

# ANNUAL FINANCIAL STATEMENTS (Unaudited)

Comprising Council Areas:

Ballymoney BC

Coleraine BC

Limavady BC

Moyle DC

Causeway Coast & Glens Statutory Transition Committee

For the period ended 31st March 2014

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## **Explanatory Forward**

### **Introduction**

The Causeway Coast & Glens Statutory Transition Committee was formed pursuant to the powers conferred by the Local Government (Statutory Transition Committees) Regulations (Northern Ireland) 2013.

These Regulations required each new Council area to establish a Statutory Transition Committee and the Causeway Coast & Glens Statutory Transition Committee was established on 8th August 2013 in accordance with this legislation.

The Causeway Coast & Glens Statutory Transition Committee is comprised of 20 Councillors, 5 from each of the four constituent Councils, namely:

- Ballymoney BC
- Coleraine BC
- Limavady BC
- Moyle DC

For the new council namely, Causeway Coast & Glens District Council, the Statutory Transition Committee must:

- 1) prepare a draft corporate and business plan;
- 2) prepare a draft budget; and
- 3) arrange the first meeting of the new Causeway Coast & Glens District Council.

### **Financial Report**

The Financial Statements for the period ended 31st March 2014 have been prepared in line with The Code of Practice on Local Authority Accounting in The United Kingdom 2013/14 (the Code) and the Department of the Environment (DOE) Accounts Direction, Circular LG Circular 19/14. It is the purpose of this foreword to explain, in an easily understandable way, the financial facts in relation to the Statutory Transition Committee for this period. However, the financial statements follow approved accounting standards and are necessarily technical in parts.

The Financial Statements explain the Statutory Transition Committee's finances during the financial period ended 31st March 2014 and its financial position at the end of that period.

The following statements provide further information:

- The Movement in Reserves Statement, as set out on page 10 shows the movement in the year on the reserves held by the Statutory Transition Committee. The surplus or (deficit) on the provision of services line shows the true economic cost of providing the Statutory Transition Committee's services.

# Causeway Coast & Glens Statutory Transition Committee

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- The Comprehensive Income and Expenditure Statement, as set out on page 11, shows the income earned and the expenditure incurred during the period by the Statutory Transition Committee in accordance with generally accepted accounting practices. This includes details of funding received from Government bodies and participating Councils, together with details of administrative expenditure incurred by the Statutory Transition Committee.
- The Balance Sheet, as set out on page 12, shows the value as at the Balance Sheet date of the Statutory Transition Committee's assets and liabilities. The net assets of the Statutory Transition Committee (assets less liabilities) are matched by the reserves held by the Statutory Transition Committee.
- The Cash Flow Statement, as set out on page 13, shows the changes in cash and cash equivalents of the Statutory Transition Committee during the reporting period. The statement shows how the Statutory Transition Committee generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

For the period ended 31st March 2014 the Statutory Transition Committee accounted for grant income of £51,887, Council contributions of £50,392 and incurred total costs of £102,279. The financial activities of the Statutory Transition Committee are wholly funded by Government Bodies and the participating Councils, therefore resulting in a £nil surplus/deficit for the period.

### Legislative Context for Preparation and Audit of the Financial Statements

Section 15(8)(a) of the Local Government (Miscellaneous Provisions) Act (NI) 2010 provides that a Statutory Transition Committee is a local government body for the purposes of Part 2 of the Local Government (NI) Order 2005. The Local Government (Northern Ireland) Order 2005, Article 3, provides that:

The accounts of every local authority government body shall be :

- a) made up to the end of each financial year; and
- b) audited in accordance with Part 2 by a local government auditor designated by the Department, after consultation with the Comptroller and Auditor General for Northern Ireland

Article 24 of the Local Government (Northern Ireland) Order 2005 provides that the Department may issue regulations as to accounts and audit. In this regard the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 were made on 7 March 2006.

The Accounts Direction, issued by the Department of the Environment under Regulation 4 of the Local Government (Accounts and Audit) Regulations 2006 requires the Statutory Transition Committee to prepare accounts. These Financial Statements cover the period from 8th August 2013 to 31st March 2014 and have been prepared in compliance with the Direction.

**Statement of the Statutory Transition Committee's and the Chief Financial Officer's responsibilities for the Statement of Accounts**

**The Statutory Transition Committee's Responsibilities**

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 a Council shall make arrangements for the proper administration of its financial affairs. A council shall designate an officer of the council as its Chief Financial Officer. Arrangements made by a council for the proper administration of its financial affairs shall be carried out under the supervision of its Chief Financial Officer.

Under Regulation 5 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 the Statutory Transition Committee is required by resolution to approve the accounts.

These accounts were approved by the Chief Financial Officer of the Causeway Coast & Glens District Council on 26th June 2014.

**The Chief Financial Officer's Responsibilities**

Under Regulation 4(1) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006, the Chief Financial Officer is responsible for the preparation of the Statutory Transition Committee's Statement of Accounts in the form directed by the Department of the Environment.

The accounts must give a true and fair view of the income and expenditure for the financial period and the financial position as at the end of the financial period.

In preparing this Statement of Accounts, the Chief Financial Officer is required to:-

- observe the Accounts Direction issued by the Department of the Environment;
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:-

- keep proper accounting records that are up-to-date; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

## **Governance Statement**

### **Introduction**

According to the Local Government (Statutory Transition Committees) Regulations (Northern Ireland) 2013, the primary role of the Statutory Transition Committee was to undertake preparatory duties to inform the key decisions of the new incoming Council following local government elections in May 2014.

The Statutory Transition Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Statutory Transition Committee also has a duty under the Local Government (Best Value) Act (NI) 2002 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Statutory Transition Committee is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Statutory Transition Committee is required to prepare an Annual Governance Statement, which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. This statement explains how the Statutory Transition Committee meets the requirements of Regulation 2A of the Local Government Accounts and Audit (Amendment) Regulations (Northern Ireland 2006) in relation to the publication of a statement on internal control.

### **The purpose of the governance framework**

The governance framework comprises the systems and processes, and culture and values, by which the Statutory Transition Committee is directed and controlled and the activities through which the Statutory Transition Committee accounts to and engages with the community. It enables the Statutory Transition Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost-effective services.

The governance framework has been in place for the financial period ended 31st March 2014 and up to the date of approval of the Financial Statements.

### **The Governance Framework**

This section provides a summary of the key elements of the systems and processes that comprise the Statutory Transition Committee's governance arrangements. The governance arrangements for the Statutory Transition Committee are supported by the overall governance framework set by Coleraine Borough Council, in its role as Lead Administrative Council.

# Causeway Coast & Glens Statutory Transition Committee

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For the period ended 31st March 2014

The Chief Executive & Town Clerk for the Lead Administrative Council has responsibility for maintaining a system of sound internal controls and risk management processes to support the Statutory Transition Committee in the achievement of its objectives, and for reviewing their effectiveness. The systems of controls are based on a continual process designed to identify the principal risks to the achievement of the project objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

A copy of the full Governance Statement for Coleraine Borough Council is published in its own Financial Statements for the year ended 31st March 2014.

Overall control of the governance framework and system of internal controls is the responsibility of the Statutory Transition Committee.

### **Review of effectiveness**

The Statutory Transition Committee has responsibility for conducting a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness was informed by the work of the Statutory Transition Committee's Officers, who have responsibility for supporting the Committee in the development and maintenance of the governance environment.

Overall control of the governance framework and system of internal controls is the responsibility of the Statutory Transition Committee. Regular meetings, policy documents and periodic progress reports enabled the Statutory Transition Committee to examine and evaluate the progress made and address issues affecting the implementation of the Statutory Transition Committee Plan.

The Chief Executive and Town Clerk for the Causeway Coast & Glens District Council has responsibility for the preparation of this Annual Governance Statement. In preparing this statement, consideration has been given to the governance framework and system of internal controls in place within Coleraine Borough Council, the lead Administrative Council. This review has been undertaken taking account of Guidance on the Local Government (Accounts and Audit) Regulations (Northern

Ireland) (Amendment) Regulations (Northern Ireland) 2006 issued by the Department of the Environment in February 2008. The Chief Executive & Town Clerk of Coleraine Borough Council leads the Council's Senior Management Team to collectively have involvement in and oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework. This includes the delivery of the Council's responsibilities as Lead Administrative Council for the Statutory Transition Committee. Progress on the implementation of the Statutory Transition Committee Plan and issues arising are reviewed and reported to the Councillors by way of Council reports.

# Causeway Coast & Glens Statutory Transition Committee

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In producing this statement, full regard has been made to Coleraine Borough Council's Corporate Risk Register and to any significant governance issues raised within Coleraine Borough Council's Annual Governance Statement for the period ended 31st March 2014. None of the significant governance issues raised within Coleraine Borough Council's Annual Governance Statement had an impact on the operation of the Statutory Transition Committee in 2013/2014.

The Lead Administrative Council undertook an annual review of the effectiveness of Internal Audit in line with the requirements of the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006. This review proved satisfactory.

The Chief Executive & Town Clerk for the Lead Council can advise the Statutory Transition Committee that there are a few areas where ongoing improvements will be made. None of these, however, will impact on the operation of the new Causeway Coast & Glens Shadow Council. The new Chief Executive of Causeway Coast & Glens District Council has also requested the existing Chief Executives of Ballymoney, Coleraine, Limavady and Moyle Councils to provide a signed assurance statement that there were no significant governance issues in 2013/2014, which would have an impact on the Statutory Transition Committee.

### Significant governance issues

There were no significant governance issues noted

Signature .....  
Chief Financial Officer

Date 26th June 2014

Signature .....  
Presiding Councillor of Causeway Coast & Glens District Council

Date 26th June 2014



**Certificate of the Chief Financial Officer**

I certify that :-

- a) The Statement of Accounts for the financial period ended 31st March 2014 on pages 10 to 17 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on page 14.
  
- b) In my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial period and the financial position as at the end of the financial period.

Signature .....  
Chief Financial Officer

Date 26th June 2014

Signature .....  
Presiding Councillor of Causeway Coast & Glens District Council

Date 26th June 2014

**Independent Auditor's Report to the Members of Causeway Coast & Glens Statutory Transition Committee**



**Movement in Reserves Statement**

	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£	£	£
At 8th August 2013	0	0	0
<b>Movement in reserves during the year</b>			
Surplus or deficit on provision of services	0	0	0
Other Comprehensive Income and Expenditure	0	0	0
Total Comprehensive Income and Expenditure	0	0	0
At 31st March 2014	<u>0</u>	<u>0</u>	<u>0</u>

**Comprehensive Income and Expenditure Statement**

	Notes	2013/14 £
<b>Income</b>		
Participating Councils	3	50,392
Government Grant	4	51,887
<b>Total Income</b>		<u>102,279</u>
<b>Expenditure</b>		
Staff Costs	5	48,154
Running Costs		5,507
Capacity Building		24,737
Election Expenditure		0
Audit Fee	6	3,500
Other Expenses		20,381
<b>Total Expenditure</b>		<u>102,279</u>
Surplus / (Deficit) on the provision of Services		<u>0</u>
Other Comprehensive Income and Expenditure		0
<b>Total Comprehensive Income and Expenditure</b>		<u>0</u>

**Balance Sheet**

	Notes	2014 £
Short Term Debtors	7	83,339
Cash and Cash Equivalents	8	0
Current Assets		83,339
Short Term Creditors	9	83,339
Current Liabilities		83,339
Net Assets		<u>0</u>
Usable Reserves		0
Unusable Reserves		0
Net Worth		<u>0</u>

**Cash Flow Statement**

	Notes	2013/14
		£
<b>Net (surplus) or deficit on the provision of services</b>		0
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and	8	0
Net Cash Flows from Operating Activities		<u>0</u>
Net Cash Flows from Investing Activities		0
Net Cash Flows from Financing Activities		0
Net increase / (decrease) in cash and cash equivalents		<u>0</u>
Cash and Cash Equivalents at the beginning of the reporting period		0
Cash and Cash Equivalents at the end of the reporting period		<u><u>0</u></u>

**1 Accounting Policies****General Principles**

The Financial Statements summarise the Statutory Transition Committee's transactions for the 2013/14 financial period and its position at the end of 31st March 2014. The Statutory Transition Committee is required to prepare Financial Statements in a form directed by the Department of the Environment in accordance with regulations 4 (1) and (2) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 and the Service Reporting Code of Practice 2013/14 supported by International Financial Reporting Standards (IFRS).

**i) Accruals of Income and Expenditure**

The Financial Statements have been prepared on an accruals basis. The accruals basis of accounting requires the non-cash effect of transactions to be reflected in the Financial Statements for the year in which those effects are experienced and not in the year in which the cash is actually received or paid. This ensures that provision has been made for known outstanding debtors and creditors at the year end, estimated amounts being used where actual figures are not available.

**ii) Reserves**

In line with the Code of Practice, expenditure is charged to revenue and not directly to any reserve. For each reserve established, the purpose, usage and the basis of transactions are identified in notes supporting the financial statements.

**iii) Value Added Tax**

All expenditure and income is shown net of Value Added Tax, unless it is irrecoverable.

**iv) Bank and Cash**

The Committee has no separate bank account of its own and instead uses Limavady Borough Council's and Coleraine Borough Council's facilities.



## 2 The Segmental Report

	2013/14		
	DOE Funding	Cluster Funding	Total
	£	£	£
Income from Participating Councils	0	50,392	50,392
Government Grants	51,887	0	51,887
<b>Total Income</b>	<b>51,887</b>	<b>50,392</b>	<b>102,279</b>
Staff Costs	30,303	17,851	48,154
Running Costs	0	5,507	5,507
Capacity Building	21,584	3,153	21,584
Election Expenditure	0	0	0
Audit Fee	0	3,500	3,500
Other Expenses	0	20,381	20,381
<b>Total Comprehensive Income and Expenditure</b>	<b>51,887</b>	<b>50,392</b>	<b>99,126</b>
	<b>0</b>	<b>0</b>	<b>3,153</b>

# Causeway Coast & Glens Statutory Transition Committee

## Financial Statements

For the period ended 31st March 2014

<b>3</b>	<b>Income from Participating Councils</b>	<b>2013/14</b>
		<b>£</b>
	Ballymoney BC	12,598
	Coleraine BC	12,598
	Limavady BC	12,598
	Moyle DC	12,598
		<hr/>
		50,392
		<hr/>
<b>4</b>	<b>Government Grants</b>	<b>2013/14</b>
		<b>£</b>
	Change Manager Funding	30,303
	Member/Staff Capacity Building	21,584
		<hr/>
		51,887
		<hr/>
<b>5</b>	<b>Staff Costs</b>	<b>2013/14</b>
		<b>£</b>
	Salaries	37,640
	National Insurance	3,204
	Pension Costs	7,310
		<hr/>
		48,154
		<hr/>
		<b>2013/14</b>
		<b>FTE</b>
	Total Staff Numbers	0
		<hr/>
		<b>Actual Numbers</b>
	Full-time numbers employed	2
		<hr/>
		2
		<hr/>
<b>6</b>	<b>External Audit Fees</b>	<b>2013/14</b>
		<b>£</b>
	External Audit Fees	3,500
	Other Fees	0
		<hr/>
		3,500
		<hr/>

# Causeway Coast & Glens Statutory Transition Committee

## Financial Statements

For the period ended 31st March 2014

<b>7 Short Term Debtors</b>	<b>2014</b>
	<b>£</b>
Government Departments	32,947
Participating Councils	50,392
	<hr/>
	<b>83,339</b>

<b>8 Cash Flow Note – Analysis of Adjustments to Surplus/Deficit on the Provision of Services</b>	<b>2013/14</b>
	<b>£</b>
(Increase) / decrease in debtors	(83,339)
Increase / (decrease) in creditors	83,339
	<hr/>
Cash and Cash Equivalents	<b>0</b>

The Statutory Transition Committee does not have a bank account. All financial transactions are administered by the Lead Council or the constituent Councils directly.

<b>9 Short Term Creditors</b>	<b>2014</b>
	<b>£</b>
Participating Councils	76,004
Accruals	7,335
	<hr/>
	<b>83,339</b>

### 10 Related Party Transactions

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party Transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the Joint Committee or the Government of which it forms part.

A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Joint Committee and Trade Unions in the course of their normal dealings with the Joint Committee.

In addition where the relationship with the Statutory Transition Committee and the entity is solely that of an Agency, these are not deemed to be Related Party Transactions.

Transactions with related parties not disclosed elsewhere in these financial statements are set out below, where a description of the nature and the amount of the transaction is as follows:

The Committee used the participating councils' premises free of charge. Limavady Borough Council maintained accounting records for the Committee free of charge and Coleraine Borough Council provided payroll services for the Committee free of charge.

**Accounts Authorised for the Issue Certificate**

In accordance with International Accounting Standard 10, Events after the Balance Sheet Date (IAS 10) this Statement of Accounts which contains a number of minor amendments from the Accounts approved on 26th June 2014 are at today's date hereby authorised for issue.

IAS 10 sets out

- The period during which an entity should adjust its financial statements for events after the balance sheet date as being the period between the date the financial statements were prepared and the date of this authorisation; and
- In the event of adjustments the disclosures that should be made.

Signed

.....  
Chief Financial Officer

Dated