

Written Ministerial Statement

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Department for Infrastructure

PUBLICATION OF THE TERMS OF REFERENCE FOR A FORENSIC AUDIT INTO THE GOVERNANCE SYSTEMS IN NI WATER

Published at 7pm on Friday 2 October 2026

Ms Liz Kimmins (The Minister for Infrastructure): I wish to issue this Statement to update the Assembly following my announcement on 4th September of a forensic audit into the governance systems in NI Water.

As you are aware I have instructed the Civil Service's Internal Audit to put in place the necessary steps to progress this further governance audit as quickly, and as thoroughly as possible.

I am pleased to confirm that the Terms of Reference has now been published on the Department's website.

As I said previously when I announced this audit, the Department has a number of concerns regarding governance and control matters within NI Water on which I require further assurance on the adequacy of NI Water's risk management, governance and systems of internal control. The Department's concerns have been intensified recently due to insufficient assurance, several 'Raising a Concern' investigations, legacy and current breaches of a Dear Accounting Officer letter in relation to the use of confidentiality agreements and observations from the Department's representative on the NI Water Board.

The Terms of Reference sets out that the scope of the assignment is to examine NI Water's risk management, governance and internal control arrangements, including compliance with Managing Public Money NI in relation to delegations, procurement and contract management practices, and the management of actual or perceived conflicts of interest.

It will also include whether key decision makers have clear sight over information to support effective decision making.

Specifically the audit will:

- Assess the adequacy and effectiveness of NIW's internal control framework and associated assurance arrangements.
- Evaluate the adequacy and effectiveness of NIW's governance and risk management arrangements, including whether key decision-makers receive clear, timely and sufficient information, and whether supporting documentation, roles and responsibilities are clearly defined and operating as intended.
- Assess the processes in place to support compliance with Managing Public Money NI and Dear Accounting Officer letters, specifically delegations, procurement and contract management.
- Assess the adequacy and effectiveness of the identification and management of actual or perceived conflicts of interest.
- Evaluate the adequacy and effectiveness of the segregation of duties at executive director level.
- Review the adequacy of NI Water's procedures and processes designed to support compliance with the Partnership Agreement and any related guidance.
- Identify opportunities to strengthen processes, procedures, assurance mechanisms and communication with the parent Department.

As Minister, it is incumbent upon me to satisfy myself that the organisation's internal checks and balances are operating effectively and that its systems and processes are robust, effective and fit for purpose, especially as the company receives around £500m in funding from my department each year.

This audit will provide an opportunity to assess governance arrangements comprehensively, support better planning going forward and ensure full transparency for partners, stakeholders and the public, and, I would hope any learning from this process will be useful for both parties going forward.

As this is now a live audit I would not propose to comment any further until the audit completes in the New Year.