including an acknowledgment of when processes are effective.

Standard 14.6 Engagement Documentation

Requirements

Internal auditors must document information and evidence to support the engagement results. The analyses, evaluations, and supporting information relevant to an engagement must be documented such that an informed, prudent internal auditor, or similarly informed and competent person, could repeat the work and derive the same engagement results.

Internal auditors and the engagement supervisor must review the engagement documentation for accuracy, relevance, and completeness. The chief audit executive must review and approve the engagement documentation. Internal auditors must retain engagement documentation according to relevant laws and/or regulations as well as policies and procedures of the internal audit function and the organization.

Principle 15 Communicate Engagement Results and Monitor Action Plans

Internal auditors communicate the engagement results to the appropriate parties and monitor management's progress toward the implementation of recommendations or action plans.

Internal auditors are responsible for issuing a final communication after completing the engagement and communicating the engagement results to management. Internal auditors continue to communicate with the management of the activity under review to confirm that action plans are implemented.

Standard 15.1 Final Engagement Communication

Requirements

For each engagement, internal auditors must develop a final communication that includes the engagement's objectives, scope, recommendations and/or action plans if applicable, and conclusions.

The final communication for assurance engagements also must include:

- The findings and their significance and prioritization.
- An explanation of scope limitations, if any.
- A conclusion regarding the effectiveness of the governance, risk management, and control processes of the activity reviewed.

The final communication must specify the individuals responsible for addressing the findings and the planned date by which the actions should be completed.

When internal auditors become aware that management has initiated or completed actions to address a finding before the final communication, the actions must be acknowledged in the communication.

The final communication must be accurate, objective, clear, concise, constructive, complete, and timely, as described in Standard 11.2 Effective Communication.

Internal auditors must ensure the final communication is reviewed and approved by the chief audit executive before it is issued.

The chief audit executive must disseminate the final communication to parties who can ensure that the results are given due consideration. (See also Standard 11.3 Communicating Results.)

If the engagement is not conducted in conformance with the Standards, the final engagement communication must disclose the following details about the nonconformance:

- Standard(s) with which conformance was not achieved.
- Reason(s) for nonconformance.
- Impact of nonconformance on the engagement findings and conclusions.

Standard 15.2 Confirming the Implementation of Recommendations or Action Plans

Requirements

Internal auditors must confirm that management has implemented internal auditors' recommendations or management's action plans following an established methodology, which includes:

- Inquiring about progress on the implementation.
- Performing follow-up assessments using a risk-based approach.
- Updating the status of management's actions in a tracking system.

The extent of these procedures must consider the significance of the finding.

If management has not progressed in implementing the actions according to the established completion dates, internal auditors must obtain and document an explanation from management and discuss the issue with the chief audit executive. The chief audit executive is responsible for determining whether senior management, by delay or inaction, has accepted a risk that exceeds the risk tolerance. (See also Standard 11.5 Communicating the Acceptance of Risks.)

Applying the Global Internal Audit Standards in the Public Sector

While the Global Internal Audit Standards apply to all internal audit functions, internal auditors in the public sector work in a political environment under governance, organizational, and funding structures that may differ from those of the private sector. The nature of these structures and related conditions may be affected by the jurisdiction and level of government in which the internal audit function operates. Additionally, some terminology used in the public sector differs from that of the private sector. These differences may affect how internal audit functions in the public sector apply the Standards. For this reason, the external quality assessment of an internal audit function in the public sector should be performed by an assessment team knowledgeable about public sector activities and governance structures. (See also Standard 8.4 External Quality Assessment.)

The public sector is founded upon and governed under a legal framework that includes laws, regulations, administrative orders and rules, and other types of governing requirements specific to the jurisdiction(s) within which an organization operates. Throughout the Global Internal Audit Standards, the term “laws and/or regulations” is used to represent the legal framework. Laws and/or regulations may establish the mandate, organizational position, reporting relationship, scope of work, funding, and other requirements of the internal audit function.

Through such mandates, internal audit functions in the public sector are often required to focus on:

- Ensuring compliance with laws and/or regulations.
- Identifying opportunities to improve the efficiency, effectiveness, and economy of government processes and programs.
- Determining whether public resources are adequately safeguarded and used appropriately to provide services in an equitable manner.
- Assessing whether an organization’s performance aligns with its strategic objectives and goals.

The following sections describe situations in which the application of the Standards may differ for internal auditors in the public sector.

Laws and/or Regulations

The chief audit executive must be aware of the laws and/or regulations that affect the internal audit function’s ability to fully conform with all provisions in the Standards. A charter or other documentation may be used to explain how the internal audit function is meeting the requirements of the laws and/or regulations as well as the intent of the Standards. When conformance is not possible, the chief audit executive must document the reason, make appropriate disclosures, and conform with all other requirements of the Standards. (See also Standards 4.1 Conformance with Global Internal Audit Standards, 6.1 Internal Audit Mandate, 6.2 Internal Audit Charter, 8.3 Quality, 8.4 External Quality Assessment, 12.1 Internal Quality Assessment, and 15.1 Final Engagement Communication.)

The following list describes situations in which laws and/or regulations may affect the ability of internal audit functions in the public sector to conform with the Standards:

- When laws and/or regulations serve as the internal audit mandate and charter, the chief audit executive may not have the authority or ability to make amendments. Thus, the requirement in Standard 6.1 Internal Audit Mandate to periodically review the mandate for updates may not be warranted. However, the chief audit executive could periodically conduct and document a focused review of the mandate and charter to determine that the established path to legal and/or regulatory compliance is accurately defined.
- Public disclosure laws and/or regulations may govern the types of documents that are required to be released to the public and those that cannot be released to the public. The methodologies of internal audit functions in the public sector should include these requirements. (See also Standards 5.1 Use of Information and 5.2 Protection of Information.)
- Laws and/or regulations may limit the type of private discussions that the chief audit executive may have with the board. (See also the Glossary definition of “board” as well as Standards 6.3 Board and Senior Management Support and 7.1 Organizational Independence.)
- Laws and/or regulations may require internal audit functions in the public sector to present internal audit results at public meetings. Methodologies for the dissemination of final communications should adhere to these requirements. (See also Standards 11.2 Effective Communication and 15.1 Final Engagement Communication.)
- In the public sector the external assurance provider is often mandated. In some jurisdictions, the authority of a supreme audit institution may supersede that of the internal audit function and internal audit functions may be required to adhere to planning as stipulated and conduct joint work. In Standard 11.1 Building Relationships and Communicating with Stakeholders the internal audit function is required to coordinate with the external assurance provider, and this authority may supersede the coordination role. (See also Standards 6.1 Internal Audit Mandate and 9.5 Coordination and Reliance.)

Internal auditors in the public sector have a broad base of stakeholders, including the public within the jurisdiction as well as appointed and elected officials. The internal audit function may be legally required to be accountable and transparent to the public. To adequately serve their stakeholders, internal auditors may consider input from the public when planning and performing internal audit services. Public input may be provided by users of government services, such as utilities, public transit systems, parks and recreation facilities, building permitting processes, and others. (See also Standards 9.4 Internal Audit Plan, 11.1 Building Relationships and Communicating with Stakeholders, and 13.2 Engagement Risk Assessment.)

Governance and Organizational Structure

Internal audit functions in the public sector are governed under a variety of structures. Some public sector organizations may be subject to multiple levels of governance, both within and outside the organization, which may complicate the reporting relationships of the chief audit executive as well as the oversight and funding of the function.

The Global Internal Audit Standards reference responsibilities related to the “board” and “senior management.” The glossary defines “board” using concepts that encompass various governance structures in the public sector. Because the board in the public sector may be a policy-setting body, it may not have authority over aspects of the chief audit executive and the internal audit function as described in the Standards. For example, such a body may not be able to appoint, remove, or set remuneration for the chief audit executive. In those situations, the board should still provide input to management regarding performance evaluations and decisions to appoint and remove the chief audit executive. In other public sector organizations, “senior management” may be defined differently than it is in the Standards. When the term is used to refer to the management of the activity under review, safeguards to independence must be implemented to mitigate the risk of interference with the internal audit function’s work.

The chief audit executive should avoid taking direction from elected officials without first consulting the board and senior management, who directly oversee the internal audit function, unless the officials have direct oversight responsibilities.

The examples below describe governance and organizational structures in which internal audit functions may need to adjust the application of some standards (the list is not exhaustive):

- Internal audit functions may be separate from other parts of the organization, and the chief audit executive reports directly to a legislative body that functions as a board.
- Internal audit functions may be placed at the highest level of the government organization, and the chief audit executive reports directly to the head of the organization.
- Internal audit functions may be placed within another component of the overall organization (such as a department or other unit within a government organization), and the chief audit executive reports to the head of the organization or a nonexecutive/supervisory board. This may occur when there is a tiered governance structure and where there is more than one governing body.
- Internal audit functions may be separate from other parts of the organization because the chief audit executive is elected and retained by the voters within a jurisdiction and does not report to any specific oversight body or person in the organization.
- Internal audit functions may be placed lower in the organization, and the chief audit executive reports to a single senior manager from that department.

While some of these situations do not meet the independence requirements in the Global Internal Audit Standards, establishing an audit committee comprising public members, independent of management, safeguards independence and provides ongoing oversight, advice, and feedback. (See also Standards 6.2 Internal Audit Charter and 6.3 Board and Senior Management Support, Principle 7 Positioned Independently and its standards, and Standard 8.1 Board Interaction.)

Funding

The funding processes for internal audit functions vary widely in the public sector. Some governance and organizational structures do not give the board and senior management authority over the budget. These conditions prevent the chief audit executive from being able to seek budget approval from the board and senior management and limit the ability to seek or obtain additional funding due to other funding priorities within the organization.

For example, some internal audit functions within the public sector can submit independent budget requests to their board or legislative body for approval. Others' budgets are part of a larger organizational budget, and the allocation to the internal audit function is determined by the head of the organization and often approved by an outside legislative body. In either case, the chief audit executive could advocate to the board for the resources needed.

Even when the budget is set by laws and/or regulations, the chief audit executive must adhere to other requirements of the standards related to managing the budget. (See also Standards 6.3 Board and Senior Management Support, 7.1 Organizational Independence, 8.2 Resources, and 10.1 Financial Resource Management.)

The following public sector conditions may limit the way the chief audit executive may spend allocated funds:

- The position classification structure and/or labor agreements often establish pay ranges for each position classification based on the knowledge, skills, and responsibilities of the position that limit the authority of the chief audit executive or board to establish the remuneration for each employee. In such situations, the chief audit executive should collaborate with the human resources function, as described in Standard 10.2 Human Resources Management.

- The internal audit function may be required to use only software approved for the organization, which may limit the chief audit executive's ability to obtain technology to support the internal audit function. Internal audit functions in the public sector should engage their board as advocates for supporting their technology needs and may need to use software available to achieve the audit plan in the most efficient way possible while maintaining conformance with the Standards. (See also Standard 10.3 Technological Resources.)
- When funding limitations prevent the chief audit executive from obtaining adequate resources to conduct an external quality assessment, internal audit functions in the public sector may benefit from participating in peer programs to conduct the assessment. (See also Standards 8.4 External Quality Assessment and 10.1 Financial Resource Management.)
- When an outside authority or oversight body provides the funding for the internal audit function in the public sector, the chief audit executive may be required to provide final engagement communications to the funding authority. (See also Standards 11.1 Building Relationships and Communicating with Stakeholders, 11.2 Effective Communication, and 15.1 Final Engagement Communication.)

About The IIA

The Institute of Internal Auditors (IIA) is a nonprofit international professional association that serves more than 245,000 global members and has awarded more than 190,000 Certified Internal Auditor® (CIA®) certifications worldwide. Established in 1941, The IIA is recognized throughout the world as the internal audit profession's leader in standards, certifications, education, research, and technical guidance. For more information, visit theiia.org.

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The Institute of
Internal Auditors

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Committee:	Governance and Audit Committee
Date:	11 th September 2025
Report from:	Director of Organisation Development and Innovation

CONFIDENTIAL REPORT

Reason why the report is confidential:	Local Government Act (Northern Ireland) 2014, Schedule 6, Part 1: Exempt Information, no.4: Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the council or a government department and employees of, or office holders under, the council.
When will the report become available:	
When will a redacted report become available:	Following Ratification
The report will never become available:	

Item for:	Approval
Subject:	Second Independent Member of the Governance and Audit Committee.

1.0	<u>Background and Key Issues</u> At its meeting of June 2025, Members of the Governance and Audit Committee sought a report to enable consideration of a second Independent Member for the Committee. Members had previously agreed to the recruitment of an Independent Member of the G&A Committee in February 2019, and this role has been held by [REDACTED] since [REDACTED]. In accordance with the terms and conditions of the role, [REDACTED] cannot sit for a third term and therefore the Council will be recruiting for at least one independent member for the next term of the council. Appendix 1 provides a report with options for consideration. This covers the NIAO Good Practice Guide, comparison with other councils, impact on the terms of reference for committees and Committee Memberships and comparison of costs and impact of each option.
2.0	<u>Recommendation</u> It is recommended that Members scrutinise the report and consider whether two Independent Members of the G&A Committee should be recruited for the next term of council.

Committee:	Governance and Audit Committee
Date:	11 th September 2025
Report from:	Internal Audit Manager

CONFIDENTIAL REPORT

Reason why the report is confidential:	Local Government Act (Northern Ireland) 2014, Schedule 6, Part 1: Exempt Information, no 3. <i>Information relating to the financial or business affairs of any particular person (including the Council holding that information).</i>
When will the report become available:	After the G&A Committee on the 11 th September 2025
When will a redacted report become available:	
The report will never become available:	

Item for:	Noting contents of Progress Report.
Subject:	Internal Audit – Progress Report

1.0	<u>Background and Key Issues</u> The purpose of this report is to summarise Internal Audit work and progress against the 2025/26 Operational Plan. Also to report progress on the outstanding 2024/25 operational plan since the last G&A Committee meeting on the 12th June 2025. A copy of any Internal Audit Report referred to in the progress report is also provided in full in the Resources Section of Decision Time under Committees/Governance & Audit/Confidential – Internal Audit Reports 2025.	
2.0	<u>Recommendation</u> It is recommended that the members note the contents of the attached report.	
3.0	<u>Finance and Resource Implications</u> None	
4.0	<u>Equality/Good Relations and Rural Needs Impact Assessments</u>	
4.1	Has an equality and good relations screening been carried out?	No
4.2	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out	N/A

	<i>Internal Audit is an independent assurance function and is non-operational therefore no assessment required.</i>	
4.3	Has a Rural Needs Impact Assessment (RNIA) been completed?	No
4.4	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out. <i>Internal Audit is an independent assurance function and is non-operational therefore no assessment required.</i>	N/A

Appendices:	Internal Audit Progress Report
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Internal Audit Draft Progress Report

11th September 2025

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1. Introduction & Status Summary

1.1 Overview of Review

The main purpose of this report is to summarise Internal Audit progress since the last G&A update report on the 13th June 2025 on the outstanding 24/25 Audit Reviews and update members on the status of the current 25/26 Operational Internal Audit Plan.

1.2 Resources

The Internal Audit Team is comprised of 0.5 Internal Audit Manager and 2 full time Auditor posts.

1.3 Progress against 25/26 Operational Plan

Progress against the current 25/26 plan is outlined in the table whilst further detail is included as at Appendix 1.

Stage	Status	As of 29 th May 2025	As of 22 nd August 2025
	Not due to start per plan	13	9
	Planning underway	2	2
	Draft Terms of Reference (awaiting sign-off HOS)	1	2
	Terms of Reference Agreed	0	1
	Fieldwork	0	1
	Draft Report	0	1
	Final Report	0	0
	Cancelled	0	0
	No Report Required	0	0
Total		16	16

Outstanding 2024/25 reports as at 22/08/25

The internal audit team continue to work on finalising the 24/25 audit plan while planning the new year audit reviews. The fieldwork in the majority of these audit's has been sufficiently carried out.

The following table shows the status of the 24/25 audit reviews with commentary that are still to be finalised. The advisories in Green will continue to be ongoing. The Planned Preventative Maintenance assurance is at the draft stage with the Internal Audit Manager for review before being finalised with the service. The Emergency Planning is with the service for comment.

Audit Ref.	Auditable Unit	Type of Review	Sponsor	Status	Commentary on days
	Resources				
24-25-02	Planned Preventative Maintenance (PPM) Contracts Review	<u>Assurance</u>	DRG		Draft Report to be issued week beginning 25th August
24-25-03A	Data Governance - Advisory	<u>Advisory</u>	DF&CS		Work ongoing. Internal Audit Manager attends the Information Governance Working Group on an advisory basis.
24-25-04	Asset Management - Estates Strategy	<u>Advisory</u>	DRG		The Asset Management Strategy is currently in progress. With other service priorities there is no date for completion. Internal Audit will continue to liaise with the service.
	Governance				
24-25-08	Emergency Planning	<u>Advisory</u>	DES		With Director and HoS.

1.4 Changes to 25/26 Internal Audit Plan

No changes have been made to the 25/26 Internal Audit Plan approved in March 2025.

2. Summary of Reports

2.1 Overview

The following reports have been finalised during the period.

Ref	Name	Type	Outcome	P1	P2	P3	Insights
2425 – 11	Finance System (CiA): Debtors & Creditors only	Assurance	<i>Limited</i>	1	1	2	-
Total				1	1	2	

2.2 Finance System (CiA) Debtors & Creditors Only

Brief Overview of Review

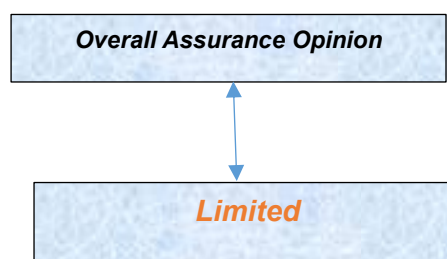
The Internal Audit Operational Plan was approved by the Governance and Audit Committee on the 20th of March 2024 and included provision for an assurance review of an Internal Change Project.

One of the most recent key Internal Change projects was the replacement of the Council's Finance package with the introduction of the new CiA Finance package. The overarching objective for this review at the request of the Head of Finance and Corporate Services was to assess the adequacy and effectiveness of Creditors and Debtors sub-system controls within the CiA package.

Further details regarding the specific objectives, scope and approach are outlined below.

Summary of Findings and overall assurance rating

Findings	P1	P2	P3	Insights
Adequacy of controls	-	-	-	-
Effectiveness of controls	1	1	2	-
Total	1	1	2	-



Overall, this review has concluded with a **Limited** assurance rating with one Priority 1, one Priority 2 and two Priority 3 recommendations as set-out below.

Policies

1. Update Journal Policy to reflect the introduction of new CiA system and refresh link to Accounting Manual once that is agreed. *(Priority 3)*

Debtors

2. All relevant services should be contacted to address the level of outstanding debts at the earliest opportunity. *(Priority 2)*

Creditors

3. The HoS (Finance) should remind all relevant staff that sufficient supporting evidence must be attached to CiA orders by the requisitioning officer prior to sending to any designated officer to approve.

The supporting evidence should demonstrate that scrutiny of orders has taken place by both the Head of Service and Director for those orders over the £30k threshold and they are content with all processes prior to the order being sent to the designated officer for approval. *(Priority 1)*

Training

4. That the Head of Service Finance re-issue details about training slides and guidance to all services. *(Priority 3)*

Further details on the P1 and P2 recommendations are included in the key findings section below.

Context

The new Financial Accounts system CiA went live in September 2024. To allow embedding of the various new Finance sub-systems our assurance review was confined to the assessment of the Creditors and Debtors sub-systems.

This was to allow the Finance team and other Council Services staff to familiarise themselves with the new financial arrangements and transition fully from legacy processes.

Objectives and Scope

The audit focused on the following objectives:

Audit Objective	Preliminary Risk Assessment
Review of Creditors and Debtors sub-systems and ledgers to include checks on access, data integrity, completeness and accuracy checks.	- The system does not have appropriate access controls to ensure data integrity. - The system does not have mechanisms to prevent and detect data entry errors, fraud, and unauthorised changes. - The system does not have an audit trail that logs all transactions made. - Ledgers are incomplete or inaccurate.
Compliance review, this will include Regulatory Compliance and Internal Policies and Procedures.	- The system does not allow us to comply with relevant legislative requirements and government guidance such as Prompt Payment and other legal requirements. - The system does not align with the Council's internal policies, including approval workflows and segregation of duties.

Scope

The period under review is from Period 10 of financial year 2024/25 onwards to allow the system time to bed in and will focus on the Council's responsibilities in the following areas:

- Policies and Procedures.
- Systems Control.
- Compliance.
- Validation.

There were no scope limitations.

Approach

The following approach will be adopted:

- Documenting the systems via discussions with key staff
- Examining relevant documentation.
- Perform a walkthrough test of the key controls.
- Testing the Debtors and Creditors Ledger records for completeness and accuracy
- Assess the adequacy and effectiveness of the key controls identified.
- Discuss the findings with nominated staff.
- Issue draft and final report detailing findings and recommendations

Key Findings

Review of Debtors Ledger on 28th February 2025

(Focus of Finding – Effectiveness of Controls)

➤ Review Debtors Ledger for evidence of Credit Balances:

At the 28th February 2025, there were a significant number of credit balances on the Debtors Ledger in the amount of £13,863.88.

These Credit Balances would need to be referred to various Services so that either an invoice or a correcting journal is posted to the Debtors Ledger to remove them. The Debtors Ledger should contain Debit balances only.

➤ Review Debtors Ledger for Debts Outstanding for unacceptable long periods:

No Aged Debt Report had been issued since CiA was introduced (August 2024 until Jan 2025) when the Debtors Team restarted issuing Aged Debt Reports to shared folders in February 2025.

The following Services were found to have the most significant debt in order of value:

Service	£	Additional information (anonymised)
Building Control	31,772	Total of <u>22</u> Debtors Accounts spanning period Dec 2021 to Oct 2024.
Lagan Valley Leisureplex (LVLP)	24,193	Debtor no. 201272 – LVLP Sept 2024 Debtor no 201272 – LVLP Nov 2024 Debtor no 202701 – makes up bulk of debt at £23,076.
Planning	10,698	One-off Debt due of £9,051 owed from Dec 2017 + £1,647 from Sept 2019.
Environmental Services	9,412	Debtor no. 202400 with a large debt of £5,050 outstanding from July 2024. Debtor no. 200559 £3,123 outstanding from June 2024 make up the bulk of the £9,412 total.
Assets	8,997	One-off debt due Debtor no. 202565 from May 2023
Corp Comms & Adm.	5,036	Debtor no. 202347 £2,457 and Debtor no 202348 both in same name – (4 invoices Sept 2024). Significant other Debtor no 203075 outstanding from Sept 2024 in the amount of £1,881.
Sports Services	4,081	11 invoices in the amount of £1,592 (July 2024) and separate £1,155
Communities	1,354	Debtor no 202948 – 8 invoices x £166.66 + £20.85 (various dates for rent due.

Total Net Debtors identified as overdue from all sources came to approximately £98,700.

➤ Review Debtor Ledger for Debtor Account appearing more than once (Duplicate)

We found 2 Accounts identified as possible duplicate Accounts:

Service	£	Additional information (anonymised)
---------	---	-------------------------------------

Corporate Comms & Admin (both in this service)	2,457.00	Acc. no. 202347 & Acc. no 202348 both opened for same customer Sept 2024.
	460.00	4 Invoices Sept 2024 for Communities make up this total.
Trade Waste Service	800.00	Debtor Account Ref 200485 from Feb 2023
Building Control Service	459.00	Debtor Account Ref 202869 in same Debtor name owes a Building Control Fee from May 2022.

The Debtors Team advised that they accommodated Trade Waste and Building Control Services had requested separate Debtors Accounts.

The rationale provided by the HoS for separate accounts for Trade Waste Debtor Accounts was these are managed by the Trade Waste team separately from the Debtors Team.

Also Trade Waste Customers predominantly pay by Direct Debit. Trade Waste Debtors will have "Trade Waste" after the customer's name to distinguish them from other Debtors.

Conclusion

The status of the Debtors Ledger and level of debt on 28th February 2025 is being addressed by the various Council Services.

It is also planned as part of the 2025/26 Operational Internal Audit Plan to carry out an Internal Audit Review in the 2025/26 year into Budgetary Control. This will include a more in-depth check into long outstanding debts.

Recommendation

- All relevant services should be contacted to address the level of outstanding debts at the earliest opportunity. (*Priority 2*)

Action	Responsible Officer	Target Date
Re-fresh reminders to Council Services with long standing debts to address either by write-off or collection at the earliest opportunity.	HoS Finance	30/09/2025

Review of Creditors Ledger on 31st March 2025

(Focus of Finding – Effectiveness of Controls)

Leavers Protocol and List of Users

- The HoS provided evidence of one leaver from Finance team who had left the Council showing their account had been disabled and unable to be accessed. The CiA list of users therefore includes current and disabled account holders.

- There is an established protocol whereby the Service itself and line managers have responsibility to sign off a leavers checklist that includes a notification to IT to disable and close any of their user's accounts.

List of Creditors on 31st March 2025:

- Debit Balances identified.

We noted a small number of Debit Balances at the end of Creditors Ledger Report. The Creditors Team indicated these were Credit Notes and that there were no duplicate payments.

- Use of Suspense Account for Creditors as a Control against Duplicate payment

The Finance Team have set up a procedure to eliminate the risk of duplicate payment. They have created a Creditors Suspense Account and invoices are temporarily held here until the respective service confirms approval.

Thresholds Levels and Officers involved in reviewing and approving.

- The Council thresholds appear to be reasonable and comparable with the small number of other Councils we benchmarked against. However, see next 2 key points.

Current arrangements and accountability by services

- When we examined the histories of a sample of 16 significant payments approved by the designated approver in January and February 2025 there was only one other officer involved in requisitioning. The relevant Head of Service and/or Director did not form part of the requisition approval process.
- This is a risk, as the designated officer approving the requisition would not have (or would be expected to have) a detailed operational knowledge of the service. In these cases, to ensure accountability the relevant Head of Service and/or Director must review and approve prior to the requisition being presented to the designated approver for authorisation. This will prevent the payments being held up while the designated approver seeks assurance that the payments are correct.

Supporting Documents attached to CiA Creditors Module

- Our sample of 16 payments approved in January and February 2025 – amounted to £1.824 million. A significant number (50%) of the 16 payments did not have the required attachments available in the CiA system. This resulted in evidence having to be sought via email/phone by the designated approver from the relevant services before authorising.

Weaknesses & Implications

- Payment approval arrangements for amounts over the threshold by-pass the relevant Director and/or Head of Service within the system and are escalated to a designated approver.

However even though the designated approver in this instance had obtained evidence to approve the requisition by making email and phone inquiries there was no clear audit trail

showing this on the CiA system. We examined a sample of 16 payments that exceeded the threshold and found half of which did not having any supporting evidence attached.

Conclusion

Based on the sample of those payments over the threshold we reviewed there was insufficient supporting evidence attached to the CiA system and no evidence of review by either the relevant Head of Service and/or Director.

Recommendation

- The HoS (Finance) should remind all relevant staff that sufficient supporting evidence must be attached to CiA orders by the requisitioning officer prior to sending to any approving officer.

The supporting evidence should demonstrate that scrutiny of orders has taken place by both the Head of Service and Director for those orders over the threshold and they are content with all processes prior to the order being sent to the designated officer for approval. *(Priority 1)*

Action	Responsible Officer	Target Date
The HoS Finance to send a reminder to all relevant staff that supporting evidence must be attached prior to orders being sent for approval.	HoS Finance	31/10/2025

2.3 Other Audit Team Work

Attendance at Council Working Groups

- Internal Audit continue to attend various working groups on an advisory basis and to allow the sharing of knowledge and skills.

Council Working Group	Audit Team member
Information Governance Working Group	Internal Audit Manager
Internal Audit Practitioners Group (IAPG)	Internal Audit Manager/Auditor

Updated Global Internal Audit Standards (GIAS)

- The recent introduction of new Global Internal Audit Standards (GIAS) meant that the Audit Service had a root and branch review of the current standards in comparison with the new GIAS. This detailed gap analysis was carried out by the Audit Manager to ensure conformance with the new standards and will be reported on in the next available G&A Committee meeting. A self-assessment of the conformance to the CIPFA Application Note is

being reported to this committee and a detailed analysis will be brought to the December G&A committee. The essential conditions for senior management and G&A committee is also contained in the self-assessment report.

Delivery of Audit Guidance and Training to Council Members

- The Audit Manager provided audit guidance training to Council Members on the 20th August 2025 with six Council Members in attendance.
- Also collaborating in this training was the Performance Improvement Officer who provided further insights from her area of expertise.

National Fraud Initiative (NFI) – Data Matching Work

- Investigation of Data Matches continues and is scheduled to be concluded in December 2025 when we will provide a more detailed report on our findings.

3. Follow up Work

Context

Per the Public Sector Internal Audit Standards (section 2500: Monitoring Progress), Internal Audit must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. As such, Internal Audit undertake follow up work / seek evidence that where management has deemed a recommendation discharged, there is sufficient evidence to support this.

3.1 Status of Internal Audit Recommendations

3.2.1 Status of Internal Audit Recommendations as of 22nd August 2025

As of 22nd August 2025, there have been no outstanding recommendations where the target implementation date has passed.

3.2 Recommendations Deemed Discharged by Management

3.3.1 Recommendations Deemed Discharged by Management as of 22nd August 2025

Table 3.3.1 highlights that since 1st April 2025 there has been 5 recommendations deemed discharged by management.

	Priority 1	Priority 2	Priority 3	Insights	Total
Fully Implemented from April 2025 to	-	3	-	-	3

June 2025 CMT. Reported previously.					
Internal Audit confirmation of discharged recommendations since last CMT Report, please see below.	-	1	1	-	2
Total	-	4	1	-	5

3.3 Internal Confirmation of Discharged Recommendations

Audit	Rec No	Original Recommendation	Management Action Plan	Priority	Implementation Date (s)	Results of Follow Up Work
20-21 – 22 Safeguarding	628	Safeguarding Training completion rates need to be significantly improved.	Safeguarding Working Group to focus on improving completion rates for Safeguarding training and any other mandatory training required by legislation.	2	<u>Original Date</u> 31/12/23 <u>Revised Date</u> 30/04/25	
23-24-03- Payroll	30	A review of the current Payroll Protocol is currently being undertaken, we recommended that this document be updated which sets out all processes and controls. The Council's intranet page should also be updated with this protocol, when	Comprehensive review of Payroll Protocol.	3	<u>Original Date</u> 30/06/2025 <u>Revised Date</u> <u>N/A</u>	

Audit	Rec No	Original Recommendation	Management Action Plan	Priority	Implementation Date (s)	Results of Follow Up Work
		further developed, so it is available to all staff.				

Key:

	Implemented
	Partially Implemented

4. Quality Assurance

KPI's for Internal Audit Plan 2025/26 are monitored on an ongoing basis. It is too early in the audit year to be able to populate this table as no new year audit reviews have been finalised.

No.	Target	Narrative	Performance to date
1	Pre-Audit	Agreement of TOR with HOS & Director 10 days prior to commencement of audit / review	N/A
2	Audit Delivery	Completion of 90% of the Internal Audit Plan	N/A
3	Audit Delivery	80% of Recommendations accepted	N/A
4	Customer Satisfaction Results	Achievement of Customer Feedback average score of 3 or more.	N/A
5	Resources / Costs	Manage the costs of the IA team within agreed budget	N/A

Customer Feedback from Services Received in Q2

Planning Service re. Audit Ref 24/25 – 16 (received 12th August 2025)

Questions to Service	Service Responses
Was there anything about the audit you especially liked or disliked?	Good interpersonal skills in briefing staff and following up on outstanding queries.

How could we have improved the effectiveness of the audit?	Seminars and/or short training events to provide oversight and learning for staff of the importance of an audit trail.
Please provide any suggestions for future audits:	None.
Additional Comments:	None.

5. Continuing Professional Education (CPE) Events in Q2

Lunchtime ISACA¹ Events

Events	Date	Content
NIS 2 Draft Risk Management Measure	31 st July 2025	The NIS 2 Directive (Directive (EU) 2022/2555) enhances cybersecurity across the EU by expanding the scope of the original NIS Directive and imposing stricter requirements on essential and important entities. Background The NIS 2 Directive was adopted on December 14, 2022, and entered into force on January 16, 2023. It aims to address the shortcomings of the original NIS Directive (2016/1148) by establishing a higher common level of cybersecurity across the European Union. Member States are required to transpose the directive into national law by October 17, 2024.
OWAPS Masterclass	17 th July 2025	Web Application Vulnerabilities and how to mitigate.
Risk Room Workshop	19 th June 2025	Topical IT vulnerabilities and risks.

Note:

One member of the Audit Team who is a member of ISACA was in attendance at above events with any pertinent notes being shared with other Audit Team members after each event.

¹ ISACA is a global professional association working in digital trust, information security, governance, assurance, risk, privacy and quality.

Appendix 1 25/26 Operational Plan updated as of 22nd August 2025

Audit Ref.	Auditable Unit	Type of Review	Sponsor	Status	Commentary
	Previous Year Audits B/F				
	24/25 audits still in progress as at 31/03/2025		ALL		Contingency to allow reviews currently in progress to be finalised by June G&A Committee Meeting.
	Resources: Financial				
25-26-01	Grants (others)	<u>Assurance</u>	DF&CS		Checking of various other grants such as LUF as and when required during the year. To include UKSPF fund for 25/26.
25-26-02	Budgetary Control	<u>Assurance</u>	DF&CS		To provide assurance that the controls surrounding budget monitoring and control are satisfactory. Draft ToR with Head of Finance.
	Resources - Organisational Development				
25-26-03	Payroll - expenses	<u>Assurance</u>	DODI		Draft report with Internal Audit Manager for review

25-26-04	Attendance Management	<u>Assurance</u>	DODI		Assurance audit to be carried out to ensure compliance with policy.
	Resources - Other				
25-26-05	Commissioning, Procurement & Contract Management	<u>Assurance</u>	DRG		Sample to be taken throughout year and a report at end of year.
25-26-06	Procurement	<u>Assurance</u>	DRG		Ensure compliance with Procurement Act 2023.
25-26-07	Planning Improvement Plan	<u>Advisory</u>	DRG		Review of actions within the report at the request of the Head of Service.
	Governance				
25-26-08	Data Governance	<u>Advisory</u>	DODI/DF&CS		Continued attendance at the Information Governance Working Group in an advisory capacity. Provides assurance to areas being addressed by senior management.
25-26-09	Policy Framework	<u>Advisory</u>	DODI		Continued attendance at the Information Policy Framework Working Group in an advisory capacity. Provides advice to areas being addressed by senior management.

25-26-10	BCP & Risk Management (Deep Dive)	<u>Assurance</u>	CEO		To be considered by G&A Committee. Services to carry out deep dive with Internal Audit providing assurance on the internal controls surrounding area of review.
25-26-11	NIAO Annual Report 2024	<u>Advisory</u>	CEO		Internal Audit to liaise with the various Directors to consider any risks/learning from the above with a view to preparing an advisory report and action plan on priorities to CMT and an update in year end progress report.
	Transformation & Change				
25-26-12	Capital Project Management/PMO	<u>Assurance</u>	DRG		Sample Capital Project to be identified for review.
	Operational Delivery				
25-26-13	PEACE	<u>Assurance</u>	DL&W		Annual review as part of funding conditions.
25-26-14	PCSP	<u>Assurance</u>	DL&W		Review as part of funding conditions.
25-26-14	Economic Development	<u>Assurance</u>	DES		Small Settlements? Request by Head of Service.
25-26-16	Fleet Management	<u>Assurance</u>	DES		G&A Committee request Internal Audit to carry out a review to give assurance that the age of the fleet is being managed effectively. Draft ToR with Internal Audit Manager for review.

Key	
	Not due to start per plan
	Planning Underway
	Draft Terms of Reference
	Terms of Reference Agreed
	Fieldwork
	Draft Report
	Final Report
	Cancelled/Postponed
	No report required

Committee:	Governance and Audit Committee
Date:	11 th September 2025
Report from:	Internal Audit Manager

CONFIDENTIAL REPORT

Reason why the report is confidential:	Local Government Act (Northern Ireland) 2014, Schedule 6, Part 1: Exempt Information, no 3. <i>Information relating to the financial or business affairs of any particular person (including the Council holding that information).</i>
When will the report become available:	After the G&A Committee on the 11 th September 2025
When will a redacted report become available:	
The report will never become available:	

Item for:	Noting
Subject:	Internal Audit – PEER Review

1.0	<u>Background and Key Issues</u> LCCC Internal Audit currently went through a PEER Review carried out by the Internal Audit Manager at Derry City and Strabane District Council. This review was based on the previous Public Sector Internal Audit Standards. The overall results are that the Internal Audit team fully conforms in 9 of the standards, generally conforms in 2 of the standards and partially conforms in 2 of the standards – see table at 1.7 on page 5 in the report for further information. A total of 9 recommendations has been made, together with several improvement actions for consideration. The recommendations have been accepted with the Internal Audit Managers comments inserted within the action plan starting on page 58 of the report.
2.0	<u>Recommendation</u> It is recommended that the members note the contents of the attached report.
3.0	<u>Finance and Resource Implications</u> None
4.0	<u>Equality/Good Relations and Rural Needs Impact Assessments</u>

4.1	Has an equality and good relations screening been carried out?	No
4.2	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out <i>Internal Audit is an independent assurance function and is non-operational therefore no assessment required.</i>	N/A
4.3	Has a Rural Needs Impact Assessment (RNIA) been completed?	No
4.4	Brief summary of the key issues identified and proposed mitigating actions <u>or</u> rationale why the screening was not carried out. <i>Internal Audit is an independent assurance function and is non-operational therefore no assessment required.</i>	N/A

Appendices:	Internal Audit PEER Review
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**Lisburn &
Castlereagh
City Council**

Peer Review of the Internal Audit Service in Lisburn & Castlereagh City Council

Final Report: August 2025



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Executive Summary

- 1.1 A professional, independent and objective internal audit service is one of the key elements of good governance to provide independent assurance that risks are being managed through effective controls.
- 1.2 Internal audit within the public sector is governed by the Public Sector Internal Audit Standards (PSIAS). The PSIAS applied from 1 April 2013 and are based on the mandatory elements of the Internal Auditors International Professional Practices Framework (IPPF). The PSIAS require that an independent external review of the Internal Audit Service must be undertaken at least once in a five-year period by a qualified, independent assessor or assessment team from outside the organisation. Internal Audit note that the Section are non-compliant with this requirement as the last external review was undertaken in October 2015 (approximately 10 years ago). Internal Audit acknowledge that there were a substantial number of issues raised in the 2015 review and tracking of the implementation of these took place over a number of years.
- 1.3 With effect from 1 April 2015 all Internal Audit Practitioners working in the UK Public Sector were required to comply with the Institute of Internal Auditors (IIA) new Global Internal Audit Standards (GIAS) and the new Application Note entitled 'Global Internal Audit Standards in the UK Public Sector'. In addition, NIAO have issued a 'Good Practice Guide' published in March 2025 – 'Effective Audit and Risk Assurance Committees'. The Internal Audit Manager (IAM) of LCCC has advised the Governance & Audit Committee (G&AC) that she will undertake a gap analysis of LCCC against the new standards and present the results of this to G&AC at a future date.
- 1.4 Lisburn & Castlereagh City Council's (LCCC) Internal Audit service is provided in house. The structure of the Section is that there is an Internal Audit Manager (engaged on a consultant basis - not an employee) and two Internal Auditors (both employees of L&CCC).
- 1.5 During this Peer Review, interviews were carried out with the Internal Audit Manager. Questionnaires were sent and returned from the Chair of the Governance & Audit Committee, Independent Member of the G&AC, Chief Executive, Directors, various Heads of Service and Internal Audit staff. In addition, a sample of audit files were reviewed.

1.6 The degree of conformance was assessed using the following scale which is aligned with the PSIAS:

Definition	Description
Fully Conforms	The Internal Audit Service fully complies with each of the statements of good practice.
Generally Conforms	The relevant structures, policies and procedures of the Internal Audit Service, as well as the processes by which they are applied, at least comply with the requirements of the standard in all material respects. There is general conformance to a majority of the individual statements of good practice, and at least partial conformance to the others, within the sub-section. General conformance does not require complete/perfect conformance.
Partially Conforms	The Internal Audit Service falls short of achieving some elements of good practice but is aware of the areas for development. These will usually represent significant opportunities for improvement in delivering effective internal audit. Some deficiencies may be beyond the control of the service and may result in recommendations to senior management or the Governance & Audit Committee.
Does not conform	The Internal Audit Service is not aware of, is not making efforts to comply with, or is failing to achieve many / all of the objectives and good practice statements within the standard.

1.7 This review found the Internal Audit team fully confirms in 9 of the standards, generally conforms in 2 of the standards and partially conforms in 2 of the standards as follows:

Standard		Opinion
	Definition of Internal Audit	Fully Conforms
	Code of Ethics	Fully Conforms
	Attribute Standards	
1000	Purpose, authority and responsibility	Fully Conforms
1100	Independence and objectivity	Fully Conforms
1200	Proficiency and due professional care	Fully Conforms
1300	Quality assurance and improvement programme	Partially Conforms
	Performance Standards	
2000	Managing the internal audit activity	Fully Conforms
2100	Nature of work	Fully Conforms
2200	Engagement planning	Generally Conforms
2300	Performing the engagement	Partially Conforms
2400	Communicating the results	Generally Conforms
2500	Monitoring progress	Fully Conforms
2600	Communicating the acceptance of risks	Fully Conforms

1.8 The PSIAS also include a small number of standards that relate to consultancy assignments carried out by Internal Audit. Consultancy standards in the PSIAS fall outside the scope of this review.

1.9 Overall, based on the review carried out, LCCC can be satisfied that its Internal Audit service provides a high quality and professional service which adds value to the assurance framework.

1.10 The review has found strong evidence to demonstrate that the Internal Audit Service is valued highly. It is viewed as making a positive contribution to the continuous

improvement of governance, risk management and internal control in the Council as demonstrated by the completed questionnaires received. Other examples of exemplary practice include the following:

- A dedicated and motivated Internal Audit service which clearly understands the role of Internal Audit as articulated in the Charter,
- A service that is independent and objective in the performance of its planned risk-based audit work and reports are concise, well written and well structured,
- A service that operates with due professional care,

1.11 Nine recommendations for improvement have been made to enhance compliance with the standards further. The recommendations relate to the following:

- Internal Audit Key Performance Indicator's (KPI's)
- External Assessments
- Internal Audit Work Programme
- Documenting information
- Audit review process
- Executive Summary within individual audit reports
- Declaration within working papers that Internal audit work is 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'
- Timeliness of the audit process
- Cross cutting reviews

1.12 An Action Plan of recommendations in relation to compliance with the PSIAS is included in [Appendix 1](#) of this report. This should be updated and presented to the G&AC for consideration, approval and ongoing monitoring of progress in the implementation of these recommendations.



1.13 In addition, some Improvement Actions to enhance the good practice already in place have been highlighted. It should be noted that these do not directly impact on the assessment of compliance with a standard. These are outlined in [Appendix 2](#).

Introduction

Background and Terms of Reference

- 2.1 A professional, independent and objective internal audit service is one of the key elements of good governance to provide independent assurances that risks are being managed through effective controls.
- 2.2 Internal audit within the public sector is governed by the Public Sector Internal Audit Standards (PSIAS).
- 2.3 The PSIAS applied from 1 April 2013 and are based on the mandatory elements of the Institute of Internal Auditors International Professional Practices Framework (IPPF). They are intended to promote further improvement in the professionalism, quality and effectiveness of internal audit across the public sector. They reaffirm the importance of robust, independent and objective internal audit arrangements to provide Accounting Officers with the key assurances they need to support them both in managing the organisation and in producing the Annual Governance Statement (AGS).
- 2.4 These standards have been in place since 1st April 2013 and were revised in 2016 and 2017. This means that all public sector internal audit services, whether provided 'in-house' or by an external provider, are required to benchmark how well they are complying with the standards which includes a Code of Ethics. This benchmarking exercise can be determined by Internal Audit carrying out periodic self-assessments as well as external quality assessments. The standards require an independent external review must be undertaken at least once in a five-year period by a qualified, independent assessor or assessment team from outside the organisation.
- 2.5 Standard 1300 'Quality Assurance and Improvement Programme' stipulates that the chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the Internal Audit activity. This programme should be designed to enable an evaluation of the Internal Audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. In addition to internal self-assessments, the standard stipulates external assessments must be conducted at least once every 5 years. For the 2023/2024 financial year LCCC Internal Audit presented to the G&AC a self-assessment against the Standards and this was reviewed as part of this peer review.

2.6 To comply with the requirement for external review, LCCC requested that the Internal Audit Manager of Derry City & Strabane District Council (DCSDC) undertake an external Quality Assurance (Peer) Review of the Council's Internal Audit function. This was advised in the Internal Audit Progress Report to G&AC in June 2024.

2.7 The principal aim of the assignment was to review the Internal Audit service's compliance with the PSIAS and relevant professional standards, as required by the Chartered Institute of Internal Auditors (CIIA).

2.8 The objectives of the review were to:

- Establish the extent to which LCCC's Internal Audit service is complying with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) local government application note for the UK Public Sector Internal Audit Standards (PSIAS) 2019.
- To identify areas of good practice as well as areas for improvement.

2.9 With effect from 1 April 2015 all Internal Audit Practitioners working in the UK Public Sector are required to comply with the Institute of Internal Auditors (IIA) new Global Internal Audit Standards (GIAS) and the new Application Note entitled 'Global Internal Audit Standards in the UK Public Sector'. In addition, NIAO have issued a 'Good Practice Guide' published in March 2025 – 'Effective Audit and Risk Assurance Committees'. The IAM of LCCC has advised G&AC that she will undertake a gap analysis of LCCC against the new standards and present the results of this to G&AC at a future date.

Scope and Methodology

2.10 To reach an opinion on the extent to which the Internal Audit function is complying with the PSIAS this review undertook:

- To develop, circulate and analyse responses to a series of specifically tailored questionnaires across a range of stakeholders. These included the Chair of the Council's G&AC, the Independent Audit Committee Member, the Chief Executive, Council Senior Officers, and the Internal Audit team.

- To hold in-depth discussions with the Council's Internal Audit Manager and Internal Audit team in order to populate the checklist for assessing conformance with the PSIAS and the local government application note;
- To review key documents including Terms of Reference of the G&AC, minutes of the G&AC, the Audit Strategy and Plan and the Internal Audit Charter;
- To review a sample of audit files, which included the audit reports, audit planning documentation and fieldwork papers and to compare these to best practice identified in the CIPFA local government application note for the UK PSIAS 2019.

2.11 When comparing findings in LCCC to the PSIAS, consideration was given to the relative size and scale of the Council and its Internal Audit function

Acknowledgment

2.12 The Internal Audit Manager of DCSDC would like to thank the Chair and Independent Member of the G&AC, senior management of LCCC and the Internal Audit team for responding to the questionnaires. Thanks also go to the Internal Audit team for their help and co-operation throughout this review.

Findings on Compliance with PSIAS Code of Ethics

Overview

- 3.1 It is a requirement for Internal Auditors in UK public sector organisations to conform to the Code of Ethics set out in the PSIAS. This covers Integrity; Objectivity; Confidentiality; and Competency. Individual internal auditors who are members of a professional body such as the Institute of Internal Auditors (IIA) or an accountancy professional body are required to comply with relevant professional ethical standards which overlap with PSIAS. It is also important that an appropriate ethical culture is promoted in the profession of internal auditing, ultimately to provide trust and confidence in auditors' independent and objective assurance about risk management, control and governance.

Key Findings

- 3.2 The Internal Audit Service conforms to the Code of Ethics, and this is embedded in how they conduct their work including compliance with procedures and audit methodologies.
- 3.3 From questionnaires and discussions, it is evident that members of the audit team are aware of their responsibilities in relation to integrity, are objective in performing their work and are aware of the confidential nature of their job role. Conformance with the Code of Ethics is part of the overarching culture of LCCC Internal Audit Service and underpins the way the Service operates. This is evidenced by:
- The Internal Audit Manager is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) which is one of the CCAB bodies. As such the Internal Audit Manager is required to comply with the professional practice of this professional body. In addition, one auditor is a Certified Information Systems Auditor (CISA) since 2014 and Certified Risk and Information System Control (CRISC) since 2017. The other auditor has completed the Association of Accounting Technicians exams and is currently studying for the Certified Internal Audit qualification.
 - The Internal Audit Section is held in good professional standing and is well regarded by Council officers.

- Internal Audit staff have experience of working in the public sector and are aware of the Nolan principles of standards in public life.
- The Internal Audit Charter refers to integrity and objectivity and states *'auditors will not audit areas of previous responsibility for a period of at least 12 months after the responsibility ended.'*
- In addition, the Charter states *'Internal auditors will treat as confidential the information they receive in carrying out their duties. There must not be any unauthorised disclosure of information unless there is a legal or professional requirement to do so. Confidential information gained in the course of an audit will not be used to effect personal gain.'*
- The Internal Audit service is aware of the need to manage conflicting interests and Internal Audit staff complete annual declarations. In addition, because of discussions with the IAM at the commencement of this Peer Review process the IAM has updated the Terms of Reference for audit assignments to include a reference to management of conflict of interest at an individual assignment level in compliance with PSIAS.

Conclusion

- 3.4 Internal Audit fully conforms to the PSIAS Code of Ethics. No recommendations are made in this area.

Findings on Compliance with Individual Standards

- 4.1 This Section of the report provides more detailed information to include a short description of each standard and the key findings, conclusions and recommendations in respect of the conformance of the Internal audit service to each individual Standard.

4.2 Attribute Standard 1000: Purpose, authority and responsibility

The purpose, authority and responsibility of internal audit should be formally set out in an Internal Audit Charter, and this should be consistent with the requirements of the Standards, periodically reviewed and presented to senior management and approved by the Council.

Overview

- 4.2.1 This standard is designed to ensure clarity of the role and scope of internal audit and to provide a firm foundation for its powers and rights of access. It is a requirement of the standard that the purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter. This charter should be consistent with the Mission of Internal Auditing, the Code of Ethics and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing). The Head of Internal Audit should periodically review the internal audit charter and present it to senior management and the Council for approval.

Key Findings

- 4.2.2 Internal Audit has a Charter in place that was last approved by the G&AC in September 2024. The document is comprehensive and includes the elements required by the standards. The following sections are included in the Charter:
- Introduction
 - Mission of Internal Audit
 - PSIAS Core Principles

- Roles and Definitions
- Purpose of Internal Audit
- Role of the Audit Committee
- Role of Senior Management
- Internal Audit Responsibilities and Objectives
- Authority of Audit
- Scope
- Independence and objectivity (PSIAS 1100)
- Position of Internal Audit
- Arrangements for Appropriate Resourcing
- Assurance Services
- Consultancy / Advisory Services
- Professional competence
- Audit Strategy
- Audit Approach
- Annual Report
- Quality Assurance
- Fraud & Irregularity
- Internal Audit Levels of Opinion

4.2.3 The Internal Audit Charter is reviewed periodically or as and when required.

4.2.4 The Internal Audit Charter in compliance with requirements has a section entitled 'Fraud & Irregularity'. This states that as Internal Audit performs its work programmes, it will be observant of manifestations of the existence of fraud and weaknesses in internal control which would permit fraud to occur or would impede its detection. However, it does not outline that Internal Audit should be informed of all suspected or detected fraud, corruption or impropriety. Nor does it refer to a role for Internal Audit in conducting fraud investigations. Currently the Internal Audit Section within LCCC co-ordinate work in relation to the National Fraud Initiative. This is not reflected within the Charter.

4.2.5 As part of this review, it was noted that the Council's 'Anti-Fraud and Corruption Policy Statement & Strategy' is not currently compliant with NIAO guidance in several respects. The IAM advised management are responsible for update of this policy however she has requested changes in compliance with the NIAO guidance. These

updates have been drafted but not yet approved by CMT nor presented to G&A committee for approval.

Conclusion

- 4.2.6 Internal Audit fully conforms to this Standard. There are no recommendations made in this area in relation to compliance with the standard however an improvement action has been identified.

Improvement Action:

Internal Audit Charter – Fraud & Irregularity

- 4.2.7 It is recommended that the Charter be updated to state that Internal Audit should be informed of all suspected or detected fraud, corruption or impropriety so that the auditors can consider the adequacy of the relevant controls and evaluate the implication of fraud and corruption on the internal control environment. The Charter should also be updated to define the role for Internal Audit in conducting fraud investigations and their current co-ordination role in relation to the National Fraud Initiative. Additionally, this review recommends that the Charter provides further information on the arrangements around counter fraud. The 'Anti-Fraud and Corruption Policy Statement & Strategy' changes suggested by the IAM to comply with NIAO guidance should be reviewed and approved by CMT and G&A as soon as practicable.

Attribute Standard 1100: Independence and Objectivity

Internal audit activity must be independent and internal auditors must be objective in performing their work.

1110 Organisational Independence

1111 Direct Interaction with the Board

1112 Chief Audit Executive roles beyond internal auditing

1120 Individual Objectivity

1130 Impairment to Independence or Objectivity.

Overview

- 4.3.1 This standard states that the internal audit activity must be independent and internal auditors must be objective in performing their work. This is important because internal audit has to be able to carry out its work without being fettered or influenced in any way. If internal audit's independence is compromised, it is unable to deliver a valid opinion on the Council's operations, whether in reality or by perception, and assurances can become weaker.

Key Findings

Individual Independence

- 4.3.2 The Internal Audit Charter includes a section entitled 'Independence and objectivity (PSIAS 1100)'. This states that Internal Audit has no executive responsibilities and is independent of the activities that it audits to enable auditors to provide impartial and unbiased professional evaluations, opinions and recommendations.
- 4.3.3 The IAM advised and Charter confirms that to ensure integrity and objectivity is not impaired, auditors will not audit areas of previous responsibility for a period of at least 12 months after the responsibility ended. The responses from audit staff surveys provided examples of how audit staff who previously worked in Finance did not perform any reviews in this area for at least 12 months after they had worked there. In addition, survey responses highlighted that familiarity with a service area and the perceived implications of cosy relationships with management are managed

by ensuring the same auditor does not undertake numerous cycles of the same audit area.

- 4.3.4 In addition, the IAM advised, and Charter confirms that Internal Auditors will treat as confidential the information they receive in carrying out their duties. The Charter states that ‘there must not be any unauthorised disclosure of information unless there is a legal or professional requirement to do so. Confidential information gained during an audit will not be used to effect personal gain’.
- 4.3.5 The IAM advised that to date there has been no real or apparent impairment of independence or objectivity. If there was, this would be included as part of the IAM’s Annual Report and opinion.
- 4.3.6 LCCC does not have a separate Corporate Conflicts of Interest Policy. Rather in line with the Code of Conduct all Council employees, casuals, and agency workers are required to complete a Conflict of Interest declaration, whether or not they have a conflict to declare. Internal Audit can confirm that all current Internal Audit staff have recently completed and submitted a declaration. Internal Audit noted that the format of the declaration of interest form differed between audit staff and the IAM.
- 4.3.7 During this peer review Internal Audit noted that improvements were made to identifying and managing conflicts of interest at an individual assignment level. The Terms of Reference for each audit assignment now provides a statement as follows:
- ‘The Internal Audit Manager has discussed this audit review with the Internal Auditor and there is no conflict of interest to be highlighted’ or alternatively the statement will provide information on any potential conflict.’*
- 4.3.8 Any non-audit work undertaken by Internal Audit such as advisory and consultancy is capped at 20% of the time of the audit. Advisory reports are reported to CMT and incorporated as part of the summary progress reports to committee.

Organisational Independence

- 4.3.9 The PSIAS states that *‘The Chief Audit Executive must report to a level within the organisations that allows the internal audit activity to fulfil its responsibilities. The chief audit executive must confirm to the board, at least annually, the organisational independence of the internal audit activity’.*

- 4.3.10 The Position of Internal Audit within LCCC is stated within the Internal Audit Charter. This Charter confirms that the Internal Audit Manager is the Chief Audit Executive and reports directly to the Chief Executive. The Charter states that the IAM also has direct access to the Chair of the G&A.
- 4.3.11 To achieve its objectives effectively, Internal Audit must be seen to be independent. This is achieved by:
- The reporting line of the IAM as highlighted above,
 - Direct engagement with Senior Leadership Team on audit issues,
 - Ability to report to all senior managers and Members,
 - Not being part of systems and procedures being audited and ensuring Internal Audit is free from any conflicts of interest.
- 4.3.12 Periodically (normally as a pre meet to a G&AC Meeting) the IAM will meet with the Chair, Vice Chair and Lay Member of the G&AC to discuss internal audit matters. The Internal Audit Manager and Chair reserve the right to meet in private at any time to discuss internal audit matters if required. In addition, once per year the IAM will meet the G&AC Members with the External Audit Manager present to discuss any matters that are of concern to them. This meeting is a 'closed session' without management present.
- 4.3.13 The current IAM post holder is engaged on a consultancy basis on a 2 year contract and as such is not a direct employee of LCCC. As such there is no separate job description in place for the IAM which highlights the independence of this role. Documentation in the form of a Single Tender Action and quotation and description for IAM services was viewed in relation to the appointment of the current IAM and justification provided in the STA of the other options explored in an attempt to fill this position.
- 4.3.14 As such although there are no issues in relation to the organisational independence of the positioning of Internal Audit within LCCC, there are succession planning considerations in that this key role is filled on a 2-year basis.

Conclusion

- 4.3.15 Internal Audit fully conforms to this Standard. There are no recommendations made in this area in relation to compliance with the standard however 2 improvement actions have been identified.

Improvement Actions:

Corporate Conflict of Interest Policy

- 4.3.16 It is recommended that the IAM highlights the need at Senior Management Level for a separate Conflict of Interest Policy to be developed for LCCC. Although the Code currently gives guidance on potential Conflict of Interest situations, a separate policy would highlight the significance of conflicts of interest within a Local Government setting and provide a framework to give further guidance on a number of areas. These include roles and responsibilities in relation to Conflicts of Interest, general principles, legal and policy framework and guidance not just on disclosing a conflict but also how this can be managed and consequences if the policy is breached. A separate policy would also allow the linkage of conflicts of interest to the corporate plan and risk management to be highlighted and provide guidance on communication, support and training in relation to this area.

Succession Planning

- 4.3.17 It is recommended that Senior Management consider the succession planning implications of fulfilling the key role of IAM on a 2 year consultancy contract basis.

Attribute Standard 1200: Proficiency and Due Professional Care

Audit engagements must be performed with proficiency and due professional care.

1210 Proficiency

1220 Due Professional Care

1230 Continuing Professional Development

Overview

- 4.4.1 This standard states that audit engagements must be performed with proficiency and due professional care. This is important because reliance is placed on internal audit's work to help improve services and provide assurances against risks e.g. of fraud and error.

Key Findings

Proficiency

- 4.4.2 The Internal Audit Manager has suitable public sector experience having worked in a Local Authority since 1984 (19 years of this being within an Internal Audit role). The IAM is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) which is one of the CCAB bodies. The IAM has held this qualification since 2013. Other auditors in the section hold relevant audit qualifications and are suitably experienced i.e. One auditor has IT audit qualifications, and the other auditor has completed the Association of Accounting Technicians exams and is currently studying for the Certified Internal Audit qualification.
- 4.4.3 PSIAS 1210.A3 states: 'Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work'. One of the auditors within the Section is a Certified Information Systems Auditor (CISA) since 2014 and Certified Risk and Information System Control (CRISC) since 2017, which is good evidence of this requirement within the standards.

- 4.4.4 PSIAS 1210.A2 states: 'Internal auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organisation but are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud'. The IAM advised she was trained in Public Sector Investigation in a former public sector position.

[Due Professional Care](#)

- 4.4.5 From review of completed questionnaires obtained from this assessment it is clear that the Internal Audit Section within LCCC is a professional and experienced team. The Internal Audit Section is held in good professional standing and is well regarded by Council officers. The Service is well respected, professional and valued by the Council's management team. Feedback from the Corporate Management Team (CMT) and the independent member / Chair of G&AC show that Internal Audit provide a good quality service and that there is due professional care during audit assignments.

[Continuing Professional Development](#)

- 4.4.6 The IAM advised there is no separate formal Personal Development Plan process in place within LCCC however staff are encouraged to attend relevant training courses. The IAM advised staff would attend a range of training including cyber security, safeguarding, manual handling, health and safety training, freedom of information and data protection courses available on 'Skillgate' and 'Learn Well'. Additionally, staff also view relevant webinars held by the Institute of Internal Auditors or Association of Chartered Certified Accountants. Furthermore, the IAM advised all in the team are in receipt of reports/guidance from Northern Ireland Audit Office, the Chartered Institute of Public Finance and Accountability and the Institute of Internal Auditors, as all relevant guidance is filed in the Internal Audit folder and regularly referred to during internal audit work. The IAM as a qualified member of ACCA maintains her own personal record for CPD purposes and staff maintain personal records on training attended.

[Conclusion](#)

- 4.4.7 Internal Audit fully conforms to this Standard. There are no recommendations made in this area in relation to compliance with the standard however 2 improvement actions have been identified.

Improvement Actions:

Personal Development Plans for Audit Staff

- 4.4.8 The new Global Internal Audit Standards and Application Note place greater emphasis on the maintenance of records to demonstrate that standards are attained. It is acknowledged that there is currently no corporate Personal Development Planning Process in place within LCCC however this is an area which the IAM could consider putting into place at a Section level to better demonstrate achievement of CPD standards. This would help to highlight any training requirement or gaps and enhance learning and development.

Centralised Record for Continuous Professional Development (CPD)

- 4.4.9 The IAM could consider maintaining a central record / spreadsheet of CPD for the Section to provide details of training courses attended, training providers, topic / course names and hours of CPD attained. Course materials should also be retained as evidence and could be included in this folder as evidence for future External Quality Assessments.

Attribute Standard 1300: Quality Assurance and Improvement Programme

The Chief Audit Executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.

1310 Requirements of the Quality Assurance and Improvement Programme

1311 Internal Assessments

1312 External Assessments

1320 Reporting on the Quality Assurance and Improvement Programme

1321 Use of “Conforms with the International Standards for the Professional Practice of Internal Auditing”

1322 Disclosure of Non-conformance

Overview

- 4.5.1 This standard states that the Head of Internal Audit must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. This is important because, without such a challenge to its processes and systems, internal audit is unlikely to identify where it is not complying with best practice, nor will it identify new areas of audit work to add value and its clients. On-going performance monitoring and periodic reviews of audit effectiveness will identify where improvement is needed, show when that improvement has been made and demonstrate that audit is delivering as effectively as can be expected.

Key Findings

- 4.5.2 LCCC have a document entitled ‘Quality Assessment and Improvement Plan’ (QAIP) which includes the following sections:
- Introduction
 - Internal Assessments
 - Key Performance Indicators
 - Individual engagement feedback forms
 - External Assessments

Requirements of the Quality Assurance and Improvement Programme

- 4.5.3 The standard states that the quality assurance and improvement programme must include both internal and external assessments.

Internal Assessments

Ongoing monitoring and self- assessment

- 4.5.4 LCCC QAIP states that quality assurance is achieved by ongoing monitoring and self-assessment. Ongoing monitoring is achieved by continuous monitoring of activities including engagement planning and supervision, standard working practices, work-paper procedures and sign-off and report reviews.

Annual Self-Assessment

- 4.5.5 In addition, an annual self-assessment is conducted to assess conformance with the IA Charter, PSIAS and Code of Ethics. The last internal self-evaluation was undertaken in 2023/24. The G&A Progress Report in June 2024 included a section entitled 'PSIAS – Self Assessment'. This stated that the IAM carried out the self-assessment and can confirm that the Internal Audit team are mostly compliant with the standards. Four exceptions were noted in a table within this Progress Report with commentary. A PSIAS self-assessment for 2024/2025 was not carried out as it is not required in the year when an external review is conducted.

KPI's

- 4.5.6 Five KPI's were in place for LCCC Internal Audit Section and performance against these was reported at each G&AC meeting and annually via the Internal Audit Annual Report including opinion. Performance against these KPIs for 2024/2025 is outlined in the table overleaf:

No	Target	Narrative	Performance in year
1	Pre-Audit	Agreement of TOR with HOS & Director 10 days prior to commencement of audit / review	100%
2	Audit Delivery	Completion of the Internal Audit Revised Plan as agreed.	91%
3	Audit Delivery	% of Recommendations adopted by management within agreed timescale	100%
4	Customer Satisfaction Results	Achievement of Customer Feedback – average score of 3 or more on surveys returned	100%
5	Resources / Costs	Manage the costs of the IA team within agreed budget	Yes

Individual Engagement Feedback Forms

4.5.7 Engagement Feedback Forms are included as part of the Terms of Reference of individual assignments and are requested to be completed by auditees on the conclusion of audit engagements. Individual questions are rated on a score of 1 – 4 with definitions as follows: 4 – Excellent, 3-Good, 2 Fair, 1 Poor. Internal Audit uses the information provided on the questionnaire as one of its KPIs with the aim to achieve an Average Customer Feedback Score of 3 or more. A sample of forms were reviewed as part of the Peer Review process, and it was noted that results were positive and any additional narratives provided complementary. It was noted in several forms that the partnership approach is good and useful.

4.5.8 However, a separate summary analysis of responses to questionnaires is not reported to G&AC.

External Assessments

4.5.9 PSIAS recommends that there is an external assessment conducted every 5 years by a qualified independent assessor. It was noted that the last external assessment was completed by Ernest and Young in October 2015 and this identified several areas for improvement. The next assessment would have been due 2020. The IAM advised

there had been various Managers in post over the interim years, and this combined with Covid created additional challenges. The IAM advised time was needed to allow Internal Audit to implement the previous recommendations identified and adopt new ways of working. The IAM advised a significant programme of work has been undertaken to improve the quality of the Internal Audit function over the last few years. Therefore, the Section is not compliant with the frequency of external assessment but has provided reasoning as to the delay. This report is the result of the Peer Review external Assessment commenced during 2024/2025. The next external assessment will be measuring compliance against the new Global Internal Audit standards and Application note and will be due in 2030. In the interim the IAM is undertaking a gap analysis against the new standards and will present the result of this to G&AC.

- 4.5.10 As part of the current external Peer Review 14 questionnaires were completed and returned. The questions covered areas including the conduct of audits, communication, cooperation throughout the audit process, internal audit reporting arrangements including recommendations and follow up. The responses were very positive and indicated that Internal Audit were highly regarded and that engagement is positive, professional and valued. Respondents commented that Internal Audit worked in partnership with management without losing their independence or objectivity.

Reporting on the Quality Assurance and Improvement Programme

- 4.5.11 The standard requires the results of the QAIP to be reported to senior management and the Council. Internal Audit presents regular quarterly progress reports to G&AC (with full internal audit reports made available for Members to view on ? (input name of software)). In addition, the IAM prepares an 'Internal Audit Annual Report including Opinion' and section 5 of this report provides specific details on the Quality Assurance & Improvement Plan.

Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing" and Disclosure of Non-conformance

- 4.5.12 As stated above the G&AC Progress Report in June 2024 included a section entitled 'PSIAS – Self Assessment' and included a statement on conformance with the standards and disclosed in a table four exceptions of non-conformance. The IAM has also advised that the results of the Peer Review process will be reported to G&AC in September 2025.

[G&AC training](#)

- 4.5.13 G&AC training which covers the role of Internal Audit is offered regularly to Elected Members. A session via zoom took place on 5th September 2024 at which 3 members attended and a second training session organised for 19th September 2024 had a nil attendance.

[Conclusion](#)

- 4.5.14 Internal Audit partially conforms to this Standard.

[Recommendations:](#)

[Internal Audit Key Performance Indicator's \(KPI's\)](#)

- 4.5.15 It is recommended that the current KPIs in place are reviewed and updated. Consideration should be given to establishing more qualitative and less quantitative KPI's and for those that are quantitative target percentages should be established. Eg Target of 90% completion of plan. Although KPI1 above refers to the timeliness in commencing the audit process, KPIs should establish timeliness of completion of audits and reporting of the final audit report from receipt of management responses to ensure audit reports are presented on a timely basis. Any new KPI's established should be updated within the Internal Audit manual.

[External Assessments](#)

- 4.5.16 External Assessments should be undertaken in compliance with the 5 year timeframe as stipulated within the standards, however the reasoning for the delay since the previous external assessment is acknowledged.

[Improvement Actions:](#)

[Summary Analysis of response to individual engagement feedback forms](#)

- 4.5.17 It is recommended that a summary report is prepared periodically and presented to G&AC on the analysis of individual engagement feedback forms received.



G&AC training

- 4.5.18 To encourage greater attendance at G&AC training, consideration should be given to holding this training immediately preceding a scheduled G&AC meeting.

Performance Standard 2000: Managing the Internal Audit Activity

The Chief Audit Executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. The Chief Audit Executive must also establish policies and procedures to guide the internal audit activity.

2010 Planning

2020 Communication and Approval

2030 Resource Management

2040 Policies and Procedures

2050 Coordination and Reliance

2060 Reporting to Senior Management and the Board

2070 External Service Provider and Organisational Responsibility for Internal Auditing

Overview

4.6.1 This standard states that the Head of Internal Audit must effectively manage the internal audit activity to ensure it adds value to the organisation. This means that internal audit should achieve its purpose; conform with standards; comply with ethical standards; and consider issues that could impact on the service. This is important because, without a fully-thought-through risk-based plan to fulfil its purpose, internal audit is highly unlikely to identify where best to concentrate its efforts to deliver a useful output that will support its annual opinion and add value to the Council.

Key Findings

Planning: Internal Audit Strategy and Plan

- 4.6.2 The standard states 'The chief audit executive must establish risk-based plans to determine the priorities LCCC have developed a comprehensive Internal Audit Strategy for the period 2024 – 2029 which includes an Audit Needs Assessment together with an annual Internal audit plan. This plan was last approved at the G&AC on 13th March 2025.
- 4.6.3 This plan was developed in consultation with management, and the Audit Strategy and Needs Assessment was based upon risk assessment and frequency over the five year period. Each auditable unit was assessed for inherent risk and the strength of the control environment, in accordance with the methodology set out in Appendix 2 of the document.
- 4.6.4 Each auditable area within the ANA is linked to the relevant corporate risks of the council and given a reference number. Annual plans over the 5 year period are then developed from the ANA. Although annual plans do not specifically detail the corporate risks to which they relate the reference number from the ANA is noted which means that they can be cross referenced to Council strategic risks. All key corporate systems should be subject to one full internal audit review over the term of the 5 year strategic plan, however some degree of annual or biannual coverage is required for key corporate systems that are most significant. The inclusion of an explicit link between the Strategic and Annual Audit Plans, as well as individual audit assignments including a preliminary risk assessment to the objective of the audit, is a crucial practice for aligning internal audit activities with the overall goals and priorities of the organisation. This approach ensures that audit efforts are not only focused on operational compliance and efficiency but also contribute to the broader strategic vision of the Council.
- 4.6.5 The Annual plan focuses on assurance work. Advisory work is also included in the plan as per the standards based on the engagements potential to improve the management of risks, add value and improve the organisation's operations. Annual Plans include a contingency for investigations and in year service requests where risks are identified. Respondents to the surveys issued as part of this peer review commented that *'The audit team is agile and can quickly respond to emerging risks and changes in the business environment.'*

Communication and approval

- 4.6.6 Following consultation with the Corporate Management Team, the annual plan is submitted to G&AC in March each year for approval.

Resource Management

- 4.6.7 The standards state that the risk-based plan must explain how internal audit's resource requirements have been assessed. Within LCCC Plan Appendix 2 Methodology Step 7 is entitled 'other considerations that impact Internal Audit resource'. This states that the plan takes account of additional audit requirements placed upon internal audit service such as the mandatory National Fraud Initiative, fraud investigations and attendance on working groups for advisory purposes.
- 4.6.8 A respondent to the surveys issued as part of this review commented on resources within the Section and stated that the Council's recent recruitment of apprentices on a Council wide basis is something that could potentially be useful for the Internal Audit Section in the future and would help in succession planning of the Section. The respondent commented that an apprentice from another section within Council with some experience already built up on key council systems could be a valuable addition to the team. Consideration obviously would need to be given to ensuring an apprentice would not audit a system/service they worked within for a 12 month period, however their knowledge could assist others in the audit team in identifying threats and risks within that system.

Policies and Procedures

- 4.6.1 The standard states '*the Chief Audit Executive must establish policies and procedures to guide the internal audit activity*'. The form and content of these are dependent upon the size and structure of the internal audit activity and complexity of its work.
- 4.6.2 LCCC have a concise Internal Audit manual in place developed by the IAM in July 2024. There are hyperlinks within this document to other key documents relevant to the work of the Internal Audit Section.
- 4.6.3 From review of this document several key points are covered, however additional considerations should include providing further guidance on exactly how audits

should be carried out, staffing and training, quality etc. In addition, several hyperlinks within the document refer to documents that have been replaced with documents of different names.

Coordination and Reliance

- 4.6.4 The standard refers to sharing information, coordinating activities and reliance upon the work of other internal and external assurance and consulting providers. LCCC works alongside NIAO and other assurance providers.

Reporting to Senior Management and the Board

- 4.6.5 Quarterly progress reports against plan are reported to the G&AC. These reports highlight progress against the annual operational plan. They also provide a summary overview of each audit / consultancy piece of work completed and provide information on the overall assurance opinion of each audit and number of Priority 1, 2 and 3 recommendations made together with a heading as to what the recommendation relates to. These reports also include a section where changes to the annual audit plan are highlighted. Individual audit reports are not presented at committee but rather are uploaded to the Members 'Sharepoint' portal to which all members have access. In addition to the quarterly progress reports, on an annual basis the Internal Audit Annual report including opinion is reported to G&AC.

External Service Provider

- 4.6.6 This element of the standard is not currently relevant to LCCC, as all audit work is undertaken inhouse.

Conclusion

- 4.6.7 Internal Audit fully conforms to this Standard. There are no recommendations made in this area in relation to compliance with the standard however 2 improvement actions have been identified.

Improvement Actions:

Resource Management

- 4.6.8 It is recommended that in the longer term consideration is given to the suggestion from the survey respondent that current employees engaged on an apprenticeship basis could be recruited into internal audit.

Update of Internal Audit Manual

- 4.6.9 It is recommended that the Internal Audit Manual is reviewed and updated to incorporate additional elements such as those outlined above. The new GIAS standards also require several additional areas to be included in the manual, so it is recommended the review incorporates any additional areas required by the GIAS standards. Eg under the Coordination and Reliance element, the new GIAS standards require greater evidence of demonstrating this element and this is something that could be incorporated within the Internal Audit manual.

Performance Standard 2100: Nature of work

Internal audit activity must evaluate and contribute to the improvement of the organisation's governance, risk management and control processes using a systematic, disciplined and risk-based approach.

2110 Governance

2120 Risk Management

2130 Control

Overview

- 4.7.1 This standard states that the internal audit activity must evaluate and contribute to the improvement of governance, risk management and control processes using a systematic and disciplined approach. This is important because these are key areas for delivery of the Council's objectives and fundamental to delivering a comprehensive audit opinion.

Key Findings

Overview

- 4.7.2 From the review of returned questionnaires and various reports it is evident that Internal Audit evaluates and contributes to improvement of the Council's governance, risk management and internal control processes.

Governance

- 4.7.3 The Audit Plan includes key governance work including high level review of financial regulations, internal change projects, capital project management, governance work over planning processes, co-ordination of the annual governance statement, G&A committee guidance / training and Internal Audit attendance at the Council's 'information governance' and 'policy framework' working groups in an advisory capacity.

- 4.7.4 Under governance, the PSIAS specifically outlines requirements in relation to internal audit's review of the organisation's ethics-related objectives, programmes and activities and information technology governance.
- 4.7.5 Within the 2024/2025 financial year several audits were completed that contribute to the information technology governance arrangements within LCCC. Examples of this Internal audit work were the review of Cyber security and Internal Audit follow-up review on IT security. In relation to ethics the standard states that the internal audit activity must evaluate the design, implementation and effectiveness of the organisation's ethics related objectives, programme and activities. In the last internal assessment against PSIAS carried out the IAM advised she needs to review this area to ascertain requirements within the Council. It is evident that Internal audit staff respect and contribute to the legitimate and ethical objectives of the Council. The new GIAS extends this concept further by requiring internal auditors to report behaviour considered inconsistent with the organisation's ethical expectations.

Risk Management

- 4.7.6 Within LCCC risk management sits outside the direct remit of internal audit responsibility. It is a separate function and is overseen by a Risk Manager. It is stated in the internal audit manual that both systems form a complementary and valuable partnership. The Council's risk management strategy and operational risk registers help to inform the audit planning process. Significant audit findings may also be used to update operational risk registers.
- 4.7.7 Responses to the questionnaires issued as part of this Peer Review indicated that there was a clear link between the scope of internal audit work and risks faced by the Council. It was commented that:

'CEO/Directors are supportive of having those clear links, involving Internal Audit in deep dives of corporate risks, which are subsequently reported to the G&AC. These are chosen on a priority basis alongside new, emerging risks.'

'Review of the Corporate Risk Register and of the performance of IA are standard Agenda items at each meeting. In addition, two risks are identified each year for a "deep dive" which ensures a more granular approach, particularly where there is high residual risk.'



4.7.8 The 2024/2025 Internal Audit plan contained an audit of Business Continuity Planning & Risk Management. This was replaced by deep dives of the Cybersecurity and Capital Project risks and findings were included as part of these respective audit reports.

4.7.9 The standard 2020.A2 particularly concentrates on risk management in the context of fraud. The IAM in May 2024 presented a paper to CMT to advise them of the progress on the development and implementation of a Corporate Fraud Risk Register for LCCC and CMT's role in this process.

Control

4.7.10 This element of the standard states *'the internal audit activity must assist the organisation in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement'*.

4.7.11 The responses from questionnaires reviewed as part of this review together with review of a sample of Internal Audit reports confirmed that the Internal Audit Section contributes to improvement of the Council's internal control processes.

Conclusion

4.7.12 Internal Audit fully conforms to this Standard. There are no recommendations made in this area.

Performance Standard 2200: Engagement Planning

Internal auditors must develop and document a plan for each engagement, including the engagement's objectives, scope, timing and resource allocations. The plan must also consider the organisation's strategies, objectives and risks relevant to the engagement.

2210 Engagement Objectives

2220 Engagement Scope

2230 Engagement Resource Allocation

2240 Engagement Work Programme

Overview

- 4.8.1 This standard states that internal auditors must develop and document a plan for each engagement, including the engagement's objectives, scope, timing and resource allocations. This is important because such plans ensure that auditors, audit management and clients all have the same expectations of the audit and these are agreed in advance. The audit can then be checked against these plans and reviewed accordingly. Without such a plan, misunderstandings and confusion are possible resulting in wasted effort and possible conflict between auditor, auditee and management.

Key Findings:

Guidance Documents

- 4.8.2 Internal Audit were provided with a document entitled 'Engagement Planning' which stated that this consisted of 3 main elements i.e. research, pre-audit meeting, and production of a Terms of Reference. This document provided guidance as to what was involved in each stage.
- 4.8.3 Within LCCC there is a separate guidance note on client advice and consultancy. This document details how advice given should be recorded by the Section and the process for giving advice. It also states that any consultancy work requested should be agreed

with the IAM and any issues identified when undertaking work of this nature should be discussed with the IAM.

Terms of Reference

4.8.4 The Terms of Reference (TOR) is developed by the Auditor and agreed with the IAM prior to being sent to the relevant Director and Head of Service. Within LCCC audits do not commence until the relevant Director agrees the TOR.

4.8.5 From review of a sample of audits during this review it was confirmed that LCCC issued a TOR for each audit with the following key sections:

- Introduction
- Context
- Audit objectives of review
- Scope
- Approach
- Key activities including timing of these
- Budget
- Appendices including: Levels of Opinion and Priority Classifications and Audit Effectiveness Questionnaire

4.8.6 This is in compliance with requirements of the PSIAS.

Engagement work programme

4.8.7 The IAM documented in her last self-assessment exercise that work programmes are documented in a risk and control matrix. Internal Audit viewed this matrix and confirmed it contained the following:

- Objectives
- Risks
- Desired control
- Actual control
- Adequacy of design
- Testing reference
- Summary results of testing
- Effectiveness – Y/N?

- Comments
- Carry forward to exit meeting

4.8.8 However, this is the working papers documentation of the audit and not an engagement work programme (planning document) as required by the standards to include procedures for identifying, analysing, evaluating and documenting information.

Conclusion

4.8.9 Internal Audit generally conforms to this Standard.

Recommendation

Internal Audit Work Programme

4.8.10 It is recommended that as part of the planning phase of audits a 'work programme' is developed. The IAM should develop a template for this and include in as part of the standard working papers templates. In compliance with the PSIAS, work programmes should be approved prior to implementation of each engagement and any adjustments required promptly approved.

Performance Standard 2300: Performing the Engagement

Internal auditors must identify, analyse, evaluate and document sufficient information to achieve the engagement's objectives.

2310 Identifying Information

2320 Analysis and Evaluation

2330 Documenting Information

2340 Engagement Supervision

Overview

4.9.1 This standard states that internal auditors must identify, analyse, evaluate and document sufficient information to achieve the engagement's objectives. This is important because without such information it is impossible to demonstrate that the audit has been carried out properly and that its conclusions are valid. The Head of Internal Audit would be unable to form an opinion without this information.

Key Findings:

Identifying Information

4.9.2 The identification of information takes place via a range of methods including review of risk management registers, other relevant documentation and preliminary meetings with management.

Analysis and Evaluation

4.9.3 As detailed in the above section as part of LCCC audits a risk and control matrix is completed to demonstrate analysis and evaluation of information. Internal Audit viewed this matrix and confirmed it contained the following:

- Objectives
- Risks
- Desired control
- Actual control

- Adequacy of design
- Testing reference
- Summary results of testing
- Effectiveness – Y/N?
- Comments
- Carry forward to exit meeting

Documenting information

- 4.9.4 The PSIAS states that information must be '*Sufficient, reliable, relevant and useful to support engagement results and conclusions*'.
- 4.9.5 LCCC do not have an automated audit management system in place, however all audit work is maintained on electronic files on MS applications and 'Smartsheet'. In practice any relevant source documents are scanned onto these applications.
- 4.9.6 Standardised templates are in place within LCCC for a range of key documents including 'Terms of Reference', 'Risk and Control Matrix', and report formats. There is a standardised number referencing structure in place for audits from the Annual Plan.
- 4.9.7 From review of a sample of audit files, it was identified that although there was an overall structure to these files i.e. 'Terms of Reference', 'Fieldwork' and 'Reporting' the information within these folders could be better structured within sub-folders. The following was identified:
- The 'Fieldwork' folder was not always clearly sub divided and referenced to the risk and control matrix,
 - Within the 'Fieldwork' folder there was no clear distinction in the file structure between system notes and testing,
 - The testing overview sheet stated the name of the test area; however it didn't provide a test description,
 - For one of the audit files reviewed it was not clear from the risk and control matrix which elements were and were not satisfactory,
 - The supporting working papers did not have a clear referencing system to the testing summary papers and report. This made the audit trail more difficult to follow.

- Version control could also be improved, for example, it was not always clear which was the final version of the 'Terms of Reference', as it was not entitled 'final version'. The review found that there were multiple versions entitled 'draft'. It is acknowledged however that there is a clear distinction between the Draft and Final version of audit reports.
- Within the 'Reporting' folder there was no separate sub-folder for management responses, rather management responses were contained within the Draft version of the report in a sub folder entitled 'Old'.
- On occasions the IAM review was also contained within this 'old' folder. It would be better if there were clear sub folders entitled 'IAM Management Review' and 'Management responses'.
- The Final report folder included the 'Internal Audit Effectiveness questionnaire'. It would be better to include this in a separate folder to facilitate monitoring of results.

Access to records

4.9.8 The IAM advised that individual audit reports are circulated to Members via 'Sharepoint' however, these would be restricted from being circulated further. In relation to Internal Audit quarterly progress reports to G&AC, the IAM advised that the G&AC Committee is a 'closed committee' for internal audit reports and as such nothing is released until the minutes are approved. After approval, the information would be uploaded to the website in confidential. The IAM advised some information would be redacted before it is uploaded, for example, management comments or any concerns raised by the IAM.

4.9.9 The IAM advised that the retention policy of the Internal Audit Section is consistent with LCCC guidelines and any regulatory or other requirements. It was noted that the management arrangements around access and retention of documents were not included within the Audit Manual.

Engagement Supervision

4.9.10 The IAM advised that during audits regular discussions take place between the auditor and the IAM to confirm work undertaken, any major findings and the remaining work to be prioritised. The IAM advised all working papers are subject to review as part of quality control of the audit process.

4.9.11 From review of a sample of audit files there was good evidence that the IAM had reviewed key documents such as the 'Terms of Reference', and the 'Draft Reports'. However as per above, there is no separate folder entitled management review to clearly evidence this. Rather the evidence of review was maintained within various folders, for example, the 'Fieldwork folder' and 'Reporting folder'. Similarly, there was a lack of documented evidence and therefore assurance that the IAM had, during the audit reviewed other supporting working papers. Although the standard states that the extent of supervision depends on the proficiency and experience of internal auditors and the complexity of the engagement it is good practice for management to demonstrate evidence of review at other points in the audit process.

Conclusion

4.9.12 Internal Audit partially conforms to this Standard.

Recommendations

Documenting information

4.9.13 It is recommended that the improvements to documentation in relation to audit working papers as highlighted at paragraphs 4.9.7 are addressed, to facilitate a better audit trail and to enable an experienced internal auditor with no previous connection with the audit to ascertain what work was performed, to re-perform it if necessary and to support the conclusions reached.

Audit Review Process

4.9.14 It is recommended that the IAM maintain documented evidence of her review on supporting working papers to the audit. This could be either by maintaining a management review version with 'track changes' on the electronic copies or alternatively by maintaining separate Review Notes and Quality Assurance Checklist documents.

Performance Standard 2400: Communicating Results

Internal auditors must communicate the results of engagements.

2410 Criteria for Communicating

2420 Quality of Communications

2421 Errors and Omissions

2430 Use of “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing”

2431 Engagement Disclosure of Non conformance

2440 Disseminating Results

2450 Overall Opinions

Overview

4.10.1 This standard states that internal auditors must communicate the results of engagements. This is important because if the results are not communicated clearly and promptly then risks, frauds or errors may materialise, and necessary action will not be taken speedily. This could result in the audit opinion being compromised. In addition, misunderstandings about results can lead to time being spent on clarification rather than on planned audit work.

Key Findings

4.10.2 The following areas were identified as the key communication tools used by LCCC to communicate effectively:

- Hierarchy of findings and definition of assurance ratings,
- Internal Audit Reports on individual assignments,
- Progress reports to G&AC,
- Annual Internal Audit report including opinion,
- Internal Audit Effectiveness Questionnaire.

4.10.3 All results of assurance audits are communicated to the service management, CMT And G&A Committee.

(a) Hierarchy of findings and definition of assurance ratings

4.10.4 Appendix 1 of the audit reports outlines the 3 classifications of Level of Opinion and priority ratings for findings / action plans. This aids the reader in understanding the audit findings and significance of these.

Levels of Opinion

4.10.5 On completion of the audit engagement, Internal Audit forms an independent and objective opinion on the adequacy and effectiveness of controls reviewed during the audit. The Internal Audit opinion is consistent with DAO DFP 07/16.

Opinion	Definition
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.

Priority Classifications

4.10.6 The priority ratings for individual findings / action plans are as prescribed by the Department of Finance within DAP DFP 07/16.

Priority	Definition
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 misuse of public funds.
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.
3	Failure to implement the recommendation could lead to an increased risk exposure.

4.10.7 However, it was noted that when reporting findings and actions there is an additional classification called 'Insight' for which there is no definition or description.

(b) Internal Audit Reports on individual assignments

4.10.8 The Audit Manual contains a brief section on 'Reporting' which includes established mechanisms for discussing and agreeing audit reports.

4.10.9 From the sample of audit reports reviewed, it was found that the reports were concise, well-structured including a table of contents section, and were well written in a standardised format. The format covered the key communication criteria such as executive summary, scope and objectives, background / summary of findings, key findings, recommendations and insights and conclusions.

4.10.10 The executive summary section of reports includes a brief overview of the review and summary of findings and overall assurance rating. Audit opinions are based on professional judgment considering the number of different categorisations of priority recommendations. However, the executive summary does not provide a clear justification for the overall audit opinion provided in the report.

4.10.11 Section 4 of the audit report entitled 'Key findings, recommendations and insights' provides information on the finding (including priority rating), implication,

recommendation and then a table under each individual finding detailing 'action, responsible officer, and target date'. Although not specifically required by the standards an enhancement would be to consolidate all actions / recommendations into a table at the end of the report as an easy to refer to Checklist for management of all recommendations relevant to the review. It would also be useful to include a management response to each recommendation raised within this table'.

- 4.10.12 It was noted that Appendix 2 of audit reports was entitled 'Limitations, Roles and Responsibilities of Internal Audit' and this outlined the limitations of internal audit work in general and reliance that can be placed upon this. However, it was noted that a 'limitation of scope' section was not included as a standard section in audit reports or agreed Terms of Reference. Although not specifically required per the PSIAS this is a useful section to include and represents 'best practice'. An example of a limitation of scope might be when the scope of an audit area is reduced because of audit resource limitations when the assurance work is concentrated in a high risk area rather than the entirety of the system. Another example would be to explain more technical limitations, e.g. when carry out IT audits, assurance around certain technical areas such as networks, system software may not form part of the scope of the audit.

Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing

- 4.10.13 It was noted that internal audit reports (and the terms of reference documents) did not report that assignments are 'conducted in conformance with the PSIAS', as required by the standards.

Disagreements between internal auditor and management

- 4.10.14 PSIAS 10.9 requires that if there are any areas of disagreement between Internal Audit and management, which cannot be resolved by discussion, that these are recorded in the action plan and the residual risk highlighted. The IAM advised that during the year all recommendations have been accepted by management. However, she advised where actions are not accepted then they would remain in the action plan with management agreement to accept the risk. Although not explicitly stated within the standard, it is recommended that attention is drawn to such by Internal Audit adding an audit comment to re-emphasise the importance of the recommendation being raised.

Timeliness of communications

- 4.10.15 PSIAS entitled 'quality of communications' states that communications should be accurate, objective, clear, concise, constructive, complete and **timely**.
- 4.10.16 Review of the responses to questionnaires highlighted timeliness concerns both in the audit process generally and in the communication of audit results. Some audit staff commented that despite annual audit plans and terms of reference being agreed by management they sometimes encounter delays by some Services in responding to requests for information and meetings. Some Directorates frequently request that audits are postponed or cancelled. Such delays in obtaining access to files or information slows down the audit reviews and creates a bottle neck prior to the quarterly G&A Committee meeting. Similarly, it was commented that the process of reporting to CMT prior to G&A is also creating time delays. It was commented that currently Progress reports are required to be drafted for CMT a month prior to each G&A Committee meeting and then resource is required to revisit and amend these reports prior to the Committee, therefore redirecting limited audit resource to this administrative task.
- 4.10.17 A recurrent timeliness issue highlighted from this review was time delays in agreeing recommendations especially when the audit reviews are cross cutting across numerous services. Audit staff experience delays in agreeing audit reports under such instances. To address this, audit staff commented that more recently they have tried to ensure that the close out meeting comprises everyone who would want an input into the reporting process to prevent hold ups. However, this can also prove difficult getting everyone together.

(c) Progress reports to G&AC

- 4.10.18 From the sample of audit reports reviewed, it was found that the reports were concise, well-structured including a table of contents section, and were well written in a standardised format. The format covered the key communication criteria such as executive summary, scope and objectives, background / summary of findings, key findings, recommendations and insights and conclusions.

(d) Annual Internal Audit Report including opinion

- 4.10.19 Internal Audit completes an 'Annual Internal Audit Report including opinion' which is presented to the G&AC. This concludes on the overall adequacy and effectiveness of the Council framework of governance, risk management and control. This report will highlight any significant issues relevant to the preparation of the Annual Governance Statement.
- 4.10.20 The presentation of the Annual Internal Audit Report including opinion to the G&AC is a recognised method to communicate the annual internal audit opinion in compliance with standards.
- 4.10.21 Feedback from questionnaires issued to a range of stakeholders as part of this Peer Review had positive comments in relation to the communication and reporting of internal audit actions. A sample of comments from respondents is given below:

'The Internal Audit Team works effectively in carrying out their required work whilst engaging and listening to challenge from managers/Heads of Service regarding audit conclusions'.

'Yes internal audit discuss findings. I appreciate that sometimes this can be challenging when it is a cross directorate review'.

'On occasions we would have dialogue about the shaping of a report and a focus on the relevant outcomes being pursued but generally very content.'

'Recommendations are helpful, particularly when the Auditor takes the time to understand the functional area'.

Internal audit recommendations are crucial for not only ensuring compliance but improving service delivery.

- 4.10.22 Although there was positive feedback received in relation to the communication and reporting of internal audit actions, as detailed at 4.10.21 there were several timeliness concerns both in the audit process generally and in the communication of audit results. As such 2 recommendations have been made (recommendations 8 and 9) in an attempt to address these concerns.

(e) Audit Effectiveness questionnaire

4.10.23 Included within the Terms of Reference for each audit is an 'Audit Effectiveness questionnaire' requested to be completed by the auditee on completion of the audit. This questionnaire asks the auditee to rank a series of questions on a rating of either 'excellent, good, fair or poor'. This questionnaire includes a question in relation to the 'timely communication of audit findings. The use of such a survey is a recognised method to measure the quality of communications as stated in the standards. Feedback from a sample of completed questionnaires reviewed as part of this Peer Review indicated an 'excellent' rating to this question and a number also commented on the good 'partnership approach' of Internal Audit which worked well.

Conclusion

4.10.24 Internal Audit generally conforms to this Standard.

Recommendations

Executive Summary within individual audit reports

4.10.25 In addition to stating the audit opinion, priority rating of recommendations and areas on which recommendations were raised it is recommended that audit reports provide a brief narrative justification for the overall audit opinion. It is recommended that this summarise both the positive and negative aspects identified during the audit.

Declaration within Internal Audit working papers that internal audit work is 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'

4.10.26 It is recommended that Internal Audit Reports and Terms of Reference documents should include a section detailing that engagements are 'conducted in conformance with the PSIAS'. This will now be replaced to require confirmation with the new Government Internal Audit Standards (GIAS) and Application Note.

Timeliness of the audit process

- 4.10.27 An Internal Audit working group should be convened with all relevant stakeholders to ensure that the concerns outlined in paragraphs 4.10.16 and 4.10.17 above are considered and solutions found so that timeliness throughout the life cycle of individual audits is improved.

Cross Cutting Reviews

- 4.10.28 To improve the timeliness of reporting reviews with audit actions that cut across different Sections, consideration should be given to ensuring that all relevant management are included in the meeting to agree Terms of Reference and are therefore all aware upfront of the expectations on them to input on a timely basis into the reporting phase of the audit. As is happening more recently, the close out meeting should include all relevant management. Any significant problems in getting management to attend such meetings should be escalated to the Chief Executive and the implications of this on reporting to G&A made explicit.

Improvement Actions:

4.10.29 Limitation of Scope

For the reasons as outlined above, the IAM should consider including a 'limitation of scope' section within audit reports indicating any limitations that were placed on the audit in question (or confirming that there were no limitations), as appropriate.

4.10.30 Priority of Classification table within the report

It is recommended that the 'Priority Classification Table' contained within Internal Audit reports should be updated with a definition / description for the classification of 'Insight'.

4.10.31 Table of Actions / Recommendations

To enhance the reporting process further it is recommended that all actions / recommendations are consolidated into a table at the end of the report as an easy to refer to Checklist for management of all recommendations relevant to the audit. It



would also be useful to include a management response to each recommendation raised within this table’.

4.10.32 Disagreements between Internal Audit and Management

Although the IAM advised the recommendation would remain in the action plan it is recommended that attention is drawn to management’s acceptance of the risk by Internal Audit adding an audit comment to re-emphasise the importance of the recommendation being raised in the first instance.

Performance Standard 2500: Monitoring Progress

The Chief Audit Executive must establish and maintain a system to monitor the disposition of results communicated to management.

Overview

- 4.11.1 This standard states that the 'Head of Internal Audit must establish and maintain a system to monitor the disposition of results communicated to management'. This is important because otherwise there is a risk that audit recommendations will not be implemented, negating the purpose of the audit and increasing the chance of fraud, error, inefficiencies, etc.

Key Findings

- 4.11.2 A document entitled 'Follow-up of Audit Action Points' has been developed as guidance for staff in the follow-up process operational at LCCC. This explains the system that is operational to monitor and track audit actions.
- 4.11.3 When an audit is finalised and the final report is issued the action points are entered onto a database sharing system called 'SmartSheet'. A template has been created for this update. The name of the audit is used as the main reference, and within the workspace the breakdown of the recommendation is inserted. This will include (Findings, recommendation, due date, Director and Head of Service). This workspace is then shared with the Director, Head of Service and any other nominated member of staff. They will receive an email with a link to the workspace, which gives them access to make updates on progress of implementing the recommendation.
- 4.11.4 Services are responsible for updating their actions assigned on Smartsheet when they have completed each action point. The Smartsheet system triggers an email to the responsible person in advance of the deadline for completion. Services are reminded to update the actions before a committee report is prepared. If Internal Audit staff don't receive any notification, they will contact the relevant service and ask for an update.
- 4.11.5 If the Services request an extension to the agreed timescales for implementation, they are required to put this in writing to internal audit explaining the reason why an extension is required. This updated date should be updated to 'Smartsheet'.

- 4.11.6 A spreadsheet which is held within the follow-up folder (for that year) is also updated with all relevant information, this is Internal Audits master file and will match any information that is uploaded to Smartsheet.
- 4.11.7 When confirmation has been received that the recommendation has been implemented, Internal Audit will approach the service and ask for evidence. When Internal Audit are content with this evidence, a follow-up report will be prepared which is issued to all relevant members of staff. The recommendation is then closed off within Smartsheet and the service will get an email to confirm this. Internal Audit will also update the master spreadsheet that the recommendation has been closed off. It should be noted that results of follow-up testing do not alter the assurance opinion given to the original audit. However, the follow-up results form part of the following year's audit opinion.

Reporting to G&AC

Quarterly Progress Reports

- 4.11.8 The results of follow-up work are reported to G&AC via the quarterly progress reports. These reports contain a section entitled 'Status of Internal Audit recommendations with sub-sections providing information on:
- Status of internal audit recommendations as at a specified date for which the target implementation date has passed (this is based on management's assessment of whether the audit recommendation has been addressed)
 - Recommendations deemed discharged by management (summary information on number of Priority 1, Priority 2, Priority 3 and Insights discharged)
 - Internal confirmation of discharged recommendations – this provides the detail behind discharged recommendations (this information is extracted from the detailed individual follow-up reports presented to management).

Internal Audit Annual Report (including opinion)

- 4.11.9 The Internal Audit Annual report including opinion includes a section on 'Follow-up' which provides a summary table of actions implemented throughout the year

providing an overview of those fully and partially implemented both in terms of numbers and percentages. For further oversight and transparency, it would be beneficial if the number of recommendations made, accepted and implemented per priority rating during the year, were recorded within the Internal Audit annual report including Opinion.

Conclusion

- 4.11.10 Internal Audit fully conforms to this Standard. There are no recommendations made in this area; however 2 improvement actions have been identified.

Improvement Actions:

Revision of Audit Opinion after verification of actions by Internal Audit

- 4.11.11 It is recommended that after internal audit verification of discharged actions the internal audit opinion should be reviewed and revised within the Follow-up audit report.

Analysis of implementation of Actions within the Internal Audit Annual Report including Opinion

- 4.11.12 It is recommended that further analysis of recommendations made, accepted and implemented per priority rating during the year are included within the overall Internal Audit Annual Report including Opinion and presented to G&AC.

Performance Standard 2600: Communicating the Acceptance of risks

When the Chief Audit Executive concludes that management has accepted a level of risk that may be unacceptable to the Council, he/she must discuss this with senior management and if unresolved communicate the matter to the Council through the Performance and Audit Committee.

Overview

- 4.10.1 When the Head of Internal Audit 'concludes that management has accepted a level of risk that may be unacceptable to the organisation, the Head of Internal Audit must discuss the matter with senior management. If the Head of Internal Audit determines that the matter has not been resolved, the Head of Internal Audit must communicate the matter to the board' (i.e. the Council). This is important because the organisation should not put itself in a position of taking ill-thought-through risks.

Key Findings

- 4.10.2 Standard 2600 considers the arrangements which should apply if the 'Chief Audit Executive' has concluded that management has accepted a level of risk that may be unacceptable to the organisation. Situations of this kind are expected to be rare and no instances of this were identified in the peer review.
- 4.10.3 There are no examples of management accepting a level of risk which is unacceptable to the Council. However, if this were to occur the IAM would discuss the matter with senior management including the Chief Executive, and if the IAM considered that the matter had not been resolved the formal reporting mechanisms to the G&AC provide an appropriate route to raise such concerns.

Conclusion

- 4.10.4 Internal Audit fully conforms to this Standard. No recommendations have been made in this area.

Conclusion

- 5.1 The review has found evidence to demonstrate that LCCC's Internal Audit service has many highly positive features that rightly deserve to be highlighted in this report. The review has found strong evidence to demonstrate that the Internal Audit Service is valued highly. It is viewed as making a positive contribution to the continuous improvement of governance, risk management and internal control in the Council as demonstrated by the completed questionnaires received. Other examples of exemplary practice include the following:
- A dedicated and motivated Internal Audit service which clearly understands the role of Internal Audit as articulated in the Charter,
 - A service that is independent and objective in the performance of its planned risk-based audit work and reports are concise, well written and well structured,
 - A service that operates with due professional care.
- 5.2 The review did not find any instances of non-conformance during the assessment however 9 recommendations to improve compliance with PSIAS, together with management responses and implementation dates is included in [Appendix 1](#).
- 5.3 The Action Plan should be completed and presented to the G&AC for consideration. This action plan should be used for ongoing monitoring of progress in the implementation of the recommendations.
- 5.4 A table of improvement actions to enhance the good practice already in place is included at [Appendix 2](#).

Appendix 1 – Table of Recommendations

Standard Ref:	Recommendation	Management Response	Ownership	Implementation Date
1300	<u>Recommendation 1</u> <u>Internal Audit Key Performance Indicator's (KPI's)</u> It is recommended that the current KPIs in place are reviewed and updated. Consideration should be given to establishing more qualitative and less quantitative KPI's and for those that are quantitative target percentages should be established. Eg Target of 90% completion of plan. Although KPI1 above refers to the timeliness in commencing the audit process, KPIs should establish timeliness of completion of audits and reporting of the final audit report from receipt of management responses to ensure audit	Agreed. KPI's will be updated in line with the new Government Internal Audit Standards (GIAS). Any change to KPI's will be updated within the audit manual.	Internal Audit Manager	End of 25/26 financial year

Standard Ref:	Recommendation	Management Response	Ownership	Implementation Date
	reports are presented on a timely basis. Any new KPI's established should be updated within the Internal Audit manual.			
1300	<u>Recommendation 2</u> <u>External Assessments</u> External Assessments should be undertaken in compliance with the 5-year timeframe as stipulated within the standards, however the reasoning for the delay since the previous external assessment is acknowledged.	Going forward external assessments will be undertaken every 5 years in compliance with professional internal audit standards. The reasons for the delay between the last external assessment and this external assessment (peer review) are documented within the report.	Internal Audit Manager	2030 (5 years time)
2200	<u>Recommendation 3</u> <u>Internal Audit Work Programme</u>	This is undertaken on an informal basis currently. This will be formalised going forward in line with the new	Internal Audit Manager	End November 2025

Standard Ref:	Recommendation	Management Response	Ownership	Implementation Date
	It is recommended that as part of the planning phase of audits a 'work programme' is developed. The IAM should develop a template for this and include in as part of the standard working papers templates. In compliance with the PSIAS, work programmes should be approved prior to implementation of each engagement and any adjustments required promptly approved.	Government Internal Audit Standards (GIAS).		
2300	Recommendation 4 Documenting information It is recommended that the improvements to documentation in relation to audit working papers as highlighted at paragraphs 4.9.7 are addressed, to facilitate a better audit trail and to enable an experienced internal auditor with no	Agreed – the areas highlighted in the report will be addressed	Internal Audit Manager	October 2025

Standard Ref:	Recommendation	Management Response	Ownership	Implementation Date
	previous connection with the audit to ascertain what work was performed, to re-perform it if necessary and to support the conclusions reached.			
2300	<u>Recommendation 5</u> Audit Review Process It is recommended that the IAM maintain documented evidence of her review on supporting working papers to the audit. This could be either by maintaining a management review version with 'track changes' on the electronic copies or alternatively by maintaining separate Review Notes and Quality Assurance Checklist documents.	A checklist will be implemented in line with the Government Internal Audit Standards (GIAS) as evidence of review.	Internal Audit Manager	October 2025
2400	<u>Recommendation 6</u>	Agreed	Internal Audit Manager	October 2025

Standard Ref:	Recommendation	Management Response	Ownership	Implementation Date
	Executive Summary within individual audit reports In addition to stating the audit opinion, priority rating of recommendations and areas on which recommendations were raised it is recommended that audit reports provide a brief narrative justification for the overall audit opinion. It is recommended that this summarise both the positive and negative aspects identified during the audit.			
2400	<u>Recommendation 7</u> Declaration within Internal Audit working papers that internal audit work is 'Conducted in Conformance with the	Agreed	Internal Audit Manager	October 2025

Standard Ref:	Recommendation	Management Response	Ownership	Implementation Date
	International Standards for the Professional Practice of Internal Auditing' It is recommended that Internal Audit Reports and Terms of Reference documents should include a section detailing that engagements are 'conducted in conformance with the PSIAS'. This will now be replaced to require confirmation with the new Government Internal Audit Standards (GIAS) and Application Note.			
2400	<u>Recommendation 8</u> Timeliness of the audit process	The Internal Audit Manager will bring this proposal of a working group to the CMT for discussion and approval.	Internal Audit Manager	End August 2025

Standard Ref:	Recommendation	Management Response	Ownership	Implementation Date
	An Internal Audit working group should be convened with all relevant stakeholders to ensure that the concerns outlined in paragraphs 4.10.16 and 4.10.17 above are considered and solutions found so that timeliness throughout the life cycle of individual audits is improved.			
2400	<u>Recommendation 9</u> Cross Cutting Reviews To improve the timeliness of reporting reviews with audit actions that cut across different Sections, consideration should be given to ensuring that all relevant management are included in the meeting to agree Terms of Reference and are therefore all aware upfront of the expectations on them to input on a timely basis into the reporting phase of the audit.	Agreed. The Internal Audit Manager will discuss with CMT the implications of cross cutting reviews and the need for management from the various areas to be brought into the process.	Internal Audit Manager	End August 2025



Standard Ref:	Recommendation	Management Response	Ownership	Implementation Date
	As is happening more recently, the close out meeting should include all relevant management. Any significant problems in getting management to attend such meetings should be escalated to the Chief Executive and the implications of this on reporting to G&A made explicit.			

Appendix 2 – Improvement Actions

Standard Ref:	Improvement Actions
1000	<u>Internal Audit Charter – Fraud & Irregularity</u> It is recommended that the Charter be updated to state that Internal Audit should be informed of all suspected or detected fraud, corruption or impropriety so that the auditors can consider the adequacy of the relevant controls and evaluate the implication of fraud and corruption on the internal control environment. The Charter should also be updated to define the role for Internal Audit in conducting fraud investigations and their current co-ordination role in relation to the National Fraud Initiative. Additionally, this review recommends that the Charter provides further information on the arrangements around counter fraud. The 'Anti-Fraud and Corruption Policy Statement & Strategy' changes suggested by the IAM to comply with NIAO guidance should be reviewed and approved by CMT and G&A as soon as practicable.
1100	<u>Corporate Conflict of Interest Policy</u> It is recommended that the IAM highlights the need at Senior Management Level for a separate Conflict of Interest Policy to be developed for LCCC. Although the Code currently gives guidance on potential Conflict of Interest situations, a separate policy would highlight the significance of conflicts of interest within a Local Government setting and provide a framework to give further guidance on a number of areas. These include roles and responsibilities in relation to Conflicts of Interest, general principles, legal and policy framework and guidance not just on disclosing a conflict but also how this can be managed and consequences if the policy is breached. A separate policy would also allow the linkage of conflicts of interest to the corporate plan and risk management to be highlighted and provide guidance on communication, support and training in relation to this area.

Standard Ref:	Improvement Actions
1100	<u>Succession Planning</u> It is recommended that Senior Management consider the succession planning implications of fulfilling the key role of IAM on a 2year consultancy contract basis
1200	<u>Personal Development Plans for Audit Staff</u> The new Global Internal Audit Standards and Application Note place greater emphasis on the maintenance of records to demonstrate that standards are attained. It is acknowledged that there is currently no corporate Personal Development Planning Process in place within LCCC however this is an area which the IAM could consider putting into place at a Section level to better demonstrate achievement of CPD standards. This would help to highlight any training requirement or gaps and enhance learning and development.
1200	<u>Centralised Record for Continuous Professional Development (CPD)</u> The IAM could consider maintaining a central record / spreadsheet of CPD for the Section to provide details of training courses attended, training providers, topic / course names and hours of CPD attained. Course materials should also be retained as evidence and could be included in this folder as evidence for future External Quality Assessments.
1300	<u>Summary Analysis of response to individual engagement feedback forms</u> It is recommended that a summary report is prepared periodically and presented to G&AC on the analysis of individual engagement feedback forms received.

Standard Ref:	Improvement Actions
1300	G&AC training To encourage greater attendance at G&AC training consideration should be given to holding this training immediately preceding a scheduled G&AC meeting.
2000	Resource Management It is recommended that in the longer term consideration is given to the suggestion from the survey respondent that current employees engaged on an apprenticeship basis could be recruited into internal audit.
2000	Update of Internal Audit Manual It is recommended that the Internal Audit Manual is reviewed and updated to incorporate additional elements such as those outlined above. The new GIAS standards also require a number of additional areas to be included in the manual so it is recommended the review incorporates any additional areas required by the GIAS standards. Eg under the Coordination and Reliance element above the new GIAS standards require greater evidence of demonstrating this element and this is something that could be incorporated within the Internal Audit manual.
2400	Reporting: Limitation of Scope For the reasons as outlined above, the IAM should consider including a 'limitation of scope' section within audit reports indicating any limitations that were placed on the audit in question (or confirming that there were no limitations), as appropriate.

Standard Ref:	Improvement Actions
2400	<u>Priority of Classification table within the report</u> It is recommended that the 'Priority Classification Table' contained within Internal Audit reports should be updated with a definition / description for the classification of 'Insight'.
2400	<u>Reporting: Table of Actions / Recommendations</u> To enhance the reporting process further it is recommended that all actions / recommendations are consolidated into a table at the end of the report as an easy to refer to Checklist for management of all recommendations relevant to the audit. It would also be useful to include a management response to each recommendation raised within this table'.
2400	<u>Disagreements between Internal Audit and Management</u> Although the IAM advised the recommendation would remain in the action plan it is recommended that attention is drawn to management's acceptance of the risk by Internal Audit adding an audit comment to re-emphasise the importance of the recommendation being raised in the first instance.