

# Causeway Coast & Glens Borough Council

**To: Audit Committee**

**Annual Accounts and Governance Statements**

**Date 16/06/15**

**For information**

## **1.0 Reporting to committee**

<b>Linkage to Corporate Plan</b>	
<b>Strategic Priority</b>	Regulation Compliance
<b>Objective</b>	Submission of Annual Accounts
<b>Lead Officer</b>	David Wright
<b>Cost: (If applicable)</b>	

## **1.1 Background**

Councils and other public bodies are required to prepare and submit to the Department of the Environment (DoE) by 30 June each year their annual accounts for the previous financial period(s).

## **1.2 Detail**

Under DoE regulation and Guidance the following bodies:

North East Peace III Partnership  
Causeway Coast and Glens Statutory Transition Committee  
Causeway Coast and Glens District Council (Operating in Shadow Form)  
Ballymoney Borough Council  
Coleraine Borough Council  
Limavady Borough Council  
Moyle District Council

are required to, by 30 June 2015, submit to DoE 2 signed copies of their financial statements for the periods ended 16 June 2014 (in the case of the Statutory Transition Committee) and 31 March 2015. Part of this process requires each of these documents to be approved by a Committee or Council meeting in advance of submission. These are however not the final published accounts but rather draft accounts until after Northern Ireland Audit Office (NIAO) completes their audit work on each set of accounts and gives their audit opinion at which point

they become final and are ready to be published. This must be completed before 31 October 2015.

In future years the Council/Committee approval will take place after the completion of the audit and not at this stage.

The format, layout and content of the statements of accounts is prescribed in the Direction issued by DoE and each of the documents being presented has been compiled in accordance with this Direction. Since there are seven sets of accounts involved, some of which in their entirety extend to over 100 pages, it is not practical to include them all in the body of this report. Governance Statements, Comprehensive Income and Expenditure Statements and Balance Sheets, which are direct extracts from the main accounts, are included as appendices. The Comprehensive Income and Expenditure Statement and Balance Sheet for each body sets out the combined revenues and expenditures and the financial position for each body. In addition a summary table for the combined figures of all four legacy councils is included demonstrating the “handover” position to the new Council at 1 April 2015.

### **1.3 Governance Statements**

The annual governance statement explains an organisation’s governance arrangements and controls to manage the risks of failure to achieve strategic objectives. It is a key statement by which an organisation demonstrates to its ratepayers, elected members and other external stakeholders that it is complying with the basic tenets of good governance. Annual governance statements should explain the key elements in an organisation’s governance arrangements, the process for reviewing the effectiveness of the governance arrangements, and outline actions taken to deal with any significant governance issues. Guidance has been provided by the Department which sets out what is required in annual governance statements.

Organisations are required to detail significant issues about their governance arrangements. A significant governance issue for one organisation may not be significant for another. This will depend on an individual organisation’s governance framework, how effectively it is operating and the extent to which the issue has the potential to prevent an organisation from achieving its strategic objectives.

The governance statement for each body is required to be approved by council/committee and signed by that council/committee chair and the Chief Financial Officer (in our case this is the Chief Executive) separately to the remainder of the annual statement of accounts although it will form part of the final complete document.

Attached as appendices are the governance statements for the seven bodies specified in 1.2.

### **1.4 Recommendation**

It is recommended that the governance statements as set out in the appendices are approved to be signed by the Chair of the Audit Committee and the Chief Executive for inclusion in the annual statement of accounts for each body.

## 1.5 Statements of Accounts

Each of the bodies specified in 1.2 must prepare and submit to DoE by 30<sup>th</sup> June their annual statement of accounts. These must be approved by council/committee in advance of submission. Attached as appendices are extracts of the key information from those accounts for committee consideration. Full copies of the accounts will be available at 5pm on 29<sup>th</sup> June 2015 in the Council Chamber prior to the Audit Committee meeting to facilitate those members who want to examine the complete documents prior to the committee's consideration.

The summary table below shows the combined position for the four legacy councils. This sets out the financial position that will transfer over to Causeway Coast and Glens Borough Council as the opening balance at 1<sup>st</sup> April 2015. The key figures that members may be most interested in are the general fund balances to be transferred, which are all within the levels recommended by the DoE. In addition members may be interested to note the level of fixed assets, borrowings and other useable reserves being transferred.

<b>Summary Financial Information from draft Financial Statements at 31 March 2015</b>					
	<b>Ballymoney</b>	<b>Coleraine</b>	<b>Limavady</b>	<b>Moyle</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed Assets</b>					
Property, Plant & Equipment	27,739,543	86,348,626	27,390,232	33,246,677	<b>174,725,078</b>
<b>Loans</b>					
Short Term Borrowing i.e loans to be repaid within 1 year.	895,425	1,866,577	506,408	495,241	<b>3,763,651</b>
Long Term Borrowing	13,882,432	31,445,313	14,514,239	9,201,424	<b>69,043,408</b>
<b>Provisions</b>					
Provisions - for landfill sites	3,550,290	3,394,676	6,978,402	0	<b>13,923,368</b>
Landfill Regulation & Discount Rate Reserves	435,000		3,119,010	0	<b>3,554,010</b>
<b>USABLE RESERVES:</b>					
Capital Receipts Reserve	263,485			519,960	<b>783,445</b>
Sinking Fund		2,628,884			<b>2,628,884</b>
General Fund	1,203,143	4,051,580	1,292,166	313,684	<b>6,860,573</b>
<b>Total to transfer to CC&amp;G</b>	<b>1,466,628</b>	<b>6,680,464</b>	<b>1,292,166</b>	<b>833,644</b>	<b>10,272,902</b>
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<b>Net Expenditure</b>	8,286,266	19,529,840	9,934,403	6,215,336	<b>43,965,845</b>
General Fund as a % of Net Expenditure (DOE guidance on level of reserves is 5% - 7.5%)	15%	21%	13%	5%	

## **1.6 Recommendation**

It is recommended that the annual statements of accounts for the seven bodies specified in 1.2 are approved to be signed by the committee chair and the Chief Executive and together with the annual governance statements are submitted to the DoE.