

Governance Statement

Scope of Responsibility

The North East PEACE III Joint 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, efficiency and effectively. The North East PEACE III Joint Committee also has a duty under Local Government (Best Value) Act (Northern Ireland) 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.

Under the terms of a Partnership agreement, Coleraine Borough Council was established as the Lead Council for the Joint Committee. The Agreement delegates administrative responsibility to the Lead Council, for fulfilling the obligations arising from the Letter of Offer from SEUPB in relation to the delivery of the PEACE III Action plan within the cluster area. This includes responsibility for ensuring the sound financial management of funds allocated to the cluster, for the overall co-ordination and implementation of the Action plan for the cluster and the preparation and submission of periodic progress reports, interim reports and final reports to the PEACE III Partnership, the Joint Committee and the SEUPB (Managing Authority).

The Joint 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 Joint Committee also has a duty under 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 Joint Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The North East PEACE III Joint 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. The statement explains how the Joint 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 local government body is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the North East Peace III Joint 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 system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the local government body's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place for the North East PEACE III Joint Committee for the year ended 31 March 2015 and up to the date of approval of the financial statement.

The Governance Framework

Corporate Vision

The North East PEACE III Joint Committee clearly identified its vision in the North East Cluster PEACE III Action Plan 2008-2013. The objectives for the period are set out in the Action Plan.

The Vision for the North East Cluster by 2015:

"The North East area is a Peaceful and stable area; is economically and socially prosperous; is an area that respects diversity, promotes good relations among and between communities and celebrates difference where people feel safe to express their identity without fear of intimidation, sectarianism or racism and is an area where cross community and cultural understanding, engagement and interaction is excellent".

A wide range of public, business and community stakeholders have been consulted through a robust consultation exercise and their input to the development of the North East Partnership PEACE III action plan has been welcomed. The 2008-2013 Action Plan identifies 4 animation programmes and ten strategic priorities with associated objectives and performance indicators. It is envisaged that the 2008-2013 Plan will remain a live document that will be available in electronic format on Coleraine Borough Council's website and also the North East PEACE III website. The Joint Committee and officers will have undertaken periodic review of performance against the ten strategic priorities and associated objectives.

Performance Measurement

Progress made against the PEACE III Action Plan is reviewed on a regular basis and formally reported by way of periodic progress reports, interim reports and final reports to the Joint Committee and Partnership. The PEACE III Programme measures its performance through a number of indicators assessing outputs, outcomes and impacts. The programme is mainly focussed on impacts and this is measured via the Aid for Peace Evaluation approach.

Financial performance is assessed through regular budget meetings and is reported to the Joint Committee periodically. Financial performance is also assessed on a regular basis by the Managing Authority and financial targets are set within the year to review progress.

Decision Making & Delegation

The Partnership Agreement sets out the roles and responsibilities for Coleraine Borough Council as the Lead Council for the Joint Committee. The Joint Committee has designated as its Chief Financial Officer, the Chief Financial Officer for the Lead Council. All policy decisions are taken by the Joint Committee after consideration by the PEACE III Manager. A number of operational matters are delegated to the PEACE III Manager. No formal scheme of delegation exists, and no such scheme was in place due to the limited life of the programme.

Standards of Behaviour

The Lead Council has a wide range of policies and procedures, which are subject to on-going review and includes the standards of behaviour expected from all employees. The behaviour, standards, and ethics expected of elected Members is outlined in the Code of Conduct for Councillors issued by the Department of the Environment (NI). Additionally, behaviour at meetings of the elected members is regulated through the Joint Committee's Standing Orders which have been agreed in the Memorandum of Understanding and signed by all members. Employees are subject to a Code of Conduct adapted from a model code issued by the Local Government Staff Commission for Northern Ireland, and also a number of specific policies. All relevant documentation is provided to Members and staff as part of induction training, and further specific training is organised as required.

Standing Orders & Risk Management

The Joint Committee has adopted Standing Orders which govern how decisions are taken. Financial Regulations are also in place. Both documents are reviewed periodically. The formal mechanisms by which the Joint Committee and Partnership regulates the conduct of its meetings are set out in the Partnership Agreement. These arrangements are subject to review and update as necessary in response to the changing environment and the needs of the Joint Committee and Managing Authority. To facilitate risk management, the Lead Council has also adopted a Risk Management Policy Statement which requires the identification of corporate and departmental risks, the assessment of impact and likelihood of those risks and the mitigating controls in place. Council has Corporate and Departmental risk registers in place, and these are reviewed bi-annually.

Audit and Risk Committee

The Lead Council has in place an Audit and Risk Committee which has a written constitution, terms of reference and remit. The Committee receives internal and external audit reports, and scrutinises financial reports and risk management issues. In 2014/15 The Committee comprised of eleven Elected Members of Coleraine Borough Council drawn from the main political parties represented on Coleraine Borough Council. The Audit and Risk Committee met four times during the year.

Legality of Decisions

The Town Clerk and Chief Executive is also Causeway Coast and Glen Borough Council's Chief Financial Officer, as outlined in Section 5.54 of the Local Government Act (Northern Ireland) 1972. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision-making, providing advice and guidance and ensuring that expenditure incurred is lawful.

Fraud & Corruption

Coleraine Borough Council has a fraud and corruption policy which has been circulated to all staff, alongside a supplementary whistle-blowing policy. The policy sets out the arrangements where employees wish to make disclosures whilst remaining protected from action by their employer. Additionally, Coleraine Borough Council has an internal complaints procedure available to members of the public in electronic and hard copy. These arrangements extend to the role of Coleraine Borough Council as Lead Council to the Joint Committee.

The Special EU Programmes Body (SEUPB) is committed to developing and maintaining effective controls to prevent fraud and corruption, and to ensure that if any instances do occur that they be dealt with promptly. SEUPB, in line with their fraud policy, ensure that all suspected cases of fraud or corruption are investigated scrupulously and exhaustively. Additionally, during an investigation, every effort will be made to maintain strict confidentiality.

Training & Development

Coleraine Borough Council operates an Employee Development Scheme aimed at ensuring that Officers receive regular and appropriate training to enable them to fulfil their responsibilities. This scheme applies to Officers tasked with the delivery of the role of Coleraine Borough Council as Lead Council to the Joint Committee. Training, focusing on the implementation and administration of the PEACE III programme was available to all Partnership members and project partners during the financial year. In addition, an in-depth Partnership Development Programme for all Members of the Joint Committee and Partnership was delivered during 2014/15 and continued until September 2014 as part of the PEACE III Action plan extension.

Local Government Reform

The administration of each of the 7 Peace III bodies is established through a partnership agreement which establishes a lead council (one of the participant councils that formed the Joint Committee). The Chief Financial Officer of the lead council is responsible for the preparation, signing and dating of the statement of accounts for the Joint Committee. While the lead council will cease to exist on 31 March 2015, Regulation 9 of the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 provides that its activities will be continued by the new council i.e. that council in which the lead council was a predecessor council. As such, for the purpose of complying with the requirements of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006, the attached Direction will require that the Chief Financial Officer should be that of the new council. Regulation 1(2) of the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 notes that, in relation to a new council, an existing council is a "predecessor council" if the whole or the major part of the district of the existing council is, in accordance with section 1 of the Local Government Act (Northern Ireland) 1972 as in force immediately prior to the

making of the Local Government (Boundaries) (2008 Act) (Commencement, Transitional Provision and Savings) Order (Northern Ireland) 2013, to be incorporated in the district of the new council.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Joint Committee's Officers, who have responsibility for supporting the Committee in the development and maintenance of the governance environment and also by recommendations made by auditors from the Managing Authority (SEUPB), the Northern Ireland Audit Office and other external auditors.

Overall control of the governance framework and system of internal controls is the responsibility of the Joint Committee. Regular meetings, policy documents and periodic progress reports enable the Joint Committee to examine and evaluate the progress made and address issues affecting the implementation of the PEACE III Action plan.

The Chief Executive & Town Clerk for the Lead Council has responsibility for the preparation of the Annual Governance Statement along with the Lead Partner Assurance Statement for submission to the Managing Authority (SEUPB). In preparing this statement, he has considered the governance framework and system of internal controls in place.

In undertaking this review account has been taken of Guidance on the Local (Accounts and Audit) (Amendment) Regulations (NI)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 Council for the Joint Committee. Progress on the PEACE III Action plan and issues arising are reviewed and reported to the Lead Partner Council by way of Council reports.

In producing this statement, full regard has been made to Coleraine Borough Council's Corporate Risk Register.

Internal Audit services are provided to the Lead Council by an in-house Head of Audit and Risk who provides an independent opinion on the adequacy and effectiveness of the internal control system. This extends to reviewing the arrangements in place for Joint Committee projects, which will be reviewed on a periodic basis as part of an on-going programme of work. In order to ensure independence, the Head of Audit and Risk has access, if required to the Town Clerk and Chief Executive and the Chairman of the Audit Committee. The Head of Audit and Risk presents a quarterly report to both the Senior Management Team and the Audit and Risk Committee.

The Lead Council undertake 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 UK 2006. This annual review proved satisfactory.

A recent internal audit of the North East Partnership Joint Committee carried out by Council in February 2015 highlighted that the audit testing carried out did not identify any significant weaknesses in the systems and controls in place over the Joint Committee. A substantial level of assurance was given.

In addition, verification and audit reviews were conducted by the Managing Authority (SEUPB) during the 2014/15 financial year. During this period, the verification error rate, recorded by SEUPB was 0.7%. The introduction of improved policies and procedures contributed to this low error rate. All issues and recommendations highlighted in these reviews have been resolved.

Ongoing review and update of the governance framework and internal controls will ensure continual improvement and a robust governance framework.

Significant Governance Issues

The Joint Committee gave assurances following last year's 2013/2014 audit of the Accounts that a completion of an internal audit on the PEACE III expenditure would be carried out over the next financial year. As indicated above this internal audit was completed within this 2014/2015 financial year and no significant governance issues were identified.

Signature.....

Chief Financial Officer

Date.....

Signature.....

Chair of the Causeway Coast and Glens Audit Committee

Date.....

Governance Statement

Introduction

According to the Regulations, 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 Causeway Coast and Glens Statutory Transition Committee was required by the Local Government (Statutory Transition Committees) Regulations 2013 to gather information and consider and advise on matters relevant to ensuring the new Causeway Coast and Glens District Council will be able to adopt its full range of powers and functions from 1st April 2015.

Under the terms of the Statutory Transition Committee, Coleraine Borough Council was established as the Lead Council for the Statutory Transition Committee. The Agreement delegates administrative responsibility to the Lead Council, for fulfilling the obligations in relation to the delivery of the Statutory Transition Committee objectives within the Causeway Coast and Glens Cluster cluster area. This includes responsibility for ensuring the sound financial management of funds allocated to the cluster, for the overall co-ordination and implementation of the Statutory Transition Committee Plan for the cluster and the preparation and submission of periodic progress reports, interim reports and final reports to the Statutory Transition Committee and the Department.

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 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 19th June 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 and these are supported by the overall governance framework set by Coleraine Borough Council, in its role as Lead Council.

The Chief Executive & Town Clerk for the Lead 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 2015.

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

Arrangements for reviewing the Statutory Transition Committee's vision and its implications for the Statutory Transition Committee's governance arrangements

Progress made against the Statutory Transition Committee Plan is reviewed on a regular basis and formally reported by way of periodic progress reports, interim reports and final reports to the Statutory Transition Committee.

Arrangements for defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

As a statutory body, the Statutory Transition Committee performs a number of functions that are provided for in legislation. The Statutory Transition Committee takes overall accountability for discharging these functions and delegates responsibility for making recommendations regarding the implementation of the Statutory Transition Committee Plan to the constituent Councils. The Partnership Agreement sets out the roles and responsibilities for Coleraine Borough Council as the Lead Council for the Statutory Transition Committee.

The Statutory Transition Committee has designated as its Chief Financial Officer, the Chief Financial Officer for the Lead Council.

Causeway Coast and Glens Statutory Transition Committee

Financial Statements

For the period ended 19th June 2014

Arrangements for developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff

The Lead Council has a wide range of policies and procedures, which are subject to on-going review and include the standards of behaviour expected from all employees. The Councils have adopted the Local Government Staff Commission's Code of Conduct. All policies and procedures are communicated to employees through induction and other on-going training initiatives. The Statutory Transition Committee is fully compliant with all these policies and procedures.

Arrangements for reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks

The role of Coleraine Borough Council as Lead Council to the Statutory Transition Committee is conducted in accordance with its own system of Standing Orders, Financial Regulations, Policies and Procedures, as amended through guidance issued by the Department. Any changes to these documents require formal approval by the Council.

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 and also by recommendations made by auditors from the Department, the Audit Authority and other external auditors.

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 & Town Clerk for the New Council has responsibility for the preparation of this Annual Governance Statement, as well as the Lead Partner Assurance Statement for submission to the Department. In preparing this statement, they have considered the governance framework and system of internal controls in place. 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 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.

In producing this statement, full regard has been made to Coleraine Borough Council's Corporate Risk Register and to Statements of Assurance provided by each Director to the Chief Executive & Town Clerk.

Causeway Coast and Glens Statutory Transition Committee

Financial Statements

For the period ended 19th June 2014

The Lead 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 has advised the Statutory Transition Committee of the results and implications of the review of the effectiveness of the governance framework.

Significant governance issues

There were no significant governance issues noted

Local Government Reform

From 1 April 2015, under the Reform of Local Government (RLG), the number of Councils in Northern Ireland will reduce from the 26 existing to 11 new Councils, established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008. From that date the Northern Ireland Executive has agreed to transfer some functions currently carried out by NI Government Departments and give some new responsibilities to the 11 new Councils. The new councils will be stronger, more efficient and will deliver more effective services.

The Local Government Act (Northern Ireland) 2014 introduced the legislative frame work for Northern Ireland's 11 new councils and has made transitional provisions to provide for the transfer of staff, assets and liabilities from the current 26 councils to the 11 new councils, and from departments transferring functions to the new councils.

The function of this Statutory Transition Committee was to lead the convergence between the merging councils and commence preparatory work for the new council, to inform the key decisions of the new council following local government elections in May 2014. This work has now been completed and the Statutory Transition Committee ceased to exist on 19 June 2014.

Signature
Chief Financial Officer

Date 29th June 2015

Signature
On behalf of the Committee of Causeway Coast and Glens District Council

Date 29th June 2015

Causeway Coast And Glens District Council (Operating in Shadow Form)

Financial Statements

For the period ended 31st March 2015

Governance Statement

Introduction

The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2015 provides that, during the transitional period, a New Council should:

- (i) prepare for the discharge of its functions after 31st March 2015 and, in particular, establish such committees and sub-committees, appoint such staff, and prepare such budgets, plans, schemes and other things as are, or will be, required for that purpose; and
- (ii) liaise with any existing council for the purposes of ensuring continuity in the exercise of its functions on and after the 1st April 2015.

The New Council 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 New Council also has a duty under 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 New Council 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 New Council is required to prepare a Governance Statement covering the period of the accounts, which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. This statement explains how the New Council meets the requirements of Regulation 2A of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in relation to the publication of a statement on internal control.

The Governance Framework

The governance framework has been in place at the New Council for the financial period ended 31st March 2015 and up to the date of approval of the Financial Statements. The governance framework is largely based around those of the predecessor councils and in particular Coleraine and Limavady Borough Councils who were the administrative and financial administrative councils respectively.

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

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The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the New Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Chief Executive for the New Council has responsibility for maintaining a system of sound internal controls and risk management processes to support the New Council 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.

Arrangements for identifying and communicating the New Council's vision of its purpose and intended outcomes for citizens and service users

Good Governance Guidance states that 'Local Government bodies need to develop and articulate a clear vision of their purpose and intended outcomes for citizens and service users that is clearly communicated, both within the organisations and to external stakeholders'. To facilitate this the New Council, in conjunction with its Predecessor Councils, has developed a Corporate Plan which is currently available to the public (and all interested parties) on request and via the Council's website.

Arrangements for reviewing the New Council's vision and its implications for the New Council's governance arrangements

Progress made against the New Council Corporate Plan for the transitional period has been reviewed on a regular basis and formally reported by way of periodic progress reports, interim reports and final reports to the New Council/relevant New Council committees.

Arrangements for defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

Causeway Coast And Glens District Council (Operating in Shadow Form)

Financial Statements

For the period ended 31st March 2015

The Northern Ireland Local Government Code of Conduct for councillors came into force on 28th May 2014. All elected members within the New Council have signed up to the Code of Conduct. A Code of Governance was developed for the New Council for the period ended 31st March 2015, based on the six principles set out in the CIPFA/SOLACE 'Delivering Good Governance in Local Government: a Framework'.

Terms of Reference have been documented for the Audit Committee detailing their scrutiny function. Job descriptions and job specifications have been developed for all Senior Manager roles, which clearly define and document the roles and responsibilities of officers. Appropriate meetings take place for effective communication.

Arrangements for developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff

All employees have a Contract of Employment and all Contracts include a Code of Conduct, which must be followed.

The New Council has a wide range of policies and procedures, which are subject to on-going review and include the standards of behaviour expected from all members and employees.

All policies and procedures are communicated to employees through induction and other on-going training initiatives.

The behaviour, standards and ethics expected of members are outlined in the Code of Conduct for Councillors issued by the Department of the Environment.

The New Council is fully compliant with all these policies and procedures.

Arrangements for reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks

The New Chief Executive, in conjunction with its Predecessor Councils, has developed standing orders, standing financial instructions, a scheme of delegation etc. for the New Council operating in shadow form.

Arrangements for undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

The New Council has in place an Audit Committee whose overall purpose and objective is to assist Council in fulfilling its oversight responsibilities. The Audit Committee, which meets at least four times each year, has responsibility for reviewing:

- The system of internal control and management of risks;
- The financial reporting process;
- The internal and external audit process;
- Council's processes for monitoring compliance with laws and regulations; and
- Council's processes for monitoring compliance with its own Standing Orders, policies and procedures.

Causeway Coast And Glens District Council (Operating in Shadow Form)

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For the period ended 31st March 2015

Arrangements for ensuring compliance with relevant laws and regulations, internal policies and procedures, and ensuring that expenditure is lawful

The New Council regularly reviews progress made and issues arising by way of periodic progress reports, interim reports and final reports regarding compliance with relevant laws and regulations, internal policies and procedures and ensuring lawful expenditure. Assurance has been provided by the Administrative Council with regards to...[areas in which New Council relied on the systems, procedures and controls in place, including the Internal Audit function].

While the New Council utilised the financial expertise, systems and controls of the administrative council, the New Council retains responsibility for ensuring that these are appropriate.

To facilitate risk management, the New Council has developed Corporate Risk Registers (together with Departmental Risk Registers), which are subject to formal review and update at least twice yearly.

The New Council has access to specialist legal advisors to provide expertise, advice and guidance as required.

Arrangements for whistle-blowing and for receiving and investigating complaints from the public

The New Council has relied on the Administrative Council's fraud and corruption policy which reflects the Bribery Act and sets out whistle-blowing arrangements.

The handling of complaints is set out in the Council's Complaints Procedure, a copy of which is published on the Council's website.

Arrangements for identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

The New Council relied on the procedures adopted by the Administration Council to identify the development needs of members and senior officers during the transitional period.

Review of effectiveness

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

The New Council 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 New Council's Officers, who have responsibility for supporting the Committee in the development and maintenance of the governance environment and also by recommendations made by Internal Audit.

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For the period ended 31st March 2015

The Chief Executive of the New Council is the Chief Financial Officer, and 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.

The Chief Executive of the New Council has been advised on the implications of the result of the review of effectiveness of the governance framework by [the executive/ audit committee/ overview and scrutiny committee/ risk management committee], and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Chief Executive for the New Council has responsibility for the preparation of this Annual Governance Statement. In preparing this statement, consideration has been given to the governance framework, the system of internal controls in place, and Best Practice guidance.

The Chief Executive of the New Council also undertook a review of the effectiveness of Internal Audit during the period 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.

Significant governance issues

There were no significant governance issues noted

Local Government Reform

The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 vested functions and powers in the New Councils during the transitional period to enable them to prepare for the assumption of their full functions and to ensure continuity in performance after the 1st April 2015.

From 1 April 2015, under the Reform of Local Government, the number of Councils in Northern Ireland reduced from 26 Predecessor to 11 New Councils. From that date the Northern Ireland Executive agreed to transfer some functions currently carried out by NI Government Departments and give some new responsibilities to the 11 New Councils. The New Councils will be stronger, more efficient and will deliver more effective services.

The Local Government Act (Northern Ireland) 2014 introduced the legislative framework for Northern Ireland's 11 New Councils. This includes how decisions are made, how positions of responsibility are shared across political parties, how improvements in the delivery of council functions can be achieved to reflect the needs of local communities, and how effectively and efficiently council services are delivered to people. It provides for strong, modern, statutory governance in Councils and introduces a new ethical standards framework which includes a mandatory code of conduct for councillors.

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The Local Government Act (Northern Ireland) 2014 also made provision for Northern Ireland Departments to make schemes for the transfer of designated assets or liabilities from the 26 Predecessor Councils to the 11 New Councils, and from departments to the 11 New Councils.

Signature
Chief Financial Officer

Date 29th June 2015

Signature
On behalf of Causeway Coast and Glens Borough Council

Date 29th June 2015

Ballymoney Borough Council

Annual Governance Statement 2014 - 2015

Scope of responsibility

Ballymoney Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under Local Government (Best Value) Act (Northern Ireland) 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 Council 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 Council is required to prepare an Annual Governance Statement which is consistent with the principles of CIPFA/SOLACE Framework Delivering Good Governance in Local Government and also 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 CIPFA Code of Practice on Local Authority Accounting in the UK requires local authorities to include a specific statement on whether the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on "The Role of the Chief Financial Officer in Local Government" and where they do not, an explanation of how they deliver the same impact.

The Council's financial management arrangements do comply with this statement with the exception of Principle 5 "The CFO in a local authority must be professionally qualified and suitably experienced". The Local Government Finance Act (Northern Ireland) 2011 does not require the CFO to be professionally qualified. The CFO is supported by experienced and qualified Officers within the Finance Department.

The purpose of the governance framework

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the Council 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 system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Ballymoney Borough Council

Annual Governance Statement 2014 - 2015

The governance framework has been in place at Ballymoney Borough Council for the year ended 31st March 2015.

Key elements of the systems and processes that comprise the Council's governance arrangements include the following:-

1. Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users.

Council produced a Corporate Plan for the period 2012-2015, which sets out its vision, core values, and business objectives. This was developed by senior managers and councillors and made available to staff on the internal IT network, to community and business networks and placed on the Council's website.

The Plan links to annual business plans containing targets, timescales, KPIs and outcomes.

Ballymoney Borough Council has worked with the other three councils in the Causeway Coast and Glens Cluster to ensure effective convergence takes place in April 2015 in accordance with the Local Government Reform Programme.

2. Reviewing the Council's vision and its implications for the Council's governance arrangements.

As part of the process for developing the corporate plan, the vision for council was reviewed and a new vision adopted:

"Ballymoney will be an accessible, distinctive local hub, offering a safe, unique quality of life with a strong sense of community striving to do more."

The Corporate plan identifies four corporate objectives which are designed to ensure that the vision is realised. These are: to provide leadership within a community planning framework; to supply services/facilities that our local community need; to encourage local enterprise; and to protect and promote the uniqueness of our places and people. Each of these has a series of linking strategic priorities. The corporate risk register identifies the factors which could prevent achievement of these objectives.

3. Measuring the quality of services for users, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources.

Council is committed to providing quality services aligned to its strategic objectives. To underpin the vision and objectives in its corporate plan it has developed a series of annual business plans for the major services provided by Council, which set out the objectives for each and detail the resources provided in their achievement.

A committee of council, the Resources Task Group, was established in 2007 with the remit to "consider ways to reduce costs and boost income..." It receives regular financial reports, considers all requests to fill vacant or new posts and reports directly to council.

Ballymoney Borough Council

Annual Governance Statement 2014 - 2015

Within the Causeway Coast and Glens Council cluster collaboration in the procurement of goods and services for the four councils is considered where possible to ensure best value. Council also participated in various collaborative procurement exercises on behalf of the Causeway Coast & Glens Borough Council to ensure that proper arrangements are in place for 1 April 2015 – examples include the insurance portfolio and annual tenders for the supply of a range of goods and services.

4. Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication.

The roles and responsibilities of the Members of Council are defined by the Northern Ireland Code of Local Government Conduct.

Council's decision-making processes are based on the committee system, where the business to be conducted is channelled through four standing committees, Corporate & Central Services Committee, Development Committee, Health & Environmental Services Committee and Leisure & Amenities Committee, which meet monthly (except July & August). Each committee is serviced by a senior officer who prepares the agenda, analyses the matters for consideration and may propose a course of action to the committee. The committee debates the matters and recommends action to council, which meets monthly throughout the year. Committees do not have delegated powers, except in occasional instances where this is granted to them to facilitate compliance with external deadlines.

In addition a Consultation Committee, comprising all councillors and with full council powers, meets monthly except for July, to consider recommendations from Planning Service on local developments and to be the vehicle for consultation with Council by a wide range of bodies.

Scrutiny is provided by a Resources Task Group, Audit Committee, and Internal and External Audit functions.

Roles and responsibilities of Senior Officers are defined by job descriptions, job specification and terms and conditions of employment.

Senior and other officers of Council can make decisions under delegated authority. Examples include authorisation of payments, taking prosecutions under the bye-laws on drinking in public places and the authorisation of surveillance under RIPA (Regulatory and Investigative Powers Act) legislation.

5. Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff.

The behaviour, standards and ethics expected of elected members are outlined in the Code of Conduct for Councillors issued by the Department of the Environment for Northern Ireland. Behaviour at Council meetings is regulated through the Councils Standing Orders. The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (NI) 2014 applied Part 9 (Conduct of Councillors) of the Local Government Act (NI) 2014 to Councillors of the existing 26 Councils. These Regulations

modified the Declaration of Acceptance of Office to affirm members' obligation to observe the Northern Ireland Code of Conduct in the performance of their duties as a councillor. Following the May 2014 Local Government Elections and prior to the June Annual General Meeting all councillors signed the Declaration of Acceptance of Office. All councillors also completed the Register of Interests form. All councillors were offered training on the application of the new Code of Conduct and Registration of Interests. Agendas of all standing committees and council meetings now contain an item on Declaration of Interest.

Council adopted the "Code of Conduct for Local Government Officers (1998)", prepared by the Local Government Staff Commission. This is issued to all new employees on taking up appointment. Failure to adhere to the Code is a disciplinary matter. The induction process for all new staff includes a detailed explanation of all relevant policies. All council policies and procedures are available to staff via the Council's intranet system.

Council maintains gifts and hospitality registers for both councillors and officers.

6. Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manual, which clearly define how decisions are taken and the processes and controls required to manage risks.

Council adopted standing orders in 2001 and reviewed them in 2005. Financial instructions detailing the procedure for procurement of goods and services were reviewed in March 2012 and approved by Council. Corporate Management Team/Heads of Service considered revised procurement procedures with a view to achieving a common cluster policy. The new policy and procedures were adopted by Council in April 2012. Under Council's new procurement policy and procedures, Heads of Service can authorise purchases up to the value of £10,000 and Directors up to value of £30,000.

The Council adopted a Debt Management Policy in April 2008.

An updated Treasury Management Policy was approved by Council in February 2014. The initial policy was developed in the context of the Local Government Finance Act (Northern Ireland) 2011 and the local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 and includes the key principles of CIPFA's Treasury Management in the Public Sector Code of Practice. Annual Treasury Management Strategy statements setting out the expected treasury management operations for the year will also be produced and approved by Council. The Treasury Management Strategy and Prudential Indicators for 2014/15 were approved by Council on 12th February 2014. Financial protocols and internal controls procedure have been adopted.

A new Corporate Plan was developed as a result of a consultation process in partnership with key stakeholders. This is the last plan Council will produce prior to the introduction of the new Councils in 2015. It was a clear statement of intent and provided an overarching strategic framework for all departments within Council to prepare action plans and apportion funding.

Ballymoney Borough Council

Annual Governance Statement 2014 - 2015

Council identified the need for procurement expertise and made budgetary provision for a shared Procurement Officer across the four Causeway councils. A Procurement Officer was appointed by Coleraine Borough Council in mid-2014.

7. Undertaking the core functions of an audit committee, as defined in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*.

Council established an Audit Committee in 2006 and this committee continues to meet quarterly. All political parties are represented on the committee which is chaired by the Mayor and comprises 10 members. An independent member was appointed to the Audit Committee in 2014. The committee is supported by the Chief Executive and Head of Corporate & Development Services. Directors attend meetings as required. Council has a contracted supplier for the provision of the internal audit service. The auditors produce a draft annual audit plan which is considered by the audit committee and adopted. Internal audit reports are presented to the audit committee.

8. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

Senior staff are apprised of new laws and regulations through a system of weekly reporting of all consultation documents which council receives, circulation of statements made by council and of published guidance and through membership of officer networks. Proposals for new expenditure or activities are brought forward through committees by senior staff that has extensive knowledge of Council's powers.

Council's Finance Officers check payments and expenditure to ensure compliance with internal financial controls and accounting policies and procedures.

Council's Human Resource Unit is kept up to date with the changes in Employment Law through subscription to the Legal-Island Email Service and through subscription to Croner's On-line Employment Law Information Service and Advice Line, while Environmental Health personnel are kept up to date on health & safety legislation and general advice through subscription to Barbour Health & Safety Service.

The Council's Internal Audit function is outsourced to RSM McClure Watters. An annual audit plan is approved by the Audit Committee and internal audit reports presented to committee. In the year 2014-15 three audit reviews were undertaken.

Where necessary, Council takes advice from its legal advisers.

9. Whistle-blowing/ receiving and investigating complaints.

Council adopted a whistle-blowing policy in 2005, issued it to all employees and informs new employees about it at induction. The policy was revised in March 2010 to extend the range of external bodies to include Local Government Auditor and Police Service NI. Advice on the revised policy was communicated to all staff via the monthly published team brief. Council also operates a scheme for public complaints and suggestions. These are referred to the relevant department and responded to within set deadlines, with the opportunity to have complaints referred to a higher level in the organisation where the complainant is not

satisfied with the response. Where a complainant remains dissatisfied he/she is advised to contact the Northern Ireland Ombudsman (The Northern Ireland Ombudsman combines two public offices, the Assembly Ombudsman for Northern Ireland and the Northern Ireland Commissioner for Complaints; it is the latter office which deals with complaints against local councils in Northern Ireland).

10. Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.

Within the fixed training budget for councillors and staff, training and development opportunities are offered to councillors and senior managers and compulsory training provided to all staff, in response to identified needs.

Council has a policy for conference attendance by members whereby members apply to attend conferences with attendance approved by Corporate & Central Services Committee, within an annual delegated conference budget, weekly circulation of a list of relevant conferences and centralised booking of attendance.

Management develops an annual training plan for essential/mandatory training. This is reviewed annually by Heads of Service and programme and budget provision made under corporate training.

11. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

Council publishes regular news releases, highlighting awards, achievements, new services/facilities etc. and an annual information bulletin on the approved rate estimate detailing the cost of local council services and proposed schemes. These are distributed to key locations in the borough and to a targeted mail list of community groups. The news releases are also placed on Council's website.

Council also publishes a range of citizen advice leaflets, including a complaints/suggestion leaflet, which is made available at public buildings in the borough. Information on services and council/committee minutes are available on the website and a comment line on the home page invites residents and visitors to submit comments on Council services.

Monthly meetings of council and the consultation committee are open to the press and members of the public, while all minutes of council, committees and any sub-committees or working groups are published on the council's website and made available in the public library, as well as in the Council's administrative building.

Consultations are added to Council's website. Analysis of feedback on customer surveys is fed back to the appropriate service committee.

Ballymoney Borough Council

Annual Governance Statement 2014 - 2015

Review of effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report and also by comments made by external auditors.

The Annual Governance Statement for 2013/14 was reviewed by the Audit Committee on 18th June 2014 and adopted by Council on 27th October 2014 as part of the approval of the final Financial Statements for the financial year ending 31 March 2014.

The Audit Committee, which is comprised of councillors from all parties on council, met three times during the year. Senior Managers attended meetings as required by the subject matter.

Council agreed to strengthen the Audit Committee by appointing an independent member. The independent member attended the Audit Committee meetings on 14th October 2014 and 23rd March 2015.

Three internal audit reviews were completed in 2014/15. The annual review of Payroll received a Substantial Assurance rating. The review of EU Grant Aided Projects and Other Grant Aided Projects received a Substantial Assurance rating. The review of Grant Programmes Funded by Third Parties received a Substantial Assurance rating. A Substantial Assurance rating indicates that there is a robust system of governance, risk management and control which should ensure that objectives are fully achieved. The Head of Internal Audit reported to the Audit Committee on 23rd March 2015 on the substantial assurance ratings of the annual audits and noted the considerable changes and improvements to internal controls and governance, leaving the situation satisfactory as it handed over to the Causeway Coast & Glens Borough Council.

Significant governance issues

- Due to lack of reserves the Council has capitalised landfill closure and aftercare costs in line with the Department of the Environment Circular LG 28/13 dated 24th October 2013, which allows for the mitigation of specific approved costs relating to the closure of the landfill site over a set period of time. The agreed period of time is six years and at 31 March 2015 Council has provided for 50% of the costs. A draft landfill site closure plan produced by the Council's consultants has been forwarded to the Northern Ireland Environment Agency.
- A number of procurement issues were raised with the council by the external auditors. In an attempt to address the matter Council made budgetary provision in 2014/15 to cover its share of the cost of a Procurement Officer across the 4 cluster councils. A Procurement Officer was appointed by Coleraine Borough Council in mid-2014.

**Ballymoney Borough Council
Annual Governance Statement 2014 - 2015**

Local Government Reform

From 1 April 2015, under the Reform of Local Government (RLG), the number of Councils in Northern Ireland will reduce from the 26 existing to 11 new Councils, established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008. From that date the Northern Ireland Executive has agreed to transfer some functions currently carried out by Northern Ireland Government Departments and give some new responsibilities to the 11 new Councils. The new councils will be stronger, more efficient and will deliver more effective services.

The new councils came into existence on 26th May 2014, operating in shadow form until they took over full responsibility for local government on 1st April 2015 when the 26 existing councils ceased to exist. The final accounts for Ballymoney Borough Council will therefore be for the 2014/15 financial year. The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 made transitional provision with respect to local government reorganisation including positions of responsibility within the new council for the winding up and final accounts of existing councils.

The Local Government Act (Northern Ireland) 2014 introduced the legislative frame work for Northern Ireland's 11 new councils and has made transitional provisions to provide for the transfer of staff, assets and liabilities from the current 26 councils to the 11 new councils, and from departments transferring functions to the new councils.

Ballymoney Borough Council agreed the transfer of all its assets and liabilities to the new Causeway Coast & Glens Borough Council.

Signed

Chair of Audit Committee

Date: 29th June 2015

Signed

Chief Executive

Date: 29th June 2015

On behalf of the Causeway Coast & Glens Borough Council Audit Committee and by the Chief Executive of the Causeway Coast & Glens Borough Council.

Coleraine Borough Council**Annual Governance Statement****Scope of Responsibility**

Coleraine Borough Council 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, efficiency and effectively. Coleraine Borough Council also has a duty under Local Government (Best Value) Act (Northern Ireland) 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, Coleraine Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Coleraine Borough Council 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 Coleraine Borough Council 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 local government body is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables Coleraine Borough Council 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 system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the local government body's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Coleraine Borough Council for the year ended 31 March 2015 and up to the date of approval of the financial statements.

Communicating the Corporate Vision for citizen's and service users

Coleraine Borough Council has worked with the other three Councils in the Causeway Coast and Glens Cluster to ensure effective convergence takes place in April 2015 as part of the Local Government Reform Programme. Various working groups have been established to progress this important area of work. A new corporate vision has been created in draft format for the period beyond April 2015. Coleraine Borough Council continued to work with Cluster Councils in the Causeway Coast and Glens to develop objectives for the period beyond 2015, when the new structure for local government will be in place.

The themes in Coleraine Borough Council's corporate plan have not changed over the last few years and, as they are still relevant, no new plan has been produced for the remaining life of Council. The strategic priorities listed below are still referred to in all reports going to Council or any of the Committees:-

- Promoting Community Participation
- Building Prosperity
- Supporting Health & Leisure
- Providing Civic Leadership
- Protecting The Environment
- Planning For The Future

These strategic priorities were designed to ensure Council's vision is realised, with each objective having a series of sub-objectives and actions.

Through departmental risk registers, Council's Senior Leadership Team and Heads of Service reviewed all risks during 2014/2015 to ensure that all risks were identified and managed accordingly. This mechanism ensures that the strategic objectives are met. All Heads of Service identified risks that may affect the delivery of their service plan objectives and signed off a Head of Service Assurance Statement to show a commitment that this would be carried out. The independent audit of Council's Health and Safety management systems carried out in 2013/14 formed an integral part of these reviews.

Review of governance arrangements

In February 2014 Council reviewed governance arrangements deciding, in principle, to keep the committee structure, allow the press and the public access to committees and to further review the remaining components of the pilot arrangements at a later date. At a Council workshop on 2 April 2014, Members considered a range of issues arising from the pilot period (September 2013 – March 2014) when the following amendments were agreed:-

- All business would be ratified at one Council meeting on the 4th Tuesday of each month.
- 5 Committees would be retained (Environmental Services/Leisure and Development/Corporate Affairs/Audit and Risk/Planning).
- Committee membership – Planning to remain at 22 members with 11 members and the Chair for all other Committees.
- Meeting rhythm – new cycle of meetings proposed.
- Reports and Minutes – reports for all committee meetings will be circulated to all Members on the Thursday preceding the meeting by e-mail. Minutes will be circulated to members by e-mail on the Thursday before the Council meeting. Paper copies of Minutes and Reports will be provided by exception on request.

At a Council meeting held on 27th May 2014, it was agreed to implement these amendments following the Annual meeting in June 2014.

In October 2014, discussions were held with Party Leads with regard to the efficient and effective management of Council business, taking account of the additional pressures officers and members were under due to Local Government Reform. As a result of these discussions, it was proposed at November's Corporate Affairs Committee and agreed by Council on 25 November 2014 that no Committee meetings would be held during December 2014 – March 2015, except where the Chair of the Committee, in consultation with officers, agreed that there was essential business requiring a meeting of Committee. The only exceptions to this cycle were the Audit and Risk Committee, which met in January 2015 and the Planning Committee which continued to meet prior to the Council meeting on the 4th Tuesday of each month.

Performance/Financial Management/Quality of Council Services

Council has created stronger linkage between its corporate priorities and service objectives through the business planning process and reporting systems. Financial performance is assessed through regular budget meetings and is reported to Senior Management Team and Council if required. Senior officers undertake periodic review of Council performance against its strategic priorities and associated objectives. Council continues to monitor, review and take corrective action as necessary in striving to achieve maximum satisfaction with Council services, within the allocated resources. For certain services, this includes the use of evaluation forms, complaints, customer surveys and the analysis of complaints where appropriate. To underpin this process, in 2014/2015 all Heads of Service produced a list of key service priorities, which were presented to Council's Senior Leadership Team and reviewed prior to 31 March 2015. There are no significant deviations to report.

Council continues to work with Cluster colleagues in projects such as joint procurement in order to achieve best value in the use of resources. Council also participated in various collaborative procurement exercises on behalf of Causeway Coast and Glens District Council to ensure that proper arrangements are in place for 1 April 2015. Examples include insurance contracts and annual tenders.

Performance Measurement is being underpinned by a financial planning process that helps Elected Members to better prioritise both capital and revenue spend. Following the striking of the District Rate in February 2014, a capital programme workshop was held in April 2014. This workshop included an update on capital projects completed in 2013/2014, live major projects planned for 2014/2015 and pipeline projects planned for 2014/2015. Council approved tenders received throughout the year for all projects in excess of £30,000.

Decision Making and Delegation

All policy decisions are taken by full Council after consideration by the Senior Leadership Team and the appropriate Committee. A number of operational matters are delegated to Senior Management. No formal scheme of delegation exists but, as indicated in the Review of Governance Arrangements section above, changes have been made to Committee structure and reporting methods.

Roles and Responsibilities

The roles and responsibilities of the Members of Council are defined by the Northern Ireland Code of Local Government Conduct. These have been supplemented by a guidance and advice folder on their role and responsibilities which was provided to each councillor by NILGA following the last local government election.

Roles and responsibilities of Senior Officers are defined by job descriptions, job specification and terms and conditions of employment. There are no formal staff performance appraisal/management systems in operation at present; however this initiative may be progressed in a consistent manner in future by the Local Government Reform Cluster Group.

All internal policies and procedures are available on Council's intranet for information, and are also included as part of the induction process for all new employees.

Scrutiny is provided by the Audit and Risk Committee, Internal Audit and the Local Government Auditor.

Standards of Behaviour/Codes of Conduct

The behaviour, standards, and ethics expected of elected members are outlined in the Code of Conduct for Councillors issued by the Department of the Environment (NI). Behaviour at Council meetings is regulated through Council's Standing Orders. The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (NI) 2014 applied Part 9 (Conduct of Councillors) of the Local Government Act (NI) 2014 to Councillors of the existing 26 Councils. These regulations modified the Declaration of Acceptance of Office to affirm members' obligation to observe the Northern Ireland Code of Conduct in the performance of their functions as a Councillor. Prior to Council's Annual Meeting, the Chief Executive summarised the contents of the Code advising that failure to sign the declaration would result in members not being able to take part in the Annual Meeting or any subsequent meetings of Council until they do sign up. All members signed the Declaration of Acceptance of Office.

Employees are subject to a Code of Conduct adapted from a model code issued by the Local Government Staff Commission for Northern Ireland, and also a number of specific policies. All relevant documentation is provided to Members and staff as part of induction training, and further specific training is organised as required. A register of gifts and hospitality exists for Members and Officers. The induction process for all new staff includes details of the following policies and procedures:-

- Introduction to Council – objectives and code of conduct
- Policies and procedures
- Equal opportunities
- Harassment
- Disciplinary/Grievance
- Absence
- Other Leave
- Flexible working arrangements
- Understanding your payslip
- Good relations
- Health and safety
- Probationary period
- Training and development

Review of Standing Orders/Financial Regulations

Council has adopted Standing Orders, which govern how decisions are taken.

Financial Regulations are also in place. Both documents are reviewed periodically. Council has also adopted a revised Risk Management Policy Statement and Strategy, which requires the identification of corporate and departmental risks, the assessment of impact and likelihood of those risks and the mitigating controls in place. Council has Corporate and Departmental risk registers in place. In terms of Corporate Health and Safety, a significant amount of work has been carried out during 2014/2015. An update was provided to members by Council's Corporate Health and Safety Manager. This is expanded on in the significant governance issues section of the Governance Statement.

Audit and Risk Committee

Council has an Audit and Risk Committee, which has a written constitution, terms of reference and remit. The Committee receives internal and external audit reports, and scrutinises financial reports and risk management issues. The Committee comprises eleven Elected Members of Council drawn from the main political parties represented on Council. The Town Clerk and Chief Executive, Assistant Director of Finance and Support Services and Internal Auditor normally attend all meetings with other Directors and Heads of Service in attendance as required. The Audit and Risk Committee met on 4 occasions between April 2014 and March 2015. Representation was made by Northern Ireland Audit Office at all of these meetings. With effect from June 2014, formal minutes were taken at each Audit Committee meeting with these minutes subsequently approved by full Council. Items presented at meetings included:-

- Annual Audit Letter (NIAO) – Coleraine Borough Council and Peace 3 Joint Committee
- Report to those Charged with Governance (NIAO) – Coleraine Borough Council and Peace 3 Joint
- NIAO Strategy (NIAO)
- Annual Internal Audit Plan 2014/2015
- Approval of Annual Accounts
- Treasury Management Updates
- National Fraud Initiative – update on 2012/2103 matches
- National Fraud Initiative – June 2014 Report
- External Health & Safety Audit update
- Report on CCTV provision
- Internal Audit Charter
- Annual Internal Audit Report and Assurance Statement
- Conformance with the Public Sector Internal Audit Standards (PSIAS) Checklist
- Annual Governance Statement Checklist
- Post Project Evaluations (Capital Schemes) following approval of template
- Risk Management Policy Statement & Strategy
- Industrial Tribunals Update
- Internal Audit Reports – specific audits presented to the Audit and Risk Committee in 2014/2015 were:-
 - Absenteeism
 - Fleet Management
 - Payroll
 - Kilrea Sports Complex
 - Trade Waste
 - Flowerfield Arts Centre
 - Jim Watt Sports Centre
 - Creditors
 - Income Spot Checks – Seasonal Facilities
 - Mooring Spot Checks – Marina/Harbours
 - Golf Course – Ticket Spot Checks
 - Touring Spot Checks – Caravan Parks/Harbours/Marina

Due to the timing of audit committee meetings and the cessation of business of Coleraine Borough Council, audits were carried out without presentation to the Audit and Risk Committee in the following areas:-

- Payroll
- Creditors/Peace 3 Review
- Building Regulations
- ICT Review
- Craighulliar/Letterloan Review
- Jim Watt/Kilrea Sports Halls

All of the above audit areas received at least a satisfactory level of audit assurance and have been reviewed by Council's Senior Leadership Team.

Compliance

The Senior Leadership Team meets weekly and compliance with relevant laws and regulations will be discussed at these meetings as required. In 2014/2015, Council's Senior Management Team (all Heads of Service) also met on a monthly basis. Internal policies and procedures are updated and renewed as and when required to reflect legislative changes and agreed recommendations by both Internal and External Audit. These will then be circulated to relevant staff when reviewed.

In terms of lawful expenditure, special council meetings/briefings with members are held annually to discuss the proposals for Estimates for the forthcoming year. In terms of expenditure, the annual estimates booklet sets out the budget allocated to each cost centre for payroll, other expenditure and income. When the estimates are agreed, these figures are the agreed benchmark for budgetary control purposes in the next financial year.

The Town Clerk and Chief Executive is also the Council's Chief Financial Officer, as outlined in Section 54 of the Local Government Act (Northern Ireland) 1972. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision-making, providing advice and guidance and ensuring that expenditure incurred is lawful. The financial arrangements within Council conform with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer (CFO) in Local Government (2010) as set out in the Application Note to Achieving Good Governance in Local Government Framework. The CIPFA Code of Practice on Local Authority Accounting in the UK 2011/2012 requires local authorities to include a specific statement on whether the authority's financial management arrangements conform with the CIPFA Statement on "The Role of the Chief Financial Officer in Local Government" and where they do not, an explanation of how they deliver the same impact.

Council's financial management arrangements do comply with this statement with the exception of Principle 5 "The CFO in a local authority must be professionally qualified and suitably experienced." The Local Government Finance Act (Northern Ireland) 2011, however, does not require the CFO to be professionally qualified and, in the case of Coleraine Borough Council, the CFO is suitably experienced. The CFO is also supported by suitably qualified and experienced staff (including 2 qualified accountants throughout 2014/15) within the Finance function to ensure that decisions made by the CFO are based on sound technical knowledge and understanding.

In terms of service specific compliance, service departments are kept up to date through various subscriptions to online expertise, legal advice as required, support from Group systems for building control and environmental health and ongoing training.

Whistle blowing, Fraud & Corruption

Council has a fraud and corruption policy, which has been updated to reflect the Bribery Act, and sits alongside a supplementary whistle-blowing policy. Council also operates a formal system for public complaints, which are referred to the relevant department and responded to within set deadlines, with the opportunity to have complaints referred to a higher level within the organisation where the complainant is not happy with the response.

Council has also responded to a number of Freedom of Information requests throughout the year.

The National Fraud Initiative (NFI) is a data matching exercise run by the Audit Commission, designed to help participating bodies identify possible cases of fraud and detect and correct any overpayments from the public purse. The exercise commenced on 29 January 2013. Examples of matches include payroll, pension and creditors. The NFI applies recommended filters to highlight matches which are to be prioritised for investigation. Investigative work was carried out by Council's Internal Audit and Risk Manager on all key reports. Outcomes were recorded on the web application and closed off accordingly. No instances of fraud were detected as a result of this exercise. Data was submitted in relation to the next NFI exercises by the due date.

Communication with the public and other key stakeholders

Council consults with various bodies and its local population in relation to important strategic or policy development matters. External communication is led by a dedicated public relations team. Council currently communicates with wider stakeholders through the Council website, Social Media and through press and media releases. The Internet provides a wide range of information on Council services, Council meetings, Council minutes etc. There is a compliments/complaints link on the home page, where members of the public can submit comments on Council services. Internal communication systems include Council's intranet, email, written correspondence and a mixture of formal and informal team meetings.

Development of Members and Officers

Council officers undertake essential development training on an annual basis. Council has made provision in the current budget for the development of its Elected Members. As part of Council's ongoing convergence work towards Local Government Reform, the Cluster group of Human Resource Managers is also delivering a consistent and coordinated approach to training. Much of the training was subsidised through the capacity building funding stream made available to local Councils as part of the Local Government Reform process.

Local Government Reform

From 1 April 2015, under the Reform of Local Government, the number of Councils in Northern Ireland reduced from the 26 existing to 11 new Councils, established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008. From that date the Northern Ireland Executive has agreed to transfer some functions currently carried out by NI Government Departments (e.g. Planning/Off Street Parking) and give some new responsibilities to the 11 new Councils. The aspiration is that the new councils will be stronger, more efficient and will deliver more effective services.

The new councils came into existence on 26th May 2014, operating in shadow form until they take over full responsibility for local government on 1st April 2015 when the 26 existing councils ceased to exist. The final accounts for Coleraine Borough Council will therefore be for the 2014/15 financial year. The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 made transitional provision with respect to local government reorganisation including positions of responsibility within the new council for the winding up and final accounts of existing councils.

The Local Government Act (Northern Ireland) 2014 introduced the legislative framework for Northern Ireland's 11 new councils and has made transitional provisions to provide for the transfer of staff, assets and liabilities from the current 26 councils to the 11 new councils, and from departments transferring functions to the new councils.

Coleraine Borough Council therefore merged with the three neighbouring Councils of Ballymoney, Limavady and Moyle in April 2015. Necessary preparations were advanced throughout the year with the appointment of a Transition Management Team comprising legacy Council officers and the Chief Executive of Causeway Coast and Glens District Council. Coleraine Borough Council continued to work throughout 2014/2015 with the other Councils, at both officer and member level, to identify areas where collaboration is beneficial. A Shadow Council was elected in May 2014 and as the reform agenda gathered momentum, the frequency of meetings and workload increased substantially in all areas of Council.

The Chief Executive of the new Causeway Coast and Glens Council was appointed in April 2014, with the previous Chief Executive of Coleraine Borough Council taking up post in another Council area. Arrangements were put in place in Coleraine Borough Council to ensure continued good governance in 2014/2015 with long experienced staff seconded or appointed to key positions.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors.

The Internal Auditor, who reported in 2014/15 to the Assistant Director of Finance and Support Services, carries out an annual programme of work based upon a three-year strategic plan. This plan is approved by the Audit and Risk Committee and takes account of risk inherent in Council's activities.

The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the internal control system. In order to ensure independence, the Internal Auditor has access, if required to the Town Clerk and Chief Executive and the Chair of the Audit and Risk Committee. The Internal Auditor presents a quarterly report to the Audit and Risk Committee. It should be noted that while the Internal Audit has identified the need for certain improvements, there were no issues raised that are considered to represent a significant governance issue.

Significant Governance Issues

Separate from the Internal Audit Function, Council management have reviewed Council practices and several issues have emerged, which merit attention.

- The review of Council's decision-making structures is fully explained within the Review of Governance section;
- As progress towards Local Government Reform continues, there were significant resources required to implement various projects and initiatives associated with the Reform Programme, whilst maintaining Council service delivery. Coleraine Borough Council's Senior Leadership Team ensured that appropriate cover was maintained in all key areas of Council business.
- Council reviewed all aspects of risk during the year and a Risk Management and Policy was approved by Council. In 2014/2015 all Heads of Service were required to sign an assurance statement which required confirmation of compliance in various areas e.g. procurement policy and financial regulations, risk identification, internal controls, project management. The overall assurance was reviewed by the Corporate Director, then by the Chief Executive.
- In October 2013, Council was convicted of 3 offences under the Health & Safety at Work (NI) Order 1978 following the death of a Council employee at one of Council's Civic Amenity Sites in 2011. The written judgement in the case made a number of recommendations which would result in an improved level of health and safety for persons in the employment of the Council and for those availing of services provided by Council. Since October 2013 discussions have been ongoing with the Health and Safety Executive for Northern Ireland (HSENI) to consider the implications of the judgement in this case, not only in relation to Coleraine Borough Council but how the entire local government sector in Northern Ireland should respond.

In December 2013 Council tendered for an independent audit of the current health and safety management systems in place throughout the Council. This tendering exercise resulted in Willis Risk Management Consultancy being appointed. Willis is Council's current insurance broker and as such has extensive knowledge not only of Coleraine Borough Council, but the local government sector generally.

The Audit Report was constructed into a number of sections (Health & Safety Policy/Organisation/Planning/Monitoring Performance/Audit and Review) with each section further divided into a number of subsections. Each subsection had a series of recommendations prioritised into 3 categories:-

- o Priority 1 – requires attention within 6 months
- o Priority 2 – requires attention within 12 months
- o Priority 3 – requires attention within 18 months

Priority 1 actions have been addressed. The Priority 2 and 3 recommendations are being further assessed and grouped into an action plan to ensure that each recommendation is fully implemented within the necessary timeframe.

The general thrust of the recommendations fell into 4 themes:-

- 1 Governance – a more strategic role for the Health and Safety Committee and the reporting of health and safety audits to the audit committee.

- 2 Roles and Responsibilities – a clear organisational strategy of making line managers responsible for health and safety within their teams and holding them to account. Council's health and safety advisor will take on a role akin to internal health and safety audit. There will be greater awareness at elected Member level of health and safety audits.
- 3 Resources – health and safety training for managers and employees should be ring fenced.
- 4 Corporate Risk – health and safety is to be regarded as a corporate risk.

Addressing these 4 themes will in turn deal with many of the recommendations made in the various sections of the audit. The remaining recommendations not catered for in this way will be managed as standalone issues.

This audit and the recommendations made therein are part of the process of taking health and safety management in local government to a new level. Health and safety will be a corporate priority which will be driven by elected Members through the Audit Committee. Discussions with HSENI confirm this as their considered and preferred direction of travel for the local government sector and are keen for Coleraine Borough Council to drive and champion this new culture within the sector. As 11 new organisations are formed, it is important that health and safety is recognised as a key corporate priority. HSENI have already indicated that they are happy to assist and support all of the new Councils in developing and shaping their health and safety culture and corporate approach at the earliest possible opportunity.

In 2014/2015, Council's Corporate Health and Safety Manager provided members of the Audit and Risk Committee with an update on progress.

- During the year, Council received three notices to attend industrial tribunals in relation to unfair dismissal claims. Council officers attended two full hearings and on both occasions, the claims of unfair dismissal were rejected by the Industrial Tribunal. The other claim was withdrawn by the Applicant. These outcomes are reflective of the robust policies and procedures in place within Council and the effective implementation by Council officers.

Council has noted in its Governance Statement that there are a number of areas where ongoing improvements can be made. However these are not considered to be fundamental in nature. Council officers will ensure that this statement is referred to Causeway Coast and Glens District Council to inform the new Council's annual review of governance.

Signed

Town Clerk and Chief Executive
Causeway Coast and Glens Borough Council



Date 29 June 2015

Signed

Chair of Causeway Coast and Glens Audit
Committee



Date 29 June 2015

This Annual Governance Statement was approved by the Members of Coleraine Borough Council at a full meeting of Council on the 31st March 2015. The only change to the approved statement is the enhanced narrative within the **Local Government Reform** heading .

LIMAVADY BOROUGH COUNCIL

GOVERNANCE STATEMENT 2014/15

1. SCOPE OF RESPONSIBILITY

The Council 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 Council also has a duty under the Local Government (Best Value) Act (Northern Ireland) 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 Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council 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*, and which is in full compliance with the Framework for the year commencing 1 April 2009. This statement explains how the Council is progressing towards this and also 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.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council 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 system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Council's financial management arrangements conform to the requirements of the CIPFA statement on the role of the Chief Financial Officer in Local Government (2010). However, the Council's Chief Financial Officer is not a professionally qualified accountant but the Head of Finance, who is a member of the senior management team, is a professionally qualified accountant and suitably experienced.

The governance framework has been in place at Limavady Borough Council for the year-ended 31 March 2015 and up to the date of approval of the financial statements.

3. THE GOVERNANCE FRAMEWORK

Limavady Borough Council has been working to comply with those systems of governance arrangements identified in the Governance Framework as set out in the Annual Governance Statement file. In particular, the Council's position regarding compliance with the Governance Framework is as follows:

3.1 Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users

3.1.1 Identifying the Vision and Intended Outcomes

The Council's vision and intended outcomes are set out in Council's Corporate Plan for 2012 - 2015. This Corporate Plan was developed and implemented following a wide ranging consultation exercise with internal and external stakeholders. This consultation work included a review of the Council's vision, mission statement and values and, following consideration of the outcome of the consultation exercises, it was decided that the vision and mission statement were still applicable and did not need to be changed. The Corporate Plan was ratified by Council at the June 2012 Council meeting

3.1.2 Integrated Business Plan

An annual integrated business planning process has been in place within the Council since April 2006 and a new Integrated Business Plan was put in place for the 2014/15 financial year.

The actions in the Integrated Business Plan relate directly to the objectives identified in the Council's Corporate Plan and the Integrated Business Plan sets out in detail:

- Business Plan Actions;
- Lead Directorates;
- Internal/External Partners;
- Timescale;
- Key Performance Indicators;
- Key Outcomes.

Where appropriate and possible, the Business Plan objectives have SMART targets and KPI's identified.

Each Directorate (and their associated service areas) is expected to produce Directorate/service level business plans using the above process, which in turn will feed into the Integrated Business Planning process.

3.1.3 Communicating the Vision and Intended Outcomes

Since the adoption of the Corporate Plan 2012-15 it has been widely distributed in a number of ways:

- Internally via the Intranet service, Corporate Briefing sessions and the team meetings; and
- Externally via the Council website, Council Newsletter "The Roe Valley Update", and press releases/press coverage.

3.2 **Reviewing the Council's vision and its implications for the Council's governance arrangements**

3.2.1 Development of New Corporate Plan

In late 2011 and early 2012 Council developed and put in place a new Corporate Plan to cover the period 2012 to 2015. This work included a review of the Council's vision, mission statement and values. Following the outcome of the consultation exercises undertaken it was decided that the vision and mission statement were still applicable and did not need to be changed.

A wide range of different methods were used to seek the views of people on what they think of Council and what the Council's priorities should be for the next three years. For example, a questionnaire was developed which produced 120 on-line responses (through Survey Monkey) and 50 responses from face to face interviews. A specific questionnaire for visitors to the area was also utilised and Council received 24 responses to this.

The Council also ran a number of group consultation sessions with Councillors, with members of Council staff and with a range of stakeholders including the business community, community and voluntary groups and other statutory agencies. In addition there were specific group sessions with older people and with young people in order to obtain their views.

From this work the following core themes of the Council's new Corporate Plan were established, as follows:

- * **Leadership**
- * **Economic Development and Prosperity**
- * **Quality of Life**
- * **People and Communication**

Under each of these core themes a number of outcome statements were developed which helped refine what the Council wished to achieve.

A number of cross cutting themes were also identified:

- * **Partnership working**
- * **Equality**
- * **Good Relations**
- * **Sustainability**
- * **Innovation**

3.2.2 Annual Reports

An Annual Report on progress towards achievement of the objectives of the Corporate Plan was prepared and published in October/November 2014.

Annual Reports are published via the Council Newsletter which is distributed to all residents in the Borough and other stakeholders by a variety of media, including hard copies at various outlets, by e-mail and it is also posted on the Council website.

3.3 **Measuring the quality of services for users, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources**

3.3.1 The Business Planning Process

In order to implement the Council's Corporate Plan a process of Business Planning has been introduced within the Council. Each Council Directorate and the Chief Executive's Department are required to produce annual Business Plans for their particular areas of work.

These Business Plans are designed to set out the actions, activities, projects and programmes to be undertaken by the Directorates and Chief Executive's Department against each of the five Corporate Themes contained in the Corporate Plan 2012-15. They also enable progress on achieving the corporate objectives to be measured.

Each individual Directorate/Service Level Business Plan has been used to produce an annual Integrated Business Plan for Limavady Borough Council.

The aim of the Integrated Business Plan is:

- To co-ordinate the activities of the Council's three directorates and eight service areas in order to ensure their activities are consistent with the Council's vision and corporate aims;
- To ensure that there is a focus to Council's operational efforts against each of the five Corporate Themes; and

- To provide a monitoring baseline against which Elected Members and the Chief Executive's Department could monitor the Council's operational progress and be reported on.

Regular reviews of the Integrated Business Plan have been undertaken to assess progress against targets and a reporting mechanism, known as the "Traffic Light Scorecard", was developed to report on progress to Council and to staff. The Scorecard identifies a range of objectives and actions which reflects those contained in the Council's Corporate Plan and Integrated Business Plan. Progress is illustrated using a traffic light system of:

"Green" - projects/actions which have been achieved within target or are on target.

"Amber" – projects/actions which are not fully on course to be achieved or are not within the target timeframe but with remedial action can be achieved.

"Red" – projects/actions which are not on course for some reason and may not be delivered.

The Council continues to report on progress through use of the scorecard system on the Council's Integrated Business Plan. These reports have been placed before Council for consideration on a regular basis.

The measuring of quality of service and performance management is seen by the Council as a process carried across all levels of management and performance is overseen via reports presented to the Support Services Committee and Business Plan progress reports which are taken to full Council meetings.

3.4 Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

3.4.1 Roles and Responsibilities of Members

The roles and responsibilities of the Members of Council are defined by the Northern Ireland Code of Local Government Conduct and also by Council's Standing Orders. These have been supplemented by a guidance and advice folder on their role and responsibilities which was provided to each Councillor by NILGA following the last local government election.

In 2011 a Scheme of Delegation for Council was introduced and this sets out the powers reserved to Council and those delegated to Committees, the roles of Mayor, Deputy Mayor, Chairs of Committees and Councillors. The Scheme of Delegation was revised in November 2013 to take into account the powers delegated to members serving on the Statutory Transition Committee, procurement limits and other sub-committees, working groups and liaison committees within Council.

3.4.2 Roles and Responsibilities of Senior Officers

The levels of sign-off (authorisation) for approval of expenditure by senior officers up to the level of Chief Executive have been established as follows:

- Service Managers – up to and including £5,000 (ex VAT);
- Directors – up to £30,000 (ex VAT); and
- Chief Executive – any sum but above £30,000 Council approval required.

The Council has a Communication Plan and Strategy in place which sets out clear mechanisms and objectives for both internal and external communication. Clearly defined communication systems also exist to ensure regular reports to Council and the Council's three standing Committees and other internal communication systems include:

- Council intranet;
- Regular Corporate Briefing sessions with all staff sectors;
- Regular Team Meetings within Directorates; and
- Quarterly meetings between the Senior Management Team and Service Managers Group.

Externally Council also communicates with wider stakeholders through the Council website, newsletter and through press and media releases.

The Scheme of Delegation also outlines the powers delegated to Chief Officers and other delegated functions and this Scheme of Delegation was reviewed in November 2013.

3.5 **Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff**

3.5.1 Codes of Conduct for Members

The Northern Ireland Code of Local Government Conduct, as produced by the Department of the Environment, was circulated to members following their election to Council. It was circulated again as an Appendix to the Council's revised Standing Orders in October 2009.

With regard to travelling and subsistence claims, Councillors are required to complete a claim form (supported by receipts as appropriate) and sign a declaration regarding their claim. A report on members' allowances is brought to Council on an annual basis and is open to inspection by any elector. Information on the annual amount claimed by members for allowances, travel and subsistence is placed on the Council website each year.

A register of gifts and hospitality is maintained by the Chief Executive's Department in line with the Northern Ireland Local Government Code of Conduct and this is provided for in the Council's Standing Orders.

A register of pecuniary interest is maintained by the Chief Executive's Department and this is updated after a pecuniary interest is declared at a

Council meeting or when relevant information is provided by a member of staff.

Following the issuance of a new Code of Conduct and Registration of Interests for Councillors in the new Causeway Coast and Glens Shadow Council in June 2014, the new Code and Registration of Interests was applied to legacy Councils also for 2014/15, including Limavady Borough Council. All members were offered training on the application of the new Code of Conduct and Registration of Interests.

3.5.2 Codes of Conduct for Staff

The Code of Conduct for Local Government Employees was revised in April 2004 and was circulated at that stage to all members of staff. It is currently available to staff members via the Council's intranet system. The Code of Conduct is included as one of a small number of selected policies sent out with the Letter of Offer to new employees and is referred to during the induction sessions for all new employees.

The Code of Conduct includes a section on hospitality and gifts and all staff have been made aware of the Council's Hospitality Policy through induction training and the Corporate Briefing system.

In addition there are a number of supplementary codes and policies which outline the behaviour expected of staff members. New policies and procedures are brought to the attention of staff through the corporate briefing process and are also highlighted and made available via the Council's intranet system.

The induction process for all new staff includes a detailed explanation of specific policies on staff conduct (i.e. claiming of travelling and subsistence expenses, disciplinary and grievance policies and procedures, absence and sickness reporting procedures, Data Protection, Freedom of Information, equality and good relations and health and safety at work).

Other supplementary codes of practice relating to the conduct expected of employees include the following, all of which are available to staff via the Council's intranet system:

- Procurement Policy and Procedures;
- Fraud and Corruption Policy;
- Risk Management Policy and Procedures;
- Whistle Blowing Policy;
- Complaints Policy and Procedures;
- Gifts and Hospitality Policy;
- Laptop Security Policy;
- Information Security and Access Policy;
- Internet and E-Mail Policy;
- Social Media Policy;
- Time Off in Lieu Policy;
- Child Protection Policy;

- Equal Opportunities Policy;
- Harassment Policy;
- Good Relations Policy;
- Guidelines on Lone Working;
- Smoke Free Policy;
- Use of the Mobile Phone Whilst Driving;
- Guidelines on Dealing with the Press;
- Fire Safety Policy; and
- Corporate Health & Safety Policy
- Extreme Weather Policy

In addition a register of pecuniary interest is maintained in the Chief Executive's Department and is updated after any relevant meeting or when information has been provided by staff. There is also a section in Standing Orders covering interests of members and officers in contracts and other matters.

3.6 Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks

3.6.1 Standing Orders

As allowed for in the Local Government (NI) Act 1972, the Council has in place Standing Orders for the regulation of the proceedings of the Council and Council business. A full and detailed review of Standing Orders was completed during 2009 and the amended Standing Orders were adopted by Council on 6th October 2009.

Documented procedures for handling breaches of Standing Orders are contained in the Standing Orders document.

3.6.2 Standing Financial Instructions

The levels of sign off (authorisation) for approval of expenditure by senior officers up to the level of Chief Executive have been established as follows:

- Service Managers – up to and including £5,000 (ex VAT);
- Directors – up to and including £30,000 (ex VAT); and
- Chief Executive – any sum but above £30,000 Council approval required.

Council reviewed its purchasing policies and adopted a new procurement policy in April 2009. The Council's procurement policy was reviewed and updated again in May 2012 and in January 2013.

3.6.3 Scheme of Delegation and Supporting Procedure Notes/Manuals

A Scheme of Delegation was developed during the period and was adopted by Council on 5th April 2011. This Scheme of Delegation was reviewed in November 2013 and additional information was included in relation to

powers delegated to members serving on the Statutory Transition Committee.

The review of the Financial Procedural Manual ("Accounting Procedures Manual") took place in 2010/11 and the Accounting Procedures manual was updated in March 2011.

3.7 Undertaking the core functions of an audit committee, as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*

The Council established an Audit Committee in February 2006 and this Committee continues to meet quarterly. The Committee is chaired by Mr. Tony Jackson, an independent Chartered Accountant, and is made up of four Councillors. It is attended by Mr Steven Lindsay from the Council's Internal Auditors (Moore Stephens), and by relevant Council Officers.

The terms of reference for the Audit Committee are as those set out in the booklet "CIPFA – Audit Committees Practical Guidance for Local Authorities". A copy of the Terms of Reference adopted by the Council's Audit Committee is in the Annual Governance file for information. The Local Government Auditor is invited to attend each quarterly meeting.

Following the local government election in May 2011 Council's Audit Committee was reconstituted on the same basis as previously. Alderman Coyle, Alderman Rankin, Councillor Nicholl and Councillor Douglas were elected to the Audit Committee for the year 2014/15.

3.8 Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

During 2009/10 the Council appointed Moore Stephens, Chartered Accountants, to provide a comprehensive internal audit service for a period of one year initially. The Audit Committee agreed on 9th June 2010 to extend this contract to the end of June 2011 in the interest of continuity.

Council's arrangements for provision of Internal Audit services came to a conclusion in June 2011. In pursuit of maximizing efficiencies within the North East cluster of Councils, Limavady Borough Council tendered jointly with Moyle District Council for Internal Audit services in August 2011. As a result of this, Moore Stephens Chartered Accountants were re-appointed to provide a comprehensive Internal Audit service to Council from October 2011 to October 2012 with an option to extend by a further two years.

Discussion took place at the Audit Committee meeting held on 20th June 2012 on the provision of the internal audit service when it was agreed to take up the option of extending the contract with Moore Stephens for an additional two years. It was therefore agreed that Moore Stephens would provide internal audit services to the Council up to June 2014.

Moore Stephens devised an Internal Audit Plan for 2014/15 which was approved by the Council's Audit Committee on 18th June 2014. This Internal Audit plan covered a range of Council's main activities, financial and

otherwise. Various aspects of operating activities have already been sampled and examined to ensure that appropriate legislation, policies and procedures are adhered to and expenditure is lawful. Internal Audit reports including award of assurance levels and recommendations for improvement are made quarterly to the Council's Audit Committee and reported on to Council.

The Audit Plan also provided for consultancy and advice to Council on governance, risk management and internal control issues.

Moore Stephens provided an annual report to the Audit Committee on 18th June 2014 which provided an overall conclusion on the system of internal controls operating in the Council during the 2013/14 year. In this report Moore Stephens provided the Council with an overall assurance rating of "Substantial" in relation to its system of internal control

3.9 Whistle-blowing and arrangements for receiving and investigating complaints from the public

3.9.1 Whistle-Blowing

The Council has a Whistle-blowing Policy in place which was adopted by Council in April 2006. Associated Whistle-blowing procedures were also produced in tandem with the policy and these outline the role of managers/supervisors and the role of the Whistle-blowing Officer.

A Whistle-blowing Officer was appointed in April 2006 and, for 2014/15, the duties were shared by the Corporate Policy Officer and the Human Resources Manager.

Contact was made with 'Public Concern at Work' in June 2006 and the Council subscribed to the Helpline Starter Package offered by this charitable organisation at a cost of £250 plus 10p per employee per year. An important aspect of this subscription was the opportunity it offered for Council staff to access an independent helpline run by Public Concern at Work where they could get free, confidential advice on how to raise a public concern. This subscription continues to be taken by Council and the Helpline continues to be available to staff.

An awareness raising exercise was undertaken following the adoption of the Whistle-blowing Policy and staff were made aware of the existence of the policy through various mediums including the Corporate Briefing sessions and display of posters supplied by Public Concern at Work as part of their Starter Package. The policy is currently accessible to staff via the Staff Intranet.

Managers/Supervisors were made aware of the role they were expected to play in relation to Whistle-blowing allegations via a training session.

Council's Whistle-blowing policy and procedures were reviewed by the Senior Management Team and Service Managers Group on 1st June 2009

and staff were reminded of the contents of the policy and procedures through the Corporate Briefing process and again in May 2014.

3.9.2 Complaints Procedure

The Council's Complaints Policy and Procedures was adopted in 2007 and revised by Council in August 2009.

Staff were made aware of the contents of the revised policy and procedures through Corporate Briefing sessions in January 2007 and the policy is currently accessible to staff via the Staff Intranet. A Customer Complaints Guide was developed, printed and circulated to all Council facilities with a requirement that the guide be prominently displayed.

In 2005 the Council put in place an Incident Tracking System which was designed to capture and track complaints from origin to conclusion. This software system is attached to the Council's Lotus Notes e-mail system and was developed for the Council by Team Solutionz. Officers are expected to log all complaints in the system and update the system as complaints are progressed. The system also logs compliments, comments, accidents and requests. The system can also generate regular reports on the status of complaints received by the Council.

3.10 Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

3.10.1 Members

As a new Council was elected in May 2011, arrangements were put in place to identify and address the development needs of new Councillors and returning Councillors.

An Induction Plan for Councillors was implemented in May 2011 to build capacity among new Councillors and returning Councillors. The Council also took advantage when needed of a programme of Elected Member training developed by the Local Government Staff Commission.

During 2014/15 further work was undertaken to ascertain the learning and development needs of Councillors and a training needs analysis exercise was repeated for 2014/15.

3.10.2 Senior Officers

The Council has made a clear commitment to the development of the knowledge and expertise of all staff as demonstrated by the Council's Training and Development Policy. Every member of staff is involved in a Personal Contribution and Development Review (PCDR) process with their immediate supervisor/line manager. This incorporates a section on personal development requirements which results in the establishment of a Personal Development Plan for each individual staff member.

During 2014/15 the Council progressed its approach to training and development for all staff, including senior officers, with Local Government Reform as the main driver. Training and development needs were identified to prepare staff for Reform.

Training for staff is provided via a variety of mechanisms (i.e. in-house, through the Local Government Training Group, through external providers). Any mandatory training required, or training needed because of changes in legislation, or continuing professional development were also facilitated by Council.

3.11 Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

3.11.1 Communication Strategy/Plan

The Council's Communication Strategy was reviewed during the 2010/11 year by the Council's Continuous Improvement Group and implemented during the 2013/14 year. A communication strategy specifically relating to local government reform was developed and implemented during the 2013/14 year and throughout 2014/15.

3.11.2 Council Newsletter

The Council produced its newsletter "The Roe Valley Update" in November 2014. The November edition contained, amongst other items, the Annual Report for 2013/14 and was the last issue for the Limavady Borough Council, which terminates on 31st March 2015.

3.11.3 Council Website

During 2006/2007 the Council's website was redesigned and now has an AA standard of accessibility. The website includes a wide range of information on Council services and facilities as well as links to a number of other statutory and community organisations.

The website currently offers the community the opportunity to make secure on-line payments for the purchase of wheeled bins and dog licences. Application forms for job vacancies and application forms for various licenses (Amusement licences, Entertainment licences, etc) are also available.

Members of the public are invited to "Have Your Say" on the home page of the website. This is designed to solicit feedback from the community on a range of issues, not just on their experience of using the website. The home page also enables users to view a "Contact Us" page which outlines all contact details for the Council and also offers an on-line method of making Freedom of Information requests.

A "Corporate News" section is featured on the home page and this section enables users to access a section which includes items such as the Council's Corporate Plan and Annual Reports.

3.11.4 Annual Report

The Council's Annual Report, outlining the activities and actions undertaken by the Council over the previous financial year was published via the intranet system, placed on the Council's website and appeared as a major item within the Council Newsletter published in November 2014.

3.11.5 Community Forums

In order to enable effective communication with the community/voluntary sector of our local community, Limavady Community Forum was set up and is serviced by the Council with the ethos of "working together for the benefit of all".

In 2011 the Community Forum lapsed, however, in its place a new Community Network was formed to enable community group members to come together for the purpose of joint learning, sharing of good practice and the provision of a "voice" for the community sector locally and continued to meet in 2014/15.

3.11.6 Council Meetings

All meetings of the Council and its Standing Committees are open to the public to attend if they so wish.

3.11.7 LBC Weekly Roundup

Within Council the Media Relations Office produces a regular news roundup for staff providing information on events and activities within Council.

4. REVIEW OF EFFECTIVENESS

On 9th March 2011 the Audit Committee approved the use of a self-assessment checklist, "Measuring the Effectiveness of the Audit Committee", based on the guidance for local authorities published by the Chartered Institute of Public Finance & Accountancy (CIPFA). This checklist continued to be implemented in 2013/14.

The Council carries out an annual review of Corporate Governance by its Internal Auditors and External Auditors and through its Annual Governance Statement. The Annual Governance Statement was reviewed by the Audit Committee as part of the "Unaudited Accounts for the Year Ending 31 March 2014" on 18th June 2014. The Annual Governance Statement was adopted by Council on 4th November 2014 through the adoption of the minutes of the Audit Committee.

The Internal Auditors and External Auditors' reports and comments on the governance environment are reported to Council's Audit Committee. The minutes of the Audit Committee meetings are brought before the full Council for consideration when elected members have the opportunity to comment and question the reports.

Council received a substantial level of assurance from its Internal Auditors in their Annual Report 2014/15 and the annual Local Government Auditor's letter for 2013/14 raised no significant issues from the auditor's review of corporate governance and Value for Money arrangements; the auditor was satisfied that the Council had in place proper arrangements to ensure economy, efficiency and effectiveness in the use of resources. There were no priority one issues identified in 2013/14. Most prior year recommendations were addressed by Council during the year.

The effectiveness of the overall governance framework of Council has been maintained and has been subject to review within the following contexts:

4.1 Councillors

Review of governance arrangements takes place within the context of the Council's Audit Committee which was originally established in February 2006. This Committee meets on a quarterly basis and is chaired by Mr. Tony Jackson, an independent Chartered Accountant, and is made up of four Councillors. It is attended by Mr Steven Lindsay from the Council's Internal Auditors (Moore Stephens), and by relevant Council Officers. The Local Government Auditor is invited to attend each quarterly meeting.

The Audit Committee met on the following dates in 2014/15:

- 18th June 2014
- 15th October 2014
- 11th December 2014
- 25th March 2015

All Councillors are also involved in on-going governance activity through the meetings of Council and its all-member standing Committees which have full delegated authority.

4.2 Senior Officers

The Senior Management Team meets every two weeks and considers a range of governance issues. The Council also has in place an Officer Code of Conduct supplemented by a range of policies and procedures governing the conduct expected of employees

An 'assurance chain' is evident within the Council with Operational Risk Registers subject to quarterly review and sign off by operational managers and their respective Directors. A formal process of assurance sign off was further implemented during this period and involved the completion by each Director/Head of Service of an annual assurance statement pro-forma. For the 2014/15 year each Director/Head of Service was required to submit a

completed assurance statement by the end of March 2015 for final sign-off by the Chief Executive.

Assurance was also demonstrated in the 2014/15 year through the work of the Council's internal auditors, Moore Stephens, Chartered Accountants. Completion of audit reports by the internal auditors gave assurance levels in relation to each of the areas audited by them. The reports prepared by the internal auditors were reported through the Council's Audit Committee with the minutes of meetings of the Audit Committee ratified by full Council.

4.3 Audit Committee

As outlined in 4.2 above, the Council's Audit Committee plays an essential role in the overview of governance arrangements within the Council. The terms of reference for the Audit Committee are those set out in the booklet "*CIPFA – Audit Committees Practical Guidance for Local Authorities*".

Council does not have a Scrutiny Committee but would contend that the existing Committees of Council and the Audit Committee provide a scrutiny role.

The Council's Audit Committee continues to oversee progress on the Council's Corporate Risk Register and reports on progress are brought to each meeting of the Committee by the Chief Executive.

4.4 Internal Audit Function

The Council has an Internal Audit service in place and this is carried out by external consultants, Moore Stephens, Chartered Accountants. Moore Stephens were reappointed by Council to provide an internal auditor service for one year in October 2011 following a joint tender exercise with Moyale District Council.

Discussion took place at the Audit Committee meeting held on 20th June 2012 on the provision of the internal audit service when it was agreed to take up the option of extending the contract with Moore Stephens for an additional two years. It was therefore agreed that Moore Stephens would provide internal audit services to the Council up to June 2014 which was extended to 31 March 2015 when Limavady Borough Council will cease to exist.

5. SIGNIFICANT GOVERNANCE ISSUES

- 5.1 The Council has identified a deficit of procurement expertise at its disposal and is joining with the rest of the Causeway Coast & Glens cluster of Councils to employ a Procurement Manager in 2014/15 to handle high level procurement exercises and provide a source of advice and training. A joint appointment across the Causeway Coast and Glens cluster of Councils was made in 2014.

- 5.2 Due to lack of reserves the Council has capitalised landfill closure and aftercare costs in line with the Department of the Environment Circular LG 16/12, dated 29 May 2012, which allows for the mitigation of specific approved costs re the landfill site over a set period of time. Council will be taking steps, when the engineering works to close the landfill site start, to raise enough money in rates to meet these liabilities over the following ten years.

The Council does not currently own the land on which the landfill site is situated. After unsuccessful negotiations with the landowners Council agreed, in June 2012, to make application to the Department of the Environment to vest the necessary land at Drumaduff. A vesting application was formally submitted to the Department of the Environment (DoE) in October 2013. A total of eleven objections to the vesting application have been lodged with the DoE. These are currently being considered by Council and the DoE.

- 5.3 From 1 April 2015, under the Reform of Local Government (RLG), the number of Councils in Northern Ireland will reduce from the 26 existing to 11 new Councils, established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008. From that date the Northern Ireland Executive has agreed to transfer some functions currently carried out by NI Government Departments and give some new responsibilities to the 11 new Councils. The new councils will be stronger, more efficient and will deliver more effective services.

The new councils came into existence on 26th May 2014, operating in shadow form until they take over full responsibility for local government on 1st April 2015 when the 26 existing councils cease to exist. The final accounts for Limavady Borough Council will therefore be for the 2014/15 financial year. The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 made transitional provision with respect to local government reorganisation including positions of responsibility within the new council for the winding up and final accounts of existing councils.

The Local Government Act (Northern Ireland) 2014 introduced the legislative frame work for Northern Ireland's 11 new councils and has made transitional provisions to provide for the transfer of staff, assets and liabilities from the current 26 councils to the 11 new councils, and from departments transferring functions to the new councils.

Signed: _____ Date: 29 June 2015

Signed: _____ Date: 29 June 2015

On behalf of the Causeway Coast and Glens Borough Council Audit Committee and by the Chief Executive of the Causeway Coast and Glens Borough Council

Moyle District Council

Annual Governance Statement 2015/15

Scope of Responsibility

Moyle District Council 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, efficiency and effectively. The Council also has a duty under Local Government (Best Value) Act (Northern Ireland) 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 Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council 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 outlines how the Council is complying with the Framework and also 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 Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council 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 system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Moyle District Council for year ended 31 March 2015 and up to the date of approval of the financial statement.

The Governance Framework

Moyle District Council has been working to comply with those systems of Governance Arrangements identified in the Governance Framework. The statements below describe the key elements of the systems and processes that comprise the authority's governance arrangements.

1. Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users.

Council has produced a Corporate Plan for 2012-2015, which was agreed by Council on 26th November 2012. This was developed by Councillors and Senior Managers and has been made available to staff on the intranet and the public via the Moyle District Council website. This plan sets out Council's purpose, vision and core values. The Plan identifies four strategic priorities with associated objectives and success indicators.

Moyle District Council is working with the cluster Councils in the Causeway Coast and Glens to develop objectives for the period beyond 2015, when the new structure for local government will be in place.

The Interim Corporate Plan as approved by the Statutory Transition Committee, for the Causeway Coast and Glens (CCAG) District Council was presented to the Annual Meeting of Shadow Council CCAG on 12th June 2014.

2. Reviewing the Council's vision and its implications for the Council's governance arrangements.

The Corporate Plan states that
"Moyle District Council exists to maintain and improve the well-being of the people of Moyle. It does that by listening to them, by being the voice for Moyle, and by providing good local government services within Moyle. In its work Council wants to:

- Defend the uniqueness of Moyle District
- Be open, friendly and transparent
- Promote and demonstrate equality and good relations
- Make best use of its resources

The Plan is built around four themes:

- Representing the people of Moyle
- Pride in our Area
- Building Stronger Communities
- Working well as a council

The strategic objectives identified in the Councils Corporate Plan for 2012-15 were designed to ensure the vision is realised, with each objective having a series of sub-objectives.

The corporate risk register identifies the factors which could prevent achievement of these objectives and each risk is assigned to a member of the Strategic Management Team.

3. Measuring the quality of services for users through the Citizen Satisfaction Survey, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources.

Council is committed to providing quality services aligned to its strategic objectives and has developed business plans for all key services.

Council considers its performance against other Councils via DOE return of performance and complaints.

Council continue to monitor, review and take corrective action as necessary in striving to achieve maximum satisfaction with council services, within the allocated resources. For certain services this has included the use of evaluation forms, complaints, customer surveys, and analysis of "Complaints, Congratulations and Comments" forms where appropriate.

During the year Council consider all available information in deciding how best to deliver the services within the area.

Council continue to work with cluster colleagues in projects such as joint procurement in order to achieve best value in the use of resources.

4. Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication.

The roles and responsibilities of the Members of Council are defined by the Northern Ireland Code of Local Government Conduct. These have been supplemented by a guidance and advice folder on their role and responsibilities which was provided to each councillor by NILGA following the last local government election.

Roles and responsibilities of Senior Officers are defined by job description, job specification, and terms and conditions of employment. There are no formal staff performance appraisal/ management systems in operation at present; however this initiative may be progressed in a consistent manner in future by the Local Government Reform (LGR) Cluster Group.

All internal policies and procedures are available on Council's staff net for information, and are also included as part of the induction process for all new employees.

All Directors report to Council on a monthly basis, on areas of responsibility, and ensure Council are kept informed of progress within each service area.

In terms of decision making, all decisions are taken by full council. Moyle District Council does not operate a committee structure. Meetings of full council are held twice monthly throughout the year (except July). A number of operational matters are delegated to members of the Strategic Management Team. A formal scheme of delegation exists.

Scrutiny is provided by the Audit and Governance Working Group, Internal Audit (which is contracted out up to 2015) and the Local Government Auditor.

Council currently communicates with wider stakeholders through the Council Website, Newsletter (Moyle Matters), Social Media and through press and media releases. Internal communication systems include Councils intranet, email, written correspondence, working group minutes and a mixture of formal and informal team meetings.

Moyle is represented on the LGR Communications Forum and it is anticipated that a formal process of communication will be agreed and implemented by the Cluster councils as LGR progresses.

5. Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff.

Codes of Conduct of Members

Council has adopted the Northern Ireland Code of Local Government Conduct (issued April 2003) prepared by DOE for the guidance of Councillors. Councillors are required by law on accepting office to affirm that they have read and will be guided by the code.

The new mandatory Code of Conduct came into effect in May 2014. A new Register of Interests has been circulated and training was offered to all members.

In terms of travel and subsistence claims, Councillors are required to complete a claim form (submitted by receipts as appropriate) and sign a declaration regarding their claim. Member's payments and allowances are updated on a monthly basis, and circulated to Council. This information is also available on Councils website.

Codes of Conduct for Officers

Council has adopted the "Code of Conduct for Local Government Officers", prepared by the Local Government Staff Commission. Officers are given a copy of their code on taking up appointment and failure to adhere to it is a disciplinary offence. Officers are also issued with terms and conditions of employment on commencing employment with the Council, and would be advised of various policies and procedures on induction. Existing members of staff have access to these documents on the intranet. New policies and

procedures are brought to the attention of staff and are also available via the Councils intranet system.

A register of gifts and hospitality is maintained by the Administration Department and this is updated when relevant information is provided by a member of staff and elected members.

The induction process for all new staff includes a detailed explanation of specific policies on staff conduct, including travelling and subsistence expenses, disciplinary and grievance policies and procedures, absence and sickness reporting, Data Protection, Freedom of Information, Equality and Good Relations and Health and Safety at Work.

Other supplementary codes of practice relating to the conduct expected of employees are available to staff via the Council's intranet system.

6. Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required managing risks.

Moyle District Council does not operate a system of standing orders for the regulation of the proceedings of the Council and Council business.

Financial regulations are in places which are reviewed periodically, e.g. Purchasing Policies and Procedures, which detail policies and procedures in relation to Purchasing and Procurement including expenditure limits and authorisation signatures.

Council has also adopted a Risk Management Strategy, which requires the identification of Corporate and Departmental Risks, the assessment of impact and likelihood of those risks and the mitigating controls in place. Council has Corporate and Departmental risk registers in place, and these are reviewed regularly. Internal audit facilitate a Risk Management Workshop once per annum. This is attended by all of the Strategic Management Team, along with Line Management staff with responsibility for operational issues, and Councillors who sit on the Audit and Governance Working Group are also invited. The output from this annual workshop forms the basis for the areas subject to Internal Audit for the year. All Directors have submitted an annual assurance statement regarding Risk identification, assessment, monitoring and review, in respect of their service area, to the Clerk and Chief Executive

A Treasury Management Policy was approved by Council in February 2012. The policy was developed in the context of the Local Government Finance Act (NI) 2011 and the local Government (Capital Finance and Accounting) Regulations (NI) 2011 and includes the key principles of CIPFA's Treasury Management in the Public Sector Code of Practice. Annual Treasury Management Strategy statements setting out the expected treasury management operations for the year were also approved by Council. The Treasury Management Strategy and Prudential Indicators for 2015/16 were

prepared and approved by Causeway Coast and Glens Shadow Council in February 2015 as part of the Estimates process.

Work continued during the year to update the Risk Register and significant progress has been made in terms of Corporate Health, Safety and Wellbeing. A further programme of work including a review of the Emergency Plan and Business Continuity Plan was progressed during 2014/15.

As we move towards LGR, officers continue to collaborate with cluster colleagues to ensure commonality and consistency in approach in terms of updating policies and procedures.

7. Undertaking the core functions of an Audit Committee, as identified in CIPFA's *Audit Committees - Practical Guidance for Local Authorities*.

Moyle District Council does not operate a committee system, with all business being conducted at full council meeting. However, an Audit and Governance Working Group (AGWG) was established during the 2008-09 financial year, with six elected members, representative of each political party grouping in Council. The Clerk and Chief Executive, the Director of Corporate Services, and the Financial and Management Accountant normally attend all meetings, with other Directors and Heads of Service being called as required. The AGWG has a written constitution, terms of reference and remit.

The AGWG met on four occasions between April 2014 and March 2015. The Internal Auditors were present at all of these meetings and representation was made on behalf of the Local Government Auditor at two of these meetings. Following each meeting, minutes are approved and circulated to full council for consideration and information.

Both the Internal (Moore Stephens) and External Auditor (NIAO) attended the Audit and Governance Working Group meetings to present the following reports

- Annual Audit Letter (LGA)
- Report to those charged with Governance and Audit results (LGA)
- Northern Ireland Audit Office (NIAO) Audit Strategy (LGA)
- Internal Audit Plan, Internal Audit Progress Reports, Annual Internal Audit Report (Internal Auditor)
- Public Sector Internal Audit Standards (PSIAS) 2013

The internal audit function for Moyle District Council is provided by Moore Stephens. This service was jointly procured with Limavady Borough Council for the three year period 2012-2015. During the 2014-15 year internal audits were carried out in line with the internal audit plan. Various aspects of operating activities were sampled and examined to ensure the appropriate legislation, policies and procedures were adhered to and expenditure was lawful. Internal audit reports include award of assurance levels and

recommendations for improvement. There were 5 areas subject to audit during the year, all of which received a Satisfactory Level of assurance. These audit reports are presented to the Audit and Governance Working Group throughout the year with the Annual Internal Audit Report presented to both the Audit and Governance Working Group and Council on 23rd March 2015.

A report on the effectiveness of the internal audit service was also presented to AGWG on 23rd March 2015.

8. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

The Strategic Management Team meets three times per month and the above items would be discussed. Other methods of communication include membership of officer networks, circulation of statements and documents and informal meetings on an ad-hoc basis.

Internal policies and procedures are updated and renewed as and when required to reflect legislative changes and agreed recommendations by both Internal and External Auditors and are circulated to the relevant staff when reviewed. Internal Policies and Procedures would also be available on the Staff Intranet.

In terms of lawful expenditure, special council meetings are held annually to discuss the proposals for the Estimates for the forthcoming year. As part of this process, actual expenditure for the previous year is examined and analysed, and future spending proposals are discussed in detail. Internal audit and Local Government Annual reports are also examined and discussed at these meetings, as well as the meetings of the Audit and Governance Working Group. Council are issued with a detailed booklet which forms the basis for discussion and decision making at the meetings.

The Estimates process for 2015-16 was administered by Causeway Coast and Glens Shadow Council. All relevant information was provided to the Lead Officer for Council consideration.

As previously mentioned, Council appointed Moore Stephens as part of a collaborative procurement exercise with Limavady Borough Council to deliver Internal Audit services. The Internal Audit plan covers a range of Council's main activities, financial and otherwise. Various aspects of operating activities have been sampled and examined to ensure that appropriate legislation, policies and procedures are adhered to and expenditure is lawful. Internal audit reports including award of assurance levels and recommendations for improvement are reported to both Council and the AGWG.

In terms of service specific compliance, service departments are kept up to date in the following ways

- Subscription to on line expertise e.g. HR - Legal-Island Email Service and Croners On-line Employment Lay Information Service and Advice Line.
- Legal Advice when required - Council subscribe to DAS – Employment Advise as part of the annual Insurance programme.
- Officer Meetings – Service specific
- Support from Northern Group – Technical namely Building Control and Environmental Health
- Various Forum
- Training and Development

The Clerk and Chief Executive is also the Council's Chief Financial Officer, as required by Section 1, of the Local Government Finance Act (Northern Ireland) 2011. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision making, providing advice, and guidance and ensuring that expenditure is incurred lawfully.

The financial management arrangements conform with the governance requirements of CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government Framework. The CFO is also supported by suitably qualified and experienced staff (including two qualified accountants) within the finance function to ensure that decisions made by the CFO are based on sound technical knowledge and understanding.

9. Whistle-blowing and for receiving and investigating complaints from the public.

Council has a Whistle-Blowing policy which is issued to all staff. A copy is included in the Staff Induction Pack and is also available on the Staff Intranet. The policy was reviewed in June 2010 but no amendments were considered necessary.

There were no incidents of Whistle-blowing reported during the 2014-15 year.

Council also operates a formal scheme for public complaints and suggestions. These are referred to the relevant department and responded to within set deadlines, with the opportunity to have complaints referred to a higher level in the organisation where the complainant is not satisfied with the response. Where a complainant remains dissatisfied s/he is advised to contact the Northern Ireland Ombudsman.

10. Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training.

Council have a limited training and development budget for both Councils and Staff.

All relevant conferences and courses are circulated to Councillors through the fortnightly meetings. Each Councillor has an allocated amount of money set aside for conferences and courses and capacity building in relation to LGR/LGR. This covers course fees, travel and subsistence. This is monitored on a monthly basis to ensure the budget is not exceeded. This may include further education leading to a recognised qualification.

In terms of officers, training needs are identified on an ongoing basis. Corporate Wide training during the year included Social Media, Microsoft Office, Employee Investigation Training, IOSH Training, CPC Training, Health and Safety Training, Risk Assessment Training, Basic Fire Safety Awareness Training, and the Role of Fire Warden Training.

A Further education policy exists and this has been applied consistently.

Service specific training would be identified by managers and employees and the necessary arrangements made.

As part of our ongoing convergence work towards LGR the cluster group of HR Managers are progressing on a consistent and co-ordinated approach to training, which is being implemented in each of the LGR areas.

11. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

Council consults with various bodies in relation to important strategic or policy development matters. Provisions are in place for communication in various formats and languages if required.

Council publishes two bulletins annually called Moyle Matters. These are distributed to all households within the Council area, and further copies are available on request. A range of leaflets and publications are also available in public buildings across the Council area. The internet also provides information on services, council meetings, council minutes and the "Contact us" section on the webpage allows for enquiries, feedback or complaints to be submitted electronically.

Council also publishes a range of citizen advice leaflets which are available at public buildings in the district and also on line.

Council meetings are open to the press and members of the public, and minutes are published on the council's website and made available in public libraries and the Council Offices. Minutes of the SMT meetings are published on the Council's "Staff net".

The Council also responds to Freedom of Information requests as received throughout the year.

In terms of the Local Government Reform (LGR), elected representatives from Moyle District Council sat on the Statutory Transition Committee following on from the Voluntary Transition Committee. This Committee operated existence until 19th June 2014. Following the elections on 22nd May, the Shadow Council for Causeway Coast and Glens held its first annual meeting on Thursday 12th June 2014, and continued in existence until 31st March 2015.

Council continued to work with the cluster councils during the 2014-15 year.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Senior Managers within the Council who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's annual report, comments made by the external auditors and the Audit and Governance Working Group which includes elected members representative of the political membership of Council. The Internal Auditor carried out an annual programme of work in 2014/15 based upon the output of a Risk workshop. This plan was approved by Council and takes account of risk inherent in Council's activities.

Under the terms of reference for the Audit and Governance Working Group, they are charged with responsibility for ensuring good stewardship of the Council's resources, and committed to making the Council, its working groups and departments more responsive to the audit function.

The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the internal control system. The Internal Auditor forwards draft reports to the relevant Director/Head of Service, for Management comments, and responses. The reports are co-ordinated by the Director of Corporate Services and then issued in their final format, presented to the Audit and Governance Working Group initially and then to Council. The Annual Internal Audit Report for 2014/15 provided a satisfactory level of assurance.

During the year the Audit and Governance Working Group reviewed Corporate Governance arrangements, Internal and External Audit Reports, and draft policies and procedures of internal control. The minutes of the Group are brought to full council for discussion.

Councils Internal Auditors presented to the Audit and Governance Working Group on 23rd March 2015, on the implications of the Public Sector Internal Audit Standards (PSIAS) – Local Government Application. A checklist developed by Moore Stephens, following the recommended checklist provided in the CIPFA Local Government Application Note for the UK Public Sector Internal Audit Standards (PSIAS) 2013, was completed by the Internal

Auditors for assessing conformance with the PSIAS and the Local Government Application Note, and presented to the working group.

Governance and Risk is a standing item on the SMT Monthly agenda. The Internal Audit Plan and previous recommendations are monitored and reviewed to ensure progress is being made.

Significant Governance Issues

- As progress continues towards LGR there are significant resources required to implement various projects and initiatives associated with this, whilst maintaining current service delivery. This includes systems convergence, analysis, data gathering etc.
- Current Economic climate. This brings challenges in terms of funding services with cuts to central government funding and reduced ability by ratepayers and service users to pay for council services.
- Procurement has been identified as an area of both opportunities in terms of collaboration and savings, but also an area of high risk in terms of legislative compliance and challenge
- Waste Management and challenges associated with meeting EU targets, and the abandonment of the Waste Management Project

Council have continued to

- Meet cluster councils regarding strategic direction towards LGR.
- Take part in collaborative procurement exercises
- Implement the Corporate Health and Safety Action Plan

Local Government Reform

From 1 April 2015, under the Reform of Local Government (RLG), the number of Councils in Northern Ireland will reduce from the 26 existing to 11 new Councils, established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008. From that date the Northern Ireland Executive has agreed to transfer some functions currently carried out by NI Government Departments and give some new responsibilities to the 11 new Councils. The new councils will be stronger, more efficient and will deliver more effective services.

The new councils came into existence on 26th May 2014, operating in shadow form until they take over full responsibility for local government on 1st April 2015 when the 26 existing councils cease to exist. The final accounts for Moyle District Council will therefore be for the 2014/15 financial year. The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 made transitional provision with respect to local government reorganisation including positions of responsibility within the new council for the winding up and final accounts of existing councils.

The Local Government Act (Northern Ireland) 2014 introduced the legislative frame work for Northern Ireland's 11 new councils and has made transitional provisions to provide for the transfer of staff, assets and liabilities from the current 26 councils to the 11 new councils, and from departments transferring functions to the new councils.

Signed: **Date:**
Chair of Audit Committee
Causeway Coast and Glens Borough Council

Signed: **Date:**
Chief Executive
Causeway Coast and Glens Borough Council