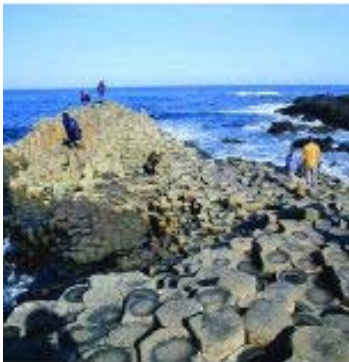




# Annual Audit Letter

Issued by the Local Government Auditor



2014-15

To the Members of  
Generating Rural  
Opportunities within South  
Antrim Joint Committee

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## 1. Introduction

I have been designated the Local Government Auditor for the Generating Rural Opportunities within South Antrim Joint Committee by the Department of the Environment with the consent of the Comptroller and Auditor General for Northern Ireland.

## 2. Financial Statements

### Summary of Audit Findings

Generating Rural Opportunities within South Antrim Joint Committee must prepare its accounts in accordance with International Financial Reporting Standards (IFRS) as interpreted for Local Government in the 'The Code of Practice on Local Authority Accounting in the United Kingdom' 2014-15. This code sets out the accounting treatment and disclosures for all normal transactions of local authorities.

The financial statements were signed by the Chief Executive of the lead council, Antrim and Newtownabbey Borough Council, and approved on behalf of the Generating Rural Opportunities within South Antrim Joint Committee on 19 February 2015. This was within the statutory timeframe of 30 June. Following the audit, a number of presentational adjustments were required and the accounts were revised and re-signed on 7 October 2015 and published on the website of Antrim and Newtownabbey Borough Council as the Joint Committee's lead council within the regulatory timeframe of 31 October.

On 15 October 2015 I gave the following unqualified opinion on the financial statements for the year ended 31 March 2015.

In my opinion

- the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15, of the financial position of Generating Rural Opportunities within South Antrim Joint Committee as at 31 March 2015 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 and the Department of the Environment directions issued there under.

On 9 November 2015 my staff issued a Report to those charged with Governance on the results of the audit, noting the most significant issues, making recommendations and seeking responses from management to address these issues. That report is presented separately to the Joint Committee and the Audit Committee of the lead council.

### Financial Performance

The Statement of Comprehensive Income and Expenditure of the Generating Rural Opportunities within South Antrim Joint Committee shows that during the year ended 31 March 2015 the Joint Committee spent £171,826 on the provision of services. It also received income of £171,826.

The main items of expenditure were:

- Employee costs: £140,956
- Other Operating Costs: £30,870

The main area of income was:

- Government Grant: £171,826

At the year end, Generating Rural Opportunities within South Antrim Joint Committee was owed grant income of £38,926 from DARD for costs incurred in administering the scheme.

### 3. Governance

The Good Governance Standard for Public Services<sup>1</sup> sets out the following key principles of good governance. Good governance means

- focusing on the organisation's purpose and on outcomes for citizens and service users;
- performing effectively in clearly defined functions and roles;
- promoting values for the whole organisation and demonstrating the values of good governance through behaviour;
- taking informed, transparent decisions and managing risk;
- developing the capacity and capability of the governing body to be effective; and
- engaging stakeholders and making accountability real.

### Annual Governance Statement

The lead council is required to conduct a review at least once in a financial year of the effectiveness of its governance framework (including its system of internal control) and to then approve an Annual Governance Statement<sup>2</sup>.

I am required to report if the Annual Governance Statement

- does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15;
- does not comply with proper practices specified by the Department of the Environment; or
- is misleading or inconsistent with other information I am aware of from my audit.

I have no inconsistencies to report as a result of my review of the Statement. The Joint Committee noted no significant governance issues in its Governance Statement.

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<sup>1</sup> The Good Governance Standard for Public Services, OPM and CIPFA, 2004

<sup>2</sup> Local Government (Accounts and Audit) (Amendment) Regulations (NI) 2006 and DOE circular LG/04/08

## **Internal Audit**

The Local Government (Accounts and Audit) (Amendment) Regulations (NI) 2006 requires Councils to maintain an adequate and effective system of internal audit and to conduct a review at least once in a financial year of the effectiveness of its system of internal audit. No specific Internal Audit work has been conducted in relation to the Joint Committee in year as the lead council did not consider Rural Development to be a significant risk.

The Rural Development programme was subject to regular verification audits by DARD staff throughout the year.

## **Audit Committee**

There is no requirement for the Joint Committee to have a separate Audit Committee but it should follow the practices put in place by the lead council's Audit Committee. The lead council's Audit Committee should also be kept aware of any issues affecting the Joint Committee.

## **Other matters of interest**

The Rural Development Programme 2007-13 has been replaced by a new Rural Development Programme 2014-20 which is anticipated to open for applications during 2015. The current Joint Council Committee ceased to exist on 31 March 2015 although Generating Rural Opportunities within South Antrim operated on an administration level until 30 September 2015 and final accounts will be prepared covering period to 30 September 2015.

## **4. Closing Remarks**

The letter is addressed to the Members of the Joint Committee and prepared for the sole use of the audited body. No responsibility is taken by auditors to any member or officer in their individual capacity, or to any third party. The factual accuracy of this Audit Letter has been agreed with the Chief Executive of the lead council of the Joint Committee.

The Joint Committee has taken a positive and constructive approach to our audit. I would like to take this opportunity to express our appreciation for the lead council's assistance and co-operation. This letter will be presented to your Audit Committee by my staff and I have asked for copies to be sent to all Members.

Louise Mason

**Local Government Auditor**

26 November 2015