



14 September 2017

Committee Chair: Councillor T Girvan  
Committee Vice-Chair: Councillor W Webb  
Committee Members: Councillors - D Hollis, M Magill, M Maguire and M Rea  
Independent Member: Mrs G Nesbitt

Dear Member

**MEETING OF THE AUDIT COMMITTEE**

A meeting of the Audit Committee will be held in the **Round Tower Chamber, Antrim Civic Centre on Tuesday 19 September 2017 at 6.30pm**.

You are requested to attend.

Yours sincerely

A handwritten signature in black ink that reads 'Jacqui Dixon'.

Jacqui Dixon, BSc MBA  
**Chief Executive, Antrim & Newtownabbey Borough Council**

**PLEASE NOTE: Light refreshments will be available in the Members Room from 5:30pm**

**For any queries please contact Member Services:**

Tel: 028 9034 0098 / 028 9448 1301 [memberservices@antrimandnewtownabbey.gov.uk](mailto:memberservices@antrimandnewtownabbey.gov.uk)

## **A G E N D A**

1. Apologies.
2. Declarations of Interest.
3. Report on Business to be considered:

### **ITEMS FOR DECISION**

- 3.1 Annual Governance Statement 2016/17
- 3.2 Statement of the Accounts for the year ended 31 March 2017

### **ITEMS FOR INFORMATION**

- 3.3 Previous Actions
- 3.4 Corporate Improvement Plan 2016/17
- 3.5 Report to those charged with Governance
- 3.6 Internal Audit Update Report
- 3.7 Risk Management: Risk Reporting and Communication

### **ITEMS IN CONFIDENCE**

- 3.8 Fraud, Whistleblowing and Other Investigations
- 3.9 Internal Audit Service Arrangements: January 2018 to December 2019

4. Any Other Relevant Business.

**REPORT ON BUSINESS TO BE CONSIDERED AT THE AUDIT COMMITTEE MEETING  
ON TUESDAY 19 SEPTEMBER 2017**

**ITEMS FOR DECISION**

**3.1     FI/FIN/SOA/03            ANNUAL GOVERNANCE STATEMENT 2016/17**

Members are reminded that a copy of the draft (unaudited) Statement of Accounts for the year ended 31 March 2017, including the Annual Governance Statement was presented to them at the June Audit Committee.

A number of minor amendments have been made to the Annual Governance Statement at the suggestion of the Local Government Auditor.

A copy of the updated Annual Governance Statement 2016/17 is **enclosed**.

Regulation 4(4) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 also requires that "...a local government body as a whole or committee must approve an annual governance statement prepared in accordance with proper practices on internal control."

**RECOMMENDATION: that**

- (a)     the Committee approves the Annual Governance Statement 2016/17;**
- and**
- (b)     the Annual Governance Statement 2016/17 be signed and dated by the Chair of the Audit Committee.**

Prepared by: Ann Hamilton, Financial Controller

Agreed by: Colette Archer, Director of Finance and Governance

### **3.2 FI/FIN/SOA/03 STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

Members are reminded that a copy of the draft (unaudited) Statement of Accounts for the year ended 31 March 2017, was presented to them at the June Audit Committee and that the Committee would be required to approve the audited Statement of Accounts at the September Committee.

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 requires that:

“8 (3)... a local government body must, no later than 30<sup>th</sup> September following the end of the financial year to which the statement relates:

- (a) Consider either by way of a committee of that body or by the members of the body as a whole the statement of accounts;
- (b) Following that consideration, approve the statement of accounts for submission to the local government auditor by a resolution of that committee or meeting;
- (c) Following approval, ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which the approval was given...”

and

“(4) The chief financial officer must re-certify the presentation of the statement of accounts... before the relevant local government body approves it.”

Members are reminded that the Council delegated authority in April 2015, to the Audit Committee to approve the Statement of Accounts.

The audited Statement of Accounts for Antrim and Newtownabbey Borough Council for the year ended 31 March 2017 are **enclosed**.

*The Chief Financial Officer is required to re-certify the Statement of Accounts prior to Audit Committee approval.*

#### **RECOMMENDATION: that**

- (a) the Committee approves the Statement of Accounts for the year ended 31 March 2017;**

**and**

- (b) the Statement of Accounts be signed and dated by the Chair of the Audit Committee.**

Prepared by: Ann Hamilton, Financial Controller

Agreed by: Colette Archer, Director of Finance and Governance

## **ITEMS FOR INFORMATION**

### **3.3 FI/AUD/2 PREVIOUS ACTIONS**

As part of the reporting process to the Audit Committee, a progress update of actions raised from each Audit Committee will be provided.

The following table provides a progress update on the actions raised.

<b>Item</b>	<b>Action</b>	<b>Progress update</b>	<b>Anticipated Completion Date</b>
<b>June 2017</b>			
<b>3.5</b>	<b>INTERNAL AUDIT UPDATE REPORT</b>		
(i)	Internal Audit to consider inclusion of agency contracts in their next contract management audit.	<b>To be completed</b> Agency Staff contracts will be included in the Contract Management audit. This audit is due for completion during quarter 4 of 2017/18.	31 March 2018
<b>3.8</b>	<b>REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL</b>		
(i)	Reference to be made to the Committee structure (as is already referenced in the Annual Governance Statement) and to CLT as part of the control framework.	<b>Complete</b> The Review of the Effectiveness of the System of Internal Control has been amended to include reference to the Committee Structure.	N/A
<b>3.9</b>	<b>REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE</b>		
(i)	The results of the self-assessment checklist, evaluating the effectiveness of the Audit Committee be reported to Council.	<b>Complete</b> The results of the self-assessment checklist were reported to Council in June 2017.	N/A
<b>3.10</b>	<b>AUDIT COMMITTEE ANNUAL REPORT</b>		
(i)	The Audit Committee Annual Report be presented to Council.	<b>Complete</b> The Audit Committee Annual Report was reported to Council in June 2017.	N/A

Item	Action	Progress update	Anticipated Completion Date
<b>3.18</b>	<b>FRAUD, WHISTELBLOWING AND OTHER INVESTIGATIONS</b>		
(i)	Internal Audit to provide a breakdown of time spent on investigations.	<b>Complete</b> A breakdown of Internal Audit time spent on investigations has been provided within the Fraud, Whistleblowing and Other Investigations Report.	N/A

**RECOMMENDATION: that previous actions update is noted.**

Prepared by: Paul Caulcutt, Internal Auditor

Agreed by: Colette Archer, Director of Finance and Governance

### **3.4 CE/GEN/40 CORPORATE IMPROVEMENT PLAN 2016/17**

Members are reminded that Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) puts in place a framework to support the continuous improvement of Council services.

The Northern Ireland Audit Office Assessment Report (November 2016) specified that the role of the Audit Committee is to provide assurance that the Council's arrangements to support continuous improvement are operating effectively.

The development of an annual Performance Report is a requirement of Section 92 of the Act) which requires Councils to publish information on its performance by 30 September each year.

Members are advised that a working draft of the Corporate Improvement Performance Report for 2016/17 has been prepared and is **enclosed** for Members' attention. A final draft is to be presented to the Council meeting on 25 September 2017.

The report provides an overview on how we performed against:

- Our eight Corporate Improvement Objectives, as set out in the 2016/17 Corporate Improvement Plan which was approved by Council in June 2016;
- The seven statutory indicators and standards that were set by Central Government Departments for Planning Services, Economic Development and Waste Management – as defined in the Local Government (Performance Indicators and Standards) Order (Northern Ireland) 2015 and;
- Our self-imposed indicators and standards.

**RECOMMENDATION: that the report is noted.**

Prepared by: Helen Hall, Head of Performance and Transformation

Agreed by: Colette Archer, Director of Finance and Governance



### **3.5 FI/FIN/SOA/03 REPORT TO THOSE CHARGED WITH GOVERNANCE**

Members are reminded that a copy of the draft (unaudited) Statement of Accounts for the year ended 31 March 2017 was presented to them at the June Audit Committee.

Members are also advised that they are required to approve the audited Statement of Accounts at this Audit Committee.

The Local Government Auditor has completed the audit of the Statement of Accounts and has now issued the draft Report to Those Charged with Governance (copy of which are **enclosed**).

A copy of the final Report to Those Charged with Governance will be presented at the next Committee meeting in December 2017.

Representatives of the NIAO will be in attendance to answer Members questions.

**RECOMMENDATION: that the draft report is noted.**

Prepared by: Ann Hamilton, Financial Controller

Agreed by: Colette Archer, Director of Finance and Governance

### **3.6 FI/AUD/1 INTERNAL AUDIT UPDATE REPORT**

Report containing a summary of Internal Audit activity for Antrim and Newtownabbey Borough Council, since the Audit Committee last met on 21 June 2017, is **enclosed**. The report includes the objectives and conclusions reached for each completed assignment and management comments as applicable.

**RECOMMENDATION: that the report is noted.**

Prepared by: Paul Caulcutt, Internal Auditor

Agreed by: Colette Archer, Director of Finance and Governance

### 3.7 FI/AUD/3 RISK MANAGEMENT: RISK REPORTING AND COMMUNICATION

The following parameters are now reported and presented to Committee on a quarterly basis.

- New risks added to the Corporate Risk Register (regardless of level of risk), and any closed risks
- Changes in risk level (regardless of risk level).
- Profile of the existing Corporate Risks (currently 21 risks) and the associated Risk Scores.

The current profile confirms there are no new or closed risks, and no change to the previous risk level. The Industrial Relations risk level remains unaltered (elevated risk reported last quarter).

#### Existing Profile of the Council's Corporate Risk Register (As of 06/09/17)

Risk Number	Title	Total Risk Score		Changes
		Inherent	Residual	In risk level
Corporate Risk Register 05/07/16				
CPR000010	Budgetary Control	44	14	None
CPR000044	ICT Infrastructure	36	14	None
CPR000045	Adequate Reserves	36	6	None
CPR000046	Statutory and Regulatory Obligations	24	8	None
CPR000047	Procurement	40	12	None
CPR000014	Risk Management	36	24	None
CPR000015	Health, Safety and Wellbeing	52	21	None
CPR000016	Emergency Planning and Business Continuity	33	16	None
CPR000017	Governance Arrangements	64	24	None
CPR000018	Information Governance	48	24	None
CPR000019	Legal Issues	40	18	None
CPR000020	Skills and Knowledge	44	28	None
CPR000021	Safeguarding	36	18	None
CPR000022	Sickness Absence	44	21	None
CPR000023	Employee Relations	56	36	None
CPR000024	Employee Engagement	36	27	None
CPR000025	Council Reputation	44	21	None
CPR000026	Customer Satisfaction	36	28	None
CPR000203	Landfill and Waste Framework Directives	48	24	None

Risk Number	Title	Total Risk Score		Changes
		Inherent	Residual	In risk level
CPR000361	Council Policies and Procedures	28	21	None
CPR000246	Crematorium and Burial Provision	30	30	None

The Risk Register continues to be actively managed by Directors and Heads of Service.

**RECOMMENDATION: that Committee note the current Profile reported in accordance with the agreed reporting protocol.**

Prepared by: Liz Johnston, Head of Governance

Agreed by: Colette Archer, Director of Finance and Governance

## **ANTRIM AND NEWTOWNABBAY BOROUGH COUNCIL**

### **ANNUAL GOVERNANCE STATEMENT 2016-2017**

#### **1.0 INTRODUCTION**

Antrim and Newtownabbey Borough Council is required to prepare an Annual Governance Statement in order to report publicly on the extent to which it complies with the Code of Governance, which in turn is consistent with good governance principles contained within the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016).

The Statement includes how the effectiveness of governance arrangements have been monitored and evaluated in the year, and on any planned changes in the coming period. The process of preparing this governance statement has in itself provided assurance regarding the effectiveness of the Council's governance and internal control framework.

The Annual Governance Statement is a valuable means of communication. It enables the Council to explain to the community, service users, tax payers and other stakeholders, the governance arrangements and how the controls that are in place manage risks of failure in delivering outcomes. It also reflects the Council's own particular features and challenges.

The Statement provides a meaningful communication regarding the review of governance that has taken place, including the role of the governance structures involved. It aims to be high level, strategic and written in an open and readable style. It is focused on outcomes and value for money. It relates to the Council's vision for the area, and provides an assessment of the effectiveness of governance arrangements in supporting planned outcomes.

#### **2.0 SCOPE OF RESPONSIBILITY**

Antrim and Newtownabbey 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, efficiently and effectively. The Council also has a duty under the Local Government Act (Northern Ireland) 2014, Part 12: Performance Improvement to secure continuous improvement in the exercise of its functions, having regard in particular to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency, and innovation. 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, and which includes arrangements for the management of risk.

This Statement also explains how the Council meets the requirements of Regulation 4(4) of The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 which requires the preparation of an Annual Governance Statement, prepared in accordance with proper practices on internal control. A copy of the Council's Code of Governance is on the Council website.

### **3.0 PURPOSE OF THE GOVERNANCE FRAMEWORK**

The Council's 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. This governance framework has been in place for the year ended 31 March 2017.

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.

### **4.0 THE GOVERNANCE FRAMEWORK**

In line with the guidance provided in the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016), the key elements of the systems and processes that comprise the Council's governance arrangements are summarised below:

#### **4.1 *Developing Codes of Conduct which define standards of behaviour for Elected Members and staff, and policies dealing with whistleblowing and conflicts of interest and that these Codes and Policies are communicated effectively.***

The roles and responsibilities of Elected Members and Officers and the processes to govern the conduct of the Council's business are defined in the Council's Constitution encompassing procedural Standing Orders, Scheme of Delegation and Financial Regulations which are regularly reviewed and revised where appropriate.

Codes of Conduct are in place for, and define the high ethical values and standards of behaviour expected from, Elected Members and Officers to make sure that public business is conducted with fairness and integrity. Both the Code of Conduct for Council Members and the Code of Conduct for Officers are published on the Council's intranet and website. Detailed guidance notes are provided to Members including notes regarding the declaration and registration of pecuniary and non-pecuniary interests. Practical examples are also given of the consequences of non-compliance with the Code. All staff are provided with a short guide to understanding the Code of Conduct and are provided with the opportunity to attend training.

An Anti-fraud and Corruption Policy is in place and has been widely communicated to staff and other stakeholders through team meetings, induction procedures, the intranet and website. This Policy outlines roles and responsibilities across the Council, and identifies the approach to fraud and corruption prevention, identification and investigation, including a procedure for the receipt of suspicions of fraud from members of the public. The Council's stance on fraud or corruption is stated as 'the

Council will not tolerate fraud and corruption, whether from internal or external sources, wherever it may occur in any area of Council activity'. In addition to anti-fraud training, the most recent being delivered throughout 2015/16, a Corporate Fraud Risk Register was developed during 2016/17 to capture and assess the fraud risks associated with relevant service areas. This register is kept under review and updated by Heads of Service as deemed necessary.

The Council's Whistle-blowing Policy recognises whistleblowing as an important source of information that may highlight serious risks and potential fraud or corruption. Employees who are prepared to speak up about malpractice, risk, abuse or wrongdoing are recognised as one of the most important sources of information for the Council. The Policy details the assurances provided to anyone who wishes to raise concerns.

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

The Council has a proactive, holistic approach to ensuring compliance in this area, thereby ensuring the protection of public finances, safeguarding assets, and delivering services effectively and sustainably. The Council's system of internal control is based on a framework of approved standing orders and financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and accountability. There are clearly defined guidelines for capital expenditure, procurement, human resources management and contract management.

A Risk Management Strategy is in place setting a priority for the robust systems of identification, evaluation and control of risks which threaten the Council's ability to meet its objectives to deliver services to the public.

The Council endeavours to ensure that all parties who may impact on the above directly or indirectly are aware of their responsibilities under current legislation that the Council is governed by, including but not limited to, Health and Safety Legislation, Equality Legislation, and Data Protection etc.

Professional legal advice on the discharge of Council functions is provided to the Council by the Legal Services Manager; a qualified Barrister, with support provided as necessary via contracted external legal support services.

#### 4.3 Documenting a commitment to openness and acting in the public interest.

The Council's Communication and Consultation Strategy aims to:

- Demonstrate to citizens and stakeholders the impact of the Council's actions on wellbeing and the quality of life for their family locally.
- Make people feel better informed, proud to live Antrim and Newtownabbey Borough, proud to work for the Council, and proud to work with it.
- Communicate, consult and engage openly, clearly, honestly and continuously with Council's citizens, employees, Members, partners and the media to improve services.

- Share information and ask people for their views at an early stage of decision-making. The Council's consultations include statutory and non-statutory consultation, all of which are integral to the Council's annual rolling consultation plan.
- Communicate and consult with Council's citizens in ways that suit them, are cost effective and embrace technology.
- Listen to what people tell the Council, learn from it and take it into account when the Council make decisions.
- Show that the Council listens by letting people know in plain language what the Council is going to do as a result, or what it will not be possible to do and why. In this way, decisions will be better informed and people will understand how they have helped shape work and services.
- Ensure that communications reflect the Council's key messages and corporate priorities.
- Work with partners and in-house teams to avoid over communication or consultation fatigue/ over consultation.
- Secure and strengthen the reputation of the Council in the community as an effective and efficient provider of high quality outcomes - focused on the Council's values and priorities.
- Continue to build and develop the Council's corporate brand for consistent and co-ordinated use throughout the organisation.
- Promote the image of the Council as an effective, efficient and listening organisation focused on the public and their needs.
- Work to increase employee awareness of the priorities of the Council, their role in delivering these and communicate to staff ways in which they can contribute to major changes affecting services they provide.
- Ensure that communications activities reflect the full diversity of the community and help ensure equality of access to all services.

**4.4 [Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.](#)**

The Communication and Engagement Strategy outlines how the Council communicates, consults and engages to support the delivery of the Corporate Improvement Plan. The Council's consultation schedule lists all planned priority engagement.

Consultation survey outcomes are used to support service improvements/new capital scheme development. Using social media, online surveys, information sessions, focus groups and workshops the Council facilitate a range of consultation opportunities for our stakeholders. A number of new ways to engage hard to reach groups are being



explored. The Council continues to explore ways to digitalise services and use online technology and social media to enhance communication with their citizens.

**4.5** *Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning.*

Three core documents demonstrate the Council has developed a vision which specifies intended outcomes for the citizens and service users and are used as a basis for planning:

In May 2017 the Council approved a new **Community Plan**. It sets out a shared vision and agreed outcomes for the area up to 2030. The successful implementation of the Plan will be marked by a demonstrable improvement in how services are delivered across our Borough and the quality of life our citizens experience. The Community Plan was developed through an extensive engagement and co-design process with partners, residents, local groups and organisations as well as other stakeholders. The draft Community Plan framework was published in January 2017 and it was issued for public consultation for twelve weeks. The feedback on the draft plan was taken into account in the publication of the final Plan and will be used to inform the development of outcome delivery plans.

The Council have established Place Shaping Forums in each of the Council's District Electoral Areas (DEAs). These Forums have been set up to encourage the local community and voluntary sector groups, churches, schools and sports clubs, and other organisations to participate in Community Planning in their area, thereby ensuring a local approach to the delivery of the outcomes in the Community Plan.

The **Council Corporate Plan**, "Our Borough, Your Vision 2015-2030" sets out Antrim and Newtownabbey Borough Council's framework to ensure that Our Vision, Mission and Values are met.

Our Vision is "A prosperous place, Inspired by our people, Driven by ambition."

Our Mission is "To meet and exceed the needs and aspirations of our people and be recognised for leadership and excellence both locally and beyond.

Our Values are Excellence, Integrity, Commitment, and Responsibility.

The Plan reflects the Council's commitment to work innovatively, efficiently and effectively to deliver real and lasting outcomes by focusing clearly and simply on four key strategic themes:

- (i) Place
- (ii) People
- (iii) Prosperity
- (iv) Performance

Consultation with Members, staff, the local community and partner organisations helped the Council to develop the four Strategic Themes and associated Objectives detailed within the Corporate Plan 2015-2030.

The Corporate Plan was developed within the scope of broader public policy concerning the environment, health, education, housing, economic growth, sustainable development and a shared future. The Plan, against which performance standards are set and measured, is a public statement of the Council's commitment to improve the quality of life for residents, ratepayers and visitors to the Borough.

On an annual basis, the Corporate Leadership Team and Elected Members participate in a Corporate Planning Workshop which provides an opportunity to set the strategic direction and agree the outcomes for the incoming year.

Finally, under the Local Government Act (Northern Ireland) 2014, Council also has a statutory duty to make arrangements to:

- Secure continuous improvement
- Secure achievement of its improvement objectives
- Exercise its functions so that any Departmental specified standards are met.

During 2016-17 the Council identified eight improvement objectives and these were set out in the **Council's Corporate Improvement Plan 2016-17**. The improvement objectives identified areas of work where the Council aimed to make a significant difference to services and outcomes. The outcomes associated with our delivery of this Plan have been reported to both the Policy and Governance Committee and the Audit Committee over the course of the year, and will be subjected to audit by the Northern Ireland Audit Office in October 2017.

For 2017-18 the Council identified seven areas for improvement which are aligned with the Community Plan and the Council's Corporate Plan and set out in the **Draft Corporate Improvement Plan 2017-18**. In March 2017, the Council initiated a twelve-week public consultation to derive feedback. The feedback reinforced the identified improvement objectives and detailed practical and specific examples which will be actioned and incorporated into the implementation plans derived out of the final Corporate Improvement Plan 2017-18 and/or associated documents.

These Plans confirm the Council's commitment to make a difference to services and outcomes for the people of our Borough.

#### [4.6 Translating the vision into courses of action for the authority, its partnerships and collaborations.](#)

A holistic approach to planning and performance management was agreed, through the implementation of a performance management cycle. During 2016-17 quarterly progress reports were made to Committee in relation to the completion of service business plans and corporate improvement objectives.

For the 2017-18 year a new approach to business planning has been agreed with the introduction of an Annual Business Plan. This is an aggregated / consolidated Plan, rather than separate Service Business Plans. The Annual Business Plan contains all of the key areas of work / business and provides a strategic overview of what work is to be undertaken in the forthcoming year. The Plan identifies the lead Head of Service, thus still providing transparency / accountability at a Head of Service level.

**4.7** *Reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.*

Council's Standing Orders, which include the protocol for the operation of the Antrim and Newtownabbey Planning Committee, were adopted in June 2015 and are reviewed and revised as appropriate.

Council's Scheme of Delegation provides the framework and guidance for the powers delegated to Committees of Council and to Senior Officers within the Council. This Scheme is contained within the Constitution and sets out:

- a. Powers reserved for the Council
- b. General Delegated Functions
- c. Human Resources
- d. Procurement
- e. Environmental Health
- f. Building Control

Delegated powers of Planning are contained within Council's Standing Orders.

Good data quality is required by the Council to plan, make its key decisions, and deploy its resources, for smooth operational performance. Council continues to endeavour to ensure data is accurate, valid, reliable, timely, relevant and complete. The Information Governance Team police the appropriate implementation of the retention and disposal of documents in line with the approved Retention and Disposal Policy. Training has been provided to all Heads of Service as Information Asset Owners highlighting awareness of the importance of data quality and their associated responsibilities.

**4.8** *Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.*

Central to the Council's performance improvement framework is the Council's commitment to delivering on the agreed outcomes and achieving the vision and mission, by ensuring;

- Goals are prioritised and resources are allocated effectively.
- Services and outcomes are delivered for local people.
- Staff are motivated and individuals are aware of their own targets and goals and how these contribute to achieving the Council's vision.
- That significant risks to the achievement of objectives are identified and managed.

- There is early warning of, and rectification of, poor performance.
- That the Council and its partners achieve what it sets out to do.
- There is a strong evidence base for improved decision making and the efficient use of resources.

A number of internal performance management processes exist which support the performance management culture.

- The Corporate Leadership Team (CLT) meets fortnightly and comprises the Chief Executive and the Directors. Minutes from these meetings are available on the Staff Intranet for officer action and information. Other staff may attend the meetings as appropriate when specific areas of responsibility are being considered and meetings are held at various Council venues with openness, transparency, communication and engagement in mind.
- Monthly meetings with CLT and the Senior Management Team have progressed the change/transformation and performance agenda.
- A Personal Review and Development process is in place across the organisation, which focuses on individual's performance against agreed upon objectives, and identifies and learning and development opportunities.
- Quarterly reports are brought to CLT and Committee in respect of the completion of business plans and corporate improvement projects. This allows both the leadership team and Elected Members to measure performance and review progress towards the achievement of the agreed outcomes.
- A Corporate Workshop involving Elected Members and key staff takes place annually. This is an opportunity for Members to assess progress both in terms of service delivery and financial planning.
- Antrim and Newtownabbey Council have an established culture of learning and development and this supports and drives a culture of both improvement and efficiency.
- Culture change is being driven through an employee engagement programme entitled 'Engage and Deliver'.
- Customer satisfaction with key services has been measured throughout the year e.g. street cleansing, overall customer satisfaction, theatre satisfaction etc. This information is used to improve the delivery of services.
- Financial management information is reported on a monthly basis to Members through the Policy and Governance Committee, the Corporate Leadership Team and all budget holders. A balanced budget was approved at the start of the financial year incorporating capital project forecasting and reserve requirements. The budget explicitly relates to the allocation of financial resources towards the achievement of Council's objectives and prioritises.
- Prudential Indicators are set each year to ensure that capital investments plans are affordable, prudent and sustainable. Likewise, a Treasury Management

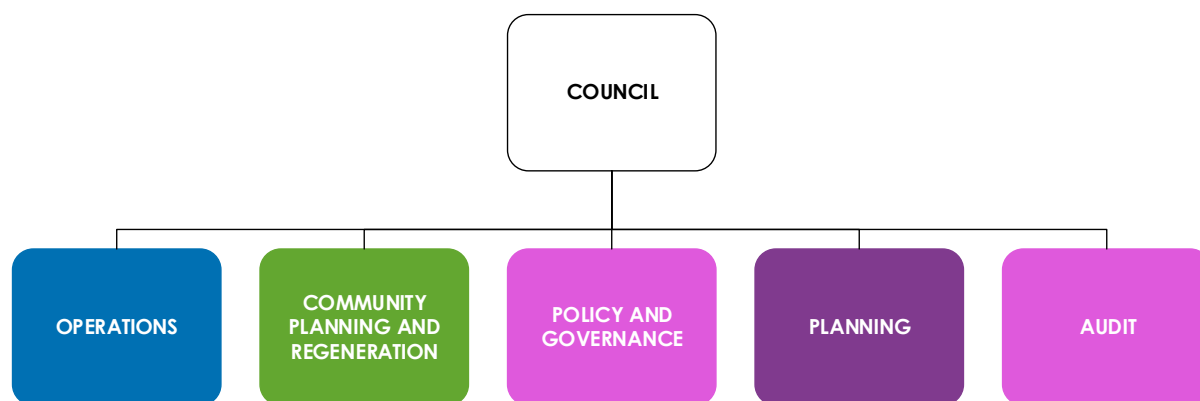
Strategy is agreed by Members so that Treasury Management decisions operate within a clear framework and in accordance with good practice. Financial performance is supplemented by operating performance e.g. recycling rates or creditors days, absence days. Council has developed innovative 'dashboards' to enhance the reporting of these performance indicators.

- The Council uses a variety of organisation development models to drive an ongoing programme of improvement, productivity and efficiency. These include Investors in People; Green Flag Awards and ISO 14001 Environmental Management. These are used to enable organisational change, transformation and/or improve specific operations.

**4.9 Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.**

The Council's Constitution (as referenced in Section 4.1/4.17) details clearly the policy and budget framework within which the Council operates, the functions of the Council and responsibilities for functions, including the decision making structure adopted by the Council. The Council is conscious of the need to keep the Constitution up to date and will review and revise where appropriate.

Antrim and Newtownabbey Borough Council is committed to setting and securing the highest standards in decision making and the Scheme of Delegation provides the framework for the powers delegated to Committees of Council and to Senior Officers within the Council. The Council operates a committee system, under which committees report to the Council as a whole, as illustrated below:



Each Committee is responsible for determining policy within its own area within agreed terms of reference delegated from the Council.

Information flows to and from Council by way of reports prepared by officers with recommendations when appropriate, and minutes prepared by Member Services in attendance. Council and Committee minutes and audios are published on the Council website in line with Standing Orders. All staff have a direct link to these via the intranet providing easy access to decisions. Project software utilised permits the tracking of decisions and associated actions across a series of meetings following Council meetings.

Officer roles are clearly defined in their job descriptions within approved staff structures.

4.10 Ensuring that financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) and, where they do not, explain why and how they deliver the same impact.

The Council's financial management arrangements conform to the governance arrangements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) as set out in Delivering Good Governance in Local Government: Framework (April 2016), with the exception that the Chief Financial Officer does not hold a professional accounting qualification. Local regulations do not require the Chief Financial Officer to be professionally qualified. The roles of the Chief Financial Officer and Chief Executive are not separated within the Council. The Chief Financial Officer is supported, notably by the Director of Finance and Governance, who holds a professional accountancy qualification, along with other suitably qualified and experienced staff within the Finance function.

4.11 Providing induction and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.

The Council achieved the Members Development Charter in December 2015 and is currently working towards achieving the prestigious Members Development Charter Plus accreditation.

The Council also has a Members' Professional Development Policy to support and evaluate member development activities.

The development needs of the Members are collated on an annual basis utilising a combination of market leading development tools such as 360 feedback, personal development planning and engaging key senior officers to provide feedback and strategic input into the final Member Development Plan to enable the achievement of the Council's Vision and Objectives.

All Members are offered an induction programme on commencement of a new Council term. This includes standing orders, equality, health and safety, and media training. Members complete IT training and attend conferences as nominated representatives of the Council.

All Council staff have an annual Personal Review and Development Plan (PRDP). The purpose of the PRDP is to provide feedback to staff on their role and progress against their objectives but also to identify their training needs for the coming year. Senior Officer development is also supported by the Continuous Development Scheme and Part Time Study Policy.

The Council has agreed this year to launch two Leadership Development Programmes, iSupervise and iManage, to support senior officers and develop future leaders to enable and deliver the Council's long term ambitions.



#### 4.12 *Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability.*

The Audit Committee approved a revised Risk Management Policy and Procedures in April 2015. Governance and Internal Audit have facilitated the development and implementation of this Policy, and have promoted a culture in which risk management is embedded in all Council activities through the production of Corporate and Service Risk Registers. Risk management priorities have been established within the Council and responsibility assigned to appropriate individuals.

The Council's risk registers have been formally reviewed and updated on a quarterly basis with reviews being completed for the periods ending June, September, December and March, with further updates, as considered necessary, in the intervening period. A review of fraud risk across the Council has culminated in the completion of a new Fraud Risk Register.

Internal Audit has reviewed whether the controls to mitigate the identified risks as cited within the Council Risk Registers are in place. The overall assurance rating for this review was "Satisfactory", indicating an adequate and effective system of governance, risk management and control.

Departments have given assurances that risks are being managed in accordance with the procedures laid down in the approved Strategy and that action planning has been performed with responsibilities assigned for mitigating action. Corporate level risks have also been managed in the same manner.

#### 4.13 *Ensuring an effective scrutiny function is in place.*

The Council has an Internal Audit function which performs reviews of systems across all departments of the Council and provides management with an opinion on the controls of the areas that it reviews. The Council responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The Chief Audit Executive / Head of Internal Audit provides an independent and objective annual opinion on the effectiveness of internal control, risk management and governance based on the internal audit activity within the year.

The Audit Committee is a key component of Antrim and Newtownabbey Borough Council's corporate governance framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. This Committee is integral to oversee independent and objective assurance and monitoring improvements in internal control and governance. Further details of the Council's Audit Committee and its core functions are contained within the 'Undertaking the core functions of an Audit Committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013)' section below.

#### 4.14 *Undertaking the core functions of an Audit Committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013).*

The Audit Committee is a formally constituted Committee of the Council and is a key component of Antrim and Newtownabbey Borough Council's corporate governance framework. It provides an independent and high-level focus on the audit, assurance

and reporting arrangements that underpin good governance and financial standards.

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the internal control environment. It provides independent review of Antrim and Newtownabbey Borough Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It also oversees Internal Audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

The core functions of the Audit Committee and are summarised in a Terms of Reference, which describe the arrangements in place to enable it to operate independently, robustly and effectively. A copy of the Terms of Reference can be found on the Council's website.

The Council's Audit Committee consists of six members of the Council plus an independent member. The Committee met four times in the financial year 2016/17, with all Members attending each meeting.

As part of the year end procedures, the Audit Committee has undertaken a review of its effectiveness. In addition, the Audit Committee reports to Full Council, outlining its activities throughout the year and how it has discharged its responsibilities as set out in the Audit Committee Terms of Reference.

It is the Committee's view that for 2016/17, it has discharged its responsibilities in full, although it has developed an action plan to support the further development of this key Committee.

## **5.0 INTERNAL AUDIT**

The mission of Internal Audit is "to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight". The requirement for Internal Audit is set out in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, which state: "a local government body must undertake an adequate and effective internal audit of its accounting records and of its system of risk management, internal control and governance processes using internal auditing standards in force from time to time".

A key role of Internal Audit is to make recommendations to improve the control environment in which systems operate. Reports, including an assessment of the adequacy and effectiveness of controls, and action plans to address weaknesses, are submitted to management for action. Summaries of these reports were also submitted to the Audit Committee for information.

Internal Audit also reports to the Chief Executive and Audit Committee detailing the audit work completed during the year, providing an assurance opinion on the adequacy of the internal controls in operation within the Council. Internal Audit's overall opinion for 2016/17 is that based solely on the work undertaken during the 2016/17 year, and does not imply that Internal Audit has reviewed all risks relating to the Council.



Based on the work completed, Internal Audit has provided a “**Satisfactory Except for Accounts Payable**” opinion. Overall there is an adequate and effective system of governance, risk management and control. While there is some residual risk identified this should not significantly impact on the achievement of objectives.

With regards to Accounts Payable, Internal Audit had identified some improvements that were required to enhance the adequacy and/or effectiveness of governance, risk management and control. Management have been actively working through these improvements, and Accounts Payable will be subject to Internal Audit during 2017/18. Further details of these issues and progress made by management is provided in Section 7.

The Public Sector Internal Audit Standards (PSIAS) requires Internal Audit “to develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.”<sup>1</sup>

The standards also require that the quality assurance and improvement programme must include both internal and external assessments:

- Internal assessments must include
  - Ongoing monitoring of the performance of the internal audit activity; and
  - Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.
- External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

This review has been completed for 2016/17 and it has been concluded that there is an effective Internal Audit service within the Council which substantially conforms to the Public Sector Internal Audit Standards.

In addition to this, the level of customer satisfaction of the Internal Service provided is high.

## **6.0 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 Internal Auditor's Annual Report, and also by comments made by the external auditors.

The Council has conducted a review of the effectiveness of the system of internal control in place within the Council, in accordance with Regulation 4(2) of The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

The results of this review, along with the Internal Audit Annual Report were reported to the Audit Committee for consideration in assessing the effectiveness of the system of

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<sup>1</sup> PSIAS – Standard 1300 – Quality Assurance and Improvement Programme

internal control and the approval of the Annual Governance Statement and the Statement of Accounts. This review is completed on an annual basis.

The Local Government Auditor also reviews council governance on an annual basis and makes recommendations where appropriate.

From the work undertaken by management, Governance and Internal Audit throughout the year, it is considered that key systems are operating soundly.

## **7.0 SIGNIFICANT GOVERNANCE ISSUES**

In preparation of the Annual Governance Statement, each Director was required to provide the Chief Executive with an overall assurance opinion on the control environment within their department. To do this, internal control checklists and management assurance statements were completed by their Heads of Service, providing the Directors with assurance that controls within their departments were in place and operating satisfactorily. These statements were reviewed by the Director before forming an opinion on an assurance statement to the Chief Executive.

The following issues have been identified through the Directors' Assurance Statement process in 2016/17.

### Accounts Payable

During the year, Internal Audit reviewed the Accounts Payable system and provided a "limited" level of assurance. The report highlighted issues with respect to: (1) the controls in place to verify changes to supplier's bank details; (2) documentation associated with the manual clearing process; (3) duplicate payments; and (4) the use of confirmation orders.

Significant work has been undertaken to remedy these issues. Management has implemented a number of actions that have strengthened the financial systems and controls. Management is satisfied that the issues have been addressed and this is evidenced by an improvement in the prompt payment performance over the course of the year.

### Contract Management

Further work is required in respect of contract management. Though contract management policies and procedures exist, a comprehensive review is required to ensure that all contracts have been identified as such, and that the contract management policies and procedures have been applied for those contracts. This will be progress in 2017/18.

### Fuel Management

Responsibility for the management of fuel has historically been a devolved matter and accordingly there is a risk that fuel may not be managed in a consistent and robust manner across the Council. Responsibility has now been assigned to the Fleet Management function and a review will be undertaken in the forthcoming year and a detailed action plan developed.

Payroll Information

Some issues were identified in the latter part of the year with respect to the processes, timeliness and accuracy of notifications provided to Payroll by the other parts of the organisation. (Matters of accuracy were addressed prior to the payroll being processed). Management has investigated the root cause of these issues and has taken formal action to address this. This matter is being kept under review until such time as management is satisfied that the necessary improvement in performance is in place and is being maintained.

Facilities Management

A lack of management information in the Property Services Section has been identified through a recent Internal Audit review. This is currently being addressed through the research for and procurement of an IT system. It is important however to clarify that notwithstanding the issues identified, financial management information is received and discussed at monthly team meetings.

Previous Years Issues

The following provides a brief summary of existing issues raised in previous years and a progress update.

Issue (as raised in 2015/16 Annual Report)	Update
<p><u>Agency Workers</u></p> <p>To improve the framework around sourcing, engaging and managing agency workers, a review has been carried out and a draft procedure prepared for the consideration of CLT. The drawing up of this procedure has highlighted the possibility of a residual issue. We have requested information from the agencies and until we reconcile payments to this data we will not be able to ensure all incremental/inflationary increases due were paid.</p>	<p>A Framework for Agency Staff was agreed by CLT and there are no residual issues (i.e. relating to incremental/inflationary increases).</p>

Issue (as raised in 2015/16 Annual Report)	Update
<p><u>Fleet Management</u></p> <p>During the year, the function of Fleet Management was moved from Operations to Finance and Governance. The inherited high risk area of Fleet Management is actively being addressed, however vehicle maintenance remains an area of concern particularly in relation to addressing years of custom and practice which may result in legal/financial/reputational implications for council. The outworking of the remaining risk management action plan aims to put adequate controls in place in the coming months.</p>	<p>The previous custom and practice challenges experienced in relation to vehicle maintenance were resolved following a change in both structure and delivery of the service.</p> <p>The new structure is embedding, and processes in relation to all aspects of fleet management continue to be assessed and refined.</p>
<p><u>Carnmoney Cemetery</u></p> <p>A number of issues have been identified in relation to the Carnmoney Cemetery</p> <p><i>Limitations on burial space:</i> There are limitations on cemetery space for urban Newtownabbey.</p> <p><i>Health and Safety, and PR concerns at Carnmoney Cemetery (including grave cave-ins and grave flooding):</i> Alternative solutions to existing Health and Safety issues at Carnmoney Cemetery are being proactively considered.</p>	<p>Additional plots have been developed at Carnmoney Cemetery in fringe locations, a shoring system is to be installed at relevant locations in the cemetery and the vesting process for Carnmoney North East Extension is nearing completion.</p>
<p><u>Ongoing industrial relations and their effect on service delivery</u></p> <p>As a result of Council's preferred option regarding waste collection arrangements being communicated, industrial relation issues are impacting on collective working arrangements.</p>	<p>Management is continuing to work through industrial relations issues and is specifically reviewing working practices. A review of waste collection arrangements is underway.</p>
<p><u>Cemetery Administration</u></p> <p>An issue regarding cemetery administration was raised via an internal audit in late April 2016.</p>	<p>The cemetery software has been updated and the updated version will be implemented from 1 June 2017 to address the issues.</p>

Issue (as raised in 2015/16 Annual Report)	Update
<p><u>Recording and timely investigations of accidents/incidents.</u></p> <p>In June 2016, internal audit identified issues in relation to the appropriate recording and timely investigations of accidents/incidents. Systems and processes have already been put in place to address the issues outlined in the report and these will continue to be monitored within this coming year.</p>	<p>Issues highlighted by Internal Audit in June 2016 continue in relation to inconsistencies in the corporate reporting and investigation of accidents / incidents. Following the appointment of a new corporate health and safety Manager, a new documented process has been developed to address any shortcomings.</p>

No other significant governance issues were identified.

Antrim and Newtownabbey Borough Council propose over the coming year to continue to take steps to address the above matters to further enhance governance arrangements. The Council is satisfied that these steps will address the need for improvements that were identified in the review of effectiveness and will monitor their implementation and operation as part of the Council's next annual review.

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**Signed**  
**Chief Executive**  
**19 September 2017**

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**Signed**  
**Councillor Tim Girvan**  
**Chairperson of Antrim and**  
**Newtownabbey Borough**  
**Council Audit Committee**  
**19 September 2017**

# Financial Statements

For the year ended  
March 2017



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## **Narrative Report**

### **Introduction**

The Council's financial performance for the year ended 31 March 2017 is as set out in the Comprehensive Income and Expenditure Statement, the financial position as at the 31 March 2017 in the Balance Sheet and Cash Flow Statement.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the Code) and the Department for Communities Accounts Direction, Circular LG10/2017 dated 13 March 2017. It is the purpose of this report to explain, in an easily understandable way the financial facts in relation to the Council.

This Statement of Accounts follows approved accounting standards and is necessarily technical in parts. The foreword provides a brief explanation of the financial aspects of the Council's activities and draws attention to the main characteristics of the Council's financial position.

### **Group Accounts**

The Code requires Local Authorities to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. Antrim and Newtownabbey Borough Council does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

### **Financial Report**

For the year ended 31 March 2017, the Council recorded a surplus on the provision of services of £476k on an accounting basis. After adjustments to restate the figures produced on an accounting basis to a funding basis under regulations of £760k (Note 3a) and net transfers to other reserves of £24k the Council decreased its General Fund reserve by £261k to £7.63m against a budgeted decrease of £757k.

The estimated District Rates Finalisation for the year indicates additional rates income due to the Council of £155k which has been included in this year's results. Income from the De-Rating Grant was £187k higher than the estimate due to an increase in the value of de-rated properties in the Borough.

During the year the Council obtained a Capitalisation Direction of £2.7m from the Department for Communities to capitalise the Council's contribution towards the costs of staff severance accounted for during the year. The cost of severance is then spread over a four year period.

Expenditure on capital projects amounted to £3.8m. The most significant schemes during the year included:

- Allen Park Development £1.7m
- Valley Park Redevelopment (Shared Space) £237k
- Valley Leisure Centre & Antrim Forum Hockey Pitches £376k
- Replacement Vehicles £292k

Borrowings of £2.5m were taken up during the year with loan repayments of £6.3m made. Consequently borrowings decreased by £3.8m to £53.7m as at 31 March 2017.



## **The Movement in Reserves Statement**

This Statement, as set out on page 30, shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Local Tax purposes. The Net Increase/Decrease before transfers to statutory and other reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from statutory and other reserves undertaken by the Council.

## **The Comprehensive Income and Expenditure Statement**

This statement, as set out on page 31, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

## **The Balance Sheet**

The Balance Sheet, as set out on page 32, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

## **The Cash Flow Statement**

The Cash Flow Statement, as set out on page 33, shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

## **STATEMENT OF THE COUNCIL'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

### **The Council's Responsibilities**

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 the Council shall make arrangements for the proper administration of its financial affairs. Under this section the Council is required to designate an officer of the Council as its Chief Financial Officer. Arrangements for the proper administration of its financial affairs shall be carried out under the supervision of its Chief Financial Officer.

Under Regulation 7 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 the Council, or a Committee, is required by resolution to approve the accounts.

These accounts were approved by Antrim and Newtownabbey Borough Council Audit Committee on xx September 2017.

### **The Chief Financial Officer's Responsibilities**

Under Regulation 10(2) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in the form directed by the Department for Communities (formerly the Department of the Environment).

The Accounts must give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

In preparing this statement of accounts, the Chief Financial Officer is required to:-

- observe the Accounts Direction issued by the Department for Communities including compliance with the Code of Practice on Local Authority Accounting in the United Kingdom;
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis; and
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:-

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

## **ANNUAL GOVERNANCE STATEMENT 2016-2017**

### **1.0 INTRODUCTION**

Antrim and Newtownabbey Borough Council is required to prepare an Annual Governance Statement in order to report publicly on the extent to which it complies with the Code of Governance, which in turn is consistent with good governance principles contained within the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016).

The Statement includes how the effectiveness of governance arrangements have been monitored and evaluated in the year, and on any planned changes in the coming period. The process of preparing this governance statement has in itself provided assurance regarding the effectiveness of the Council's governance and internal control framework.

The Annual Governance Statement is a valuable means of communication. It enables the Council to explain to the community, service users, tax payers and other stakeholders, the governance arrangements and how the controls that are in place manage risks of failure in delivering outcomes. It also reflects the Council's own particular features and challenges.

The Statement provides a meaningful communication regarding the review of governance that has taken place, including the role of the governance structures involved. It aims to be high level, strategic and written in an open and readable style. It is focused on outcomes and value for money. It relates to the Council's vision for the area, and provides an assessment of the effectiveness of governance arrangements in supporting planned outcomes.

### **2.0 SCOPE OF RESPONSIBILITY**

Antrim and Newtownabbey 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, efficiently and effectively. The Council also has a duty under the Local Government Act (Northern Ireland) 2014, Part 12: Performance Improvement to secure continuous improvement in the exercise of its functions, having regard in particular to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency, and innovation. 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, and which includes arrangements for the management of risk.

This Statement also explains how the Council meets the requirements of Regulation 4(4) of The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 which requires the preparation of an Annual Governance Statement, prepared in accordance with proper practices on internal control. A copy of the Council's Code of Governance is on the Council website.

### **3.0 PURPOSE OF THE GOVERNANCE FRAMEWORK**

The Council's 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. This governance framework has been in place for the year ended 31 March 2017.

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.

#### **4.0 THE GOVERNANCE FRAMEWORK**

In line with the guidance provided in the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016), the key elements of the systems and processes that comprise the Council's governance arrangements are summarised below:

##### **4.1 *Developing Codes of Conduct which define standards of behaviour for Elected Members and staff, and policies dealing with whistleblowing and conflicts of interest and that these Codes and Policies are communicated effectively.***

The roles and responsibilities of Elected Members and Officers and the processes to govern the conduct of the Council's business are defined in the Council's Constitution encompassing procedural Standing Orders, Scheme of Delegation and Financial Regulations which are regularly reviewed and revised where appropriate.

Codes of Conduct are in place for, and define the high ethical values and standards of behaviour expected from, Elected Members and Officers to make sure that public business is conducted with fairness and integrity. Both the Code of Conduct for Council Members and the Code of Conduct for Officers are published on the Council's intranet and website. Detailed guidance notes are provided to Members including notes regarding the declaration and registration of pecuniary and non-pecuniary interests. Practical examples are also given of the consequences of non-compliance with the Code. All staff are provided with a short guide to understanding the Code of Conduct and are provided with the opportunity to attend training.

An Anti-fraud and Corruption Policy is in place and has been widely communicated to staff and other stakeholders through team meetings, induction procedures, the intranet and website. This Policy outlines roles and responsibilities across the Council, and identifies the approach to fraud and corruption prevention, identification and investigation, including a procedure for the receipt of suspicions of fraud from members of the public. The Council's stance on fraud or corruption is stated as 'the Council will not tolerate fraud and corruption, whether from internal or external sources, wherever it may occur in any area of Council activity'. In addition to anti-fraud training, the most recent being delivered throughout 2015/16, a Corporate Fraud Risk Register was developed during 2016/17 to capture and assess the fraud risks associated with relevant service areas. This register is kept under review and updated by Heads of Service as deemed necessary.

The Council's Whistle-blowing Policy recognises whistleblowing as an important source of information that may highlight serious risks and potential fraud or corruption. Employees who are prepared to speak up about malpractice, risk, abuse or wrongdoing are recognised as one of the most important sources of information for the Council. The Policy details the assurances provided to anyone who wishes to raise concerns.

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

The Council has a proactive, holistic approach to ensuring compliance in this area, thereby ensuring the protection of public finances, safeguarding assets, and delivering services effectively and sustainably. The Council's system of internal control is based on a framework of approved standing orders and financial regulations, regular management information,

administrative procedures (including segregation of duties), management supervision and accountability. There are clearly defined guidelines for capital expenditure, procurement, human resources management and contract management.

A Risk Management Strategy is in place setting a priority for the robust systems of identification, evaluation and control of risks which threaten the Council's ability to meet its objectives to deliver services to the public.

The Council endeavours to ensure that all parties who may impact on the above directly or indirectly are aware of their responsibilities under current legislation that the Council is governed by, including but not limited to, Health and Safety Legislation, Equality Legislation, and Data Protection etc.

Professional legal advice on the discharge of Council functions is provided to the Council by the Legal Services Manager; a qualified Barrister, with support provided as necessary via contracted external legal support services.

#### 4.3 Documenting a commitment to openness and acting in the public interest.

The Council's Communication and Consultation Strategy aims to:

- Demonstrate to citizens and stakeholders the impact of the Council's actions on wellbeing and the quality of life for their family locally.
- Make people feel better informed, proud to live Antrim and Newtownabbey Borough, proud to work for the Council, and proud to work with it.
- Communicate, consult and engage openly, clearly, honestly and continuously with Council's citizens, employees, Members, partners and the media to improve services.
- Share information and ask people for their views at an early stage of decision-making. The Council's consultations include statutory and non-statutory consultation, all of which are integral to the Council's annual rolling consultation plan.
- Communicate and consult with Council's citizens in ways that suit them, are cost effective and embrace technology.
- Listen to what people tell the Council, learn from it and take it into account when the Council make decisions.
- Show that the Council listens by letting people know in plain language what the Council is going to do as a result, or what it will not be possible to do and why. In this way, decisions will be better informed and people will understand how they have helped shape work and services.
- Ensure that communications reflect the Council's key messages and corporate priorities.
- Work with partners and in-house teams to avoid over communication or consultation fatigue/ over consultation.
- Secure and strengthen the reputation of the Council in the community as an effective and efficient provider of high quality outcomes - focused on the Council's values and priorities.
- Continue to build and develop the Council's corporate brand for consistent and co-ordinated use throughout the organisation.

- Promote the image of the Council as an effective, efficient and listening organisation focused on the public and their needs.
- Work to increase employee awareness of the priorities of the Council, their role in delivering these and communicate to staff ways in which they can contribute to major changes affecting services they provide.
- Ensure that communications activities reflect the full diversity of the community and help ensure equality of access to all services.

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

The Communication and Engagement Strategy outlines how the Council communicates, consults and engages to support the delivery of the Corporate Improvement Plan. The Council's consultation schedule lists all planned priority engagement.

Consultation survey outcomes are used to support service improvements/new capital scheme development. Using social media, online surveys, information sessions, focus groups and workshops the Council facilitate a range of consultation opportunities for our stakeholders. A number of new ways to engage hard to reach groups are being explored. The Council continues to explore ways to digitalise services and use online technology and social media to enhance communication with their citizens.

#### 4.5 *Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning.*

Three core documents demonstrate the Council has developed a vision which specifies intended outcomes for the citizens and service users and are used as a basis for planning:

In May 2017 the Council approved a new **Community Plan**. It sets out a shared vision and agreed outcomes for the area up to 2030. The successful implementation of the Plan will be marked by a demonstrable improvement in how services are delivered across our Borough and the quality of life our citizens experience. The Community Plan was developed through an extensive engagement and co-design process with partners, residents, local groups and organisations as well as other stakeholders. The draft Community Plan framework was published in January 2017 and it was issued for public consultation for twelve weeks. The feedback on the draft plan was taken into account in the publication of the final Plan and will be used to inform the development of outcome delivery plans.

The Council have established Place Shaping Forums in each of the Council's District Electoral Areas (DEAs). These Forums have been set up to encourage the local community and voluntary sector groups, churches, schools and sports clubs, and other organisations to participate in Community Planning in their area, thereby ensuring a local approach to the delivery of the outcomes in the Community Plan.

The **Council Corporate Plan**, "Our Borough, Your Vision 2015-2030" sets out Antrim and Newtownabbey Borough Council's framework to ensure that Our Vision, Mission and Values are met.

Our Vision is "A prosperous place, Inspired by our people, Driven by ambition."

Our Mission is "To meet and exceed the needs and aspirations of our people and be recognised for leadership and excellence both locally and beyond."

Our Values are Excellence, Integrity, Commitment, and Responsibility.

The Plan reflects the Council's commitment to work innovatively, efficiently and effectively to deliver real and lasting outcomes by focusing clearly and simply on four key strategic themes:

- (i) Place
- (ii) People
- (iii) Prosperity
- (iv) Performance

Consultation with Members, staff, the local community and partner organisations helped the Council to develop the four Strategic Themes and associated Objectives detailed within the Corporate Plan 2015-2030.

The Corporate Plan was developed within the scope of broader public policy concerning the environment, health, education, housing, economic growth, sustainable development and a shared future. The Plan, against which performance standards are set and measured, is a public statement of the Council's commitment to improve the quality of life for residents, ratepayers and visitors to the Borough.

On an annual basis, the Corporate Leadership Team and Elected Members participate in a Corporate Planning Workshop which provides an opportunity to set the strategic direction and agree the outcomes for the incoming year.

Finally, under the Local Government Act (Northern Ireland) 2014, Council also has a statutory duty to make arrangements to:

- Secure continuous improvement
- Secure achievement of its improvement objectives
- Exercise its functions so that any Departmental specified standards are met.

During 2016-17 the Council identified eight improvement objectives and these were set out in the **Council's Corporate Improvement Plan 2016-17**. The improvement objectives identified areas of work where the Council aimed to make a significant difference to services and outcomes. The outcomes associated with our delivery of this Plan have been reported to both the Policy and Governance Committee and the Audit Committee over the course of the year, and will be subjected to audit by the Local Government Auditor in October 2017.

For 2017-18 the Council identified seven areas for improvement which are aligned with the Community Plan and the Council's Corporate Plan and set out in the **Draft Corporate Improvement Plan 2017-18**. In March 2017, the Council initiated a twelve-week public consultation to derive feedback. The feedback reinforced the identified improvement objectives and detailed practical and specific examples which will be actioned and incorporated into the implementation plans derived out of the final Corporate Improvement Plan 2017-18 and/or associated documents.

These Plans confirm the Council's commitment to make a difference to services and outcomes for the people of our Borough.

#### [4.6 Translating the vision into courses of action for the authority, its partnerships and collaborations.](#)

A holistic approach to planning and performance management was agreed, through the implementation of a performance management cycle. During 2016-17 quarterly progress reports



were made to Committee in relation to the completion of service business plans and corporate improvement objectives.

For the 2017-18 year a new approach to business planning has been agreed with the introduction of an Annual Business Plan. This is an aggregated / consolidated Plan, rather than separate Service Business Plans. The Annual Business Plan contains all of the key areas of work / business and provides a strategic overview of what work is to be undertaken in the forthcoming year. The Plan identifies the lead Head of Service, thus still providing transparency / accountability at a Head of Service level.

#### 4.7 [Reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.](#)

Council's Standing Orders, which include the protocol for the operation of the Antrim and Newtownabbey Planning Committee, were adopted in June 2015 and are reviewed and revised as appropriate.

Council's Scheme of Delegation provides the framework and guidance for the powers delegated to Committees of Council and to Senior Officers within the Council. This Scheme is contained within the Constitution and sets out:

- a. Powers reserved for the Council
- b. General Delegated Functions
- c. Human Resources
- d. Procurement
- e. Environmental Health
- f. Building Control

Delegated powers of Planning are contained within Council's Standing Orders.

Good data quality is required by the Council to plan, make its key decisions, and deploy its resources, for smooth operational performance. Council continues to endeavour to ensure data is accurate, valid, reliable, timely, relevant and complete. The Information Governance Team police the appropriate implementation of the retention and disposal of documents in line with the approved Retention and Disposal Policy. Training has been provided to all Heads of Service as Information Asset Owners highlighting awareness of the importance of data quality and their associated responsibilities.

#### 4.8 [Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.](#)

Central to the Council's performance improvement framework is the Council's commitment to delivering on the agreed outcomes and achieving the vision and mission, by ensuring;

- Goals are prioritised and resources are allocated effectively.
- Services and outcomes are delivered for local people.
- Staff are motivated and individuals are aware of their own targets and goals and how these contribute to achieving the Council's vision.
- That significant risks to the achievement of objectives are identified and managed.



- There is early warning of, and rectification of, poor performance.
- That the Council and its partners achieve what it sets out to do.
- There is a strong evidence base for improved decision making and the efficient use of resources.

A number of internal performance management processes exist which support the performance management culture.

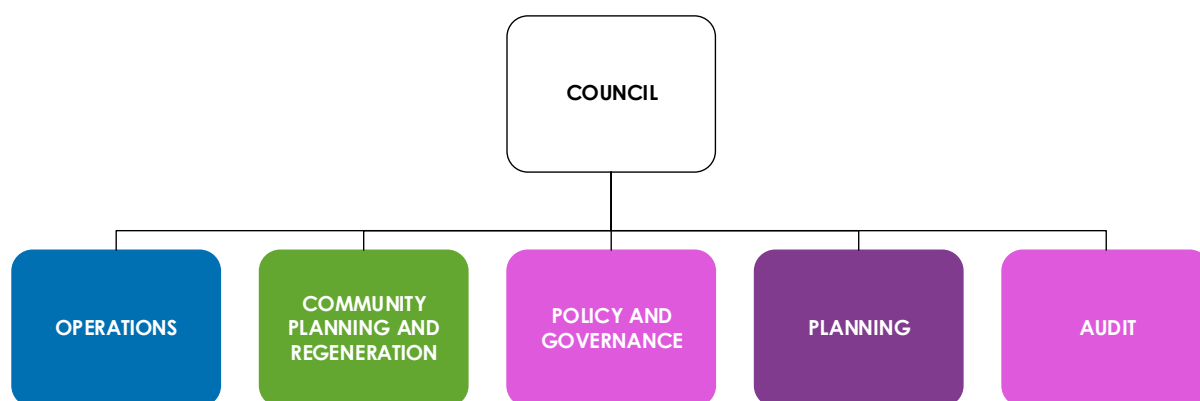
- The Corporate Leadership Team (CLT) meets fortnightly and comprises the Chief Executive and the Directors. Minutes from these meetings are available on the Staff Intranet for officer action and information. Other staff may attend the meetings as appropriate when specific areas of responsibility are being considered and meetings are held at various Council venues with openness, transparency, communication and engagement in mind.
- Monthly meetings with CLT and the Senior Management Team have progressed the change/transformation and performance agenda.
- A Personal Review and Development process is in place across the organisation, which focuses on individual's performance against agreed upon objectives, and identifies and learning and development opportunities.
- Quarterly reports are brought to CLT and Committee in respect of the completion of business plans and corporate improvement projects. This allows both the leadership team and Elected Members to measure performance and review progress towards the achievement of the agreed outcomes.
- A Corporate Workshop involving Elected Members and key staff takes place annually. This is an opportunity for Members to assess progress both in terms of service delivery and financial planning.
- Antrim and Newtownabbey Council have an established culture of learning and development and this supports and drives a culture of both improvement and efficiency.
- Culture change is being driven through an employee engagement programme entitled 'Engage and Deliver'.
- Customer satisfaction with key services has been measured throughout the year e.g. street cleansing, overall customer satisfaction, theatre satisfaction etc. This information is used to improve the delivery of services.
- Financial management information is reported on a monthly basis to Members through the Policy and Governance Committee, the Corporate Leadership Team and all budget holders. A balanced budget was approved at the start of the financial year incorporating capital project forecasting and reserve requirements. The budget explicitly relates to the allocation of financial resources towards the achievement of Council's objectives and prioritises.
- Prudential Indicators are set each year to ensure that capital investments plans are affordable, prudent and sustainable. Likewise, a Treasury Management Strategy is agreed by Members so that Treasury Management decisions operate within a clear framework and in accordance with good practice. Financial performance is supplemented by operating performance e.g. recycling rates or creditors days, absence days. Council has developed innovative 'dashboards' to enhance the reporting of these performance indicators.

- The Council uses a variety of organisation development models to drive an ongoing programme of improvement, productivity and efficiency. These include Investors in People; Green Flag Awards and ISO 14001 Environmental Management. These are used to enable organisational change, transformation and/or improve specific operations.

**4.9 Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.**

The Council's Constitution (as referenced in Section 4.1/4.17) details clearly the policy and budget framework within which the Council operates, the functions of the Council and responsibilities for functions, including the decision making structure adopted by the Council. The Council is conscious of the need to keep the Constitution up to date and will review and revise where appropriate.

Antrim and Newtownabbey Borough Council is committed to setting and securing the highest standards in decision making and the Scheme of Delegation provides the framework for the powers delegated to Committees of Council and to Senior Officers within the Council. The Council operates a committee system, under which committees report to the Council as a whole, as illustrated below:



Each Committee is responsible for determining policy within its own area within agreed terms of reference delegated from the Council.

Information flows to and from Council by way of reports prepared by officers with recommendations when appropriate, and minutes prepared by Member Services in attendance. Council and Committee minutes and audios are published on the Council website in line with Standing Orders. All staff have a direct link to these via the intranet providing easy access to decisions. Project software utilised permits the tracking of decisions and associated actions across a series of meetings following Council meetings.

Officer roles are clearly defined in their job descriptions within approved staff structures.

**4.10 Ensuring that financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) and, where they do not, explain why and how they deliver the same impact.**

The Council's financial management arrangements conform to the governance arrangements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) as set out in Delivering Good Governance in Local Government: Framework (April 2016), with the exception that the Chief Financial Officer does not hold a professional accounting qualification.

Local regulations do not require the Chief Financial Officer to be professionally qualified. The roles of the Chief Financial Officer and Chief Executive are not separated within the Council. The Chief Financial Officer is supported, notably by the Director of Finance and Governance, who holds a professional accountancy qualification, along with other suitably qualified and experienced staff within the Finance function.

#### 4.11 *Providing induction and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.*

The Council achieved the Members Development Charter in December 2015 and is currently working towards achieving the prestigious Members Development Charter Plus accreditation.

The Council also has a Members' Professional Development Policy to support and evaluate member development activities.

The development needs of the Members are collated on an annual basis utilising a combination of market leading development tools such as 360 feedback, personal development planning and engaging key senior officers to provide feedback and strategic input into the final Member Development Plan to enable the achievement of the Council's Vision and Objectives.

All Members are offered an induction programme on commencement of a new Council term. This includes standing orders, equality, health and safety, and media training. Members complete IT training and attend conferences as nominated representatives of the Council.

All Council staff have an annual Personal Review and Development Plan (PRDP). The purpose of the PRDP is to provide feedback to staff on their role and progress against their objectives but also to identify their training needs for the coming year. Senior Officer development is also supported by the Continuous Development Scheme and Part Time Study Policy.

The Council has agreed this year to launch two Leadership Development Programmes, iSupervise and iManage, to support senior officers and develop future leaders to enable and deliver the Council's long term ambitions.

#### 4.12 *Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability.*

The Audit Committee approved a revised Risk Management Policy and Procedures in April 2015. Governance and Internal Audit have facilitated the development and implementation of this Policy, and have promoted a culture in which risk management is embedded in all Council activities through the production of Corporate and Service Risk Registers. Risk management priorities have been established within the Council and responsibility assigned to appropriate individuals.

The Council's risk registers have been formally reviewed and updated on a quarterly basis with reviews being completed for the periods ending June, September, December and March, with further updates, as considered necessary, in the intervening period. A review of fraud risk across the Council has culminated in the completion of a new Fraud Risk Register.

Internal Audit has reviewed whether the controls to mitigate the identified risks as cited within the Council Risk Registers are in place. The overall assurance rating for this review was "Satisfactory", indicating an adequate and effective system of governance, risk management and control.

Departments have given assurances that risks are being managed in accordance with the procedures laid down in the approved Strategy and that action planning has been performed

with responsibilities assigned for mitigating action. Corporate level risks have also been managed in the same manner.

#### 4.13 Ensuring an effective scrutiny function is in place.

The Council has an Internal Audit function which performs reviews of systems across all departments of the Council and provides management with an opinion on the controls of the areas that it reviews. The Council responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The Chief Audit Executive / Head of Internal Audit provides an independent and objective annual opinion on the effectiveness of internal control, risk management and governance based on the internal audit activity within the year.

The Audit Committee is a key component of Antrim and Newtownabbey Borough Council's corporate governance framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. This Committee is integral to oversee independent and objective assurance and monitoring improvements in internal control and governance. Further details of the Council's Audit Committee and its core functions are contained within the 'Undertaking the core functions of an Audit Committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013)' section below.

#### 4.14 Undertaking the core functions of an Audit Committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013).

The Audit Committee is a formally constituted Committee of the Council and is a key component of Antrim and Newtownabbey Borough Council's corporate governance framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the internal control environment. It provides independent review of Antrim and Newtownabbey Borough Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It also oversees internal audit and considers the reports and recommendations of external audit, helping to ensure efficient and effective assurance arrangements are in place.

The core functions of the Audit Committee and are summarised in a Terms of Reference, which describe the arrangements in place to enable it to operate independently, robustly and effectively. A copy of the Terms of Reference can be found on the Council's website.

The Council's Audit Committee consists of six members of the Council plus an independent member. The Committee met four times in the financial year 2016/17, with all Members attending each meeting.

As part of the year end procedures, the Audit Committee has undertaken a review of its effectiveness. In addition, the Audit Committee reports to Full Council, outlining its activities throughout the year and how it has discharged its responsibilities as set out in the Audit Committee Terms of Reference.

It is the Committee's view that for 2016/17, it has discharged its responsibilities in full, although it has developed an action plan to support the further development of this key Committee.

## **5.0 INTERNAL AUDIT**

The mission of Internal Audit is “to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”. The requirement for Internal Audit is set out in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, which state: “a local government body must undertake an adequate and effective internal audit of its accounting records and of its system of risk management, internal control and governance processes using internal auditing standards in force from time to time”.

A key role of Internal Audit is to make recommendations to improve the control environment in which systems operate. Reports, including an assessment of the adequacy and effectiveness of controls, and action plans to address weaknesses, are submitted to management for action. Summaries of these reports were also submitted to the Audit Committee for information.

Internal Audit also reports to the Chief Executive and Audit Committee detailing the audit work completed during the year, providing an assurance opinion on the adequacy of the internal controls in operation within the Council. Internal Audit's overall opinion for 2016/17 is that based solely on the work undertaken during the 2016/17 year, and does not imply that Internal Audit has reviewed all risks relating to the Council.

Based on the work completed, Internal Audit has provided a “**Satisfactory Except for Accounts Payable**” opinion. Overall there is an adequate and effective system of governance, risk management and control. While there is some residual risk identified this should not significantly impact on the achievement of objectives.

With regards to Accounts Payable, Internal Audit had identified some improvements that were required to enhance the adequacy and/or effectiveness of governance, risk management and control. Management have been actively working through these improvements, and Accounts Payable will be subject to Internal Audit during 2017/18. Further details of these issues and progress made by management is provided in Section 7.

The Public Sector Internal Audit Standards (PSIAS) requires Internal Audit “to develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.”<sup>1</sup>

The standards also require that the quality assurance and improvement programme must include both internal and external assessments:

- Internal assessments must include
  - Ongoing monitoring of the performance of the internal audit activity; and
  - Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.
- External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

This review has been completed for 2016/17 and it has been concluded that there is an effective Internal Audit service within the Council which substantially conforms to the Public Sector Internal Audit Standards.

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<sup>1</sup> PSIAS – Standard 1300 – Quality Assurance and Improvement Programme

In addition to this, the level of customer satisfaction of the Internal Service provided is high.

## **6.0 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 Internal Auditor's Annual Report, and also by comments made by the external auditors.

The Council has conducted a review of the effectiveness of the system of internal control in place within the Council, in accordance with Regulation 4(2) of The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

The results of this review, along with the Internal Audit Annual Report were reported to the Audit Committee for consideration in assessing the effectiveness of the system of internal control and the approval of the Annual Governance Statement and the Statement of Accounts. This review is completed on an annual basis.

From the work undertaken by management, Governance and Internal Audit throughout the year, it is considered that key systems are operating soundly.

## **7.0 SIGNIFICANT GOVERNANCE ISSUES**

In preparation of the Annual Governance Statement, each Director was required to provide the Chief Executive with an overall assurance opinion on the control environment within their department. To do this, internal control checklists and management assurance statements were completed by their Heads of Service, providing the Directors with assurance that controls within their departments were in place and operating satisfactorily. These statements were reviewed by the Director before forming an opinion on an assurance statement to the Chief Executive.

The following issues have been identified through the Directors' Assurance Statement process in 2016/17.

### **Accounts Payable**

During the year, Internal Audit reviewed the Accounts Payable system and provided a "limited" level of assurance. The report highlighted issues with respect to: (1) the controls in place to verify changes to supplier's bank details; (2) documentation associated with the manual clearing process; (3) duplicate payments; and (4) the use of confirmation orders.

Significant work has been undertaken to remedy these issues. Management has implemented a number of actions that have strengthened the financial systems and controls. Management is satisfied that the issues have been addressed and will continue to monitor, along with Internal Audit.

### Contract Management

Further work is required in respect of contract management. Though contract management policies and procedures exist, a comprehensive review is required to ensure that all contracts have been identified as such, and that the contract management policies and procedures have been applied for those contracts. This will be progress in 2017/18.

### Fuel Management

Responsibility for the management of fuel has historically been a devolved matter and accordingly there is a risk that fuel may not be managed in a consistent and robust manner across the Council. Responsibility has now been assigned to the Fleet Management function and a review will be undertaken in the forthcoming year and a detailed action plan developed.

### Payroll Information

Some issues were identified in the latter part of the year with respect to the processes, timeliness and accuracy of notifications provided to Payroll by the other parts of the organisation. (Matters of accuracy were addressed prior to the payroll being processed). Management has investigated the root cause of these issues and has taken formal action to address this. This matter is being kept under review until such time as management is satisfied that the necessary improvement in performance is in place and is being maintained.

### Facilities Management

A lack of management information in the Property Services Section has been identified through a recent Internal Audit review. This is currently being addressed through the research for and procurement of an IT system. It is important however to clarify that notwithstanding the issues identified, financial management information is received and discussed at monthly team meetings.

### Previous Years Issues

The following provides a brief summary of existing issues raised in previous years and a progress update.

Issue (as raised in 2015/16 Annual Report)	Update
<p><u>Agency Workers</u></p> <p>To improve the framework around sourcing, engaging and managing agency workers, a review has been carried out and a draft procedure prepared for the consideration of CLT. The drawing up of this procedure has highlighted the possibility of a residual issue. We have requested information from the agencies and until we reconcile payments to this data we will not be able to ensure all incremental/inflationary increases due were paid.</p>	<p>A Framework for Agency Staff was agreed by CLT and there are no residual issues (i.e. relating to incremental/inflationary increases).</p>



Issue (as raised in 2015/16 Annual Report)	Update
<p><u>Fleet Management</u></p> <p>During the year, the function of Fleet Management was moved from Operations to Finance and Governance. The inherited high risk area of Fleet Management is actively being addressed, however vehicle maintenance remains an area of concern particularly in relation to addressing years of custom and practice which may result in legal/financial/reputational implications for council. The outworking of the remaining risk management action plan aims to put adequate controls in place in the coming months.</p>	<p>The previous custom and practice challenges experienced in relation to vehicle maintenance were resolved following a change in both structure and delivery of the service.</p> <p>The new structure is embedding, and processes in relation to all aspects of fleet management continue to be assessed and refined.</p>
<p><u>Carnmoney Cemetery</u></p> <p>A number of issues have been identified in relation to the Carnmoney Cemetery</p> <p><i>Limitations on burial space:</i> There are limitations on cemetery space for urban Newtownabbey.</p> <p><i>Health and Safety, and PR concerns at Carnmoney Cemetery (including grave cave-ins and grave flooding):</i> Alternative solutions to existing Health and Safety issues at Carnmoney Cemetery are being proactively considered.</p>	<p>Additional plots have been developed at Carnmoney Cemetery in fringe locations, a shoring system is to be installed at relevant locations in the cemetery and the vesting process for Carnmoney North East Extension is nearing completion.</p>
<p><u>Ongoing industrial relations and their effect on service delivery</u></p> <p>As a result of Council's preferred option regarding waste collection arrangements being communicated, industrial relation issues are impacting on collective working arrangements.</p>	<p>Management is continuing to work through industrial relations issues and is specifically reviewing working practices. A review of waste collection arrangements is underway.</p>
<p><u>Cemetery Administration</u></p> <p>An issue regarding cemetery administration was raised via an internal audit in late April 2016.</p>	<p>The cemetery software has been updated and the updated version will be implemented from 1 June 2017 to address the issues.</p>



Issue (as raised in 2015/16 Annual Report)	Update
<p><u>Recording and timely investigations of accidents/incidents.</u></p> <p>In June 2016, internal audit identified issues in relation to the appropriate recording and timely investigations of accidents/incidents. Systems and processes have already been put in place to address the issues outlined in the report and these will continue to be monitored within this coming year.</p>	<p>Issues highlighted by Internal Audit in June 2016 continue in relation to inconsistencies in the corporate reporting and investigation of accidents / incidents. Following the appointment of a new corporate health and safety Manager, a new documented process has been developed to address any shortcomings.</p>

No other significant governance issues were identified.

Antrim and Newtownabbey Borough Council propose over the coming year to continue to take steps to address the above matters to further enhance governance arrangements. The Council is satisfied that these steps will address the need for improvements that were identified in the review of effectiveness and will monitor their implementation and operation as part of the Council's next annual review.

.....  
**Jacqui Dixon**  
**Chief Executive**  
**19 September 2017**

.....  
**Councillor Tim Girvan**  
**Chairman of Antrim and Newtownabbey**  
**Borough Council Audit Committee**  
**19 September 2017**

## **REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2017**

### **Introduction**

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 require larger local government bodies to prepare a remuneration report as part of the Statement of Accounts.

### **Allowance and Remuneration Arrangements**

#### **Councillors**

Allowances are payable by councils to councillors and committee members under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and The Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012, which came into operation on 1 April 2012.

Following a review of allowances, carried out by an independent Councillors' Allowances Remuneration Panel, which was appointed in May 2013, the Minister of the Environment advised the Northern Ireland Assembly in a written statement of the new levels of allowances applicable for councillors from 1 April 2015.

Guidance and determinations on Councillors Allowances applicable from 1 April 2016 were issued by the Department of the Environment on 16 March 2016 (Circular LG 10/2016). Details of the allowances paid to individual councillors are published on the Council's website.

Following local elections on 22 May 2014, 462 councillors were elected to the 11 new councils for a four year term. Antrim and Newtownabbey Borough Council had 40 councillors in 2016/17.

#### **Senior Employees**

The remuneration of senior employees employed by the Council is determined by the Council in line with that determined by the National Joint Council (NJC) for Local Government Services. Senior staff are those staff who are members of the Council Leadership Team.

Council appointments of employees are made in accordance with the Local Government Staff Commissions' Code of Procedures on Recruitment and Selection, which requires appointment to be on merit and on the basis of fair and open competition.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended.

#### **Allowances Paid to Councillors**

The total amount paid to Councillors by way of allowances in 2016/17, under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012 was:

Table 1: Total Allowances paid to councillors in 2016/17

Allowance	2016/17		2015/16	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	570,752	40	567,236	41
Special Responsibility	46,176	25	45,373	24
Chairperson/Deputy	13,130	1	13,000	1
Vice Chairperson/	8,594	1	8,500	1
Mileage Allowance	24,749	32	22,649	34
Public Transport and				
Subsistence	859	19	945	14
Courses/ Conferences	15,818	23	8,514	13
Dependents' Carers				
<b>TOTAL ALLOWANCES</b>	<b>680,078</b>		<b>666,217</b>	

### Remuneration of Senior Employees

The following table provides details of the remuneration paid to senior employees in 2016/17:

Table 2: Remuneration (including salary)

Officers	2016/17				2015/16			
	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £'000	Total £'000	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) Restated* £'000	Total £'000
J Dixon - Chief Executive	110-115		2,600	115-120	100-105		2,000	105-110
M McAlister - Director	80-85		1200	80-85	75-80		1200	75-80
G Girvan - Director	80-85		1200	80-85	75-80		1200	75-80
A McCooke - Director	80-85		1200	80-85	75-80		1200	75-80
C Archer - Director (Joined December 2016)	20-25 (75-80)		0	20-25 (75-80)				
C McFarland - Director (Leaver June 2016)	20-25 (80-85)		300	20-25 (80-85)	80-85		1200	80-85

Councils are required to disclose the relationship between the remuneration of the highest paid member of the Council Leadership Team and the median remuneration of the Council's workforce.

The banded remuneration of the highest paid member of the Council Leadership Team in the financial year 2016/17 was £115k - £120k (2015/16 £105-£110k). This was 4.92 times the median remuneration of the workforce, which was £23,617 (2015/16 4.71 times, £22,270).

\*Benefits in kind restated to include allowances for Directors.

Table 3: Relationship between the remuneration of the highest paid member of the Executive Management Team/Senior Management Team and the median remuneration of the Councils workforce

	2016/17 £'000	2015/16 Restated* £'000
Salary Band of Highest Paid member of the Executive Management Team/ Senior	115-120	105-110
Median Total Remuneration	23.61	22.27
Ratio	4.92	4.71

In 2016/17, no employees received remuneration in excess of the highest paid member of the Council Leadership Team.

Total remuneration includes salary, bonus payments and benefits in kind.

\*Salary band of highest paid member of the executive management team/senior restated to reflect the remuneration paid as per Table 2.

### Salary

"Salary" includes gross salary, overtime, and any gratia payments.

### Bonus Payments

Bonus payments are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2016/17 relate to performance in 2016/17.

### Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

The Chief Executive participates in the Councils car leasing scheme. The cost of this scheme to Council is equivalent to the Essential User allowance paid to all designated users. However, the latter is taxed at source through payroll and the car leasing scheme by submitting a return (P11D) to HM Revenue & Customs at the end of the tax year.

### Exit Packages for staff

The number of exit packages provided to all staff by the Council during 2016/17, together with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Table 4: Exit Packages in 2016/17

Severance Package Cost Band	2016/17				2015/16			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000		6	6	86		4	4	63
£20,001 - £40,000		2	2	53		12	12	358
£40,001 - £60,000		3	3	163		8	8	399
£60,001 - £80,000		2	2	135		3	3	218
£120,000 - £140,000		1	1	139				
£140,001 - £150,000						1	1	143

## Pension Benefits

The Local Government Pension Scheme (Northern Ireland) (the Scheme) which is a funded defined benefit pension scheme, provides retirement benefits for Council employees on a "career average revalued earnings" basis from 1 April 2015. Prior to that date benefits were built up on a "final salary" basis.

From 1 April 2015, a pension member builds up retirement pension at the rate of 1/49th pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There is no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80ths (tax-free lump sum) of pensionable pay for each year of membership up to 31 March 2009. At retirement, pension scheme members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits. The conversion rate is £12 additional lump sum for every £1 of pension given up.

Councillors have been able to join the Scheme since May 2011. The Scheme application is modified to reflect the fact that councillors hold an elected office. Councillor pension scheme members have always accrued pension on a career average basis. Prior to 1 April 2015 pension was accrued at a rate of 1/60th and thereafter at a rate of 1/49th.

The Scheme is funded by contributions made by both employees/councillors and employers. Prior to 1 April 2009, a pension scheme member's contribution rates were fixed at 6% of their pensionable remuneration (except for those who were entitled to contribute to the Scheme at 5% before 1 February 2003 and have remained in continuous employment). Tiered member contribution rates, determined by the whole-time equivalent rate of pay, were introduced from 1 April 2009. From 1 April 2015, the member contribution rates are determined on the actual rate of pay.

The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2016, were as follows:

Table 5: Employee Contribution Rates

Band	Range	Employee Contribution Rate
1	£0 - £14,000	5.50%
2	£14,001 - £21,300	5.80%
3	£21,301 - £35,600	6.50%
4	£35,601 - £43,000	6.80%
5	£43,001 - £85,000	8.50%

Employers' contribution rates are determined by the scheme's actuary every three years at the triennial valuation. The 2013 valuation determined an employers' contribution rate of 20%. The 2016 triennial valuation was undertaken as at 31 March 2016 and an employer contribution rate of 18% and a Council specific deficit recovery contribution of £295,200 per annum set for 2017/18. Whilst the deficit recovery amount will remain static for the next three years the employers contribution rates for 2018/19 and 2019/20 are detailed below:

Table 6: Employer Contribution Rates

<b>Table 6: Employer Contribution Rates</b>	
<b>Year</b>	<b>Employer Contribution Rate + Deficit Recovery Contribution</b>
1 April 2017 - 31 March 2018	18% of Payroll + £295,200
1 April 2018 - 31 March 2019	19% of Payroll + £295,200

The Local Government Pension Scheme Regulations (Northern Ireland) 2014 were made on 27 June 2014 and The Local Government Pension Scheme (Amendment and Transitional Provisions). Regulations (Northern Ireland) 2014 were made on 30 June 2014. Both sets of regulations are effective from 1 April 2015.

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all councillors during 2016/17 was £124,468.

The value of pension benefits of the most senior management of the Council accrued during the year was as follows:

Table 7: Pension Benefits of senior staff in 2016/17

<b>Table 7: Pension Benefits of senior staff in 2016/17 (audited information)</b>					
<b>Officers</b>	<b>Accrued Pension at pension age as at 31/3/17</b>	<b>Real increase in pension and related lump sum at pension age</b>	<b>CETV at 31/3/17</b>	<b>CETV at 31/3/16</b>	<b>Real increase in CETV</b>
J Dixon	35-40	2.5-5.0	615	545	53
M McAlister	10-15	1.5-2.5	131	109	13
G Girvan	20-25	1.5-2.5	328	293	25
A McCooke	20-25	1.5-2.5	300	268	22
C Archer (Joined December 2016)	0-5	0.0-1.5	4	0	2
C McFarland (Leaver June 2016)	15-20	0.0-1.5	280	262	15

### The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a pension scheme member at a particular point in time. The benefits valued are the pension scheme member's accrued benefits and any contingent spouse's pension payable from the Scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the pension scheme member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

**The real increase in the value of the CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## **CERTIFICATE OF THE CHIEF FINANCIAL OFFICER**

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2017 on pages 30 to 94 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 34 to 51.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

.....  
**Jacqui Dixon**  
**Chief Financial Officer**

**Date: 19 September 2017**



## **COUNCIL APPROVAL OF STATEMENT OF ACCOUNTS**

These accounts were approved by resolution of the Antrim and Newtownabbey Borough Council Audit Committee on 19th September 2017.

.....

**Councillor Tim Girvan**

**Chairman of Antrim and Newtownabbey Borough Council Audit Committee**

**Date: 19 September 2017**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANTRIM AND NEWTOWNABBAY BOROUGH COUNCIL**



# Movement in Reserves Statement for the Current and Comparative Year

	General Fund Summary £	Other Fund Balances and Reserves £	Capital Receipts Reserve £	Total Usable Reserves £	Total Unusable Reserves £	Total Council Reserves £
<b>Balance as at 1 April 2015</b>	6,053,191	9,677,888	-	15,731,079	73,534,924	89,266,003
Adjustment to unusable reserve	-	-	-	-	124,810	124,810
<b>Restated Balance as at 1 April 2015</b>	<b>6,053,191</b>	<b>9,677,888</b>	<b>-</b>	<b>15,731,079</b>	<b>73,659,734</b>	<b>89,390,813</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	6,446,549	-	-	6,446,549	-	6,446,549
Other Comprehensive Income and Expenditure	-	-	-	-	9,313,630	9,313,630
<b>Total Comprehensive Income and Expenditure</b>	<b>6,446,549</b>	<b>-</b>	<b>-</b>	<b>6,446,549</b>	<b>9,313,630</b>	<b>15,760,179</b>
Adjustments between accounting basis & funding under regulations	(4,025,838)	(7,101,560)	-	(11,127,398)	11,127,398	-
<b>Net increase/(decrease) before transfers to Statutory and Other Reserves</b>	<b>2,420,711</b>	<b>(7,101,560)</b>	<b>-</b>	<b>(4,680,849)</b>	<b>20,441,028</b>	<b>15,760,179</b>
Transfers to / from Statutory and Other Reserves	(581,016)	581,016	-	-	-	-
<b>Increase/ (Decrease in year)</b>	<b>1,839,695</b>	<b>(6,520,544)</b>	<b>-</b>	<b>(4,680,849)</b>	<b>20,441,028</b>	<b>15,760,179</b>
<b>Balance as at 31 March 2016</b>	<b>7,892,886</b>	<b>3,157,344</b>	<b>-</b>	<b>11,050,230</b>	<b>94,100,762</b>	<b>105,150,992</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	475,809	-	-	475,809	-	475,809
Other Comprehensive Income and Expenditure	-	-	-	-	(10,088,188)	(10,088,188)
<b>Total Comprehensive Income and Expenditure</b>	<b>475,809</b>	<b>-</b>	<b>-</b>	<b>475,809</b>	<b>(10,088,188)</b>	<b>(9,612,379)</b>
Adjustments between accounting basis & funding under regulations	(760,469)	(1,076,919)	416,800	(1,420,588)	1,420,588	-
<b>Net increase/(decrease) before transfers to Statutory and Other Reserves</b>	<b>(284,660)</b>	<b>(1,076,919)</b>	<b>416,800</b>	<b>(944,779)</b>	<b>(8,667,600)</b>	<b>(9,612,379)</b>
Transfers to / from Statutory and Other Reserves	24,061	(24,061)	-	-	-	-
<b>Increase/(Decrease) in year</b>	<b>(260,599)</b>	<b>(1,100,980)</b>	<b>416,800</b>	<b>(944,779)</b>	<b>(8,667,600)</b>	<b>(9,612,379)</b>
<b>Balance as at 31 March 2017</b>	<b>7,632,287</b>	<b>2,056,364</b>	<b>416,800</b>	<b>10,105,451</b>	<b>85,433,162</b>	<b>95,538,613</b>

# Comprehensive Income and Expenditure Statement for the year ended 31 March 2017

		2016/17			2015/16		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
						Restated *	Restated *
Service Expenditure	Notes	£	£	£	£	£	£
Leisure and Recreational Services	2	24,631,541	6,160,225	18,471,316	19,406,640	6,047,648	13,358,992
Environmental Services	2	21,656,545	2,109,936	19,546,609	21,072,088	2,207,408	18,864,680
Planning and Development Services	2	3,774,161	2,969,907	804,254	3,986,162	3,216,576	769,586
Highways and Transport Services	2	228,968	66,208	162,760	163,971	143,932	20,039
DRM and Corporate Management	2	4,571,165	62,959	4,508,206	4,187,645	151,712	4,035,933
Other Services	2	1,176,854	569,028	607,826	1,391,634	568,651	822,983
<b>Cost of Services on Continuing Operations</b>		<b>56,039,234</b>	<b>11,938,263</b>	<b>44,100,971</b>	<b>50,208,140</b>	<b>12,335,927</b>	<b>37,872,213</b>
Other Operating Expenditure	7	376,259	416,800	(40,541)	1,468	-	1,468
Financing and Investment Income and Expenditure	8	3,543,704	23,235	3,520,469	3,908,914	40,449	3,868,465
(Surplus) or Deficit on Discontinued Operations				-			-
Share of Operating Results of associates and joint ventures		-	-	-	-	-	-
<b>Net Operating Expenditure</b>		<b>59,959,197</b>	<b>12,378,298</b>	<b>47,580,899</b>	<b>54,118,522</b>	<b>12,376,376</b>	<b>41,742,146</b>
Taxation and Non-Specific Grant Income	9	-	48,056,708	(48,056,708)	-	48,188,695	(48,188,695)
<b>Surplus/(Deficit) on the Provision of Services</b>		<b>59,959,197</b>	<b>60,435,006</b>	<b>475,809</b>	<b>54,118,522</b>	<b>60,565,071</b>	<b>6,446,549</b>
(Surplus)/Deficit on revaluation of non-current assets	10			(1,930,999)			(1,296,530)
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	25			-			-
Remeasurements of the Net Defined Benefit Liability (Asset)	20			12,019,187			(8,017,100)
Share of Other Comprehensive Expenditure & Income of associates and joint ventures				-			-
<b>Other Comprehensive Income and Expenditure</b>				<b>10,088,188</b>			<b>(9,313,630)</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>10,563,997</b>			<b>(2,867,081)</b>

\*The comparative figures have been restated. See note 29.

# Balance Sheet as at 31 March 2017

	Note	31st March 2017	31st March 2016
		£	£
Fixed Assets	10	179,893,786	177,383,378
Long Term Investments	15	-	-
Investment in Associates and Joint Ventures		-	-
Long Term Debtors	14	4,991	11,875
<b>LONG TERM ASSETS</b>		<b>179,898,777</b>	<b>177,395,253</b>
Short Term Investments	15	-	-
Inventories	13	285,158	266,056
Short Term Debtors	14	4,272,928	6,046,400
Cash and Cash Equivalents	24	2,913,668	2,964,394
Assets Held for Sale	10	-	-
<b>CURRENT ASSETS</b>		<b>7,471,754</b>	<b>9,276,850</b>
Bank Overdraft	24	-	-
Short Term Borrowing	16	5,481,895	6,329,927
Short Term Creditors	17	6,562,294	6,571,559
Provisions	18	1,353,260	264,215
<b>CURRENT LIABILITIES</b>		<b>13,397,449</b>	<b>13,165,701</b>
Long Term Creditors	17	-	-
Provisions	18	624,235	761,279
Long Term Borrowing	16	48,237,234	51,219,131
Other Long Term Liabilities	20	29,573,000	16,375,000
Donated Assets Account	21	-	-
Capital Grants Receipts in Advance	22	-	-
<b>LONG TERM LIABILITIES</b>		<b>78,434,469</b>	<b>68,355,410</b>
<b>NET ASSETS</b>		<b>95,538,613</b>	<b>105,150,992</b>
<b>USABLE RESERVES</b>			
Capital Receipts Reserve	25	416,800	-
Capital Grants Unapplied Account	25	176,347	37,050
Capital Fund	25	-	1,216,216
Renewal and Repairs Fund	25	848,075	848,075
Other Balances and Reserves	25	1,031,942	1,056,003
General Fund	25	7,632,287	7,892,886
		<b>10,105,451</b>	<b>11,050,230</b>
<b>UNUSABLE RESERVES</b>			
Capital Adjustment Account	25	80,004,010	76,394,362
Financial Instruments Adjustment Account	25	-	-
Revaluation Reserve	25	35,321,702	34,624,983
Available for Sale Financial Instruments Reserve	25	-	-
Pensions Reserve	25	(29,573,000)	(16,375,000)
Capital Receipts Deferred Account	25	-	-
Accumulated Absences Account	25	(319,550)	(543,583)
Landfill Regulations Reserve		-	-
Provisions Discount Rate Reserve		-	-
		<b>85,433,162</b>	<b>94,100,762</b>
<b>NET WORTH</b>		<b>95,538,613</b>	<b>105,150,992</b>

**Cash Flow Statement for the year ended 31 March 2017**

	Note	2016/17	2015/16
		£	£
Net surplus on the provision of services		475,809	6,446,549
Adjustment for non-cash movements	24	6,962,887	4,598,073
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24	(1,228,821)	(1,078,471)
<b>Net cash flows from operating activities</b>		<b>6,209,875</b>	<b>9,966,151</b>
Cash flows from Investing Activities	24	(2,430,672)	(9,345,823)
Net Cash flows from Financing Activities	24	(3,829,929)	(3,144,993)
<b>Net increase or decrease in cash and cash equivalents</b>		<b>(50,726)</b>	<b>(2,524,665)</b>
Cash and cash equivalents at the beginning of the reporting period		2,964,394	(528,953)
Cash and cash equivalents transferred from legacy council during the year			6,018,012
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>2,913,668</b>	<b>2,964,394</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1A Accounting Policies

#### General Principles

The Statement of Accounts summarises the Council's transactions for the 2016/17 financial year and its position at the year-end of 31 March 2017. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 4 (1) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and the Service Reporting Code of Practice 2016/17, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 also requires disclosure in respect of:

#### Summary of Significant Accounting Policies

##### i) Accruals of Income and Expenditure

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

##### ii) Provision for Job Evaluation

The Council makes provision for the costs of meeting liabilities for job evaluations by staff as required.

##### iii) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that



mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents include bank overdrafts that are repayable on demand as they form an integral part of the Council's cash management.

**iv) Contingent Assets**

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

**v) Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

**vi) Employee Benefits**

**Short-term employee benefits**

Short-term employee benefits payable during employment, such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end and which employees can carry forward into the next financial year.

**Termination benefits**

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

**Post Employment Benefits**

Employees of the Council are members of The Local Government Pension Scheme (Northern Ireland) (the scheme) administered by the Northern Ireland Local Government Officers' Superannuation Committee. The Scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

### **The Local Government Pension Scheme (Northern Ireland)**

The Local Government Pension Scheme (Northern Ireland) (the Scheme) is accounted for as a defined benefits scheme.

The liabilities of the Local Government Pension Scheme (Northern Ireland) (the Scheme) attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – ie an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate (based on the rate of return on a high quality corporate bond of equivalent term and currency to the Council's Fund liabilities determined using the constituents of the iBoxx index of AA rate corporate bonds).

The assets of the Local Government Pension Scheme (Northern Ireland) (the Scheme) attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – current bid price
- unquoted securities – professional estimate
- property – market value
- unitised securities – current bid price

The change in the net pensions' liability is analysed into nine components:

#### ***Within the Cost of Services***

•**current service cost** – the increase in the present value of the defined benefit obligation (liabilities) resulting from employee service in the current period.

•**past service cost** – the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction in the number of employees covered by the plan).

•**Any Gains or Losses on Settlement** – arising where the council enters into a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan.

#### ***Within Financing and Investment Income and Expenditure***

•**Net Interest on the Net Defined Benefit Liability (Asset)** – the change in the net defined benefit liability (asset) that arises from the passage of time.

#### ***Within Other Comprehensive Income and Expenditure***

•**The Return on Plan Assets** – excluding amounts recognised in the Net Interest on the Net Defined Benefit Liability (Asset). This includes interest, dividends and other income derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of managing plan assets and any tax payable by the plan itself other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation.

•**Actuarial Gains and Losses** – changes in the present value of the defined benefit obligation resulting from: a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.

•**Any change in the Effect of the Asset Ceiling** – excluding amounts included in the Net Interest on the Net Defined Benefit Liability (Asset).

#### ***Within the Movement in Reserves Statement Appropriations***

•**Contributions by Scheme Participants** – the increase in Scheme liabilities and assets due to payments into the Scheme by employees (where increased contribution increases pension due to the employee in the future).

•**Contributions by the Employer** - the increase in Scheme assets due to payments into the Scheme by the employer.

#### **Discretionary Benefits**

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies that are applied to the Local Government Pension Scheme (Northern Ireland) (the Scheme).

#### **Northern Ireland Civil Service Pension Scheme**

As a result of Local Government Reform on 1 April 2015, staff that transferred from Central Government to the Council retained membership of the Northern Ireland Civil Service (NICS) Pension Scheme. The schemes provide defined benefits to members (retirement lump sums and pensions). However, the arrangements for the NICS Pension Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

#### **vii) Events After the Balance Sheet Date**

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.

- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

The financial statements may subsequently be adjusted up to the date when they are authorised for issue. This date will be recorded on the financial statements and is usually the date the Local Government Auditor issues their certificate and opinion. Where material adjustments are made in this period they will be disclosed.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

**viii) Exceptional Items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

**ix) Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

**x) Financial Instruments**

Most financial instruments held by Councils would fall to be classified into just one class of financial liability and two classes of financial assets:

**Financial Liabilities**

Amortised Cost

**Financial Assets**

Loans and Receivables

Available for Sale

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be

spread over future years. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

#### Financial Assets

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market.

- available-for-sale assets – that have a quoted market price and/or do not have fixed or determinable payments.

#### Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are then measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

When soft loans are made (loans at less than market value), a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

#### Available-for-Sale Assets

Available-for-sale assets are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g., dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – independent appraisal of company valuations.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

**xi) Foreign Currency Translation**

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

**xii) Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due are not credited to the Comprehensive Income and Expenditure Statement until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or

contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

### **xiii) Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

**xiv) Inventories**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First-In, First-Out (FIFO) costing formula.

**xv) Investment Property**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length.

Investment properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

**xvi) Landfill Allowance Schemes**

The Landfill Allowances Scheme operates under the Landfill Allowances Scheme (Northern Ireland) Regulations 2005. Local Authorities are allocated annual target figures for the maximum amount of biodegradable municipal waste that can be sent to landfill but there are no tradable allowances. It is not a 'cap and trade' scheme since landfill allowances are not tradable. For this reason, landfill allowances are not recognised as assets on the Balance Sheet.

**xvii) Leases**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

*Finance Lease:*

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.



Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Council is not required to raise district rates to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and impairment losses are therefore replaced by a debt principle repaid in the District Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

#### *Operating Leases:*

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease).

#### The Council as Lessor

##### *Finance Leases*

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease asset (long term debtor) in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease asset (long term debtor) together with any premiums received, and
- finance income (credited to the Financing and Investment income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element for the charge for the acquisition of the interest in the property is used to write down the lease asset (debtor). At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against district rates, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

#### *Operating Leases*

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

#### **xviii) Disposals and Non-Current Assets Held for Sale**

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale. Additional policy detail is required where a council is carrying a disposal group as an Asset Held for Sale.

If assets no longer meet the criteria to be classified as Held for Sale, they are reclassified back to non-current assets and valued at the lower of its carrying amount before they were classified as Held for Sale: adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be decommissioned i.e. abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of, or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £5,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and can only then be used for new capital investment or to repay borrowings.

The written-off value of disposals is not a charge against district rates, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

**xix) Overheads and Support Services**

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA *Service Reporting Code of Practice for Local Authorities 2016/17 (SeRCOP)*. The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable on non-operational properties.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

**xx) Property, Plant and Equipment**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

The following are de minimis levels for each asset type i.e. assets costing less than these amounts are not capitalised:

Community Assets	£5,000
Plant and Equipment	£5,000
Information Technology	£ 500

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

Capital receipts from the disposal of assets are treated in accordance with the provisions of the Local Government Finance Act (Northern Ireland) 2011. Capital receipts must be used to fund capital expenditure or repay debt subject to the de minimis level set out in the relevant regulations (currently £5,000). Receipts less than the de minimis level are treated as revenue.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made

conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

#### Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains), with any excess charged to the service line in the Comprehensive Income and Expenditure Statement.
- where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

The same accounting treatment is applied to revaluation losses as a result of a general fall in asset prices across the board as opposed to a consumption of economic benefit specific to an asset as is in the case of impairment losses.

#### Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

- buildings - straight line allocation over the estimated useful life of the asset as directed by the valuer
- vehicles – 25% reducing balance
- plant and equipment - straight line allocation over the estimated useful life of the asset, typically 5-10 years
- information technology - straight line allocation over 4 years

#### Componentisation

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Componentisation is only applicable to larger value land and buildings or equipment assets.

#### Revaluations

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Council land and buildings were revalued at 1 April 2013 (former Newtownabbey Borough Council assets) and at 1<sup>st</sup> April 2014 (former Antrim Borough Council assets) by Land and Property Services in accordance with the RICS Valuation Professional Standards 8<sup>th</sup> Edition, on the assumption that the Council will continue to be in occupation. These properties were then revalued using indices provided by Land and Property Services at 31 March 2017. A revaluation of car parks transferred to Council on 1 April 2015 was undertaken by Land and Property Services as at 31 March 2017

### **xxi) Heritage Assets**

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historic associations. They are held by this Council in pursuit of our overall objectives in relation to the maintenance of heritage.

Heritage Assets are managed by the Council's Museums and Heritage Service, whose aim is to collect, preserve and interpret the history of the Borough of Antrim and Newtownabbey and to provide accessible and enjoyable public services and programmes relevant to a diverse needs and interests.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

The Council's Heritage Assets comprise property with historic significance, art, sculptures, artefacts and civic regalia.

#### **Other**

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate commercial markets using the most relevant and recent information from sales at auctions or insurance valuation.

### **Heritage Assets - General**

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's policy (xx) Property, Plant and Equipment.

The proceeds of any disposals of Heritage Assets are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (see note xviii) Disposals and Non-Current Assets Held for Sale.

### **xxii) Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

### **xxiii) Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies.

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against District Rates for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and do not represent usable resources for the Council – these reserves are explained in the relevant note to the accounts.

### **xxiv) Charges to Revenue for Non-Current Assets**

Charges to revenue for non-current assets e.g. services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year: depreciation attributable to the assets used by the relevant service, revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation

Reserve against which the losses can be written off, amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise District Rates to cover depreciation, impairment losses or amortisation. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with guidance issued by the Department of the Environment. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by minimum revenue provision - MRP in the General Fund Balance, by the way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

**xxv) Revenue Expenditure Funded from Capital under Statute (REFCUS)**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement (MIRS) from the General Fund Balance to the Capital Adjustment Account (CAA) then reverses out the amounts charged, so that there is no impact on the level of District Rates. REFCUS may be offset in the relevant service by grants received to part/fully fund the related expenditure, these grants are transferred in the MIRS from the General Fund Balance to the CAA then reverses out the amounts credited, resulting in no impact on the level of District Rates.

**xxvi) Revenue Expenditure Funded from Capital under Capitalisation Direction (REFCUD)**

Section 19(3) of the Local Government Finance Act (Northern Ireland) 2011 allows the Department for Communities (formerly Department of the Environment) to issue capitalisation directions to the Council. This permits specified items of expenditure normally classified as revenue to be treated as capital expenditure. The costs of transition associated with the Reform of Local Government were allowed for capitalisation. The Council received approval from the Department to capitalise up to £2.7m of such costs during the financial year ending 31 March 2017.

Expenditure incurred during the year that may be capitalised under a capitalisation direction has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement (MIRS) from the General Fund Balance to the Capital Adjustment Account (CAA) then reverses out the amounts charged, so that there is no impact on the level of District Rates. REFCUD may be offset in the relevant service by grants received to part/fully fund the related expenditure, these grants are transferred in the MIRS from the General Fund Balance to the CAA then reverses out the amounts credited, resulting in no impact on the level of District Rates.

**xxvii) Value Added Tax**

VAT is included within the accounts only to the extent that it is irrecoverable.

**1B Accounting Standards That Have Been Issued but Have Not Yet Been Adopted**

The Code of Practice requires that the Council discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

For 2016/17, the following accounting standards have been issued but not yet adopted within the Code of Practice on Local Authority Accounting.

- Amendment to the reporting of pension fund scheme transactions costs

- Amendment to the reporting of investment concentration (see paragraph 6.5.5.1 (m) of the 2017/18 code)

It is not anticipated that these accounting changes will impact the Council.

### **1C Critical Judgements in Applying Accounting Policies**

In applying accounting policies set out from 1a above the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

There is a degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

### **1D Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2017 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

#### **Property, Plant and Equipment**

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.

It is estimated that the annual depreciation charge for buildings would increase by £217k for every year that useful lives had to be reduced.

#### **Provisions**

The Council has made provisions as set out in Note 18.

#### **Pensions Liability**

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption for funded benefits would result in a decrease in the pension liability of £3.0m.



### **Sundry Debtors**

At 31 March 2017, the Council had a balance of sundry debtors for £893,872 (2015/16 £950,375). A review of significant balances suggested that an allowance for doubtful debts of £96,411 (2015/16 £69,973) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.

## **2**

### **Notes to the Financial Statements**

#### **2 Segmental Reporting Analysis**

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is specified by the Service Reporting Code of Practice. The segmental reporting notes within the financial statements are based on the summary first page of the General Fund – Service Income and Expenditure Analysis in the Department for Communities' Accounts Direction.

Difference between items included in surplus/deficit on provision of services of £475,809 and amounts reported in segmental analysis of £47,580,899 below is £48,056,708. This relates to taxation and non-specific grant income which is detailed in note 9 to the statement of accounts.

The General Fund – Service Income and Expenditure Analysis as presented to the Department for Communities is as follows:

Services	2016/17			2015/16		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income Restated *	Net Expenditure Restated *
	£	£	£	£	£	£
Culture and Heritage	3,366,504	(848,773)	2,517,731	2,297,601	(789,301)	1,508,300
Recreation and Sport	17,419,974	(4,219,475)	13,200,499	13,932,931	(4,337,203)	9,595,728
Tourism	1,149,445	(410,114)	739,331	639,307	(215,283)	424,024
Community Services	2,695,618	(681,863)	2,013,755	2,536,801	(705,861)	1,830,940
<b>Leisure and Recreational Services</b>	<b>24,631,541</b>	<b>(6,160,225)</b>	<b>18,471,316</b>	<b>19,406,640</b>	<b>(6,047,648)</b>	<b>13,358,992</b>
Cemetery, Cremation & Mortuary	1,165,347	(671,504)	493,843	910,730	(561,451)	349,279
Environmental Health	3,405,838	(462,264)	2,943,574	3,378,250	(554,558)	2,823,692
Flood Defence and Land Drainage	-	-	-	-	-	-
Public Conveniences	93,512	(63)	93,449	78,413	(80)	78,333
Licensing	3,396	-	3,396	3,396	-	3,396
Other Cleaning	2,515,455	(7,535)	2,507,920	2,471,527	(2,656)	2,468,871
Waste Collection	13,755,730	(970,108)	12,785,622	13,242,030	(1,044,550)	12,197,480
Waste Disposal	292,108	(1,162)	290,946	428,444	(1,162)	427,282
Other Community Assets	396,502	5,107	401,609	543,906	(29,778)	514,128
Minor Works	28,657	(2,407)	26,250	15,392	(13,173)	2,219
<b>Environmental Services</b>	<b>21,656,545</b>	<b>(2,109,936)</b>	<b>19,546,609</b>	<b>21,072,088</b>	<b>(2,207,408)</b>	<b>18,864,680</b>
Community Planning	-	-	-	-	-	-
Economic Development	865,650	(227,150)	638,500	1,003,892	(441,646)	562,246
EU Rural Development	-	-	-	-	-	-
Urban Regeneration and Community Development	227,635	(11,961)	215,674	69,329	(310)	69,019
Planning Policy	1,069	-	1,069	1,936	-	1,936
Development Control	1,620,565	(1,860,372)	(239,807)	1,736,616	(1,982,958)	(246,342)
Building Control	1,059,242	(870,424)	188,818	1,174,389	(791,662)	382,727
Environmental initiatives	-	-	-	-	-	-
<b>Planning and Development Services</b>	<b>3,774,161</b>	<b>(2,969,907)</b>	<b>804,254</b>	<b>3,986,162</b>	<b>(3,216,576)</b>	<b>769,586</b>
Off-street Parking Services	228,968	(66,208)	162,760	163,971	(143,932)	20,039
<b>Highways and Transport Services</b>	<b>228,968</b>	<b>(66,208)</b>	<b>162,760</b>	<b>163,971</b>	<b>(143,932)</b>	<b>20,039</b>
Democratic Representation and Management	1,870,357	(5,520)	1,864,837	1,671,663	(54,920)	1,616,743
Corporate Management	2,700,808	(57,439)	2,643,369	2,515,982	(96,792)	2,419,190
<b>DRM and Corporate Management</b>	<b>4,571,165</b>	<b>(62,959)</b>	<b>4,508,206</b>	<b>4,187,645</b>	<b>(151,712)</b>	<b>4,035,933</b>
Trading Services	-	-	-	-	-	-
Non Distributed Costs	271,044	-	271,044	430,537	-	430,537
Central Services to the Public	905,810	(569,028)	336,782	961,097	(568,651)	392,446
<b>Other Services</b>	<b>1,176,854</b>	<b>(569,028)</b>	<b>607,826</b>	<b>1,391,634</b>	<b>(568,651)</b>	<b>822,983</b>
<b>CONTINUING OPERATIONS</b>	<b>56,039,234</b>	<b>(11,938,263)</b>	<b>44,100,971</b>	<b>50,208,140</b>	<b>(12,335,927)</b>	<b>37,872,213</b>

\*The comparative figures have been restated. See note 29.

## Reconciliation to Net Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of portfolio income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2016/17	2016/17	2015/16	2015/16
	£	£	Restated	Restated
	£	£	£	£
<b>Net Cost of Services in Service Analysis</b>		44,100,971		37,872,213
<b>Items excluded from Service Analysis:</b>				
Add amounts not reported in Service Analysis but included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	-		-	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	-		-	
		-		-
<b>Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement</b>		44,100,971		37,872,213
<b>Items included in Net Operating Expenditure excluded from Service Analysis:</b>				
Other Operating Expenditure	(40,541)		1,468	
Financing and Investment Income and Expenditure	3,520,469		3,868,465	
Surplus or Deficit on Discontinued Operations	-		-	
		3,479,928		3,869,933
<b>Net Operating Expenditure per the Comprehensive Income and Expenditure Statement</b>		47,580,899		41,742,146

**3a Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:**

		2016/17		2015/16	Restated
	Notes	£	£	£	£
<b>Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:</b>					
Impairments (losses & reversals) of non-current assets		-		-	
Derecognition (other than disposal) of non-current assets	10	-		-	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	10	(3,338,436)		(7,944,048)	
Depreciation charged in the year on non-current assets	10	6,172,079	2,833,643	6,186,055	(1,757,993)
Net Revenue expenditure funded from capital under statute	25		87,521		131,446
Net Revenue expenditure funded from capital under direction	11		1,643,332		1,169,662
Carrying amount of non current assets sold	7	374,045		919	
Proceeds from the sale of PP&E, investment property and intangible assets	24,25	(416,800)	(42,755)	-	919
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	25		-		-
Net charges made for retirement benefits in accordance with IAS 19	20		4,691,000		5,230,000
Direct revenue financing of Capital Expenditure	12,25		-		-
Capital Grants and Donated Assets Receivable and Applied in year	9b		(647,870)		(1,078,471)
Capital Grants Receivable and Unapplied in year	9c		(164,151)		(37,050)
Rates Claw-Back Reserve	25		-		-
Adjustments in relation to Short-term compensated absences	25		(224,033)		352,857
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment	25		-		-
Provisions Discount Rate Reserve Adjustment	25		-		-
<b>Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year</b>					
Statutory Provision for the financing of Capital Investment	25		(5,424,969)		(4,494,308)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20		(3,512,187)		(3,542,900)
			(760,469)		(4,025,838)

**3b Net transfers (to)/from statutory and other earmarked reserves:**

Net transfers (to)/from statutory and other earmarked reserves:					
	Notes	2016/17 £	2015/16 £	Restated £	£
<b>Capital Fund</b>					
Interest		-		-	
From Capital		-		(13,451)	
Other	25	-	-	-	(13,451)
<b>Renewal and Repairs Fund</b>					
Interest		-		(1,100)	
Other	25	-	-	(585,000)	(586,100)
<b>Capital Receipts Reserve</b>					
Interest		-		-	
Other	25	-	-	-	-
<b>Other Funds and earmarked reserves</b>					
Interest		(3,588)		(4,510)	
From Other funds		27,649		23,045	
Other	25	-	24,061	-	18,535
			24,061		(581,016)

**4a General Power of Competence**

Prior to Local Government Reform on 1st April 2015, expenditure for special purposes was limited under Section 40 of the Local Government Finance Act (Northern Ireland) 2011. This section was repealed by Schedule 10 of the Local Government Act (Northern Ireland) 2014.

Under Section 79 of the Local Government Act (Northern Ireland) 2014, the Council has the power to do anything that individuals generally may do. Councils have the power to do this with or without charge. The power of competence is not limited to benefitting the area or its residents nor is it limited by existing powers.

The actual expenditure under the power of competence amounted to £nil during 2016/17 (£nil 2015/16).

**4b External Audit Fees**

The Council has incurred the following costs relating to the annual audit of the Statement of Accounts, certification of grant claims and other services provided by the Councils external auditors.

	2016/17 £	2015/16 £
External Audit Fees	42,000	42,000
Grant Claim Certification Fees	-	-
Adjustment for Previous Years		(1,000)
Other Fees	15,904	-
	<b>57,904</b>	<b>41,000</b>

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above.

**5a Operating and Finance Leases****Council as Lessor:**

Gross receivables from finance leases	2016/17	2015/16
	£	£
<b>Long Term Debtors</b>		
Finance leases- gross receivables	-	-
Less - Unearned finance income	-	-
Less - Unguaranteed residual value of property	-	-
<b>Net Present Value</b>	-	-
<b>Short Term Debtors</b>		
Finance leases- gross receivables	-	-
Less - Unearned finance income	-	-
Less - Unguaranteed residual value of property	-	-
<b>Net Present Value</b>	-	-
<b>Gross receivables from finance leases</b>		
No later than 1 year	-	-
Later than 1 year and no later than 5 years	-	-
Later than 5 years	-	-
<b>Total gross receivables</b>	-	-
Less-Unearned future finance income on finance leases	-	-
Less-Unguaranteed residual value of property	-	-
<b>Net investment in finance leases</b>	-	-
The net investment in finance leases may be analysed as follows:		
	2016/17	2015/16
	£	£
No later than 1 year	-	-
Later than 1 year and no later than 5 years	-	-
Later than 5 years	-	-
<b>Total gross receivables</b>	-	-

**5b Operating Leases (Council as lessor)**

The Council, in accordance with its statutory and discretionary responsibilities, leases out property and equipment under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for small local businesses
- any other purposes.

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £145,578. No contingent rents were recognised.

	2016/17		2015/16	
	Land and Buildings	Vehicles, Plant and Equipment	Land and Buildings	Vehicles, Plant and Equipment
	£	£	£	£
<b>Minimum lease rentals receivable:</b>				
No later than 1 year	144,498	-	116,063	-
Later than 1 year and no later than 5 years	463,733	-	377,304	-
Later than 5 years	675,259	-	719,797	-
	<b>1,283,490</b>	<b>-</b>	<b>1,213,164</b>	<b>-</b>

The assets leased by the Council to third parties are included in the following categories of Property, Plant and Equipment with carrying values of:

	2016/17		2015/16	
	Land and Buildings	Vehicles, Plant and Equipment	Land and Buildings	Vehicles, Plant and Equipment
	£	£	£	£
Cost	9,220,651	-	9,294,104	-
Accumulated depreciation and impairments at 1 April	(121,043)	-	(240,533)	-
Depreciation charge for the year	(265,135)	-	(242,411)	-
Impairments	84,607	-	288,447	-
	<b>8,919,080</b>	<b>-</b>	<b>9,099,607</b>	<b>-</b>



**Council as Lessee:****5c Finance Leases (Council as lessee)**

The Council has not leased any assets under a finance lease.

**5d Operating Leases (Council as lessee)**

The Council has entered into a number of agreements to lease vehicles; this includes an agreement entered into for the lease of the Mayor's car.

The expenditure charged to services in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2016/17		2015/16	
	Land and Buildings	Vehicles, Plant and Equipment	Land and Buildings	Vehicles, Plant and Equipment
	£	£	£	£
Minimum lease payments	-	36,094	-	33,758
Contingent rentals	-	-	-	-
Less: Sublease payments receivable	-	(18,544)	-	(17,516)
<b>Total</b>	<b>-</b>	<b>17,550</b>	<b>-</b>	<b>16,242</b>

Sub-lease payments received relate to employee contributions for the use of the leased cars. The total of future minimum sub-lease payments expected to be received for the leased cars at 31 March 2017 is £23,286 (2015/16 £11,927).

The future minimum lease payments due under operating leases in future years are set out below:

	2016/17		2015/16	
	Land and Buildings	Vehicles, Plant and Equipment	Land and Buildings	Vehicles, Plant and Equipment
	£	£	£	£
<b>Minimum lease rentals payable:</b>				
No later than 1 year	-	27,954	-	20,097
Later than 1 year and no later than 5 years	-	25,779	-	24,960
Later than 5 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>53,733</b>	<b>-</b>	<b>45,057</b>

## 6 Employee Costs and Members' Allowances

### 6a Staff Costs

Employee Costs and Member Allowances		
Staff Costs		
	2016/17	2015/16
	£	£
Salaries and Wages	18,772,963	19,400,864
Employers National Insurance Contributions	1,623,721	1,206,339
Employers Superannuation	3,455,425	3,478,224
<b>Total staff costs</b>	<b>23,852,109</b>	<b>24,085,427</b>

In addition, agency costs during the year amounted to £1,898,848 (2015/16 £1,452,294).

The Council's current contribution rate to the Local Government Pension Scheme (Northern Ireland) (the Scheme) is 20%. At the last actuarial valuation, 31 March 2016, the Funding level has increased to 96% from 91% at the previous valuation at 31 March 2013.

Included in the above are costs of £575,700 (2015/16 £1,221,884) incurred as a result of a further phase of the Council's voluntary severance scheme for staff introduced as an efficiency measure. Included in Salaries and Wages are redundancy costs of £478,616 (2015/16 £1,063,633) and superannuation costs of £97,084 (2015/16 £158,231).

### Average Number of Employees - where FTE represents full time equivalent employees

Average Number of Employees		
	2016/17	2015/16
	FTE	FTE
Leisure and Recreation Services	238	270
Environmental Services	266	260
Planning and Development Services	31	29
Highways and Transport Service	-	-
Other	135	142
<b>Total Number</b>	<b>670</b>	<b>701</b>

**6c Senior Employees' Remuneration**

Senior Employees' Remuneration	2016/17	2015/16
	£	£
£50,001 to £60,000	15	12
£60,001 to £70,000	-	-
£70,001 to £80,000	-	3
£80,001 to £90,000	3	1
£90,001 to £100,000	-	-
£100,001 to £110,000	-	1
£110,001 to £120,000	1	-
<b>Total Number</b>	<b>19</b>	<b>17</b>

**6d Members' Allowances**

During the year Members' allowances (paid under Sections 31 – 34 of the Local Government Finance Act (Northern Ireland) 2011), including Employer's costs, totalled £870,547 (2015/16 £854,383) and are as follows:

Members' Allowances	2016/17	2015/16
	£	£
Salaries	-	-
Basic allowance	570,752	567,236
Mayor's & Deputy Mayor's Allowance	21,724	21,500
Special Responsibility Allowances	46,176	45,373
Dependents' carers allowance	-	-
Employer costs	169,962	165,200
Mileage	24,749	22,649
Conferences and Courses	15,818	8,514
Travel & Subsistence Costs	859	945
Miscellaneous Costs	19,132	22,966
Severance Payments	-	-
<b>Total</b>	<b>869,172</b>	<b>854,383</b>

Severance Payments shown above are made under the Local Government (Severances Payments to Councillors) Regulations (NI) 2013 and are fully funded by the Northern Ireland Executive.

During the year allowances of £1,200 (£900 2015/16) were paid to Committee Members who were not Councillors.

**6e Northern Ireland Civil Service Pension Arrangements**

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department of the Communities is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31/03/2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2017.

For 2016-17, employers' contributions of £209,688 (2015/16 £216,987) were payable to the Northern Ireland Civil Service pension arrangements at one of four rates in the range 20.8% to 22.8% (2015/16 20.8% to 26.3%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the

actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. The contribution rates are set to meet the cost of the benefits accruing during 2016-17 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

No employees opted to open a partnership pension account - a stakeholder pension with an employer contribution.

No persons retired early on ill-health grounds under this scheme; the total additional accrued pension liabilities in the year amounted to £Nil (2015/16 £Nil).

## 7 Other Operating Expenditure

### 7a Surplus/Deficit on Non-Current Assets (excl Investment Properties)

Surplus/Deficit on Non-Current Assets (excl Investment Properties)		
	2016/17	2015/16
	£	£
Proceeds from sale	(416,800)	(6,637)
Carrying amount of non-current assets sold (excl Investment Properties)	374,045	919
Proceeds from sale in the Comprehensive Income and Expenditure	-	6,637
	(42,755)	919

### 7b Other Operating Income/Expenditure

	2016/17	2015/16
	£	£
Income	-	-
Expenditure	2,214	549
	2,214	549

Other Operating Expenditure	2016/17	2015/16
	£	£
(Surplus) / Deficit on Non Current Assets	(42,755)	919
Other Operating (Income) / Expenditure	2,214	549
	(40,541)	1,468

**8 Financing and Investment Income and Expenditure****8a Interest Payable and Similar Charges**

	2016/17	2015/16
	£	£
Lease/hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	3,034,704	3,243,914
Commercial Loan Interest	-	-
Other interest (please specify)	-	-
	3,034,704	3,243,914

**8b Interest and Investment Income**

	2016/17	2015/16
	£	£
Bank Interest	22,646	39,339
Employee car loan interest	589	1,110
NIHE Loan interest receivable	-	-
<i>Investment income on Fund Balances</i>		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Other Funds	-	-
Other Investment income	-	-
	23,235	40,449

**8c Pensions interest cost and expected return on pensions assets**

	2016/17	2015/16
	£	£
Net interest on the net defined benefit liability (asset)	509,000	665,000
	509,000	665,000

**8d Surplus/(Deficit) on trading operations**

There were no trading operations.

**8e Income, Expenditure and changes in Fair Value of Investment Properties**

	2016/17	2015/16
<b>Income/Expenditure from Investment Properties:</b>	£	£
Income including rental income	-	-
Expenditure	-	-
De-recognition in relation to amounts written off	-	-
<i>Net income from investment properties</i>	-	-
<b>Surplus/deficit on sale of Investment Properties</b>		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
<i>(Surplus)/deficit on sale of Investment Properties:</i>	-	-
<b>Changes in Fair Value of Investment Properties</b>	-	-
	-	-

Financing and Investment Income and Expenditure	2016/17			2015/16		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	3,034,704	-	3,034,704	3,243,914	-	3,243,914
Interest and Investment Income	-	(23,235)	(23,235)	-	(40,449)	(40,449)
Pensions interest cost	509,000	-	509,000	665,000	-	665,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	-	-	-	-	-	-
Changes in Fair Value of Investment Properties	-	-	-	-	-	-
	<b>3,543,704</b>	<b>(23,235)</b>	<b>3,520,469</b>	<b>3,908,914</b>	<b>(40,449)</b>	<b>3,868,465</b>

## 9 Taxation and Non-Specific Grant Income

### 9a Revenue Grants

	2016/17	2015/16 Restated *
	£	£
General	(2,545,768)	(2,363,563)
Other	-	-
	(2,545,768)	(2,363,563)

\* See note 29

### 9b Capital Grants and Donated Assets-Applied

	2016/17	2015/16
	£	£
Government & Other Grants - Conditions met and applied in year	(647,870)	(578,471)
Government & Other Grants - Transfer from receipts in advance	-	(500,000)
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	(647,870)	(1,078,471)

### 9c Capital Grants-Unapplied

	2016/17	2015/16
	£	£
Government & Other Grants - Conditions met and not applied in year	(164,151)	(37,050)
Other	-	-
	(164,151)	(37,050)

### 9d District Rates

	2016/17	2015/16
	£	£
Current year	(44,698,919)	(44,709,611)
Finalisation - previous year	-	-
Transitional Relief	-	-
Finalisation - other years	-	-
	(44,698,919)	(44,709,611)

# **Summary of Taxation and Non-specific Grant income:**

Taxation and Non Specific Grant Income					2016/17	2015/16 Restated
					£	£
District Rate Income					(44,698,919)	(44,709,611)
Revenue Grants					(2,545,768)	(2,363,563)
Capital Grants and Contributions					(812,021)	(1,115,521)
					(48,056,708)	(48,188,695)



# 10a Fixed Assets Note – Current Year

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2016</b>	32,635,974	128,279,369	-	-	18,824,806	235,543	3,732,961	4,610,350	<b>188,319,003</b>	3,094,009	-	361,275	363,000	<b>192,137,287</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2016</b>	<b>32,635,974</b>	<b>128,279,369</b>	<b>-</b>	<b>-</b>	<b>18,824,806</b>	<b>235,543</b>	<b>3,732,961</b>	<b>4,610,350</b>	<b>188,319,003</b>	<b>3,094,009</b>	<b>-</b>	<b>361,275</b>	<b>363,000</b>	<b>192,137,287</b>
Additions	-	1,084,984	-	-	810,223	-	1,826,797	-	<b>3,722,004</b>	1,661	-	63,432	-	<b>3,787,097</b>
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) to Revaluation Reserve	1,336,930	1,209	-	-	-	(11,302)	-	-	<b>1,326,837</b>	(39,607)	-	-	-	<b>1,287,230</b>
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	-	(596,427)	-	-	-	-	-	-	<b>(596,427)</b>	-	-	-	-	<b>(596,427)</b>
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(775,290)	-	-	-	<b>(775,290)</b>	-	-	-	(363,000)	<b>(1,138,290)</b>
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	5,253,615	-	-	(21,205)	-	(5,382,102)	-	<b>(149,692)</b>	119,987	-	29,705	-	-
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>33,972,904</b>	<b>134,022,750</b>	<b>-</b>	<b>-</b>	<b>18,838,534</b>	<b>224,241</b>	<b>177,656</b>	<b>4,610,350</b>	<b>191,846,435</b>	<b>3,176,050</b>	<b>-</b>	<b>454,412</b>	<b>-</b>	<b>195,476,897</b>
Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2016</b>	-	474,074	-	-	13,926,594	-	-	-	<b>14,400,668</b>	6,951	-	346,290	-	<b>14,753,909</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2016</b>	<b>-</b>	<b>474,074</b>	<b>-</b>	<b>-</b>	<b>13,926,594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,400,668</b>	<b>6,951</b>	<b>-</b>	<b>346,290</b>	<b>-</b>	<b>14,753,909</b>
Depreciation Charge	-	4,711,819	-	-	1,345,006	16,119	-	-	<b>6,072,944</b>	74,734	-	24,401	-	<b>6,172,079</b>
Depreciation written out on Revaluation Reserve	-	(640,617)	-	-	-	(3,152)	-	-	<b>(643,769)</b>	-	-	-	-	<b>(643,769)</b>
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(3,857,114)	-	-	-	(12,967)	-	-	<b>(3,870,081)</b>	(64,782)	-	-	-	<b>(3,934,863)</b>
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(764,245)	-	-	-	<b>(764,245)</b>	-	-	-	-	<b>(764,245)</b>
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	(10,646)	-	-	-	<b>(10,646)</b>	-	-	10,646	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>-</b>	<b>688,162</b>	<b>-</b>	<b>-</b>	<b>14,496,709</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,184,871</b>	<b>16,903</b>	<b>-</b>	<b>381,337</b>	<b>-</b>	<b>15,583,111</b>
<b>Net Book Values</b>														
<b>Balance as at 31 March 2017</b>	<b>33,972,904</b>	<b>133,334,588</b>	<b>-</b>	<b>-</b>	<b>4,341,825</b>	<b>224,241</b>	<b>177,656</b>	<b>4,610,350</b>	<b>176,661,564</b>	<b>3,159,147</b>	<b>-</b>	<b>73,075</b>	<b>-</b>	<b>179,893,786</b>

# 10b Fixed Assets Note – Comparative Year

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2015</b>	32,444,124	119,221,053	-	-	17,738,309	248,000	3,582,961	4,960,350	<b>178,194,797</b>	2,959,718	-	358,325	-	<b>181,512,840</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2015</b>	<b>32,444,124</b>	<b>119,221,053</b>	<b>-</b>	<b>-</b>	<b>17,738,309</b>	<b>248,000</b>	<b>3,582,961</b>	<b>4,960,350</b>	<b>178,194,797</b>	<b>2,959,718</b>	<b>-</b>	<b>358,325</b>	<b>-</b>	<b>181,512,840</b>
Additions (Note 11)	191,850	919,048	-	-	1,169,385	-	7,284,585	-	<b>9,564,868</b>	163,105	-	2,950	-	<b>9,730,923</b>
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	-	793,086	-	-	-	(12,457)	-	13,000	<b>793,629</b>	(31,539)	-	-	-	<b>762,090</b>
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	-	273,322	-	-	-	-	-	-	<b>273,322</b>	-	-	-	-	<b>273,322</b>
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(82,888)	-	-	-	<b>(82,888)</b>	-	-	-	-	<b>(82,888)</b>
Derecognition - Other	-	-	-	-	-	-	(59,000)	-	<b>(59,000)</b>	-	-	-	-	<b>(59,000)</b>
Reclassifications & Transfers	-	7,072,860	-	-	-	-	(7,075,585)	-	<b>(2,725)</b>	2,725	-	-	-	-
Reclassified to (-) / from (+) Held for Sale	-	-	-	-	-	-	-	(363,000)	<b>(363,000)</b>	-	-	-	363,000	-
<b>Balance as at 31 March 2016</b>	<b>32,635,974</b>	<b>128,279,369</b>	<b>-</b>	<b>-</b>	<b>18,824,806</b>	<b>235,543</b>	<b>3,732,961</b>	<b>4,610,350</b>	<b>188,319,003</b>	<b>3,094,009</b>	<b>-</b>	<b>361,275</b>	<b>363,000</b>	<b>192,137,287</b>
Depreciation and Impairm	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2015</b>	-	4,046,105	-	-	12,401,162	14,800	-	-	<b>16,462,067</b>	63,501	-	329,421	-	<b>16,854,989</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2015</b>	<b>-</b>	<b>4,046,105</b>	<b>-</b>	<b>-</b>	<b>12,401,162</b>	<b>14,800</b>	<b>-</b>	<b>-</b>	<b>16,462,067</b>	<b>63,501</b>	<b>-</b>	<b>329,421</b>	<b>-</b>	<b>16,854,989</b>
Depreciation Charge	-	4,487,035	-	-	1,607,401	14,800	-	-	<b>6,109,236</b>	59,950	-	16,869	-	<b>6,186,055</b>
Depreciation written out on Revaluation Reserve	-	(530,398)	-	-	-	(4,042)	-	-	<b>(534,440)</b>	-	-	-	-	<b>(534,440)</b>
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(7,528,668)	-	-	-	(25,558)	-	-	<b>(7,554,226)</b>	(116,500)	-	-	-	<b>(7,670,726)</b>
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(81,969)	-	-	-	<b>(81,969)</b>	-	-	-	-	<b>(81,969)</b>
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2016</b>	<b>-</b>	<b>474,074</b>	<b>-</b>	<b>-</b>	<b>13,926,594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,400,668</b>	<b>6,951</b>	<b>-</b>	<b>346,290</b>	<b>-</b>	<b>14,753,909</b>
<b>Net Book Values</b>														
<b>Balance as at 31 March 2016</b>	<b>32,635,974</b>	<b>127,805,295</b>	<b>-</b>	<b>-</b>	<b>4,898,212</b>	<b>235,543</b>	<b>3,732,961</b>	<b>4,610,350</b>	<b>173,918,335</b>	<b>3,087,058</b>	<b>-</b>	<b>14,985</b>	<b>363,000</b>	<b>177,383,378</b>

### **10c Property, Plant and Equipment (PP&E)**

Included within Property, Plant and Equipment are 11 car parks which transferred to the Council under Reform of Local Government. These car parks were transferred at the 1 April 2015 at the value provided by DfI (Department for Infrastructure) who last carried out a full revaluation as at 31 March 2013. A revaluation of the car parks was undertaken by Land and Property Services as at 31 March 2017. Adjustments to the value of these assets have been recorded.

### **10d Fixed Assets Note – Leased Assets**

There are no leased assets held by the Council during 2016/17.

### **10e Surplus Assets**

Included in this category are assets owned by the Council which are not currently used for the provision of services and do not meet the definition of assets held for sale.

### **10f Heritage Assets**

Included within this category of heritage assets are Sentry Hill and the Ballyfore Rath which are valued at values provided by Land and Property Services adjusted for indexation in line with DfC Guidance.

Sentry Hill is an unusually complete two storied 19th century farmhouse in the Parish of Carnmoney, County Antrim. Built around 1835, it belonged to the McKinney family, Scottish Presbyterians who came to Ireland in the 18th century. The Ballyfore Rath is a bivallate rath and is a scheduled historic monument protected by the Environment Agency.

The council acquired The White House, a recently restored Plantation Bawn which has been situated on the northern shore of Belfast Lough for over 400 years, in 2015/16. This has been included at insurance valuation.

### **Art Collections**

This category consists of sculptures constructed by the Council and paintings owned by the Council. The sculptures are valued at cost and the paintings are valued at insurance valuation.

The Council has various other items which meet the definition of a Heritage Asset which are all valued at insurance valuation. These items consist of artefacts on display at Sentry Hill and in the Museum at the Mill, and Civic Regalia.

### **Other**

The collection at Sentry Hill, largely assembled by William Fee McKinney (1832 to 1917), is extraordinary in its range, quality and its very survival and comprises over 4000 items. This collection includes furniture, paintings, photographs, ceramics, an extensive collection of books, diaries, papers, records of various local organisations (such as the temperance society and church committees) along with archaeological, geological and ethnographic artefacts. Material includes; George III dining chairs, three Victorian long case clocks, a portrait of William McKinney by WJ McKenzie, a number of John Lawson paintings and a collection of toasting glasses dating back to the 1790s.

The collection at the Museum at the Mill comprises archival material (books, advertisements, newspaper articles, workers manuals, and business ledgers), photographs, tools and products such as linen threads.

The archival material includes Articles of Agreement of Partnerships, Terms and Conditions of work notices, insurance documents, newspaper articles relating to Mossley Mill and the linen industry in general in Northern Ireland, mill workers manuals, business ledgers, orders for yarn, business cards and brochures advertising the mill in the 1980s.

Photographs include those of the Campbell family, the predominant owners of the mill, a series of photographs documenting the visit of the Duke of Abercorn in 1937 to open Mossley Pavilion, and photographs of workers and machinery from the 1930s to the late 1900s.

A small selection of artefacts include samples of Henry Campbell Yarn threads and cloth, a sample book of dyed linen yarns, hand tools relating to gill spinning and thread making, a brass plaque 'Henry Campbell Yarns', a commemoration medal for workers, a workers' accident Book (1957-67), Mossley Mill House Property Book (1946 & 1947) and 19th century mill monitoring equipment.

The Council has a number of items used by the Mayor and Members of the Council at official functions, e.g. The Mayor's Chain of Office. These are valued at insurance valuation.

#### **10g Assets Held for Sale**

There were no assets held for sale as at 31 March 2017.

#### **10h Investment Properties**

The Council does not hold any investment properties.

## 11 Capital Expenditure and Capital Financing

Capital Expenditure				2016/17	2015/16
				£	£
<b>Opening Capital Financing Requirement</b>				66,364,033	68,102,391
<b>Capital Investment</b>					
Property, Plant and Equipment				10	3,723,665
Investment Properties					-
Intangible Assets					63,432
Revenue Expenditure Funded from Capital under Statute					510,013
Revenue Expenditure Funded from Capital under Direction					1,643,332
Investments					-
<b>Sources of Finance</b>					
Capital Receipts					-
Government Grants and Other Contributions				(1,095,216)	(3,872,639)
Transfers from Earmarked Reserves				(1,216,216)	(4,344,442)
<b>Sums set aside from Revenue:</b>					
Direct Revenue Contributions					-
Minimum Revenue Provision				(5,424,969)	(4,494,308)
<b>Closing Capital Financing Requirement</b>				<b>64,568,074</b>	<b>66,364,033</b>
Explanation of Movements in Year				2016/17	2015/16
				£	£
Increase/(Decrease) in underlying need to borrow				(1,795,959)	(1,738,358)
Assets acquired under finance leases				-	-
Assets acquired under PFI/PPP contracts				-	-
<b>Increase/(decrease) in Capital Financing Requirement</b>				<b>(1,795,959)</b>	<b>(1,738,358)</b>

## 12 Future Capital Commitments

The Council has an ongoing programme of capital works and the estimated cost of the schemes is as follows:

	Gross Cost	Grant Aid	Net Cost
	£	£	£
Schemes underway	2,046,471	-	2,046,471
Other Commitments	-	-	-
<b>Total</b>	<b>2,046,471</b>	<b>-</b>	<b>2,046,471</b>

## 13 Inventories

Inventories	2016/17	2015/16
	£	£
Goods for Resale	67,952	18,885
Central Stores	217,206	247,171
<b>Total</b>	<b>285,158</b>	<b>266,056</b>

The cost of inventories recognised as expense and included in 'services' amounted to £1,099,766 (2015/16 £891,783).

## 14 Debtors

### 14a Long Term Debtors

Long Term Debtors	2016/17	2015/16
	£	£
Government Departments	-	-
Other Councils	-	-
Public corporations and trading funds	-	-
Bodies external to general government	-	-
Employee car loans	4,991	11,875
Revenue Grants	-	-
Capital Grants	-	-
Interest Receivable	-	-
Capital Debtors	-	-
Loans and advances	-	-
Finance lease debtors	-	-
Trade debtors	-	-
NIHE Loans	-	-
Other	-	-
Impairment of loans and receivables	-	-
<b>Total Long-Term Debtors</b>	<b>4,991</b>	<b>11,875</b>

**14b Short Term Debtors**

Short Term Debtors		2016/17	2015/16
		£	£
Government Departments		439,371	932,422
Other Councils		111,010	77,831
Public corporations and trading funds		-	-
Bodies external to general government		-	-
NIHE loans		-	-
Employee car loans		7,659	8,961
Revenue Grants		953,719	1,204,897
Capital Grants		1,310,602	1,017,391
Interest Receivable		-	-
Capital Debtors		-	-
Value Added Tax		870,919	1,387,750
Prepayments		72,134	542,838
Finance lease debtors		-	-
Other		603,925	944,283
Trade receivables		-	-
Impairment loss		(96,411)	(69,973)
<b>Total Short-Term Debtors</b>		<b>4,272,928</b>	<b>6,046,400</b>
<b>Total Debtors</b>		<b>4,277,919</b>	<b>6,058,275</b>

**15a Long Term Investments**

Long Term Investments		2016/17	2015/16
		£	£
Investments - general		-	-
Investments - repairs and renewals		-	-
Investments - capital fund		-	-
Investments - other		-	-
<b>Total Long-term Investments</b>		<b>-</b>	<b>-</b>
<b>Analysed over:</b>		<b>2016/17</b>	<b>2015/16</b>
		£	£
Money market deposits		-	-
Other deposits		-	-
<b>Total Long-term Investments</b>		<b>-</b>	<b>-</b>

**15b Short Term Investments**

Short-Term Investments		2016/17	2015/16
		£	£
Investments - general		-	-
Investments - repairs and renewals		-	-
Investments - capital fund		-	-
Investments - other		-	-
<b>Total Short-term Investments</b>		-	-
Analysed over:		2016/17	2015/16
		£	£
Money market deposits		-	-
Other deposits		-	-
<b>Total Short-term Investments</b>		-	-
<b>Total Long Term and Short-term Investments</b>		-	-

**16a Short Term Borrowing**

Short Term Borrowing		2016/17	2015/16
		£	£
Loans re-payable within one year		5,481,895	6,329,927
Finance Lease Principal		-	-
<b>Total Short Term Borrowing</b>		5,481,895	6,329,927

**16b Long Term Borrowing**

Long Term Borrowing		2016/17	2015/16
		£	£
Between 1 and 2 years		3,001,217	2,981,895
Between 2 and 5 years		10,783,906	11,407,744
Between 5 and 10 years		10,386,954	10,950,120
In more than 10 years		24,065,157	25,879,372
<b>Government Loans Fund</b>		48,237,234	51,219,131
<b>Total Borrowing</b>		53,719,129	57,549,058

Interest rates on loans range between 0.35% and 14.125%.

The loans are analysed on a repayment basis.



**17a Short Term Creditors**

Short Term Creditors		2016/17	2015/16
		£	£
Government Departments		451,366	751,835
Other Councils		46,667	39,657
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates clawback		-	-
VAT		-	-
Remuneration due to employees		360,613	747,186
Accumulated Absences		319,550	543,583
Receipts in advance		787,904	870,489
Trade creditors		-	-
Other		4,596,194	3,618,809
<b>Total Short Term Creditors</b>		<b>6,562,294</b>	<b>6,571,559</b>

**17b Long Term Creditors**

Long Term Creditors		2016/17	2015/16
Other creditors falling due after more than one year		£	£
Government Departments		-	-
Other Councils		-	-
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates clawback		-	-
Remuneration due to employees		-	-
Accumulated Absences		-	-
Receipts in advance		-	-
Trade creditors		-	-
Other		-	-
<b>Total Long Term Creditors</b>		<b>-</b>	<b>-</b>
<b>Total Creditors</b>		<b>6,562,294</b>	<b>6,571,559</b>

**17c Payment of Invoices**

The Council has a target of paying invoices within 30 days. The Minister at the Department of Finance has reduced the target for the payment of invoices for central government departments to 10 days. This target is not mandatory for local government but the Council endeavours to process invoices as quickly as possible and will keep its performance under review.

During the year the Council paid 27,069 invoices totalling £45.5m, inclusive of VAT (2015/16 23,624 invoices totalling £50.6m). The Council has arrangements in place to calculate the interval from receipt of an invoice to payment date. The payment performance for 2016/17 was on average 20 days from receipt of invoice to payment (2015/16 29 days).

During 2016/17 the Council paid 22,524 invoices within 30 calendar days, 13,389 of which were paid within 10 working days. 4,545 invoices were paid outside 30 days. A number of these invoices were subject to query with the supplier.

## 18 Provisions

	Balance as at 1 April 2016	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Balance as at 31 March 2017
	£	£	£	£	£	£
Landfill closure	464,836	(8,834)	(801)	-	-	<b>455,201</b>
Claims management	250,000	-	(24,758)	-	-	<b>225,242</b>
Severance/Re-organisat	296,443	1,297,052	(296,443)	-	-	<b>1,297,052</b>
Other	14,215	9,505	(23,720)	-	-	-
<b>Total</b>	<b>1,025,494</b>	<b>1,297,723</b>	<b>(345,722)</b>	<b>-</b>	<b>-</b>	<b>1,977,495</b>
Current Provisions	264,215	1,138,324	(49,279)	-	-	<b>1,353,260</b>
Long Term Provisions	761,279	159,399	(296,443)	-	-	<b>624,235</b>
<b>Total</b>	<b>1,025,494</b>	<b>1,297,723</b>	<b>(345,722)</b>	<b>-</b>	<b>-</b>	<b>1,977,495</b>
<b>Comparative Year</b>						
Provisions	Balance as at 1 April 2015	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Balance as at 31 March 2016
	£	£	£	£	£	£
Landfill closure	326,371	138,465	-	-	-	<b>464,836</b>
Claims management	300,000	100,000	-	(150,000)	-	<b>250,000</b>
Severance/Re-organisat	1,363,121	19,911	(1,086,589)	-	-	<b>296,443</b>
Other	113,697	11,109	(21,295)	(89,296)	-	<b>14,215</b>
<b>Total</b>	<b>2,103,189</b>	<b>269,485</b>	<b>(1,107,884)</b>	<b>(239,296)</b>	<b>-</b>	<b>1,025,494</b>
Current Provisions	1,390,380	131,020	(1,017,889)	(239,296)	-	<b>264,215</b>
Long Term Provisions	712,809	138,465	(89,995)	-	-	<b>761,279</b>
<b>Total</b>	<b>2,103,189</b>	<b>269,485</b>	<b>(1,107,884)</b>	<b>(239,296)</b>	<b>-</b>	<b>1,025,494</b>

The Council has made provision for the after care costs arising from the closure of a landfill site of £455,201 (2015/16 £464,836), REFORM related severance costs of £1,297,052 (2015/16 £296,443), legal and special advices of £225,242 (2015/16 £250,000) in relation to on-going cases and £Nil (2015/16 £14,215) for on-going job evaluations.

## 19 Financial Instruments

The Council has no material exposure to any of the risk types identified below in its dealings with Financial Instruments.

### Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Authorised institutions for investments under the Council's Treasury Policy are assessed for financial strength and risk exposure. The provision for bad and doubtful debts reflects the Council's assessment of the risk of non-payment by debtors and, as such, there is no additional estimated exposure to default and inability to collect.

Debtors of £797,462 included in Note 14 can be analysed by age as follows:

Debtors, inclusive of VAT, can be analysed by age as follows:		
		£
Less than three months		715,820
Three to six months		66,659
Six months to one year		15,522
More than one year		(539)
		<b>797,462</b>

### Liquidity Risk

The Council's net operating costs are funded through district rates and government grants. Capital expenditure is largely financed by borrowing from the Government Loans Fund. The Council is not therefore exposed to significant liquidity risk. The analysis of financial liabilities is included in notes 16 and 17. All trade and other payables are due for payment within one year.

### Market Risk

#### Interest rate risk

The Council finances capital expenditure through fixed rate borrowings for a term broadly expected to match expected useful economic lives of the assets acquired. The Council is not therefore exposed to interest movements on its borrowings.

#### Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no material exposure to loss arising from movements in exchange rates.

### Fair Value of Soft Loans and Government Loans

The Council is in receipt of loans from the Department of Finance, market loans and local authorities' loans at rates of interest that differ from the prevailing market rates. The fair value of these loans is £76,476,977 and are analysed as follows:

	£
Government Loans Fund	66,919,797
Market Loans	7,053,000
Local Authorities	2,504,180
<b>Total</b>	<b>76,476,977</b>

The Council has made no loans to voluntary organisations and other external bodies at less than market rates (soft loans).

## 20 Retirement Benefits

### 20a Participation in the Local Government Pension Scheme (Northern Ireland)

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in The Local Government Pension Scheme (Northern Ireland) (the scheme) administered by the Northern Ireland Local Government Officers' Superannuation Committee. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

### 20b Transactions relating to retirement benefits - Comprehensive Income and Expenditure Statement Charges:

The Council recognises the cost of retirement benefits in the Cost of Services on Continuing Operations when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against district rates is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement during the year:

	Note	2016/17 £	2015/16 £
Net cost of services:			
Current service cost		3,915,000	4,138,000
Past service cost/(gain)		267,000	427,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)		509,000	665,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>4,691,000</b>	<b>5,230,000</b>
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(4,691,000)	(5,230,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		3,512,187	3,542,900
<b>Net adjustment to General Fund</b>		<b>(1,178,813)</b>	<b>(1,687,100)</b>

The Current service cost includes an allowance for the administration expenses of £67k (2015/16 £51k).

**Remeasurements recognised in Other Comprehensive Income and Expenditure**

Remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2016/17 £	2015/16 £
Liability gains/(losses) due to change in assumptions		(29,436,000)	7,201,000
Liability experience gains/(losses) arising in the year		(174,000)	819,000
Actuarial gains/(losses) on plan assets		17,364,000	(348,000)
Other - (if applicable)		226,813	345,100
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>(12,019,187)</b>	<b>8,017,100</b>

**20c Assets and liabilities in relation to retirement benefits****Reconciliation of present value of the scheme liabilities:**

Reconciliation of present value of the scheme liabilities:	Note	2016/17 £	2015/16 £
Balance as at 1 April		116,588,000	118,495,000
Current service cost		3,915,000	4,138,000
Interest cost		4,046,000	3,758,000
Contributions by members		1,059,000	1,042,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		29,436,000	(7,201,000)
Actuarial gains/losses arising from demographic changes		-	-
Actuarial gains/losses arising on liabilities from experience		174,000	(819,000)
Other (if applicable)		-	-
Past service costs/(gains)		267,000	427,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(148,000)	(148,000)
Estimated benefits paid		(3,011,000)	(3,104,000)
<b>Balance as at 31 March</b>		<b>152,326,000</b>	<b>116,588,000</b>

**Reconciliation of present value of the scheme assets:**

Reconciliation of present value of the scheme assets:	Note	2016/17 £	2015/16 £
Balance as at 1 April		100,213,000	95,790,000
Interest Income		3,537,000	3,093,000
Contributions by members		1,059,000	1,042,000
Contributions by employer		3,591,000	3,740,000
Contributions in respect of unfunded benefits		148,000	148,000
Remeasurement gain/(loss)		17,364,000	(348,000)
Assets distributed on settlements		-	-
Unfunded benefits paid		(148,000)	(148,000)
Benefits paid		(3,011,000)	(3,104,000)
<b>Balance as at 31 March</b>		<b>122,753,000</b>	<b>100,213,000</b>

The actual return on scheme assets in the year was a gain of £20.9m (2015/16 £ 2.75m gain).

**Fair Value of Plan Assets**

Fair Value of Plan Assets					31/03/2017	31/03/2016
					£	£
Equity investments					91,450,985	72,053,000
Bonds					14,116,595	12,126,000
Property					12,889,065	13,228,000
Cash					3,191,578	2,305,000
Other					1,104,777	501,000
					<b>122,753,000</b>	<b>100,213,000</b>

The above asset values are at bid value as required by IAS 19.

**The Council's share of the Net Pension Liability (included in the Balance Sheet):**

			31/03/2017	31/03/2016
			£	£
Fair Value of Employer Assets			122,753,000	100,213,000
Present value of funded defined benefit obligation			(150,014,000)	(114,492,000)
Pension asset/(liability) of Funded Scheme			(27,261,000)	(14,279,000)
Present Value of unfunded defined benefit obligation			(2,312,000)	(2,096,000)
Other movement in the liability (asset) (if applicable)			-	-
<b>Net asset/(liability) arising from the defined benefit obligation</b>			<b>(29,573,000)</b>	<b>(16,375,000)</b>
Amount in the Balance sheet:				
Liabilities			(152,326,000)	(116,588,000)
Assets			122,753,000	100,213,000
<b>Net Asset/(Liability)</b>			<b>(29,573,000)</b>	<b>(16,375,000)</b>

**20d Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2018**

			31/03/2018	31/03/2018
			£	£
Projected current cost			5,611,000	88.6%
Net Interest on the net defined benefit liability (asset)			723,000	11.4%
Past service cost			-	0.0%
Gains and losses on settlements or curtailments			-	0.0%
			<b>6,334,000</b>	<b>100.0%</b>

The total contributions expected to be made to the Local Government Pension Scheme (Northern Ireland) (the scheme) by the Council in the year to 31 March 2018 is £3.4m.

## 20e Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Aon Hewitt Ltd, an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2016.

Long-term expected rate of return on assets in the scheme:	2016/17	2015/16
	%	%
Equity investments	74.5%	71.9%
Bonds	11.5%	12.1%
Property	10.5%	13.2%
Cash	2.6%	2.3%
Other	0.9%	0.5%
<b>Mortality assumptions:</b>		
<i>Longevity at 65 current pensioners:</i>	<b>Years</b>	<b>Years</b>
Men	23.2	22.3
Women	25.8	24.8
<i>Longevity at 65 for future pensioners:</i>		
Men	25.4	24.5
Women	28.1	27.2
Inflation/Pension Increase Rate	2.00%	1.80%
Salary Increase Rate	3.50%	3.30%
Discount Rate	2.60%	3.50%
Pension accounts revaluation rate	2.00%	1.80%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
Service to April 2009	75%	75%
Service post April 2009	75%	75%

## 20f Pension Assumptions Sensitivity Analysis

The pension figures disclosed in these financial statements are sensitive to the assumptions used.

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2017 is set out below.

In each case, only the assumption noted below is altered; all other assumptions remain the same and are summarised in the disclosure above.

Discount Rate Assumption		
	+0.1%p.a.	-0.1%p.a.
Adjustment to discount rate		
Present value of the total obligation	147,000,000.00	153,089,000.00
% change in the present value of the total obligation	-2.00%	2.00%
Projected service cost	544,400.00	5,782,000.00
Approximate % change in projected service cost	-3.00%	3.10%

Rate of General Increase in Salaries		
	+0.1%p.a.	-0.1%p.a.
Adjustment to salary increase rate		
Present value of the total obligation	150,938,000	149,100,000
% change in the present value of the total obligation	0.60%	-0.60%
Projected service cost	5,611,000.00	5,611,000.00
Approximate % change in projected service cost	0.00%	0.00%

<b>Rate of Increase to Pensions in Payment and Deferred Pension Assumption</b>		
Adjustment to pension increase rate	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Present value of the total obligation	152,155,000.00	147,906,000.00
% change in the present value of the total obligation	1.40%	-1.40%
Projected service cost	5,782,000.00	5,444,000.00
Approximate % change in projected service cost	3.10%	-3.00%

<b>Post Retirement Mortality Assumption</b>		
Adjustment to mortality age rating assumption*	<b>- 1 Year</b>	<b>+1 Year</b>
Present value of the total obligation	154,402,000.00	145,651,000.00
% change in the present value of the total obligation	2.90%	-2.90%
Projected service cost	5,808,000.00	5,415,000.00
Approximate % change in projected service cost	3.50%	-3.50%

\* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table above for an individual that is 1 year older than that.

## 20g Major categories of plan assets as percentage of total plan assets

The Local Government Pension Scheme (Northern Ireland) (the Scheme) assets consist of the following categories, by proportion of the total assets held:

	31/03/2017	31/03/2016
	%	%
Equity investments	74.50%	71.90%
Government Bonds	5.40%	5.70%
Corporate Bonds	6.10%	6.40%
Property	10.50%	13.20%
Cash	2.60%	2.30%
Other	0.90%	0.50%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Other holdings may include hedge funds, currency holdings, asset allocation futures and other financial instruments. It is assumed that these will get a return in line with equities.

## 20h The Northern Ireland Civil Service Pension

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Council is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2017.



## 21 Donated Assets Account

Donated Assets Account	Note	2016/17 £	2015/16 £
Opening balance		-	-
Add: new donated assets received (condition of use not met)		-	-
Less: amounts released to the District Fund - Comprehensive Income and Expenditure Account		-	-
		-	-

### Analysis of Donated Assets Account

The balance of the Donated Assets Account represents donations received that have yet to be recognised as income, as they have conditions attached to them, which will require the donated assets to be returned, if conditions are not met. There was a nil balance at the year end.

## 22 Capital Grants Received in Advance

Capital Grants Received in Advance	Note	2016/17 £	2015/16 £
Opening balance		-	500,000
Add: new capital grants received in advance (condition of use not met)		-	-
Less: amounts released to the Comprehensive Income and Expenditure Statement		-	(500,000)
		-	-

### Analysis of Capital Grants Receipts in Advance Balance

The balance of Capital Grants Receipts in Advance represents grants received that have yet to be recognised as income i.e. they have conditions attached to them, which will require the grant to be repaid, if those conditions are not met. There was a nil balance at the year end.

## 23 Contingencies

The arc21 Joint Committee has, with the approval of their participant Councils, entered into a Contingent Liability Undertaking with the bidding consortium in the procurement for the Residual Waste Treatment Project and Antrim and Newtownabbey Borough Council has agreed its share of the contingent liability. Payments made, if any, in accordance with this undertaking will be funded by the Participant Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process.

The Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. At present there is inequality of benefits between male and female members who have GMP. Consultation on indexation and equalisation of GMP in public service pension schemes was issued late 2016 and until it is known how GMP will be carried out, the impact on pension liabilities is uncertain, no allowance for GMP equalisation has been made in these financial statements.

The Council has a number of other general litigious matters ongoing which are not expected to result in a material cost to the Council.

**24a Analysis of Adjustments to Surplus/Deficit on the Provision of Services****Adjustment to surplus or deficit on the provision of services for non-cash movements**

<b>Adjustment to surplus or deficit on the provision of services for noncash movements</b>			
	<b>Notes</b>	<b>2016/17</b>	<b>2015/16</b>
		£	£
Depreciation	10	6,172,079	6,186,055
Impairment & downward revaluations (& non-sale	10	(3,338,436)	(7,944,048)
Amortisation (included with depreciation above)		-	59,000
(Increase)/Decrease in Stock		(19,102)	(16,351)
(Increase)/Decrease in Debtors		2,047,063	4,324,965
Increase/(decrease) in impairment provision for bad debts		26,438	-
Increase/(Decrease) in Creditors		566,056	300,433
Increase/(Decrease) in Interest Creditors		(44,069)	-
Payments to NILGOSC	20	1,178,813	1,687,100
Carrying amount of non-current assets sold	10	374,045	919
AIC/WIP written off to Net Cost of Services	10	-	-
Contributions to Other Reserves/Provisions		-	-
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		-	-
Amounts posted to Comprehensive Income and Expenditure Statement from Donated Assets Account	21	-	-
		<b>6,962,887</b>	<b>4,598,073</b>

<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>			
	<b>Notes</b>	<b>2016/17</b>	<b>2015/16</b>
		£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from the sale of PP&E, investment property and intangible assets		(416,800)	-
Capital grants included in "Taxation & non-specific grant income"		(812,021)	(1,078,471)
		<b>(1,228,821)</b>	<b>(1,078,471)</b>

**24b Cash and Cash Equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in bank and short term deposits and investments (considered to be cash equivalents), net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows:

		2016/17	2015/16
		£	£
Cash and Bank balances		2,913,668	2,964,394
Short Term Deposits (considered to be Cash Equivalents)		-	-
Short Term Investments (considered to be Cash Equivalents)		-	-
Bank Overdraft		-	-
		2,913,668	2,964,394

**24c Cash Flow Statement-Operating Activities**

Cash Flow Statement: Operating Activities		2016/17	2015/16
		£	£
The cash flows from operating activities include:			
Interest received		(22,712)	(38,653)
Interest paid		3,078,840	3,423,914

**24d Cash flows from Investing Activities**

Cash flows from Investing Activities		2016/17	2015/16
		£	£
Purchase of PP&E, investment property and intangible assets		(3,366,282)	(8,906,904)
Purchase of Short Term Investments (not considered to be cash equivalents)		-	-
Purchase of Long Term Investments		-	-
Other Payments for Investing Activities		-	-
Proceeds from the sale of PP&E, investment property and intangible assets		416,800	-
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received		518,810	(438,919)
Other Receipts from Investing Activities		-	-
<b>Net Cash flows from Investing Activities</b>		<b>(2,430,672)</b>	<b>(9,345,823)</b>

**24e Cash flows from Financing Activities**

<b>Cash flows from Financing Activities</b>		<b>2016/17</b>	<b>2015/16</b>
		£	£
Cash Receipts from Short and Long Term Borrowing		2,500,000	3,000,000
Other Receipts from Financing Activities		-	-
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts		-	-
Repayment of Short and Long Term Borrowing		(6,329,929)	(6,144,993)
Other payments for Financing Activities		-	-
<b>Net Cash flows from Financing Activities</b>		<b>(3,829,929)</b>	<b>(3,144,993)</b>

**25a Capital Receipts Reserve**

These are capital receipts which have originated primarily from the sale of assets which have not yet been used to finance capital expenditure.

Income from the disposal of fixed assets is credited to the Capital Receipts Reserve and transferred to the Capital Adjustment Account when resources are applied to finance new capital expenditure

Capital Receipts Reserve	Notes	31/03/2017	31/03/2016
		£	£
<b>At 1 April</b>		-	-
<b>Movement</b>			
Transfers between statutory & other reserves & the General Fund		-	-
Disposal of Non Current Assets/ Capital Sales	3, 24a	416,800	-
Capital Receipts used to finance capital expenditure	3, 11	-	-
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	-
Other Movements		-	-
<b>At 31 March</b>		<b>416,800</b>	<b>-</b>

**25b Capital Grants Unapplied account**

Where a capital grant or contribution (or part thereof) has been recognised as income in the Comprehensive Income and Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date, the grant or contribution shall be transferred to the Capital Grants Unapplied Account (within the usable reserves section of the balance sheet), reflecting its status as a capital resource available to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

When, at a future date, the expenditure to be financed from the grant or contribution is incurred, the grant or contribution (or part thereof) shall be transferred from the Capital Grants Unapplied Account to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer is also reported in the Movement in Reserves Statement or in the notes to the accounts.

Capital Grants Unapplied account	Notes	31/03/2017	31/03/2016
		£	£
<b>At 1 April</b>		37,050	2,794,168
<b>Movement</b>			
Unapplied Capital Grants received in year		164,151	37,050
Unapplied Capital Grants transferred to Capital Adjustment Account in year		(24,854)	(2,794,168)
<b>At 31 March</b>		<b>176,347</b>	<b>37,050</b>

## 25c Capital Fund

This fund was established under Section 56 of the Local Government Act (Northern Ireland) 1972, however this section was repealed under the new Local Government Finance Act (Northern Ireland) 2011. The Council continues to operate this fund.

Capital Fund	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		1,216,216	3,202,765
Transfers between statutory & other reserves & the General Fund		-	13,451
Transfers between Capital Fund & Capital Adjustment Account to finance Capital Expenditure	11	(1,216,216)	(2,000,000)
<b>At 31 March</b>		<b>-</b>	<b>1,216,216</b>
		£	£
Gateway Project		-	1,216,216
<b>Total</b>		<b>-</b>	<b>1,216,216</b>

## 25d Renewal and Repairs Fund

This fund was established under section 56 of the Local Government Act (NI) 1972, however this section of the act was repealed under the Local Government Finance Act (Northern Ireland) 2011. The Council continues to operate this fund.

Renewal and Repairs Fund	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		848,075	261,975
Transfers between statutory & other reserves & the General Fund		-	586,100
Transfers between Renewal & Repair Fund & Capital Adjustment Account to finance Capital Expenditure	11	-	-
<b>At 31 March</b>		<b>848,075</b>	<b>848,075</b>
		£	£
DEA Projects		484,000	350,000
Branding		80,000	80,000
Planned Maintenance Programme		134,000	80,000
General		150,075	338,075
<b>Total</b>		<b>848,075</b>	<b>848,075</b>

**25e Other Balances & Reserves**

Other Balances & Reserves	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		1,056,003	3,418,980
Transfers between statutory & other reserves & the General Fund		(24,061)	(18,535)
Transfers between Capital Fund/Renewal & Repair Fund & Capital Adjustment Account to finance capital expenditure	11	-	(2,344,442)
<b>At 31 March</b>		<b>1,031,942</b>	<b>1,056,003</b>

**25f General Fund**

This reserve shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from District Rates. Councils raise rates to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement

General Fund	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		7,892,886	6,053,191
Applied Capital Grants	3	(647,870)	(1,078,471)
Unapplied Capital Grants received in year	3	(164,151)	(37,050)
Direct Revenue Financing	3, 11	-	-
Depreciation and Impairment adjustment	3	2,833,643	(1,757,993)
Statutory Provision for financing Capital Investment	3	(5,424,969)	(4,494,308)
Net Revenue expenditure funded from capital under statute	3, 11	87,521	131,446
Net Revenue expenditure funded from capital under direction	3, 11	1,643,332	1,169,662
Surplus/(Deficit) on the Provision of Services	CIES	475,809	6,446,549
Transfers between Statutory and Other Reserves and the General Fund	3	24,061	(581,016)
Net movements on Pension Reserve	3, 20	1,178,813	1,687,100
Disposal of Fixed Assets/Capital Sales	3, 10	(42,755)	919
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	3	(224,033)	352,857
Other Movements		-	-
<b>At 31 March</b>		<b>7,632,287</b>	<b>7,892,886</b>

**25g Capital Adjustment Account**

This account represents a balance between the write down of the historical cost of fixed assets due to depreciation, impairment or disposal and the accumulation of resources set aside to finance capital expenditure. The depreciation charged on asset revaluations is written off to the account. Revaluation gains, which are transferred from the revaluation reserve, for assets disposed of during the year are also charged to the account.

Capital Adjustment Account	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		76,394,362	62,553,305
Applied Capital Grants	3	647,870	1,078,471
Unapplied Capital Grants transferred to Capital Adjustment Account in year		24,854	2,794,168
Direct Revenue Financing	3, 11	-	-
Depreciation & Impairment adjustment	10	(2,833,643)	1,757,993
Statutory Provision for financing Capital Investment	3	5,424,969	4,494,308
Net Revenue expenditure funded from Capital under statute	3, 11	(87,521)	(131,446)
Net Revenue expenditure funded from Capital under direction	3, 11	(1,643,332)	(1,169,662)
Disposal of Fixed Assets/ Capital Sales	3, 10	(374,045)	(919)
Capital Receipts used to finance capital expenditure	3, 11	-	-
Other Movements		1,234,280	673,702
Transfers between Capital Fund/Renewal & Repair Fund & Capital Adjustment Account to finance capital expenditure	11	1,216,216	4,344,442
At 31 March		80,004,010	76,394,362

**25h Financial Instruments Adjustment Account**

The Council has no transactions that would require use of this account.

**25i Revaluation Reserve**

The reserve contains unrealised revaluation gains on fixed assets arising from that date, adjusted for subsequent reductions in value. Charges are made to the reserve for depreciation incurred because the asset has been revalued and the removal of the accumulated gains upon disposal of an asset. The balance represents the extent that asset values have increased due to revaluation.

Revaluation Reserve	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		34,624,983	34,002,155
Revaluation & Impairment	10, 20	1,930,999	1,296,530
Other Movements		(1,234,280)	(673,702)
At 31 March		35,321,702	34,624,983

**25j Available-for-Sale Financial Instruments Adjustment Reserve**

The Council has no transactions that would require use of this reserve.



**25k Pension Reserve**

Pension Reserve	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		(16,375,000)	(22,705,000)
Net Movements on Pension Reserve	3, 20	(1,178,813)	(1,687,100)
Revaluation & Impairment	20	(12,019,187)	8,017,100
<b>At 31 March</b>		<b>(29,573,000)</b>	<b>(16,375,000)</b>

**25l Deferred Capital Receipts Account**

The Council has no transactions that would require use of this account.

**25m Accumulated Absences Account**

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year e.g. staff annual leave entitlement carried forward at the end of the financial year. Statutory arrangements are expected to require that the impact on the General Fund is neutralised by transfers to or from this Accumulated Absences Account.

Accumulated Absences Account	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		(543,583)	(190,726)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		224,033	(352,857)
<b>At 31 March</b>		<b>(319,550)</b>	<b>(543,583)</b>

**25n Rates Claw Back Reserve**

The Council has no transactions that would require use of this reserve.

**26 Significant Trading Operations**

The Council does not have any significant trading operations.

**27 Agency Services**

The Council does not provide any agency services.

## **28 Related Party Transactions**

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

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

In addition where the relationship with the Council and the entity is solely that of an Agency (see note 27) these are not deemed to be Related Party Transactions.

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

### **Council members**

During the year the council paid £30,702 (2015/16 £13,077) of which £790 (2015/16 £Nil) was owed by the Council to a company, partnership, trust or entity which generated a related party transaction in which a council member had a controlling interest.

During the year the council paid £17,836 (2015/16 £7,569) for services provided by a member of the close family of a Council Member. During the year the council received £nil (2015/16 £nil) for council services by a member of the close family of a Council Member.

It may be noted that members' pecuniary interests, direct or indirect, which could conflict with those of the council are open to inspection as required by Section 28 Local Government Act (Northern Ireland) 1972.

### **Chief officers**

For the purpose of this disclosure the term 'chief officer' has been defined as the chief executive and directors. The disclosure also covers members of the officers' close families or households. During the year the council paid £nil for services provided by a member of the close family of a chief officer

It may also be noted that officers' pecuniary interests, direct or indirect, which could conflict with those of the Council are open to inspection as required by Section 46 of the Local Government Act (Northern Ireland) 1972.

## Other

The Council nominated three councillors to the arc21 Waste Management Plan Joint Committee. The Council contributed £4,500,841 (2015/16 £4,707,720) towards procurement of goods and services and administration costs during the year of which £18,724 (2015/16 £100,045) was owed by the Council at 31 March 2017. The Council received £103,961 (2015/16 £128,413) in respect of an income share arrangement with a further £25,802 (2015/16 £35,913) outstanding at 31 March 2017.

The following related party transactions are disclosed elsewhere in the accounts:

Remuneration Report	Page 20-25
District Rates	Note 9d

## 29 Prior Year Adjustment

The Transferred Function Grant of £851,391 as previously reported in the 2015/16 Financial Statements, was included within Taxation and Non-Specific Grant Income, Note 9. The 2015/16 figures have been restated from £49,040,086 to £48,188,695 and the prior year figures in the Comprehensive Income and Expenditure Statement (CIES) for the related service have been restated. There has been no impact in the General Fund or Balance Sheet.

For 2016/17 the Transferred Function Grant has been included in the Cost of Services on Continuing Operations.

### 30 Bequest Accounts/ Mayor's Charitable Fund

The Council is responsible for the administration of three bequest funds. These funds do not represent assets of the Council and are therefore not included in the Council's balance sheet.

#### Bequest Account No 1

A sum of money was bequeathed to Ballyclare Urban District Council to be invested and the investment income used for the maintenance of graves.

#### Bequest Account No 2

A sum of money was bequeathed to Ballyclare Urban District Council to be invested and the investment income distributed to the poor of Ballyclare.

#### Bequest Account No 3

An amount of 3.5% War Stock was bequeathed to Antrim Rural District Council from the Moore trust.

Bequest Account balances as at:

	<b>31 March 2017</b>
	<b>£</b>
Bequest Account No 1	78
Bequest Account No 2	2,321
Bequest Account No 3	380
	<b>2,779</b>

### Mayor's Charitable Fund

The Council is responsible for the administration of the Mayor's Charitable Fund. These funds do not represent assets of the Council and are therefore not included in the Council's balance sheet.

During the mayoral year the Mayor nominates a number of charities and raises funds by holding various fund-raising events.

Mayor's Charitable Fund as at:

	<b>31 March 2017</b>
	<b>£</b>
Mayor's Charitable Fund	5,435
	<b>5,435</b>

### **Accounts Authorised for Issue**

In accordance with International Accounting Standard (IAS 10) this Statement of Accounts which contains a number of minor amendments which are not material from the Accounts approved on 20 June 2017 is at today's date hereby authorised for issue.

IAS 10 sets out

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

Signature.....

**Jacqui Dixon**  
**Chief Financial Officer**

Date:           **September 2017**

# Corporate Improvement Plan (2016-2017)

## Performance Report (Working Draft)

For presentation to:

Policy & Governance Committee on  
5 September 2017



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## Introduction

Part 12 of the Local Government Act (Northern Ireland) 2014 puts in place a framework to support the continuous improvement of Council services and arrangement must be put in place to secure their achievement. A number of performance targets are also set by Government Departments in respect of job creation, planning and waste management.

Eight improvement objectives and the statutory targets were detailed in the 2016-17 Corporate Improvement Plan which was approved by Council in June 2016.

This report details the progress the Council has made against each of the objectives. In addition the report details performance against self-imposed targets the Council set.



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## Evaluation of Progress

The achievement status is presented on the basis of:

<b>Fully Achieved</b>	All actions and measures/results were achieved.
<b>Substantially Achieved</b>	Actions and measures/results were mostly achieved, one or two falling marginally short of planned targets and/or results.
<b>Partially Achieved</b>	Some actions and measures/results were achieved.
<b>Not Achieved</b>	Actions and measures/results were not achieved as planned.
<b>Results not available</b>	Results supplied by external organisations are not available at the time of publication.

# Improvement Objectives - Overview

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## Introduction

- |   |   |
|---|---|
| <a href="#"><u>Improvement objective 1:</u></a> | We will provide a welcoming, attractive and safe environment by improving the level of cleanliness of the roads and streets across our Borough  |
| <a href="#"><u>Improvement objective 2:</u></a> | We will minimise waste through adherence of Government and European targets   |
| <a href="#"><u>Improvement objective 3:</u></a> | We will achieve excellence in customer service through maximising technology and our standards of customer service  |
| <a href="#"><u>Improvement objective 4:</u></a> | We will support a more active, healthy and empowered community through effective partnership working and an investment programme in our leisure, sport, play park and recreation facilities |
| <a href="#"><u>Improvement objective 5:</u></a> | We will maximise tourism opportunities and have a strong arts and cultural economy, through working in partnership to deliver showcase events and enhancing the visitor experience          |
| <a href="#"><u>Improvement objective 6:</u></a> | We will improve the physical environment of our Borough and work with partners to deliver town and village regeneration   |
| <a href="#"><u>Improvement objective 7:</u></a> | We will seek to encourage and support those who wish to start their own business and we will strengthen and grow the business base of the Borough   |
| <a href="#"><u>Improvement objective 8:</u></a> | We will be at the forefront of good governance and make the best use of our resources through innovative practices and strong financial arrangements  |

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## Objective 1: We will provide a welcoming, attractive and safe environment by improving the level of cleanliness of the roads and streets across our Borough

What we said we would do	What has been achieved
1. Review and reorganise the resources dedicated for street cleansing and involve the public in public clean-ups.	<p>Street cleansing resources have been identified and assessed against service requirements. New street cleansing routes were developed and implemented by March 2016. In addition a dedicated resource was identified for dog fouling complaints.</p> <p>Officers are continuing to promote the Support in Kind scheme and the annual Big Spring Clean in April 2017.</p>
2. Use an effective enforcement and education policy for environmental vandalism (graffiti, litter, dog fouling, and fly-tipping).	<p>Officers have attended 'nudge training' by the Innovation Lab (Department of Finance) and plans for a monitored promotion and enforcement exercise are being developed to trial measures in two parks that have experienced high levels of litter and dog fouling.</p> <p>A similar project is ongoing at Mossley Pavilion and Mossley Mill to assess the effectiveness of anti-vandalism and graffiti measures.</p> <p>In addition, Officers from Environmental Health and Waste Management are working collaboratively on potential dog fouling prevention projects.</p>
3. Review the provision, maintenance and emptying of litter bins across the Borough.	<p>Litter and dog bins in the Borough have been mapped and new service schedules have been developed. All bins have been mapped on GIS, and a new optimised collection route is being developed with a contractor.</p> <p>The Council has approved a bin replacement scheme which included the installation of new combi litter/dog bins.</p>

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## Objective 1: We will provide a welcoming, attractive and safe environment by improving the level of cleanliness of the roads and streets across our Borough

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status
1. Residents report an increase in satisfaction with the level of cleanliness of the roads and streets across our Borough.	55% satisfaction with the 'cleanliness of the roads and streets in your area.'  (Source: Resident Satisfaction Survey in Borough Life. December 2015)	Customer satisfaction with the level of cleanliness of the roads and streets across the Borough was measured through a survey conducted in Borough Life in March 2017. In addition to this a 'face-to-face' survey was conducted at key locations across the Borough during August 2017. These survey's combined give an overall customer satisfaction rating of 62% with the level of cleanliness of the roads and streets across the Borough.	Fully Achieved
2. Residents report an increase in satisfaction in the provision, maintenance and emptying of litter bins across the Borough.	56% satisfaction with 'provision of litter bins across the Borough.'  65% are very and fairly satisfied that 'litter bins are well maintained and emptied regularly.'  (Source: Resident Satisfaction Survey in Borough Life. December 2015)	Customer satisfaction with the provision of litter bins across the Borough and the maintenance and emptying of litter bins was assessed both as part of a survey conducted in Borough Life in March 2017 and also as a 'face-to-face' survey during August 2017.  The combined survey results indicate that 43% are satisfied with the provision of litter bins and 54% are satisfied with the maintenance, and emptying of the bins.	Partially Achieved

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## Objective 2: We will minimise waste through adherence of Government and European targets

What we said we would do	What has been achieved
1. Expand the range of dry recyclables materials in the legacy Antrim area (with the acceptance of rigid plastics).	Completed – hard plastics accepted from April 2016.
2. Introduce kerb side glass recycling in the Antrim area.	Council participated in DAERA's Recycling Gap Analysis which identified possible recycling collection methods for glass. Council are assessing the suitability and economic viability of these proposals for the legacy Antrim area.
3. Roll-out of more triple stack bins across the Newtownabbey area.	Council agreed the full timetabled expansion to all legacy Newtownabbey households to be completed by December 2018. An additional 4,000 households covered in 2016-17.
4. Roll-out of 180 litre black bins across the Antrim and Newtownabbey area over a two year period.	At the same time, 4,000 180 litre black bins were issued to the same households as the new triple stack bins.
5. Expansion of commercial food waste recycling service to businesses in the Newtownabbey area.	Completed with service commencement in June 2016.
6. Support these changes with an effective education and awareness programme.	Ongoing Waste Promotion Plan with Council adoption in November 2016.
7. Increase the recycling opportunities at Council facilities across the Borough.	A review of recycling facilities at all Council premises is being undertaken to identify any gaps in recycling. The provision of recycling facilities at Council sites is covered under the accredited Environmental Management System.

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## Objective 2: We will minimise waste through adherence of Government and European targets

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status
1. We remain on target to recycle 50% of our household waste by 2020.	Household recycling rate for 2015/16 – 47.46%  (Source: Department of the Environment)	Household recycling rate as at June 2017 was 47.56%.	Fully Achieved
2. We have met our landfill targets and avoided any fines.	18,872 tonnes (89% of the annual allowance)  (Source: NILAS return for 2015/16)	NILAS return was 17,469 tonnes, against our Landfill allowance of 20,058 tonnes. This was 87.2% against allowance.	Fully Achieved

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## Objective 3: We will achieve excellence in customer service through maximising technology and our standards of customer service

### What we said we would do

Maximise the use of technology so customers can access more services digitally.

### What has been achieved

Several key services have been put online in the year to date. These include: (1) Bulky Waste Collections, (2) Summer Scheme Bookings, (3) Gymnastics Courses, (4) The Halloween Inferno, (5) Dog Licensing, (6) Leisure Grants, and (7) The Council's Consultation Hub.

**Online Summer Scheme Bookings:** The booking of the Council's Summer Scheme programme went online for the first time in May 2016.

37% of places were booked online within 24 hours. There was a 26% increase in our web traffic in the first 24 hours of the booking going online. Over 2,500 bookings were made online.

2017 Online Summer Scheme bookings went online on 8 May 2017. 11,077 bookings have been made online.

**Online Service Requests for Bulky Collection:**

The online service requests for bulky collections went online from July 2016. In 2016/17, the Council processed 870 online enquiries. The Council are currently working to develop an online portal which will provide a more personalised approach and this is at the development stage.

**Arts and culture classes are now bookable online** and with the new Theatre booking software procured, the remainder of these classes went online in February 2017.

**Other Online Services include:**

Gymnastic courses were put online in June 2016 and the Halloween inferno at Antrim Forum went online in October 2016.

**Online Reporting of Service Requests:** The online reporting of service requests/comments/problems was reviewed to improve ease of access for customers and improve operational responses to these requests.

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## Objective 3: We will achieve excellence in customer service through maximising technology and our standards of customer service

### What we said we would do

2. Refine the customer journey in relation to key services to enable digitisation and more streamlined services.

### What has been achieved

A number of services e.g. Cemeteries Administration are in the final stages of a digitisation project. Progress on these services is ongoing. The software upgrade means all records are accessible by the cemeteries administration team. Two legacy offices previously used different versions. The online burial records will be searchable from the Council's website. This will be very useful for families exploring records. The introduction of an iPad to the cemeteries teams on the ground will streamline the administration process, improve communication between the administration and operations staff and allow for the staff on the ground to have instant access to cemetery records and to report issues.

Work was undertaken to streamline the process for booking community centre facilities. This was rolled out to the public in October 2016.

The Council is on track to upgrade its conferencing software and facilities to provide a more accessible and quality service.

Work is also ongoing as part of the Council's Digital Transformation Steering Group and a number of projects have been brought for consideration which aim to deliver more streamlined customer services.



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## Objective 3: We will achieve excellence in customer service through maximising technology and our standards of customer service

### What we said we would do

### What has been achieved

3. Ensure our employees are well informed and responsive to customer needs.

An Employee App was rolled out at the Employee Roadshows from 31 January 2017 to 9 Feb 2017. This has revolutionised communication for frontline staff by keeping employees up-to-date on corporate goals and progress with specific projects/schemes. The App promotes staff engagement by combining internal communications, training and recognition into one power-packed mobile tool. The App allows for instantaneous feedback from individual employees on their opinions and preferences. This is an exciting development and has massive potential to be applied in various ways in different teams. A total of 331 staff have downloaded the Employee – App (as at 31 March 2017).

A new complaints reporting system was put in place with monthly reporting to Heads of Service and the Corporate Leadership Team. Employee complaints handling training was completed also.

4. Deliver service specific improvements as a result of the customer service consultation process.

The Council has developed a Consultation schedule. A new Consultation and Communication Strategy was reported to Council in January 2017. An online consultation portal went 'live' in January 2017. This will help our citizens to find, share and participate in consultations. The consultation hub will make it easier for citizens to have their say on the decisions that affect them. This was used for a number of consultation exercises including: (1) The Draft Community Plan Framework 'Love Living Here', (2) The Local Development Plan 2030 – Preferred Options Paper, including Sustainability Appraisal and EQIA (3) The Draft Leisure Strategy 2017-18, (4) The Corporate Improvement Plan 2017-18 (Working Draft), (5) The Draft Disability Action Plan 2016-2020, (6) The Development of a Tourism Strategy for A&NBC, (7) The LEAN Business Network – How to Access Funding and Support, (8) Have Your Say – Cleanliness of the Borough, and (9) The Ballyclare Town Hall Survey.

When we receive feedback from customers, by way of formal complaints, we are responding in a more coordinated way. We have replaced the two legacy systems for recording formal complaints with one online system. Monthly complaints and compliments reports are generated for each Head of Service. The Customer Services Team also send calendar reminders to the staff in service are dealing with the complaint, provide template letters and are offering proactive support service to staff responding to complaints. We are working on processes to ensure that the learning from complaints and compliments is captured fully and informs service improvements.

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### Objective 3: We will achieve excellence in customer service through maximising technology and our standards of customer service

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved			Status
1. There is an increase in the range of online transactions.	32,550 (Apr15-Mar16)  (Source Te-Leisure )		<b>2015-2016</b>	<b>2016-2017</b>	<b>Fully Achieved</b>
		Leisure transactions	32,550	48,956	
		Other online transactions during 2016-17 include			
		Bulky Waste:	1,462		
		Theatre:	15,510		
		Caravan Park:	2,274		
		Dog Licenses:	3,809		
		Total online transactions during 2016-17 were 72,011.			



## Objective 3: We will achieve excellence in customer service through maximising technology and our standards of customer service

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status
2. There is an increase in the range of online services.	14 Services (31 March 2016) (Source: Communication & Customer Services Section)	7 additional services have been put online. These include: (1) Bulky Waste Collections, (2) Summer Scheme Bookings, (3) Gymnastics Courses, (4) The Halloween Inferno, (5) Dog Licensing, (6) Leisure Grants and (7) The Council's Consultation Hub.  In addition, in January 2017 the Council launched a new Corporate Facebook page and an improved dog licensing online service.	Fully Achieved
3. There is an increase the number of unique visitors to the website.	254,440 (Apr-15-Jan-16) (Source: Google Analytics)	2,142,425 page views.  1,688,564 unique page views. (Source: Google Analytics).	Fully Achieved
4. There is an increase in the number of Twitter followers.	4,235 followers (31 March 2016) (Source: Communication & Customer Services Section)	5,703 Followers.  7,257 tweets.  2,408 likes.  (as at 31 March 2017 – Source: The Council's Corporate Twitter site).	Fully Achieved
5. We have rolled out a programme of Customer Care Training to key services.	A Customer Charter for the new Council has been developed.	Complaints Handling Training has been carried out for key staff involved in the complaints process.  Work is underway to develop a scenario-based customer service training for Operations staff with an anticipated roll-out of training in June 2017.	Fully Achieved

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### Objective 3: We will achieve excellence in customer service through maximising technology and our standards of customer service

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status
6. We are recognised by external accreditations.	11 Green Flags*. Winners and Shortlisted for 'Community Awards' i.e. Britain in Bloom; Ulster in Bloom; Roses in Town; Large Housing Area Award; Best Kept Awards.  (Source: Annual Report 2015-16)	Two 2 <sup>nd</sup> Place Ulster in Bloom awards. Best Community and Neighbourhood Initiative (V36). Worked towards the retention of, and achievement of new awards, for 14 Green Flag sites within the Borough. Arts Disability Charter Recognition. ISO 14001. Best NI Park – Antrim Castle Garden. Shortlisted - CIPD NI Best Change Management Initiative – 2017.  * Worked towards the achievement of these Awards in 2015/16.	<b>Fully Achieved</b>

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### Objective 3: We will achieve excellence in customer service through maximising technology and our standards of customer service

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status
7 Customer satisfaction has increased.	74% overall customer satisfaction with the Council Services. (Source: Residents' Magazine Survey - December 2015)	A survey was undertaken in the Council's Residents Magazine 'Borough Life' in March 2017. 70% were very and fairly satisfied with all services provided by Antrim and Newtownabbey Borough Council.  In addition to this a 'face-to-face' survey was conducted at one of the Council events (Shoreline Festival, August 2017), and overall customer satisfaction was rated at 80%.  As part of our ongoing commitment to assess and improve customer satisfaction, five 'Smiley' terminals are being trialled across the Council over an 8 week period during the period September – December 2017.	Substantially Achieved

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**Objective 4:** We will support a more active, healthy and empowered community through effective partnership working and an investment programme in our leisure, sport, and Play Park and recreation facilities.

What we said we would do	What has been achieved
1. Engage in joint working arrangements to improve the general health and well-being of our residents (Exercise Referral; Everybody Active 2020; Regional Obesity Prevention Group; Macmillan Move More; Warmer Homes Schemes).	<p>The Council approved a Community Plan and are working with the Community Planning Partnership to ensure "Our citizens enjoy good health and well-being." In addition the Council has joint working arrangements in place to improve the general health and well-being of our residents. Arrangements include: Exercise Referral; Everybody Active 2020; Regional Obesity Prevention Group; Macmillan Move More and Warmer Home Schemes.</p> <p>During 2016/17, a Council wide audit of health and wellbeing programmes was completed and mapped and a benefits log has been commissioned to record outcomes from this project.</p> <p>Recommendations for Pilot programmes have been chosen adopting an outcome based accountability approach.</p>
2. Continue our investment programme to improve and modernise our leisure, sport, play park and recreation facilities.	<p>We delivered an investment programme to improve and modernise our leisure, sport, play park and recreation facilities.</p> <p>Key investments include during 2016/17 include:</p> <p>Antrim Forum PA System and CCTV, Valley Conference Suite, Hall 2 &amp; Hall of Fame, Rathcoole MUGA, Valley car park resurfacing, Allen Park Recreation Development, Antrim Forum and Valley Park hockey pitch replacement and V36, Newtownabbey.</p>



## Objective 4: We will support a more active, healthy and empowered community through effective partnership working and an investment programme in our leisure, sport, and Play Park and recreation facilities

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status
1. We are delivering health improvement programmes which aim to support the general health and well-being of residents:	699 Patients Referred.  (Source: Internally collected data)	779 Patients Referred to the Antrim Forum, Ballyearl & Crumlin Leisure Centres.	<b>Fully Achieved</b>
<ul style="list-style-type: none"> <li>GP Referral Scheme</li> </ul>	N/A (New Scheme)	105 referrals onto the Move More Program. A campaign ran in partnership with Macmillan Cancer, to promote the benefits of physical activity for people living with, and beyond cancer.	<b>Fully Achieved</b>
<ul style="list-style-type: none"> <li>Macmillan More</li> </ul>	7,266 Participants  (Source: Internally collected data)	Currently awaiting figures from Sport NI, however six month figures indicate a total of 5,004 participants.	<b>Results not available</b>
<ul style="list-style-type: none"> <li>Everybody Active</li> </ul>	762	1,250 Warm Packs were purchased with PHA funding in 2016/17.	<b>Fully Achieved</b>
<ul style="list-style-type: none"> <li>Warmer Homes Scheme</li> </ul>	260	676 Residents have been referred for Energy Efficiency Grants (426 Affordable Warmth referrals 1 April 2016 – 31 March 2017 and 250 Energy Efficiency referrals 1 April 2016 – 31 March 2017).	



**Objective 4:** We will support a more active, healthy and empowered community through effective partnership working and an investment programme in our leisure, sport, and Play Park and recreation facilities

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status																		
2. There is an increase in the usage of sport, leisure and community facilities.	Leisure Centre & Community Centre Usage (2015 -16) = 1,023,296 (Source: Te-Leisure)	1,145,621 Leisure Centre & Community Centre Usage (Source: Te-Leisure).	Fully Achieved																		
3. Delivered a range of modernisation programmes which will enhance our leisure, sport, play park and recreation facilities.	N/A	<p>During 2016-17 the following modernisation programmes were delivered which enhance our leisure, sport, Play Park and recreation facilities.</p> <table><tr><th>Scheme Delivered</th><th>Value (£)</th></tr><tr><td>Antrim Forum PA System and CCTV</td><td>£254,692</td></tr><tr><td>Valley Conference Suite, Hall 2 and Hall of Fame</td><td>£31,240</td></tr><tr><td>Rathcoole MUGA</td><td>£106,807</td></tr><tr><td>Valley Car Park Resurfacing</td><td>£92,230</td></tr><tr><td>Allen Park Regeneration Development</td><td>£5,245,263</td></tr><tr><td>Antrim Forum and Valley Park Hockey Pitches Renewal</td><td>£386,000</td></tr><tr><td>Castle Gardens Pump Chamber</td><td>£119,987</td></tr><tr><td>V36, Newtownabbey</td><td>£4,574,516</td></tr></table>	Scheme Delivered	Value (£)	Antrim Forum PA System and CCTV	£254,692	Valley Conference Suite, Hall 2 and Hall of Fame	£31,240	Rathcoole MUGA	£106,807	Valley Car Park Resurfacing	£92,230	Allen Park Regeneration Development	£5,245,263	Antrim Forum and Valley Park Hockey Pitches Renewal	£386,000	Castle Gardens Pump Chamber	£119,987	V36, Newtownabbey	£4,574,516	Fully Achieved
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**Objective 5:** We will maximise tourism opportunities and have a strong arts and cultural economy, through working in partnership to deliver showcase events and enhancing the visitor experience

### What we said we would do

1. Promote and work in partnership with flagship event organisers to maximise attendance and attract key events to the Borough - Circuit of Ireland, NI Festival of Food and Festival of Cycling, Garden Show Ireland, Armed Forces Day, the Ulster Pipe Band Championships and River to Lough Festival.

2. Deliver quality showcase events including Dragon Boat Race, May Fair, Party in the Park and Halloween and Christmas Events.

### What has been achieved

Both the arts and culture and tourism teams have successfully attracted and delivered flagship events for the Borough in 2016. These events all proved very successful and have achieved attendances of:

Circuit of Ireland – 1,500

Festival of Food & Festival of Cycling – 2,000

Garden Show Ireland – 25,000 (increase of 5,000 on 2015)

Armed Forces Day – 15,000

Ulster Pipe Band Championship – 6,000

River to Lough Festival – 4,300

Garden Show Ireland has committed to delivery of this event at Antrim Castle Gardens at least until 2018 and RSPBANI have confirmed that they wish to hold the 2017 Pipe Band Championships in the Borough once again. Street Velodrome is also confirmed for Antrim 2017.

Both the arts and culture and tourism teams have also delivered a range of high quality showcase events in 2016 which have been well attended by both residents and visitors including:

Dragon Boat Race – 2,000

May Fair – 2,800

Party in The Park – 7,000

Spooktacular Junction One – estimated 10,000

Spooked Out at V36 – 10,500

## Objective 5: We will maximise tourism opportunities and have a strong arts and cultural economy, through working in partnership to deliver showcase events and enhancing the visitor experience

What we said we would do	What has been achieved
... continued from previous page	<p><b>The Enchanted Winter Garden</b> was held again in Antrim castle Gardens from 8-18 December. Attendance at this event increased from 17,000 (December 2015) to 44,000 in December 2016.</p> <p>Options are being explored to expand this event for 2017 with a view to putting Antrim on the map as NI's premier Christmas destination.</p> <p>In addition <b>Christmas Markets</b> were held in Antrim, Ballyclare, Glengormley, Randalstown and Toome and very successful Christmas shows were delivered in the three theatres in the Borough.</p> <p><b>Antrim Live</b> – A two day arts and entertainment festival took place in Antrim Town Centre (24,25 February 2017) as a pilot with the aim of securing this as an annual event depending upon tangible outcomes of the event which will be measured. Highlights of the event included the Antrim Town Business Awards, street entertainment and a Craft/Twilight Market. The footfall results were excellent with 16,500 people visiting the town during the event compared with 12,300 the previous year.</p> <p>There are established town centre teams for the key town destinations in the Borough where the Council engages local stakeholders in order to deliver enhancements to the visitor offer through infrastructure and capital works, regeneration initiatives and delivery of facilities, activities and events.</p> <p>Ongoing delivery of civic realm schemes in key town centres.</p> <p>Specific District Electoral Area (DEA) project to look at town centre visitor signage for Antrim.</p> <p>The opening times of the Old Courthouse including tourist visitor information service have been reviewed to include all day opening all year round on Saturdays from 10am until 4.30pm.</p> <p>A commitment to participate in Tourism NI's Visitor Experience Quality Grading Scheme has been given.</p> <p>A partnership with the Ulster Scots Agency to develop the heritage offering within Antrim Town through development and promotion of a Scotch Quarter around Pogue's Entry was approved in March 2017.</p>
3. Work in partnership with the local tourism industry to create innovative opportunities to enhance the visitor experience.	

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**Objective 5:** We will maximise tourism opportunities and have a strong arts and cultural economy, through working in partnership to deliver showcase events and enhancing the visitor experience

### What we said we would do

... continued from previous page

### What has been achieved

In addition, an original theatre piece on Alexander Irvine was premiered at Antrim Live with £2,000 funding provided from the Ulster Scots Agency.

The Arts and Culture team are working with Town Centre Teams to develop street signage which will better connect Antrim Town with Antrim Castle Gardens, this will include maps across the entire area to aid navigation for visitors and promote town centre visits from the Gardens.

There is a Tourism Team made up of 9 representatives from attractions, accommodation and activity providers. A new action plan for 2016/17 indicates actions to build capacity within the local tourism sector to enhance the quality of the visitor offer in the Borough generally and specific actions to promote the Borough to increase visitor numbers, spend and overnight stays including developing tourism trails, activity tourism products and develop opportunities for clustering and cross selling.

Officers are working closely with Tourism NI to explore new partnership opportunities involving the private sector to take forward the development of the Borough's visitor trails and activity tourism products, launching a fresh marketing campaign, improving tourist signage, creating a dedicated tourism 'micro' website and lobbying Tourism NI and Transport NI to improve access/transport links.

## Objective 5: We will maximise tourism opportunities and have a strong arts and cultural economy, through working in partnership to deliver showcase events and enhancing the visitor experience

### What we said we would do

4. Measure customer satisfaction with visitor attractions, theatre performances and events.

In 2016 baseline measurements were collected at the following key arts and cultural facilities:

- Theatre at The Mill
- The Courtyard Theatre
- The Courthouse Theatre
- Antrim Castle Gardens
- Large Scale Events

### What has been achieved

**Visitor Attraction:** Antrim Castle Gardens and Clotworthy House is seen as the Council's major visitor attraction of regional significance. Customer satisfaction with this visitor attraction achieved a rating of 67% ((Source Visitor Survey, Tourism Strategy 2017-2020)

**Theatre Performances:** The Arts and Culture service participants in a UK wide theatre experience survey which asked audience members' to assess the experience they have had after a visit to the theatre.

At end March 2016, the Council's theatres achieved a rating of 4.49 out of 5 for whole experience against a UK average of 4.35 out of 5 and this figure increased to 4.61 out of 5 in March 2017.

**Events:** Both the arts and culture and tourism service developed a post event satisfaction survey for implementation at both large scale Halloween family events held in October 2016 as well as the Enchanted Winter Garden Event in December 2016.

These events achieved an overall satisfaction rating of 72% for the Halloween events and 75% for Enchanted Winter Garden.

In addition to this, the January 2017 issue of Borough Life carried a specific large scale event satisfaction survey with results available in time to inform the planning of the Council large scale events offer for 2017.

The survey covered all Council run large scale events and the overall level of satisfaction for all events was 3.72 out of 5. This ranged from 3 out of 5 for the Christmas Light Switch On to 4.3 out of 5 for the Enchanted Winter Garden.

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**Objective 5:** We will maximise tourism opportunities and have a strong arts and cultural economy, through working in partnership to deliver showcase events and enhancing the visitor experience

## What we said we would do

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## What has been achieved

**Conferencing and Meetings:** Plans are underway to develop customer feedback mechanisms for all conferencing and meeting business across the Arts and Culture facilities which were implemented in April 2017 and will be used to improve services.

The meeting and conferencing income generated by Mossley Mill and Antrim Civic Centre in 2016/17 increased by 34% and 28% respectively.

**Hospitality Offer :** For venues where there is a catering offer provided by external contract caterers a joint feedback mechanism has been developed which will be monitored in order to evaluate service delivery both in terms of contract monitoring but also to jointly improve this service element, which is a key ingredient of the offer.

The Council recently undertook an online staff catering services satisfaction survey for both Antrim Civic Centre and Mossley Mill. The consultation, which ran from 24 April 2017 to 5 May 2017 requested feedback on the catering provision of both venues and experience of the catering provision in the restaurants / cafes, hospitality at meetings, training courses and events.

**Tourism NI Quality Grading Scheme:** The Visitor Experience Quality Grading Scheme is open to tourism businesses that offer a quality visitor experience to tourists including museums, castles, historic houses and gardens. It is planned to have all such Council facilities assessed in a rolling programme with a pilot having already been carried out in Autumn 2015 at Antrim Castle Gardens. An initial star rating of 3 stars is the minimum target and participation in the survey will also be used to inform business plans and aim of continuous improvement.

It is expected that Antrim Castle Gardens, Museum at the Mill, Sentry Hill and Theatre at the Mill will participate in this scheme during 2017.

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**Objective 5:** We will maximise tourism opportunities and have a strong arts and cultural economy, through working in partnership to deliver showcase events and enhancing the visitor experience

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status												
1. We increase the number of day visitors, overnight stays and visitor spend.	See below (Source: NISRA)	<p>See results outlined below – Source NISRA).</p> <table><tr><td></td><td>2015</td><td>2016</td></tr><tr><td>Overnight Stays</td><td>672,902</td><td>672,929</td></tr><tr><td>Overnight Trips</td><td>204,290</td><td>217,829</td></tr><tr><td>Visitor Spend</td><td>£34.165m</td><td>£38.430m</td></tr></table> <p>Note: The number of 'visitors to the Borough' has been excluded from this table as the methodology for the calculation has changed since 2015 and therefore does not provide a useful comparison.</p>		2015	2016	Overnight Stays	672,902	672,929	Overnight Trips	204,290	217,829	Visitor Spend	£34.165m	£38.430m	Fully Achieved
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**Objective 5:** We will maximise tourism opportunities and have a strong arts and cultural economy, through working in partnership to deliver showcase events and enhancing the visitor experience

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status																		
2. More people are using our key arts, cultural attractions and attending events.	(Source: In House Figures)	<p>(a) Arts summary:</p> <table><tr><th></th><th>2015/16</th><th>2016/17</th></tr><tr><td>Visitors attracted to Antrim Castle Gardens</td><td>347,514</td><td>420,000</td></tr><tr><td>Enchanted Winter Garden</td><td>17,000 (Dec)</td><td>44,000 (Dec)</td></tr><tr><td>Visitors to Sentry Hill</td><td>6,300</td><td>6,150</td></tr><tr><td>Visitors to Museum at the Mill</td><td>9,500</td><td>11,616</td></tr><tr><td>Total</td><td>380,314</td><td>481,766</td></tr></table>		2015/16	2016/17	Visitors attracted to Antrim Castle Gardens	347,514	420,000	Enchanted Winter Garden	17,000 (Dec)	44,000 (Dec)	Visitors to Sentry Hill	6,300	6,150	Visitors to Museum at the Mill	9,500	11,616	Total	380,314	481,766	Fully Achieved
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**Objective 5:** We will maximise tourism opportunities and have a strong arts and cultural economy, through working in partnership to deliver showcase events and enhancing the visitor experience

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status																		
2. More people are using our key arts, cultural attractions and attending events (continued)	(Source: In House Figures)	<p>(b) Cultural attractions summary:</p> <table><tr><th></th><th>2015-2016</th><th>2016-2017</th></tr><tr><td>Courtyard Theatre, Ballyearl</td><td>12,691 (12,089 theatre / 602 classes)</td><td>14,527 (14,090 theatre / 437 classes)</td></tr><tr><td>Theatre at the Mill &amp; Mossley Mill</td><td>27,154</td><td>32,133 (31,833 theatre / 300 classes)</td></tr><tr><td>Old Courthouse Theatre, Antrim</td><td>4,611</td><td>11,209</td></tr><tr><td>Clotworthy House (courses and classes)</td><td>1,174</td><td>925</td></tr><tr><td>Total</td><td>45,630</td><td>58,794</td></tr></table>		2015-2016	2016-2017	Courtyard Theatre, Ballyearl	12,691 (12,089 theatre / 602 classes)	14,527 (14,090 theatre / 437 classes)	Theatre at the Mill & Mossley Mill	27,154	32,133 (31,833 theatre / 300 classes)	Old Courthouse Theatre, Antrim	4,611	11,209	Clotworthy House (courses and classes)	1,174	925	Total	45,630	58,794	Fully Achieved
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## Objective 5: We will maximise tourism opportunities and have a strong arts and cultural economy, through working in partnership to deliver showcase events and enhancing the visitor experience

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved			Status
2. More people are using our key arts, cultural attractions and attending events (continued)	(Source: In House)	(c) A range of events delivered during 2016-17 where attendance figures were measured.			Fully Achieved
		<b>1. Events attracted to the Borough</b>  Circuit of Ireland Festival of Food & Festival of Cycling* Garden Show Ireland Armed Forces Day Ulster Pipe Band Championship River to Lough Festival* Shoreline Festival	<b>2015-2016</b>  N/A N/A 20,000 15,000 N/A N/A 20,000	<b>2016-2017</b>  1,500 2,000 25,000 15,000 6,000 4,300 N/A	
		<b>2. Council showcase events</b> Dragon Boat Race May Fair Party in the Park Spooktacular at Junction One Spooked Out at V36* Winter Wonderland ACG (* new event for 2016/17)	2,500 15,000 2,500 10,000 N/A 16,918 Total 101,918	2,000 2,800 7,000 10,000 10,500 43,781 Total 129,881	

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**Objective 5:** We will maximise tourism opportunities and have a strong arts and cultural economy, through working in partnership to deliver showcase events and enhancing the visitor experience

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status
3. Our local tourist industry and visitors tell us that we are delivering added value.	N/A	<p>The indicators chosen include visitors and visitor spend which are to be reviewed annually.</p> <p><b>Overnight stays in the Borough:</b> 204,905 (2015) 217,829 (2016) an increase of 6%.</p> <p><b>Visitor spending in the Borough:</b> £34.3M (2015) £38.4M (2016) an increase of 12%. (figures supplied from NISRA).</p> <p>In order to establish and deliver added value, the Council have recently established a local Tourism Forum with representatives from the local tourist industry. The Forum meets on a quarterly basis and to date, 15 individuals have attended. In addition, 3 master classes for local providers have been undertaken with 30 individuals participating.</p> <p>In terms of 'added value', The Tourism Forum has been actively involved in helping the Council to develop and refine the new Tourism Strategy for the Borough. The Forum is also assisting in the development of the Tourism portal that will be integrated into the Council's corporate website.</p>	<b>Fully Achieved</b>

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## Objective 6: We will improve the physical environment and work with partners to deliver town and village regeneration

What we said we would do.	What has been achieved
<p>1. Roll-out a capital development programme for the following four projects:</p> <ul style="list-style-type: none"><li>• Randalstown Phase 2</li><li>• Carnmoney Road, Glengormley</li><li>• Ballyclare (North)</li><li>• Bridge Street/Dublin Road, Antrim</li></ul>	<p>The following Public Realm schemes were completed on / before 31 March 2017:</p> <ul style="list-style-type: none"><li>• Randalstown Phase 2 Public Realm scheme.</li><li>• Carnmoney Road, Glengormley.</li><li>• Ballyclare is due to complete by the end of May 2017.</li><li>• Bridge Street/ Dublin Road.</li></ul>
<p>2. Improve the existing retail and public realm environment in our towns (Randalstown, Antrim, Glengormley and Ballyclare).</p>	<p>Successful applications: Linkages schemes (shop front improvements and marketing campaigns) completed in Antrim and in Ballyclare by 31 March 2017. Options are being explored for a third major public realm scheme in Glengormley, subject to DfC funding approval. A feasibility study to extend the river boardwalk in Antrim and help generate new commercial opportunities in the town, is due to complete by 30 June 2017.</p> <p>A feasibility study to investigate the viability of a Business Improvement District (BID) in Ballyclare is now complete; this was reported to the Community Planning and Regeneration Committee on 13 February 2017. The Council are currently awaiting confirmation of DEA funding to develop a BID Partnership in Ballyclare. Street markets which were delivered or funded by the Council took place in Antrim, Ballyclare, Glengormley, Randalstown and Toome over the Christmas period. Antrim Live, a two day arts and entertainment festival took place in Antrim town centre on the 24 and 25 February 2017.</p>
<p>3. Work with partners to regenerate the physical and social fabric of our villages and rural communities.</p>	<p>A successful funding application was made to GROW to produce six new village / hamlet plans and update five existing village / hamlet plans. These were completed in March 2017. Expressions of interest have been received by GROW from 9 villages to implement actions under the completed village / hamlet plans. These have been reviewed by GROW for eligibility under the GROW programme and are now with the potential applicant, Antrim and Newtownabbey Borough Council.</p> <p>Five Town Teams (Antrim, Ballyclare, Crumlin, Glengormley and Randalstown) action plans were progressed and completed at the end of March 2017.</p>

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## Objective 6: We will improve the physical environment and work with partners to deliver town and village regeneration

What we said we would do.	What has been achieved
3. (Continued)	<p>The Town Teams agreed action plans with the Council for spending their £22k allocation of funding. A range of projects were delivered across each of the five towns, including:</p> <ol style="list-style-type: none"><li>1. Free public Wi-Fi.</li><li>2. Promotional campaigns for shop local.</li><li>3. Contributions to street markets.</li><li>4. Town centre events.</li><li>5. New town centre signage and lighting.</li><li>6. Local business awards.</li><li>7. Pop-Up Shops.</li><li>8. Virtual windows on vacant properties.</li><li>9. Small scale environmental improvements including planters and hanging baskets.</li><li>10. Networking events for town centre traders.</li></ol>

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## Objective 6: We will improve the physical environment and work with partners to deliver town and village regeneration

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status																								
1. Real improvements have been delivered to our facilities and we have achieved customer satisfaction.	N/A **	<p>Real improvements have been delivered which include (a) Maximising publicity opportunities (b) Ensuring that young people are consulted when carrying out pre and post scheme surveys / evaluations (c) Engaging with Translink (d) Encouraging coach operators to the Borough (e) Brown signage for Antrim Castle Gardens from the M2 and (f) Identifying best practice in urban regeneration from IR/GB/EU.</p> <p>We have achieved customer satisfaction as a result of physical improvements which have been made to our facilities, however no formal customer surveys have yet measured specific feedback relating to these improvements.</p> <p>These include:</p> <table><tr><th>Improvements Delivered</th><th>Value (£)</th></tr><tr><td>Antrim Forum PA System and CCTV</td><td>£254,692</td></tr><tr><td>Valley Conference Suite, Hall 2 and Hall of Fame</td><td>£31,240</td></tr><tr><td>Rathcoole MUGA</td><td>£106,807</td></tr><tr><td>Valley Car Park Resurfacing</td><td>£92,230</td></tr><tr><td>Allen Park Regeneration Development</td><td>£5,245,263</td></tr><tr><td>Forum and Valley Park Hockey Pitches</td><td>£386,000</td></tr><tr><td>Carnmoney extension – Selby Smith</td><td>£42,000</td></tr><tr><td>Castle Gardens Pump Chamber</td><td>£119,987</td></tr><tr><td>V36, Newtownabbey</td><td>£4,574,516</td></tr><tr><td>Resurfacing at Rathenraw, Antrim</td><td>£25,000</td></tr><tr><td>Riverside Resurfacing, Newtownabbey</td><td>£13,500</td></tr></table>	Improvements Delivered	Value (£)	Antrim Forum PA System and CCTV	£254,692	Valley Conference Suite, Hall 2 and Hall of Fame	£31,240	Rathcoole MUGA	£106,807	Valley Car Park Resurfacing	£92,230	Allen Park Regeneration Development	£5,245,263	Forum and Valley Park Hockey Pitches	£386,000	Carnmoney extension – Selby Smith	£42,000	Castle Gardens Pump Chamber	£119,987	V36, Newtownabbey	£4,574,516	Resurfacing at Rathenraw, Antrim	£25,000	Riverside Resurfacing, Newtownabbey	£13,500	Fully Achieved
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Carnmoney extension – Selby Smith	£42,000																										
Castle Gardens Pump Chamber	£119,987																										
V36, Newtownabbey	£4,574,516																										
Resurfacing at Rathenraw, Antrim	£25,000																										
Riverside Resurfacing, Newtownabbey	£13,500																										

\*\* No baseline data customer satisfaction is available in relation to capital projects, revitalisation schemes or public realm projects.

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## Objective 6: We will improve the physical environment and work with partners to deliver town and village regeneration

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status
... continued from previous page		Post project evaluations will be undertaken to measure customer satisfaction and these will be reported to Committee in due course.	
2. Shop front and streetscape improvement programmes have been completed in Randalstown, Antrim and Glengormley and Ballyclare.	N/A	<p>Randalstown public realm is complete. Post project evaluation to be carried out by 30 September 2017. Anecdotal feedback from residents and businesses indicate a high level of satisfaction with the scheme and the way that the works were carried out by the Council. Post project evaluations for Antrim's Bridge Street/Dublin Road, Ballyclare North, and Carnmoney Road to be carried out by 30 September 2017.</p> <p>Post project evaluations of the Linkages (shop front) schemes in Antrim and Randalstown to be carried out from June 2017. Negotiating with external funder for a further round of public realm schemes in Antrim, Glengormley and in a number of smaller settlements throughout the Borough.</p>	<b>Fully Achieved</b>

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## Objective 6: We will improve the physical environment and work with partners to deliver town and village regeneration

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status
3. Key regeneration projects linked to the village planning processes across rural areas have been identified and applications for grant assistance submitted.	Projects identified in village plans which were produced 5 years ago. Limited contact with village groups to identify priority projects.	Application for grant assistance submitted and approved from GROW South Antrim (DAERA) for £26,400 under Village Renewal.  Village community consultation is currently underway to identify regeneration projects in each of the villages and hamlets through the preparation of new or the updating of existing village plans.	Fully Achieved
4. We retain existing and achieve additional external accreditations/awards.	11 Green Flags.  Winners and Shortlisted for 'Community Awards' i.e. Britain in Bloom; Ulster in Bloom; Roses in Town; Large Housing Area Award; Best Kept Awards.  Source: Annual Report 2015/16	Two 2 <sup>nd</sup> Place Ulster in Bloom awards.  Best Community and Neighbourhood Initiative (V36.)  We retained and worked towards the achievement of two additional Green Flag awards in 2016/17.  Arts Disability Charter Recognition.  ISO 14001.  Best NI Park – Antrim Castle Gardens.  Shortlisted - CIPD NI Best Change Management Initiative – 2017.	Fully Achieved

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## Objective 7: We will seek to encourage and support those who wish to start their own business and we will strengthen and grow the business base of the Borough

What we said we would do	What has been achieved
1. Deliver a high quality support service to those interested in starting a new business.	<p>The Council is part of a collaborative partnership of 10 other Councils to deliver a business start programme from April to October this year resulting in 83 jobs being promoted. For contractual reasons, the collaborative partnership was suspended from November 2016 to March 2017 and an interim business start service is being delivered by the Council resulting in the achievement of a further 9 new jobs being promoted in start-up businesses.</p> <p>This was a total of 92 jobs promoted in 2016-17.</p> <p>'Bricks 'n' Clicks', retail start-up programme is working with 11 new retail businesses across the Borough offering a mixture of workshops and one-to-one mentoring to support them to open a physical or on-line retail outlet.</p> <p>The Council sponsored a 'pop-up' shop in Antrim to provide up to 6 new business starts with an opportunity to test trade from established commercial premises for up to 9 weeks.</p>
2. Roll-out a series of programmes to support existing businesses to help them develop and grow.	<p>The Council delivered the following programmes:</p> <p>STAR programme is currently being delivered to 20 existing businesses in the services, tourism and retail sectors to support their development and growth.</p> <p>ASK business mentoring offers up to 10 hours of mentoring to existing businesses in the Borough. Since 1st April 2016, 61 businesses have applied for support.</p> <p>LEAN Business Network offers a series of events themed with a particular business topic as requested by local businesses. For example, social media strategy, Facebook advertising, PR and advertising on a budget, establishing a retail business via eBay or Amazon. Since June 2016, 9 events have been held with 195 participants.</p>



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## Objective 7: We will seek to encourage and support those who wish to start their own business and we will strengthen and grow the business base of the Borough

What we said we would do	What has been achieved
3. Collaborate with external partner organisations to provide services that can support people into employment and self-employment.	<p>We have collaborated with the following:</p> <p>The Princes Trust - offers Development Grants of up to £500 to enable unemployed young people, aged 16-25, access employment, training or education.</p> <p>NOW Group - supports young people, aged 16-24 and adults up to 65 with learning difficulties to access training, volunteering and employment opportunities using a mix of mentoring, workshops, and tailored advice services.</p> <p>Network Personnel - is running a Job match Programme in the Borough which provides guidance, skills and employability support to those who are unemployed or economically inactive.</p> <p>Antrim Enterprise Agency – offers an Exploring Enterprise programme which aims to help residents within the most deprived communities and socially disadvantaged groups within the Borough take the first steps to gaining employment or exploring a business idea.</p> <p>LEDCOM – is delivering an employability and enterprise project in the Ballyclare DEA, with a particular focus on young people, women and the long term unemployed.</p>
4. Provide direct grant assistance to eligible businesses in the rural areas of the Borough through the NI Rural Development Programme (GROW).	<p>Grant assistance of £203,000 has been offered to 7 rural businesses up until the end of March 2017 and another 5 new and existing businesses have applied for funding and we are currently undergoing the assessment process. New calls for rural business investment applications opened in June 2017.</p>

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## Objective 7: We will seek to encourage and support those who wish to start their own business and we will strengthen and grow the business base of the Borough

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status
1. Our businesses tell us that we have met their expectations.	Businesses that attend the LEAN business networking events have indicated that the Council is providing them with a valuable service through regular surveys.	<p>Continued delivery of programmes and services that meet business expectations.</p> <p>To design a means of surveying customers who use the Council's new start up service.</p> <p>Work is ongoing to extend the number of mentoring places and the hours per participant.</p> <p>LEAN business network events – Customer satisfaction surveys are undertaken after each event (10 surveys complete to date). An overall business customer satisfaction survey was done in March 2017.</p> <p>We have substantial qualitative data to suggest that we have met the expectations of business in the Borough. (Radox, The Junction and Abbey Centre).</p>	Fully Achieved
2. New businesses are created in the Borough.	80 Statutory Target	<p>We had 122 Business Start business plans developed in 2016/17.</p> <p>Extension of the Council's Mentoring provision to ensure new start-ups have access to an aftercare service – Approved and being implemented from April 2017.</p>	Fully Achieved

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## Objective 7: We will seek to encourage and support those who wish to start their own business and we will strengthen and grow the business base of the Borough

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status
3. New jobs are created as a result of Council supported Programmes and initiatives.	105 Source: Economic Development	92 new jobs created. This exceeds the statutory target of 80.  Secured funding for a new business programme (£243,483) and a business development programme (£202,870) to promote 558 job over four years.	<b>Fully Achieved</b>
4. Rural businesses successfully access grant aid.	N/A	To approve and pay out £150,000 in grant aid to Rural businesses by 31/03/17.  Current Progress: £203,595 is committed to 7 rural businesses with £133,430 paid by the end of March (Note short of target due to one large project worth £50,000 being terminated).	<b>Fully Achieved</b>

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## Objective 8: We will be at the forefront of good governance and make the best use of our resources through innovative practices and strong financial arrangements

What we said we would do	What has been achieved
1. Use the latest technology to embed strong financial arrangements and to support efficient working.	<p>Spend Analysis Reporting – This was demonstrated to Heads of Service highlighting a number of potential areas for improvements especially with regard to the administration of contracts. Further work was undertaken to analyse data around order quantities and values order thresholds to potentially highlight further opportunities for efficiencies.</p> <p>Optical Character Recognition – Invoice registration project. This has gone 'live' with a small number of suppliers, currently working with the software providers to 'iron out' technical problems; further suppliers to be added as confidence increases in the system.</p> <p>Mobile 'App' for purchase ordering processing with 30 active users. Usage reports have been developed in conjunction with the software provider and are highlighting mixed usage both within and across services. The project team now need to gain an understanding of the reason for this pattern of use to progress utilisation.</p>
2. 'Drill down' and examine key areas of Council spend using digital solutions, and identify areas for optimisation.	<p>Performance Data Visualisation Project: Monthly performance dashboards have been developed, i.e. supplier prompt payments and absenteeism. The Members' development group are willing to trail a 'member dashboards' to be developed in the next quarter. Training and experience gained in software usage has resulted in more robust and faster update of datasets. It is intended to develop further data files in parallel with the data requirements of the APSE networks performance returns, the member's trial and specific Head of Service requirements.</p>

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## Objective 8: We will be at the forefront of good governance and make the best use of our resources through innovative practices and strong financial arrangements

### What we said we would do

3. Continue to make efficiency savings to ensure the rates burden for our business and domestic customers is minimal.

### What has been achieved

Detailed budgets were prepared incorporating voluntary severance scheme savings, new departmental structures, aligned services and service improvements plan for 2017/18; all with the overarching aim of fulfilling business and corporate plan commitments as efficiently as possible. Budgets were set with a zero base approach thereby ensuring efficiencies gained were reflected in new budgets set.

In parallel with the budget process, budget monitoring continued in earnest to tightly monitor financial progress in the year.

A new 'reserves policy' was adopted by Council to ensure that reserves maintained were adequate, necessary and reflective of the prevailing financial risks.

## Objective 8: We will be at the forefront of good governance and make the best use of our resources through innovative practices and strong financial arrangements

How we said we would know if we have succeeded	Baseline Information as at March 2016 (unless stated)	What has been achieved	Status
Have reviewed the costs of services and implemented actions to realise savings.	15/16 budget history; VSS outworking's. New structures in place or drafted. No 'reserves' policy was in place.	At a special meeting on 13 February 2017, Antrim and Newtownabbey Borough Council agreed its District Rate, which came into effect on 1 April 2017. Over the year, Antrim and Newtownabbey Borough Council identified a range of efficiencies: (a) Decrease of 0.52% in domestic rates within the Antrim area. (b) No increase in the domestic rates within the Newtownabbey area. (c) Non-domestic ratepayers across both Antrim and Newtownabbey, 0.51% reduction in rates.	<b>Fully Achieved</b>
Have met or exceeded budget targets, having delivered our agreed objectives.	£1.8m overall surplus. Net cost of services underspend £1.3m (3.3%) (excluding capital financing).	Budgets continued to be monitored and reviewed. Additional analysis through benchmarking and use of data visualisation tools helped drive better monitoring of services delivery to agreed targets.  Controlled our net cost of services with an underspend of £154K	<b>Fully Achieved</b>

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## Statutory Performance Indicators and Standards

Seven statutory indicators and standards were set by Central Government departments for Planning Services, Economic Development and Waste Management.

The Local Government (Performance Indicators and Standards) Order (NI) 2015 specified the performance indicators and standards for Antrim and Newtownabbey Borough Council.

This section of the report details how the Council performed against these statutory indicators and illustrates a comparison against 2015-16 and how Antrim and Newtownabbey has performed in relation to other Northern Ireland Councils.

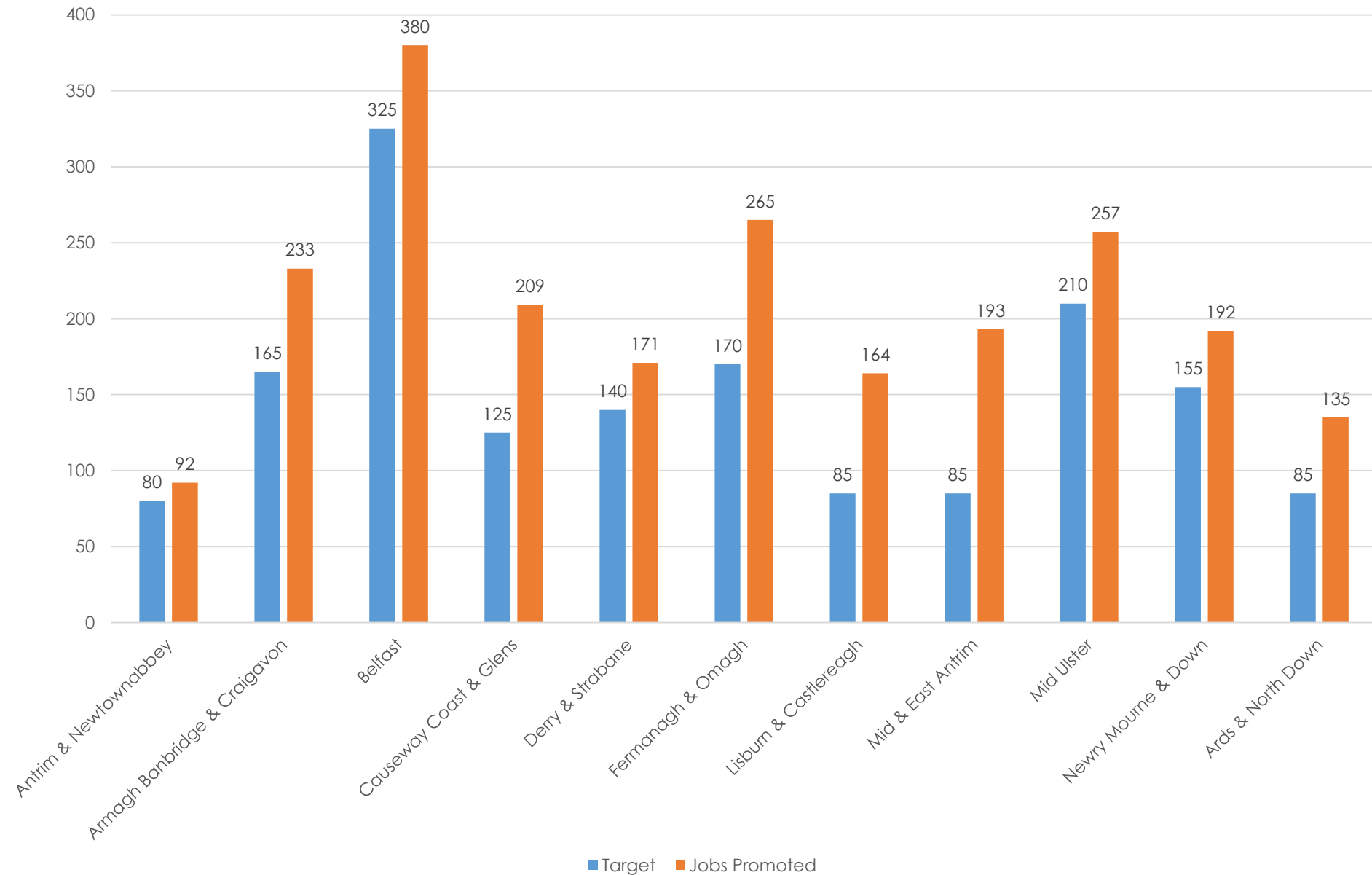
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## ECONOMIC DEVELOPMENT: The number of jobs promoted through business start-up activity

Standard to be met (annually)	2015 -16	2016-17	What has been achieved	Status
80	105	92	<p>The Regional Start Initiative is delivered by Enterprise NI, managed by Invest NI, on behalf of Councils, via a Service Level Agreement.</p> <p>Invest NI monitor targets and report monthly to Councils on progress re: performance levels and targets of each Council area.</p> <p>The Antrim and Newtownabbey area has exceeded their target, see overleaf for comparison with other Council areas.</p>	<b>Fully Achieved</b>



## The Number of Jobs Promoted through Business Start-Up Activity



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## PLANNING: The average number of weeks taken to process major planning applications.

Standard to be met (annually)	2015 -16	2016-17	What has been achieved	Status
The target for major applications is to process 50% from submission to conclusion within 30 weeks.	28.2 weeks  52.4%	73.6 weeks  15.9%	<p>The Council processed 13 major applications to conclusion with an average processing time of 73.6 weeks meaning that we achieved 15.9%, which did not meet the statutory target set.</p> <p>The Council's average processing time for major applications ranked eighth among all Councils, whilst the proportion of applications concluded within 30 weeks ranked sixth.</p> <p>Please see link for comparison with other Council areas:</p> <p><a href="https://www.infrastructure-ni.gov.uk/news/publication-northern-ireland-planning-statistics-third-quarter-201617">https://www.infrastructure-ni.gov.uk/news/publication-northern-ireland-planning-statistics-third-quarter-201617</a></p>	Not Achieved

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## PLANNING: The average number of weeks taken to process local planning applications.

Standard to be met (annually)	2015 -16	2016-17	What has been achieved	Status
The target for local applications is to process 50% from submission to conclusion within 15 weeks.	14 weeks	12.6 weeks	The Council processed 790 local applications to conclusion with an average processing time of 12.6 weeks meaning that we achieved 65.9%, which met the statutory target set.	Fully Achieved
	55.9%	65.9%	This marked an improvement on performance in 2015/16 despite an increase of some 10% in the number of local applications received.	
			The Council's average processing time for local applications ranked third among all Councils, whilst the proportion of applications concluded within 15 weeks ranked second.	
			Please see link for comparison with other Council areas: <a href="https://www.infrastructure-ni.gov.uk/news/publication-northern-ireland-planning-statistics-third-quarter-201617">https://www.infrastructure-ni.gov.uk/news/publication-northern-ireland-planning-statistics-third-quarter-201617</a>	

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## PLANNING: % enforcement cases concluded within 39 weeks

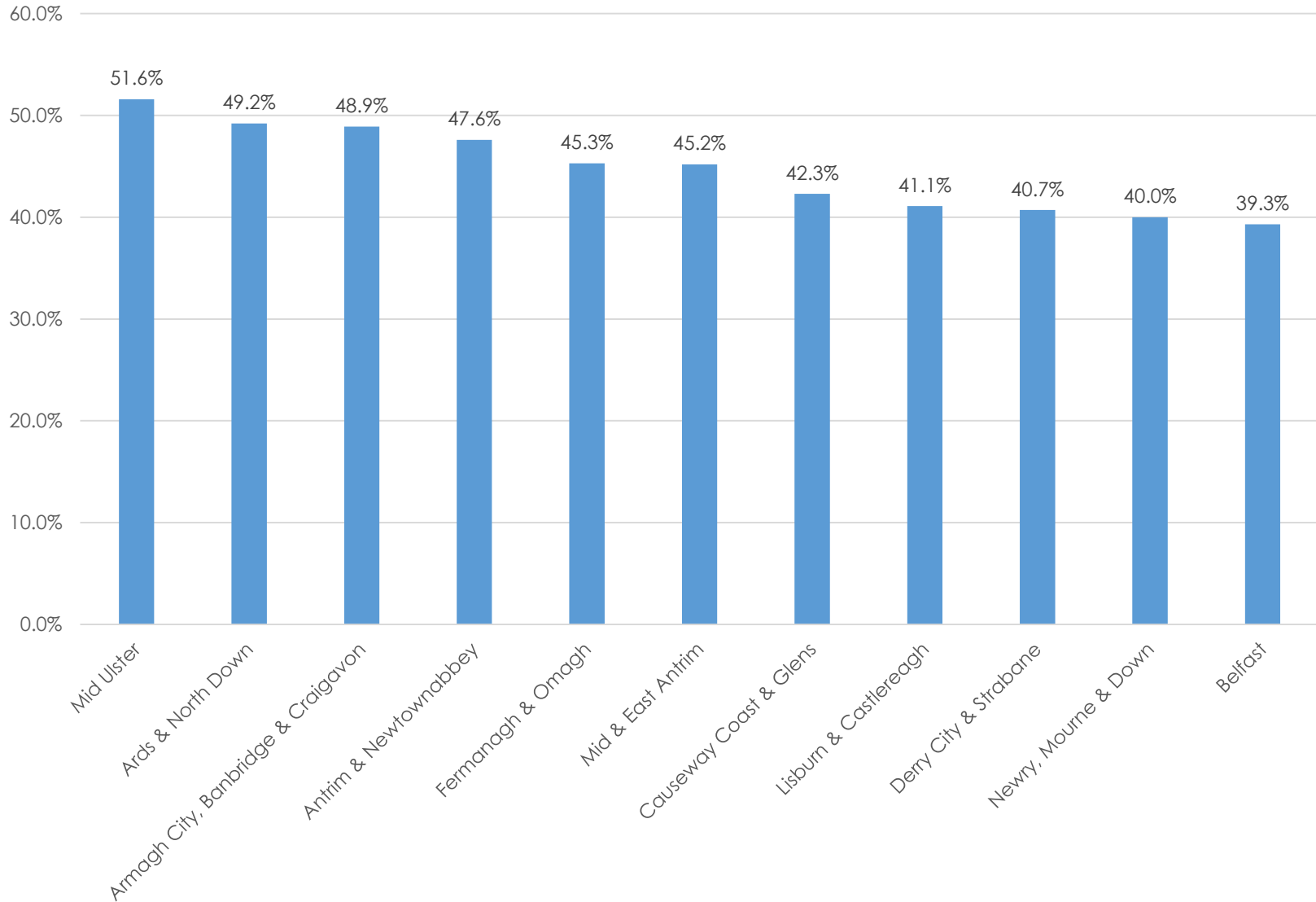
Standard to be met (annually)	2015 -16	2016-17	What has been achieved	Status
The target for enforcement cases was to process to a conclusion 70% of cases within 39 weeks of receipt.	19.5 weeks  84.2%	14.2 weeks  93.5%	<p>The Council opened 440 new cases with an average processing time of 14.2 weeks meaning that we achieved 93.5%, which met the statutory target set.</p> <p>This marked an improvement on performance in 2015/16 despite an increase of some 30% in the number of cases opened.</p> <p>The Council's average closure time for enforcement cases and the proportion of cases closed both ranked first among all Councils.</p> <p>Please see link for comparison with other Council areas:</p> <p><a href="https://www.infrastructure-ni.gov.uk/news/publication-northern-ireland-planning-statistics-third-quarter-201617">https://www.infrastructure-ni.gov.uk/news/publication-northern-ireland-planning-statistics-third-quarter-201617</a></p>	<b>Fully Achieved</b>

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## WASTE MANAGEMENT: The percentage of household waste collected that is sent for recycling.

Standard to be met (annually)	2015 -16	2016-17	What has been achieved	Status
NI Landfill Allowance Scheme (50% by 2020)	47.46%	47.56%	<p>Through a range of measures the Council has increased the percentage of household waste collected that is recycled from 47.46% (2015-16) to 47.56% (2016-17). In comparison with other Councils, Antrim and Newtownabbey ranked 4<sup>th</sup> out of the 11 Councils. This performance can be viewed overleaf.</p> <p>Please see link for comparison with other Council areas:</p> <p><a href="https://www.daera-ni.gov.uk/publications/northern-ireland-local-authority-collected-municipal-waste-management-statistics-january-march-2017">https://www.daera-ni.gov.uk/publications/northern-ireland-local-authority-collected-municipal-waste-management-statistics-january-march-2017</a></p>	<b>Fully Achieved</b>

## % of Household Waste Collected that is sent for Recycling 2016-17

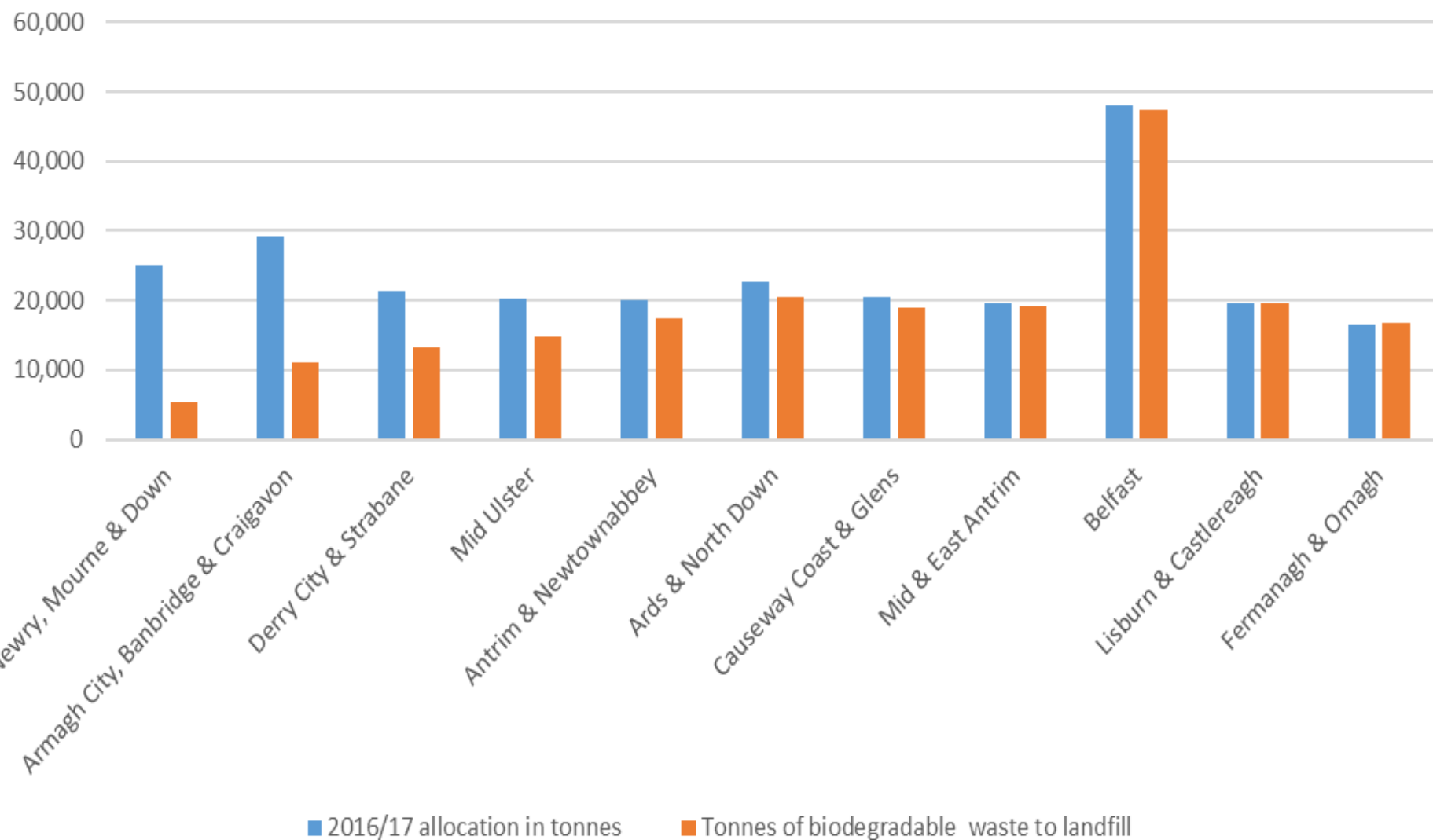


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## WASTE MANAGEMENT: The amount of biodegradable waste that is landfilled (tonnes).

Standard to be met (annually)	2015 -16	2016-17	What has been achieved	Status
Northern Ireland Landfill Allowance Scheme.	18,873 tonnes (Landfill allowance 21,148)	17,469 tonnes (Landfill allowance 20,058)	<p>The Council has landfilled 17,469 tonnes of biodegradable waste and used 87.1% of the landfill allowance. In comparison with other Councils, Antrim and Newtownabbey ranked 5<sup>th</sup> out of the 11 Councils. This performance can be viewed overleaf.</p> <p>Please see link for comparison with other Council areas:</p> <p><a href="https://www.daera-ni.gov.uk/publications/northern-ireland-local-authority-collected-municipal-waste-management-statistics-january-march-2017">https://www.daera-ni.gov.uk/publications/northern-ireland-local-authority-collected-municipal-waste-management-statistics-january-march-2017</a></p>	<b>Fully Achieved</b>

## Biodegradable waste sent to landfill (tonnes)



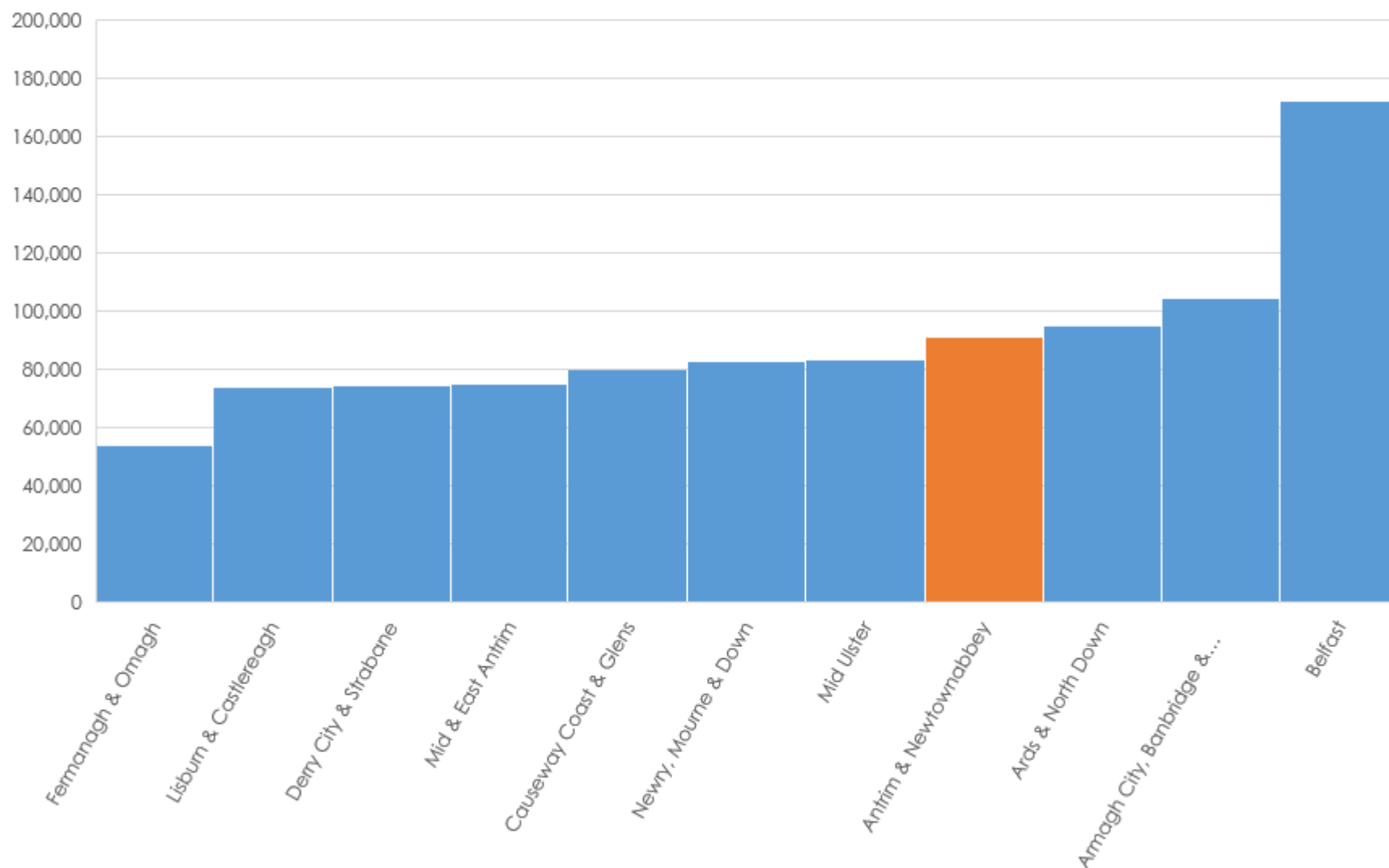


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## WASTE MANAGEMENT: The amount municipal waste arisings (tonnes)

Standard to be met (annually)	2015 -16	2016-17	What has been achieved	Status
In line with the Northern Ireland Landfill Allowance Scheme.	85, 057 tonnes	91,263 tonnes	<p>91,263 of municipal waste was collected during 2016-17.</p> <p>This is an increase of 6,206 tonnes on the previous year. In comparison with other Council's, Antrim and Newtownabbey ranked 8<sup>th</sup> out of the 11 Councils. This performance can be viewed overleaf.</p> <p>Please see link for the 2016-17 performance comparison information with other Council areas:</p> <p><a href="https://www.daera-ni.gov.uk/articles/northern-ireland-local-authority-collected-municipal-waste-management-statistics">https://www.daera-ni.gov.uk/articles/northern-ireland-local-authority-collected-municipal-waste-management-statistics</a></p>	<b>Substantially Achieved</b>

## Municipal Waste Arising 2016-17 (Tonnes)



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## SELF IMPOSED INDICATORS AND STANDARDS

The Council has selected a number of self-imposed indicators and standards. This section of the report details how the Council performed against these self imposed indicators and standards and a comparison against 2015-16.

Where practicable an illustration of how Antrim and Newtownabbey has performed in relation to other Northern Ireland Councils is shown.

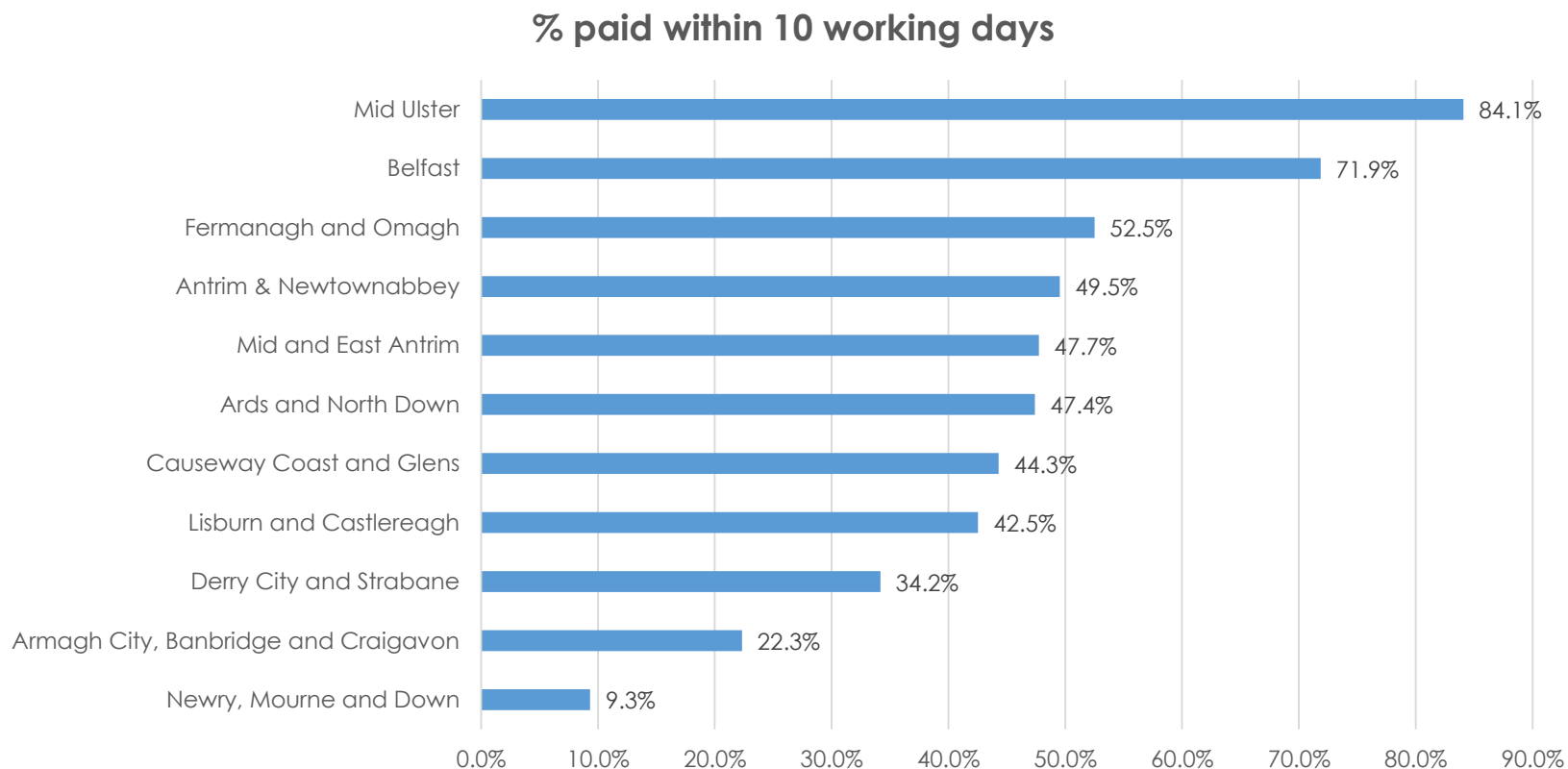
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## SELF IMPOSED INDICATORS AND STANDARDS

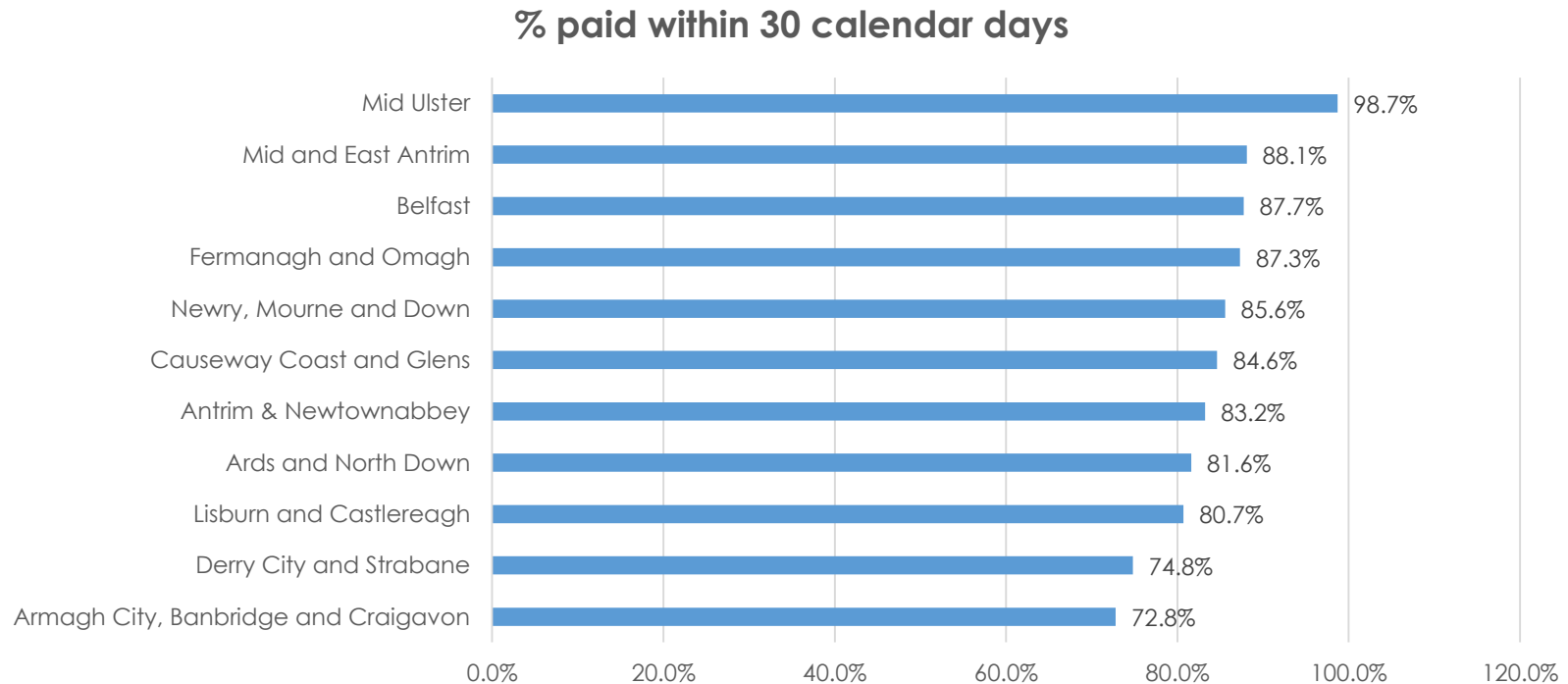
Indicator	Standard to be met	2015 -16	2016-17	Status
% of invoices paid within 30 days	90%	72.7%	83.2%	Partially Achieved
% of invoices paid within 10 days	80%	48.4%	49.5%	Not Achieved

- Comparison with other NI Councils is presented overleaf for 2016-17

# Prompt Payment Performance: Comparison with other NI Councils (2016-17)



# Prompt Payment Performance: Comparison with other NI Councils (2016-17)



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## SELF IMPOSED INDICATORS AND STANDARDS

Indicator	Standard to be met	2015 -16	2016-17	Status
Reduction in the average number of days lost per employee.	1% reduction	12.12 days	14.36 days	Not Achieved
We have increased 100% staff attendance levels.	2 % increase	48%	53%	Fully Achieved
Our performance for 'cleanliness score' is in the top quartile of the annual Keep Northern Ireland Beautiful National Benchmarking Report.	Performance in the top quartile.	Rated 7 <sup>th</sup> against other NI Councils. (2014-15)	Rated joint 7 <sup>th</sup> against other NI Councils. (2015-16)	Not Achieved
Our performance for the number of fixed penalties issued is in the top quartile of the annual Keep Northern Ireland Beautiful National Benchmarking Report.	Performance in the top quartile.	5 <sup>th</sup> highest number of fixed penalties issued. (2014-15)	Joint 3 <sup>rd</sup> highest number of fixed penalties issued. (2015-16)	Fully Achieved
There is a 65% resident's satisfaction rating with the quality of information on the Council's website and digital services.		No baseline data available	57%	Not Achieved
There is a 10% increase in the number of people taking out leisure memberships.	6422	4778	5180	Substantially Achieved

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## Overall Assessment 2016-17

Significant progress was made in 2016-17 to not only make arrangements to secure continuous improvement in the exercise of Council functions as required by the Act, but activities and associated programmes of work have also been completed to deliver improvements on how services are accessed and delivered throughout the Borough.

Arrangements to secure continuous improvement have been made and are embedded within the Council functions for the benefit of those receiving its services.



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## Have your Say

The Council is committed to improving its services and is keen to hear from the community on what it has to say. We welcome your comments or suggestions at any time of the year. There are a number of ways in which to influence Council decision making.

You can get involved and participate in consultations being conducted by the Council, which can be accessed through the consultation hub on the Council's website – [www.antrimandnewtownabbey.gov.uk](http://www.antrimandnewtownabbey.gov.uk). In addition meetings of the Council and its Committee are open to the public, with the exception of those times when sensitive or confidential issues need to be discussed.

If you have any comments, would like any further information, or would like a copy of this document in an alternative format please contact us using the details below.

### Performance and Transformation Team

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Antrim

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**Telephone: 028 90 340088**

**Email: [James.Porter@antrimandnewtownabbey.gov.uk](mailto:James.Porter@antrimandnewtownabbey.gov.uk)**



**Neil Gray**  
**Director**

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 @NIAuditOffice

Jacqui Dixon  
Chief Financial Officer  
Antrim and Newtownabbey Borough Council  
Antrim Civic Centre  
50 Stiles Way  
Antrim  
BT41 2UB

13 September 2017

Dear Jacqui

### **Antrim and Newtownabbey Borough Council**

#### **Draft Report to those charged with Governance for the year ended 31 March 2017**

I have attached a draft Report to those charged with Governance setting out the provisional findings from our audit of the Antrim and Newtownabbey Borough Council financial statements for the year ended 31 March 2017. The Executive Summary in the report outlines the current status of the audit.

Following finalisation of the audit, we will issue the report to you in final form. If you have any queries on the matters raised in the Report to those charged with Governance, I would be happy to discuss them with you if you would find that helpful.

You will appreciate that our work, which was conducted to Auditing Practices Board standards, is designed primarily for the purpose of forming an opinion on the financial statements and included only a limited review of your accounting systems and procedures. Therefore our work may not have brought to light all the weaknesses that may exist, and our findings should not be seen as comprehensive in this respect.

I would like to take this opportunity to thank you and your staff for the assistance and co-operation received throughout the audit. I would be grateful if the report was tabled at the next Audit Committee where I would be happy to present its contents.

Yours sincerely

Neil Gray  
Director



## Northern Ireland Audit Office

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- Innovation

To make a difference for the people of Northern Ireland.

The Local Government (Northern Ireland) Order 2005 provides that the Department for Communities (formerly Department of the Environment) may, with the consent of the Comptroller and Auditor General, designate persons who are members of the Northern Ireland Audit Office as Local Government Auditors. Louise Mason, Assistant Auditor General, is the designated Local Government Auditor for all local government bodies in Northern Ireland.

For further information please contact:

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### ANTRIM AND NEWTOWNABBEY BOROUGH COUNCIL

#### AUDIT OF 2016-2017 FINANCIAL STATEMENTS

#### DRAFT REPORT TO THOSE CHARGED WITH GOVERNANCE

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## Executive summary

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### Introduction

1. This report summarises the key matters arising from our audit of the 2016-17 financial statements for the benefit of those charged with governance<sup>1</sup>. The 11 Councils were established under Local Government (Boundaries) Act (Northern Ireland) 2008. The provisions contained in the Local Government Act (Northern Ireland) 2014 came fully into effect in 2015-16. From 1 April 2015 the Councils have new powers and duties including planning, community planning, off street parking, general power of competence and performance improvement. The Act in Part 12 on performance improvement requires improvement audits and assessments which we report to those charged with governance separately per the timetable prescribed in the legislation. In addition regulations contained in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 require a shorter timeframe for the audit of the financial statements.
2. We would like to thank the Chief Finance Officer, Head of Finance and their staff for their co-operation during the audit process.
3. The examination of the 31 March 2017 financial statements was undertaken in accordance with auditing standards issued by the Auditing Practice Board (APB), taking into account the UK Auditing Practice Board's Practice Note 10 (Revised); Audit of Financial statement in Public Sector Bodies in the United Kingdom and the Code of Audit Practice issued by the Local Government Auditor. Our approach to the audit was planned and executed in accordance with the Audit Strategy presented to the Audit Committee in June 2017.
4. This report has been prepared for the sole use of Antrim and Newtownabbey Borough Council. Our prior consent should be sought before any distribution (including web publication) either in full or in part is made. The Northern Ireland Audit Office (NIAO) does not accept responsibility to any third party for losses arising from reliance being place on this report.
5. In accordance with regulation 8 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, the Council must no later than 30 September following the end of the financial year publish (which must include publication on the local government body's website) the statement of accounts together with the audit report. Where an audit of accounts has not been concluded before 30 September the Council must publish (which must include publication on the local government body's website) as soon as reasonably practicable on or after 30 September a notice stating that it has not been able to approve the accounts and the reason for this being the case.
6. When publication of the accounts is made via the website the published accounts should be in pdf format and be an exact copy of the audited accounts. Our approval is required prior to publication and a copy of the document to be published should therefore be sent to us in advance for our consideration.
7. In addition, as soon as reasonably possible after conclusion of an audit, a local government body must give notice by publication on its website stating that the audit has been concluded and that the statement of accounts is available for inspection by any member of the public and including the matters set out in regulation 16 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

### Actions for those charged with governance

8. Those charged with governance are invited to review the findings set out in this report, including the draft letter of representation and proposed audit report included in Annex A and Annex B respectively.
9. Those charged with governance should consider whether they recommend to the Chief Finance Officer correcting the unadjusted misstatements set out in Section 3 within the final financial statements. We would not propose to qualify the audit opinion on the truth and fairness of the financial statements or other relevant part of the audit opinion if these misstatements remain unadjusted.

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<sup>1</sup> In accordance with ISA 260, those charged with governance are those individuals accountable for ensuring that the Council achieves its objectives, with regard to reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws, and reporting to interested parties.

## Executive summary

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### Status of audit

- 10 The audit fieldwork is complete, except for a small number of disclosure issues which we have raised that will require further minor amendments to the financial statements.

### Overall conclusion and opinion

- 11 The Local Government Auditor will provide her audit opinion in the format set out in Annex B – Proposed Audit Report. The audit report includes an opinion as to the truth and fairness of the financial statements and that certain information given in the Narrative Report is consistent with the financial statements. The audit report also includes an opinion on whether the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.
- 12 We anticipate recommending to the Local Government Auditor that she certifies the 2016-17 financial statements with an unqualified audit opinion, without modification, provided the amendments that we have requested to the financial statements are made.

### Audit judgements

- 13 In reaching our opinion we have made a key audit judgement in reviewing how the provisions figure has been calculated. We are satisfied that the provisions are adequate.

### Audit findings

- 14 In Section 2 we outline the quality, effectiveness and transparency of Antrim and Newtownabbey Borough Council's financial reporting and its accounting policy selection, and our audit findings including any issues identified relating to the internal control environment.
- 15 No significant issues were identified in respect of the quality, effectiveness and transparency of financial reporting and accounting.
- 16 The accounting policies and new/changed policies were considered appropriate.
- 17 No significant issues were identified. Our work on proper arrangements is currently nearing completion and to date no significant issues have been identified.
- 18 We identified no significant internal control weaknesses<sup>2</sup>.
- 19 As part of our audit, we are required to consider the content and quality of the Governance Statement to ensure that it is in line with Government guidance and that it is consistent with our knowledge of the Council. We did not identify any significant issues in this regard.
- 20 Further issues of interest are set out in the Other Matters of Governance Interest section.

### Identified misstatements

- 21 In the course of the audit no misstatements were identified which have been adjusted in the financial statements.

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<sup>2</sup> In accordance with ISA 265, it is the auditor's responsibility to communicate appropriately to those charged with governance and management, deficiencies in internal control identified in an audit of financial statements that, in the auditor's professional judgement, are of sufficient importance to merit their respective attentions.

## Executive summary

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- 22 Section 3 also details that no uncorrected misstatements have been detected by ourselves. Management have not corrected immaterial misstatements as they do not consider them material in the context of the financial statements as a whole and we are content with this assessment.

Provisional Audit Findings

## Section 1

### Audit Risks

#### Significant risks

1.1. In our Audit Strategy issued in June 2017, our assessment of the Antrim and Newtownabbey Borough Council's operations and control environment identified a number of significant risks. A significant risk is an identified and assessed risk of material misstatement that, in the auditor's judgement, requires special audit consideration.

1.2 The table below describes how we addressed these matters through our audit process.

#### Significant risks of material misstatement

<b>Risk 1: Financial reporting</b>
The Council's financial statements are complex.
<b>Audit Response</b>
The audit will include a review of the accounts procedures to ensure compliance with the code and best practice.
<b>Outcome</b>
No misstatement in the financial reporting process was identified from the audit work undertaken.

<b>Risk 2: Property Plant and Equipment</b>
The Council maintains a substantial estate through the merger process. Due to the diversity of the asset base there are certain risks with respect to valuation, ownership and obsolescence of certain assets.
<b>Audit Response</b>
We will review the approach to the initial recognition of the assets, the valuation policy and subsequent treatment.
Legal ownership of a sample of assets will be considered, and external valuation reports will be requested, where appropriate.
Enquiries will be made into the existence of Council property that is not used.
<b>Outcome</b>
On our review of valuation of the assets, we noted that the car parks which were transferred in the 2015/16 financial year were revalued by the Council in the current year. The revaluation was carried out by LPS.
On our review of legal ownership we noted that a number of title deeds for car parks were not available. The Council is actively seeking to obtain these.
There were no further issues from the audit work performed on existence of assets.



## **Section 2**

### **Audit Findings**

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#### **Financial Reporting and Accounting Policies**

- 2.1 The Financial Statements are required to comply with the Code of Practice on Local Authority Accounting in the United Kingdom and in accordance with the Accounts Direction issued by the Department for Communities.
- 2.2 In this section we draw to your attention our review of qualitative aspects of the accounting practices and financial reporting. This includes any significant changes or issues in respect of the accounting policies; estimates; judgements and the adequacy of disclosures affected by unusual or non-recurring transactions recognised during the period. We also review the overall balance and clarity of information contained in the Narrative Report.
- 2.3 In addition, we have considered:
- Whether the accounting policies were appropriate to the particular circumstances of the Antrim and Newtownabbey Borough Council, judged against the objectives of relevance, reliability, comparability and understandability. We are content with the appropriateness of the accounting policies judged against these objectives.
  - The timing of transactions and the period in which they are recorded – no issues were identified in this respect as part of our audit testing.
  - No issues arose from the review of the appropriateness of accounting estimates and judgements, in relation to provisions, including the consistency of assumptions and degree of prudence reflected in the recorded amounts.
  - There are no material risks which have a potential effect on the financial statements of any material risks and exposures such as pending litigation, that are required to be disclosed in the financial statements.
  - The financial statements are not affected by any unusual transactions including non-recurring profits and losses recognised during the period and the extent to which these transactions are separately disclosed in the financial statements.
  - There are no apparent misstatements in the other information in the document containing the audited financial statements or material inconsistencies between it and the audited financial statements.
  - There were no significant difficulties encountered during the audit.

#### **Review of information in the Narrative Report**

- 2.4 We review information in the Narrative Report only to the extent that we confirm it is consistent with the financial statements and our understanding of the business. Except as noted in the audit opinion, the Narrative Report is not subject to our audit opinion.
- 2.5 The Narrative Report was considered to be consistent with our understanding of the business, and was in line with the other information provided in the financial statements.

#### **Internal Control**

- 2.6 No material weaknesses in the design and implementation of internal control have come to our attention during the course of our audit, but individual findings and recommendations are set out in 'Observations & Recommendations' below.



## Section 2

### Audit Findings

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- 2.7 We have reviewed the Governance Statement and in our opinion, it fairly reflects our understanding of the state of internal control systems within the Council during the

### Remuneration Report

- 2.8 The Remuneration Report has been properly prepared in accordance with Department for Communities directions issued under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

### Observations & Recommendations

- 2.9 This section outlines the findings arising from our audit, as well as management's response and target date for implementation to these recommendations.
- 2.10 We have included the significant, important and best practice findings arising from our audit which are defined as:
- Priority 1 – significant issues for the attention of senior management which may have the potential to result in material weakness in internal control.
  - Priority 2 – important issues to be addressed by management in their areas of responsibility.
  - Priority 3 – issues of a more minor nature which represent best practice.
- 2.11 As outlined in our Audit Strategy our procedures included a review of the internal controls and accounting systems and procedures only to the extent considered necessary for the effective performance of the audit. Audit findings and observations therefore should not be regarded as representing a comprehensive statement of all the weaknesses which exist, or all improvements which could be made to the systems and procedures operated.

### Index of recommendations

#### Issues raised

No.	Description	Priority	Page
1	Journals	3	7
2	Prompt payment	3	7
3	Stock	3	8

## Section 2

### Audit Findings

#### 1. Journals

<b>Observation</b>
The majority of staff in Antrim and Newtownabbey Borough Council finance department have access to the computer system and have the ability to create journals. Although a procedure exists for journals to be approved in advance, the control will not identify unauthorised journals that are posted in error.
<b>Implication</b>
There is a risk that there could be misstatements arising from inappropriate or erroneous accounting journals.
<b>Priority Rating</b>
3
<b>Recommendation</b>
We recommend that all journals are approved by an appropriate member of staff.
<b>Management Response</b>
<p>Accepted.</p> <p>A monthly reconciliation is completed to compare the amount of journals posted to the finance system and the amount recorded on the log book for journals.</p> <p>The log sheet for journals will be amended to record the initials of the officer approving each journal.</p> <p>The monthly reconciliation process will check to ensure all journals in the log book have been recorded as 'approved' in accordance with the Council's procedure for processing journals.</p> <p>Any discrepancies will be investigated and actioned accordingly.</p>
<b>Target for Implementation</b>
September 2017

#### 2 Prompt payment

<b>Observation</b>
<p>The Council has reported prompt payment of 83% for payment within 30 days and 50% for payment within 10 days. The target is 90% within 30 days and 80% within 10 days.</p> <p>Also it was noted that the Council had incorrectly reported their payments to DfC (formerly DOE) on one occasion.</p>
<b>Implication</b>
<p>The Council is failing to comply with best practice regarding prompt payment.</p> <p>Also whilst acknowledging this was only a mistake between the gross and net figures reported, the figures should be double-checked and signed off by an appropriate person to prevent the reporting of incorrect information.</p>
<b>Priority Rating</b>
3
<b>Recommendation</b>
The Council should ensure that proper systems and procedures are in place going forward so that prompt payment performance is improved and reported correctly.
<b>Management Response</b>
<p>Accepted.</p> <p>The Council recognises the importance of paying its suppliers promptly and we continue to monitor our performance on a regular basis. This is one of our Corporate Improvement Projects as details in our 2017/18 Corporate Improvement Plan.</p> <p>To improve performance new software was introduced, the Optical Character Recognition (OCR) software</p>

## Section 2

### Audit Findings

<p>implemented in quarter 4 of 2016/17 is now well embedded. An action plan is in place to maximise the efficiencies of this process with the aim to register 60% of invoices received via OCR by 31 March 2018.</p> <p>We also plan to communicate with our suppliers and advise them on the importance of following the Council's terms and conditions of contract for the payment of invoices and we will continue to proactively work with budget holders to process invoices efficiently.</p> <p>The Department of Communities has been notified that information previously supplied excluded VAT, and have been asked to update the figure accordingly. Going forward, the reporting of the prompt payment information to the Department for Communities will be checked and signed off by the appropriate officer prior to submission.</p>
<b>Target for Implementation</b>
September 2017 – March 2018

### 3 Stock

<b>Observation</b>
A sample of 10 items of stock were tested for net realisable value. Of that sample two items had been purchased over 14 years ago, four items (including the two above) in the sample had not moved during the year.
<b>Implication</b>
Whilst acknowledging that the amount is not material there is a risk that stock is included at less than the net realisable value.
<b>Priority Rating</b>
3
<b>Recommendation</b>
We recommend that the stock included in central stores is reviewed and the net realisable value is assessed.
<b>Management Response</b>
<p>Accepted</p> <p>Management will undertake a review and take the necessary action to ensure that stock held is suitable for the needs and working practices of the Council and the stock values are appropriate.</p>
<b>Target for Implementation</b>
31 March 2018

- 2.13 In accordance with International Standards on Auditing we have to consider significant weaknesses identified in our prior year audit. There were no Priority 1 recommendations made in the prior year audit. The Audit Committee should continue to track progress on all recommendations, including Priority 2 and Priority 3 points.

### Section 3

#### Identified misstatements

- 3.1 This section contains details of adjustments made to the financial statements during the course of the audit, as well as unadjusted misstatements which are not considered material in the context of the financial statements as a whole.
- 3.2 We do not consider that the adjusted or unadjusted misstatements indicate a significant weakness in accounting or control which needs to be reflected in the Governance Statement.

#### Significant adjustments made to the financial statements

- 3.3 As a result of our audit, no adjustments were made to the financial statements presented for audit.
- 3.4 We have also made some suggestions to improve narrative disclosures and to ensure completeness of the disclosures required under the Code of Practice on Local Authority Accounting.

#### Unadjusted misstatements or uncertainties arising from the audit

- 3.5 We are obliged to bring to your attention the misstatements found during the course of the audit that have not been corrected, unless they are 'clearly trivial', which we have identified as below £18,200.

Description of adjustments	Account area	CIES		BS	
		Debit	Credit	Debit	Credit
		£	£	£	£
To amend Buildings to agree with Register	Fixed assets				34,278
To amend Buildings to agree with Register	Expenses	34,278			
Overall Total		34,278			34,278
Net effect		34,278			34,278

## **Section 4**

### **Other Matters of Governance Interest**

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- 4.1 International Standard on Auditing 260 requires us to communicate with those charged with governance any other audit matters of governance interest. These include matters which have come to our attention which may present future risks, enhance overall governance or where those charged with governance might wish to seek assurance on controls and processes.

#### **Fraud**

- 4.2 We are required by Auditing Standards to report to you if we identify a fraud or obtain information that indicates that a fraud may exist. We found no such instances during our testing.
- 4.3 In addition, we are not aware of material weaknesses in the design or implementation of internal controls to prevent and detect fraud.
- 4.4 In the course of our audit we have not identified any suspected or non-compliance with the laws and regulations.

#### **Going concern**

- 4.5 In the course of our audit, we have not identified any material uncertainties relating to events and conditions that may cast doubt on the Council's ability to continue as a going concern.

#### **Management of personal data**

- 4.6 The Antrim and Newtownabbey Borough Council is required to comply with the Data Protection Act 1998 in the handling and storage of personal data and those charged with governance should ensure they have made sufficient enquiries of management to form a view on whether there were any significant specific data incidents which should be disclosed in the Governance Statement. We are unaware of any data handling incidents during the year. Confirmation of this is sought within the letter of representation (Annex A).

#### **Statement on personal data**

- 4.7 During the course of our audit we have access to personal data to support our audit testing. We have established processes to hold this data securely within encrypted files and to destroy it where relevant at the conclusion of our audit. We can confirm that we have discharged those responsibilities communicated to you in accordance with the requirements of the Data Protection Act 1998.

#### **Disagreements with management**

- 4.8 There are no audit disagreements with management, about matters that individually or in aggregate could be significant to the financial statements to report.

#### **Co-operation with other auditors**

##### **Internal Audit**

- 4.9 We reviewed the work of internal audit. Whilst we have not placed direct reliance on their work during the audit we have used their findings to inform and direct our approach and inform our review of the Governance Statement for completeness. We have discussed with internal audit any outstanding recommendations and assessed the impact on the year end audit, no significant matters were noted.

##### **Deficiencies in internal control**

- 4.10 No deficiencies in internal control were brought to the attention of the audit team that have not been disclosed in the Annual Governance Statement or included in this report or in the minor issues sent to the Head of Finance.

## **Section 4**

### **Other Matters of Governance Interest**

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#### **Independence, integrity & objectivity of auditors**

- 4.11 The NIAO's policy to ensure independence, integrity and objectivity of our auditors was set out in our Audit Strategy. Overall, the threat to the audit arising from issues affecting our independence, integrity and objectivity is low, and the safeguards in place ensure that the likelihood of any impact is low.
- 4.10 We have complied with APB Ethical Standards and, in our professional judgement, we are independent and our objectivity is not compromised. There are no relationships between NIAO, and Antrim and Newtownabbey Borough Council that we consider to bear on our objectivity and independence.

#### **Reliance on other experts**

- 4.11 We have relied on the work of Land and Property Services in respect of property valuation. In addition we have relied on the work of an actuary in respect of the valuation of the pension scheme liabilities.

#### **Proper Arrangements**

- 4.12 Under the Local Government (Northern Ireland) Order 2005, the Local Government Auditor should be satisfied that a Council has in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Our work in this area is nearing completion but we have not identified any significant issues to date

#### **Other matters of interest**

- 4.13 Part 12 of the Local Government Act (Northern Ireland) 2014 covers 'Performance Improvement'. The Act requires an improvement audit and an improvement assessment. The outcome from this work will be reported separately to those charged with governance as set out in the timetable in the 'Improvement Audit and Assessment Strategy 2016-17' issued in June 2016.

#### **Complaints procedure**

- 4.14 NIAO seeks to ensure that, when carrying out its audit work, it complies with the principles developed by the Public Audit Forum in its paper "What Public Sector Bodies can expect from their Auditors".

NIAO also wishes to gauge public sector bodies' perceptions of its audit processes in order to promote continuous improvement. In particular, it undertakes to act quickly on any complaint and ensure that the underlying causes of problems are addressed to prevent them recurring. In the first instance, complaints can be addressed to the member of the Directorate responsible for the audit within which the concern has been raised.

Failing resolution of the problem to the satisfaction of the complainant, the Chief Executive of the audited body can then write directly to the Comptroller and Auditor General. He will ensure that a further review of the case will be undertaken.



## Annex A – Letter of Representation

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### [Client Letterhead]

The Local Government Auditor  
Northern Ireland Audit Office  
106 University Street  
BELFAST  
BT 7 1EU

### LETTER OF REPRESENTATION: ANTRIM AND NEWTOWNABBAY BOROUGH COUNCIL 2016-17

As Chief Financial Officer of Antrim and Newtownabbey Borough Council, I acknowledge my responsibility for discharging the functions of Antrim and Newtownabbey Borough Council which include preparing accounts that give a true and fair view of the state of affairs, income and expenditure and cash flows of the Antrim and Newtownabbey Borough Council for the year ended 31 March 2017.

In preparing the accounts, I was required to:

- observe the accounts direction issued by the Department for Communities, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis; and
- state whether applicable accounting standards have been followed and disclosed and explain any material departures in the accounts; and prepare the accounts on a going concern basis on the presumption that the Antrim and Newtownabbey Borough Council will continue in operation.

I confirm that for the financial year ended 31 March 2017:

- having considered and enquired as to the Antrim and Newtownabbey Borough Council compliance with law and regulations, I am not aware of any actual or potential non-compliance that could have a material effect on the ability of the Antrim and Newtownabbey Borough Council to conduct its business or on the results and financial position disclosed in the accounts;
- all accounting records have been provided to you for the purpose of your audit and all transactions undertaken by the Antrim and Newtownabbey Borough Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management meetings which you have requested have been supplied to you; and
- all Related Parties and Related Party Transactions involving Councillors and senior staff of the Antrim and Newtownabbey Borough Council have been properly disclosed.

All material accounting policies as adopted are detailed in note 1 to the accounts.

## **Annex A – Letter of Representation**

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### **INTERNAL CONTROL**

I acknowledge as Chief Financial Officer my responsibility for the design and implementation of internal controls to prevent and detect error and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated.

I confirm that I have reviewed the effectiveness of the system of internal control and that the disclosures I have made are in accordance with Department for Communities (formerly Department of Environment) guidance on the Governance Statement.

### **FRAUD**

I acknowledge as Chief Financial Officer my responsibility for the design and implementation of internal controls to prevent and detect fraud and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated as a result of fraud.

I am not aware of any fraud or suspected fraud affecting the Antrim and Newtownabbey Borough Council and no allegations of fraud or suspected fraud affecting the financial statements has been communicated to me by employees, former employees, analysts, regulators or others.

### **ASSETS**

#### **General**

All assets included in the Balance Sheet were in existence at the reporting period date and owned by the Antrim and Newtownabbey Borough Council and free from any lien, encumbrance or charge, except as disclosed in the accounts. The Balance Sheet includes all long term assets owned by the Antrim and Newtownabbey Borough Council.

#### **Long Term Assets**

All assets over £5,000 are capitalised, except for IT assets when assets over £500 are capitalised. Land and Property assets are revalued annually using indices provided by Land and Property Services. Depreciation is calculated to reduce the net book amount of each asset to its estimated residual value by the end of its estimated useful life in the Antrim and Newtownabbey Borough Council operations.

#### **Current Assets**

On realisation in the ordinary course of the Antrim and Newtownabbey Borough Council's operations the other current assets in the Balance Sheet are expected to produce at least the amounts at which they are stated. Adequate provision has been made against all amounts owing to Antrim and Newtownabbey Borough Council which are known, or may be expected, to be irrecoverable.

### **LIABILITIES**

#### **General**

All liabilities have been recorded in the Balance Sheet. There were no significant losses in the year and no provisions for losses were required at the year end.

#### **Provisions**

Provision is made in the financial statements for:

- Landfill closure £455,201
- Severance and reorganisation £1,297,052
- Claims management £225,242



## **Annex A – Letter of Representation**

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I am satisfied that all provisions have been adequately reflected in the financial statements.

### **Contingent Liabilities**

There are a number of legal claims or potential claims against the Antrim and Newtownabbey Borough Council the outcome of which cannot at present be estimated with certainty. Full provision is made in the financial statements for all liabilities which are expected to materialise.

I am not aware of any pending litigation which may result in significant loss to the Antrim and Newtownabbey Borough Council, and I am not aware of any action which is or may be brought against the Antrim and Newtownabbey Borough Council under the Insolvency (Northern Ireland) Order 1989 and the Insolvency (Northern Ireland) Order 2005.

A contingent liability has been included in the Financial Statements in respect of the contingent liability undertaking with the bidding consortium in the procurement for the Residual Waste Treatment Project and Antrim and Newtownabbey Borough Council has agreed its share of the contingent liability. Payments made, if any, in accordance with this undertaking will be funded by the participant Councils. No provision has been made for the costs of these works.

### **OTHER LIABILITIES**

#### **Pension Liabilities**

Having made appropriate enquiries, I am satisfied with the appropriateness of the actuarial assumptions underlying the valuation of the Council's share of the valuation of the pension scheme liabilities.

### **OTHER DISCLOSURES**

#### **Results**

Except as disclosed in the accounts, the results for the year were not materially affected by transactions of a sort not usually undertaken by the Antrim and Newtownabbey Borough Council, or circumstances of an exceptional or non-recurring nature.

#### **Unadjusted errors**

The following unadjusted errors have been brought to my attention:

- Liabilities not recorded £34,278, management have not corrected the misstatement as they do not consider them material.

I consider the effect of these unadjusted errors to be immaterial, both individually and in aggregate, to the financial statements taken as a whole.

#### **Events after the Balance Sheet date**

Except as disclosed in the accounts, there have been no material changes since the Balance Sheet date affecting liabilities and commitments, and no events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should have been brought to notice.

## **Annex A – Letter of Representation**

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### **Personal Data Related Incidents**

I can confirm there were no data related incidents in the financial year and to date.

Antrim and Newtownabbey Borough Council  
Jacqui Dixon  
Chief Financial Officer  
[Date]

Provisional Audit Findings

## **Annex B – Proposed Audit Report**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANTRIM AND NEWTOWNABBAY BOROUGH COUNCIL**

I have audited the financial statements of Antrim and Newtownabbey Borough Council for the year ended 31 March 2017 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the Members of Antrim and Newtownabbey Borough Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities.

#### **Respective responsibilities of the Chief Financial Officer and the independent auditor**

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year. My responsibility is to audit the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Antrim and Newtownabbey Borough Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Antrim and Newtownabbey Borough Council; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Statement of Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

#### **Opinion on financial statements**

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 2015-16, of the financial position of Antrim and Newtownabbey Borough Council as at 31 March 2017 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) 2015 and the Department of the Environment directions issued thereunder.

#### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Environment directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Explanatory Foreword for the financial year ended 31 March 2017 is consistent with the financial statements.

## **Annex B – Proposed Audit Report**

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### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- The Annual Governance Statement:
  - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17 ;
  - 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.

### **Certificate**

I certify that I have completed the audit of accounts of Antrim and Newtownabbey Borough Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

Louise Mason  
Local Government Auditor

## **Annex C - Implementation of Prior Year Recommendations**

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There were no priority 1 recommendations in our prior year Report to those Charged with Governance.

The Audit Committee should ensure that it is content that other recommendations in our prior year Report to those Charged with Governance has been actioned by management. The Audit Committee should also ensure that adequate arrangements are in place to track all recommendations.

Provisional Audit Findings



# Internal Audit Service

## Internal Audit Update Report

For presentation to: Audit Committee  
19 September 2017

Date of issue: 12 September 2017

# Contents

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## 1 Introduction and status of the Plan

## 2 Reports recently finalised

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### **Distribution list**

This report is being distributed to:

Audit Committee

Corporate Leadership Team





## 1 Introduction and Status of the Plan

### Introduction

The purpose of this document is to summarise Internal Audit progress for the Audit Committee since our last report on 21 June 2017.

### Changes to the Plan

In June 2017, Members of the Audit Committee undertook a Review of the Effectiveness of the Audit Committee and identified a number of actions designed to enhance the Committee's effectiveness.

One of these actions was that "a better understanding is needed of the assurance framework for grants". To provide Members with a better understanding, an audit of the 2017/18 Community Grants has been included within the 2017/18 Internal Audit Plan.

To facilitate this audit, the 2017/18 Internal Audit Plan has been reviewed in consultation with the Corporate Leadership Team (CLT) and a number of amendments to the plan have been proposed to free up audit days to reallocate to the Community Grants audit and other audit activities. These amendments, including their rationale are as follows:

Auditable Area	High Level Overview of Scope	Original Budgeted Days	Amendment	Amended Budgeted Days	Rationale
Grants – Community	To review the effectiveness of the Community Grants procedures, ensuring that the verification work undertaken is correct and appropriate.	-	10	10	Audit added to the Plan to provide assurance to the Audit Committee and management on the effectiveness of the grant procedures in place.



## 1 Introduction and Status of the Plan

Auditable Area	High Level Overview of Scope	Original Budgeted Days	Amendment	Amended Budgeted Days	Rationale
Asset Management	Review of the management of day to day assets and the associated physical security and verification processes within the Council's Theatres.	15	(5)	10	Audit to be completed on a sample basis which will allow savings of audit days to be attained but will still provide appropriate assurances.
Business Continuity Planning (BCP) / Emergency Planning	Review of BCP arrangements including roles and responsibilities, documentation and testing arrangements.	15	(5)	10	Business Continuity Plans and Emergency Plans are being developed which means a high level review is more appropriate at this stage.
Safeguarding	Following on from 2016/17 work undertaken, further review of processes (including the review of evidence to confirm vetting has been undertaken) to ensure that those coming into contact with children or vulnerable adults at leisure facilities have been appropriately vetted (including where casual workers / agency staff are used).	15	(5)	10	This audit is a follow on from the 2016/17 audit and is focused on the Safeguarding arrangements in place within Leisure Services, allowing the saving of audit days.



## 1 Introduction and Status of the Plan

Auditable Area	High Level Overview of Scope	Original Budgeted Days	Amendment	Amended Budgeted Days	Rationale
Community Planning / Stakeholder Engagement	Review of the Community Planning process, focusing on Stakeholder Engagement.	20	(10)	10	The scope of this audit is under consideration with the Director of Community Planning and Regeneration to ensure that the audit will add value to the service. Ensuring an appropriate scope is developed will ensure the saving of audit days.
Street Cleansing	Review of the arrangements in place to ensure streets are cleaned as planned.	10	(10)	-	The Street Cleansing audit will be deferred to 2018/19 as it is a low risk area.
Grants – PEACE IV	We will review PEACE IV to assess the procedures in place to ensure that grant recipients only receive monies when they demonstrate that they have fulfilled the relevant criteria.	5	(5)	-	At present, PEACE IV grants to applicants have not yet been issued. As such, it is unlikely that there will be anything to audit this year. This audit has been deferred to 2018/19.




The re-allocation of audit days as detailed, provides the capacity for the inclusion of the Community Grants audit as well ensuring available resource is available for managing the Internal Audit service and the undertaken of other audit activity throughout the year.



## 1 Introduction and Status of the Plan

### Status of the Plan

Out of the 21 audits to be completed in the 2017/18 financial year, the status of those audits is as follows:

		<i>Number of audits</i>	
<i>Stage</i>	<i>Audit status</i>	<i>As at 12 Sept 2017</i>	<i>As at 21 June 2017</i>
 Planning	Not yet started	8	10
	Planning underway	-	3
	Terms of reference issued	-	2
	Terms of reference agreed	3	3
 Fieldwork	Fieldwork in progress	4	2
	Fieldwork complete	-	-
	Draft report	3	-
 Completion	Complete / Final report issued	1	-
	Defer to Next Year	2	-



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## 2 Reports recently finalised

### Summary of reports

#### Audit area

#### Assurance

#### Priority of actions

1	2	3
---	---	---

1. Cash Handling

Satisfactory

- 1 4



## 2 Reports recently finalised

We also have further audits that have been completed and which are in the draft report stage. The findings and recommendations coming out of these audits have been agreed in principle with management. The following table provides details of these audits.

### Audit area

1. Payroll

2. Safeguarding

3. Procurement and Purchasing

We are working with management to progress these audits to final report stage and will provide an update in our next report.



## 2 Reports recently finalised

### 1. Cash Handling

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### Introduction

The Internal Audit Plan for 2017/18, approved by the Audit Committee on 21 March 2017, includes provision for an audit of Cash Handling within the Council's leisure centres.

### Audit objective

To assess the adequacy and effectiveness of the processes in place to ensure the cash and other income received at the Council's leisure centres is appropriately accounted for, safeguarded and banked in a timely manner.

### Headlines / summary of findings

This audit has sought to provide assurance in respect of the processes in place to ensure cash and other income received at the Council leisure centres is appropriately accounted for, safeguarded and banked in a timely manner.

Overall this review has concluded with a 'Satisfactory' level of assurance.

We noted one 'Priority 2' issue with regards to the physical security arrangements in place within Crumlin Leisure Centre. During a site visit we noted a number of physical security issues which, if left unaddressed, would increase the risk of theft (specifically of cash) or unauthorised access to staff areas.

### Opinion



**Satisfactory**

Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

### Number and prioritisation of issues and action plans

Priority 1

-

Priority 2

1

Priority 3

4

Rating definitions



## 2 Reports recently finalised

### 1. Cash Handling

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Furthermore, where physical security measures are not robust, where cash is received and stored, members of staff are exposed to a higher risk with regards to their personal safety.

These issues relate primarily to the following:

- Lack of security with regards to the till at the reception area
- Lack of restricted access to the room where the safe is located
- Lack of security regarding the key box, and therefore the key to the safe

By the date of issuing this report, management are developing an action plan to address these issues, citing both interim and long-term measures as applicable.

#### Areas for improvement

We identified some areas where Cash Handling and its associated processes could be enhanced. These include the following:

- Policies and Procedures are in place however we identified issues with regards to consistency in terms of how procedure is applied across the centres. Issues were also noted with regards to compliance of procedures.
- With regards to 'Cashing up' procedures, the inaccurate completion of the 'Daily Reconciliation Sheet' was identified as an issue within the Ballyearl Arts and Leisure Centre. We also identified a generic issue across all six centres with regards to input errors at point of sale. Further to this, we noted that income generated from football courses, delivered on site at Allen Park, is not being receipted when received from the customer.
- A review of petty cash floats identified that Crumlin Leisure Centre do not document petty cash purchases by way of a spreadsheet or other recording system, nor do they complete 'petty cash vouchers' as prescribed by the Financial Regulations.





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The scope (areas covered), objectives and summary conclusions arising from this audit are as follows:

Area	Objective	Conclusion	Action plans			
			Priority			Total
			1	2	3	
Policies and Procedures	There are clear and documented policies and procedures in place covering all aspects of cash handling and that all relevant staff have access to these.	Policies and procedures are in place however we identified issues with regards to consistency in terms of how procedure is applied across the centres. Issues were also noted with regards to compliance of procedures.	-	-	1	1
Risk Management	Cash handling risks have been identified, assessed and recorded on the service risk register. Where controls have been included, these are in place and operating satisfactorily.	'Failure to detect and Income Received and Cash Handling Fraud' is identified as a risk in the service risk register. Controls cited are in place and operating satisfactorily.	-	-	-	-
Physical Security	There are adequate physical security arrangements in place to safeguard cash held and employees handling cash.	Overall the physical security arrangements in place with regards to the secure handling and storage of cash within the Leisure Centres was found to be adequate with the exception of Cumlin Centre where several issues were identified.	-	1	-	1



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Area	Objective	Conclusion	Action plans			
			Priority			Total
			1	2	3	
Cash Floats	All cash floats are appropriately held and accounted for.	All cash floats were found to be appropriately held and accounted for.	-	-	-	-
Cashing Up	Adequate controls are in place and operating appropriately to ensure that the income received is accurately accounted for. This will include cash not only from customers, but also cash generated through vending machines, hairdryers, telephones etc.	<p>Inaccurate completion of the 'Daily Reconciliation' sheet, was identified as an issue, however this was specific to the Ballyearl Centre.</p> <p>We also identified a generic issue across the six centres with regards to input errors at point of sale.</p> <p>Further to this, it was identified that income generated from football courses, delivered on site at Allen Park, is not being receipted when received from the customer.</p>	-	-	2	2
Lodgements	Lodgements are prepared promptly, accurately and securely transferred to the Council's bank account.	Lodgements were found to be promptly and accurately prepared. All lodgements from the Council Leisure Centres are securely transferred to the Council's bank account.	-	-	-	-



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Area	Objective	Conclusion	Action plans			
			Priority			Total
			1	2	3	
Refunds	Refunds provided are legitimate, appropriately authorised and accounted for.	Refunds provided to customers are legitimate, however we did note instances where the appropriate authorisation was not evidenced. This is linked to the issue noted under Policies and Procedures above.	-	-	-	-
Petty Cash	The petty cash float held is properly managed, accounted for with all expenditure being approved in line with Council procedures.	It was identified that Cumlin Leisure Centre do not document petty cash purchases by way of a spreadsheet or other recording system, nor do they complete 'petty cash vouchers' as prescribed by the Financial Regulations.	-	-	1	1
Lost Property – Cash	Cash received via lost property is accounted for, securely held and appropriately actioned in line with Council procedures.	Lost Property (of value) is properly accounted for and securely held however we did note an inconsistent approach in procedure across the centres. Again this is referenced under Policies and Procedures.	-	-	-	-
<b>Total</b>			-	1	4	5



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Priority 2 issues

### Limitation of scope

This audit did not assess and review the Council's compliance with the Payment Card Industry Data Security Standard (**PCI** DSS). This will be included as a separate audit at a future date.



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## Summary of issues

### 1. Physical Security

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**1. Physical  
Security****Priority 2****Rating definitions****Finding**

Overall the physical security arrangements in place with regards to the secure handling and storage of cash within the Leisure Centres was found to be adequate with the exception of Crumlin Centre where several issues were identified as follows:

- 1) The reception area is not secure with regards to access to the tills
- 2) The main till, which is used during every shift, is not locked and opens upon pressing the drawer
- 3) As the shift Duty Manager also covers the reception desk, he/she is often called away to deal with operational issues which, when considered with points 1 and 2, leaves the till and office areas unattended and easily accessible
- 4) The store area to the rear of reception, within which the safe is located, is left unlocked with the key in the door during opening hours
- 5) The secure key box, which is within the same storage area and holds the key to the safe, is left with the key in the lock during opening hours as it is the only operational key which can be used to lock and unlock the key box (holds keys for all accesses and stores within the facility)
- 6) The safe, again which is located within the storage area, is situated directly below the unsecure key box which holds the safe key
- 7) Securicor collect cash from the centre once per week (Monday) which means up to seven days takings are held within the safe on a Monday prior to collection – average weekly cash collection for April 2017 was £1,700



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### 1. Physical Security

Priority 2

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#### Finding

- 8) The storage area, where both the safe and key box are located, are accessed frequently by leisure attendants and coaches (contracted) as various items of sports/gym equipment are stored therein
- 9) We also note that this storage room holds the IT network switch cabinet. Ideally access to the room/cabinet should be restricted

By the date of this report, management were developing an action plan to address the issues citing both interim and long-term measures as applicable. Management are to provide Internal Audit with a copy of the agreed action plan on completion.

#### Implication

If adequate physical security measures and procedures are not in place, the risk of theft or unauthorised access to staff areas is increased.

In addition where physical security measures are not robust where cash is received and stored, members of staff are exposed to a higher risk with regards to their personal safety.



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### 1. Physical Security

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#### Agreed Action Plan

- 1) Management at Omnilin Leisure Centre will ensure an action plan is implemented to strengthen the physical security arrangements in relation to the safe and secure handling and storage of cash.
- 2) All centre managers will ensure that they review and update (or introduce where one is not available) their risk assessments in relation to cash handling and cash security, implementing actions as necessary to ensure the risk is reduced to the lowest possible / tolerable level.

#### Target implementation date

1. 31 August 2017
2. 31 July 2017



### 3 Follow up of agreed actions (1 of 3)

Since 1 April 2017, there have been 23 actions agreed by management. Including the 21 agreed actions carried forward from 2016/17, there are a total of 44 agreed actions to be followed up. Internal Audit has undertaken to follow up on each of these and the following summarises the implementation status of all the actions. The summary results from this follow up work is as follows:

Overall Status (Self certified)	Number of actions plans (by Priority)				%
	1	2	3	Total	
● Fully Implemented	-	12	14	26	<b>72%</b>
● Partially Implemented	-	3	7	10	<b>28%</b>
● Not Implemented	-	-	-	-	<b>-%</b>
<b>Sub-total</b>	<b>-</b>	<b>15</b>	<b>21</b>	<b>36</b>	<b>100%</b>
Not yet due	-	4	4	8	
No longer relevant	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>19</b>	<b>25</b>	<b>44</b>	

The full implementation rate for 2017/18 is 72%.

A summary of the aging of those actions that are classified as either partially or not implemented is given as follows:



### 3 Follow up of agreed actions (2 of 3)

	Months overdue					Total
	0 – 3	3 – 6	6 – 9	9 – 12	12+	
Priority 1						
● Not implemented	-	-	-	-	-	-
● Partially implemented	-	-	-	-	-	-
Priority 2						
● Not implemented	-	-	-	-	-	-
● Partially implemented	1	1	1	-	-	3
Priority 3						
● Not implemented	-	-	-	-	-	-
● Partially implemented	1	-	3	1	2	7

Details of the outstanding agreed actions are given in:

Appendix 3: Outstanding Agreed Actions



## 3 Follow up of agreed actions (3 of 3)

### Validation of Implementation Status

Throughout the year, Internal Audit will report the implementation status as self-certified by management. In line with the 2017/18 Internal Audit Strategy, Internal Audit will undertake validation work to confirm the status of the actions. We will review all Priority 1 and all Priority 2 actions as well as a sample of Priority 3 actions.



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## 4 Other work undertaken

Since we last reported to the Audit Committee in June 2017, we have also been involved in the following:

- National Fraud Initiative 2016
- Attendance Management audit
- Asset Management audit
- Health and Safety audit
- Cemeteries Administration audit
- Accounts Payable audit
- Investigations (to be covered in a separate report)



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## 5 Independence and Quality Assurance and Improvement Programme (QAIP) (1 of 3)

### Independence

As required by Public Sector Internal Audit Standard (PSIAS) 1110 "Organisation independence", "The Chief Audit Executive must confirm to the board, at least annually, the organisational independence of the internal audit activity."

We confirm our independence. There has been no work undertaken by Internal Audit that we consider impairs our independence.

### Quality Assurance and Improvement Programme

Under Public Sector Internal Audit Standard (PSIAS) 1300, "The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity".

This must include both internal and external assessments.

#### Internal Assessments

#### External Assessments



## 5 Independence and Quality Assurance and Improvement Programme (QAIP) (2 of 3)

### Internal Assessments

Internal Audit monitors and self-assesses its performance through the use of Key Performance Indicators and through feedback from auditees.

### Key Performance Indicators

Our performance against the KPIs as set out within our Internal Audit Strategy 2017-20 (as approved by the Audit Committee in March 2017) is as follows:

Key Performance Indicator (KPI)	Target	Performance
Percentage of Terms of Reference issued prior to fieldwork commencement	100%	● 100%
Percentage of audit recommendations agreed by management	100%	● 100%
Percentage of draft audit reports issued within two weeks of fieldwork completion	100%	● 100%
Percentage of final reports issued within one week of receipt of management responses	100%	● 100%

### Individual engagement feedback forms

On the completion of each of our engagements, a feedback form is issued to the auditee. Management are asked to assess their (collective) experience of the engagement in 18 areas and are asked to rate the following statements on a scale of one to five and follows:



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## 5 Independence and Quality Assurance and Improvement Programme (QAIP) (3 of 3)

5 – Strongly Agree

4 – Agree

3 – Neutral

2 – Disagree

1 – Strongly Disagree

Based on the feedback forms received during this financial year, the average score is **4.44**, which represents a very positive feedback.

The cumulative results of the feedback forms received to date, broken down by individual area, are shown in:

Appendix 4: Engagement  
feedback forms

### External Assessments

For Antrim and Newtownabbey Borough Council, an external assessment must be carried out during or before 2019/2020.



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Appendix 2: Detailed  
Status of the Audit Plan

Appendix 3: Outstanding  
Agreed Actions

Appendix 4: Engagement  
feedback forms



## Appendix 1: Classification of Findings and Opinions (1 of 2)

### Individual findings

The priority ratings for individual findings / action plans are as prescribed by the Department of Finance, reference DAO (DoF) 07/16 and are as follows:

**Priority 1**

Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.

**Priority 2**

Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.

**Priority 3**

Failure to implement the recommendation could lead to an increased risk exposure.

## Appendix 1: Classification of Findings and Opinions (2 of 2)

### Engagement opinion

On completion of the audit engagement, Internal Audit forms an independent and objective opinion on the effectiveness of the controls reviewed during the audit. Internal Audit has adopted a 3 tier level of assurance (as prescribed by DAO (DoF) 07/16), as below.

#### Satisfactory

Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

#### Limited

There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.

#### Unacceptable

The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

### Explanatory note

This Audit Report should not be regarded as a comprehensive statement of all weaknesses that exist. The weaknesses and other findings set out are only those which came to the attention of the Internal Auditor during the normal course of his work. The identification of these weaknesses and findings by the Internal Auditor does not absolve management from its responsibility for the maintenance of adequate systems and related controls. It is hoped that the audit findings and recommendations set out in the report will provide management with the necessary information to assist them in fulfilling their responsibilities.

Internal Audit work is conducted in accordance with the Public Sector Internal Audit Standards (PSIAS). Further details summarising the role, approach and reporting arrangements for Internal Audit can be found with the Internal Audit Charter.



## Appendix 2 – Detailed status of the Audit Plan (1 of 3)

Plan ref.	Auditable Area	Audit Status	Assurance Opinion	Priority of Actions			Days to Complete (Act / Bud)	Comments
				1	2	3		
<b>A</b>	<b>Cross-cutting</b>							
A.1.1	Contract Management							
A.1.2	Procurement and Purchasing							
A.1.5	Asset Management							
A.1.7	Cash Handling		Satisfactory	-	1	4	29 / 20	
	PCSP 16/17							
A.1.8	PEACE IV							
	Community Grants							
A.2.1	Business Continuity Planning (BCP) / Emergency Planning							
A.2.2	Safeguarding							
A.2.3	Performance Management							



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## Appendix 2 – Detailed status of the Audit Plan (2 of 3)

Plan ref.	Auditable Area	Audit Status	Assurance Opinion	Priority of Actions			Days to Complete (Act / Bud)	Comments
				1	2	3		
<b>A</b>	<b>Cross-cutting</b>							
A.2.5	Attendance Management							
A.2.6	Information Governance and Records Management							
A.2.8	Policies and Procedures							
A.2.11	Health and Safety							
A.2.12	Anti-Fraud and Corruption							
A.2.13	ICT							
<b>B</b>	<b>Organisation Development</b>							
B.6	Cemeteries Administration							
<b>C</b>	<b>Finance and Governance</b>							
C.3.3	Accounts Payable							



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## Appendix 2 – Detailed status of the Audit Plan (3 of 3)

Plan ref.	Auditable Area	Audit Status	Assurance Opinion	Priority of Actions			Days to Complete (Act / Bud)	Comments
				1	2	3		
C.3.6	Payroll	 Draft Report						
<b>D</b>	<b>Operations</b>							
D.1.12	Street Cleansing	Deferred to 2018/19						
<b>E</b>	<b>Community Planning and Regeneration</b>							
E.1	Community Planning	 To be started						



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## Appendix 3 – Outstanding Agreed Actions (1 of 12)

### ● Partially Implemented actions

Time Management System 2016/17 *	Priority 2
Community Centres 2016/17 *	Priority 2
Fleet Management 2016/17	Priority 2
Capital Project Management 2015/16 (2 actions) *	Priority 3
Central Stores 2016/17 *	Priority 3
Time Management System 2016/17 (2 actions)	Priority 3
PCSP 2015/16 *	Priority 3
Community Centres 2016/17 *	Priority 3



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## Appendix 3 – Outstanding Agreed Actions (2 of 12)

Where management advises of a status that is either not implemented or partially implemented, management has been asked to provide a revised target implementation date.

Where we have previously been provided with a revised implementation date, and that date is not yet due, we have not followed up with management to obtain the current position. The status update is therefore that which was provided to us when previously reviewed with management. Such items have been annotated with a ‘\*’ in the following.



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## Appendix 3 – Outstanding Agreed Actions (3 of 12)

### ● Partially Implemented actions (1 of 4)

Priority 2

Audit Report	Ref	Date of issue	No. of actions
Time Management System 2016/17 *	FI/AUD/17	05/12/16	1
Community Centres 2016/17 *	FI/AUD/43	15/02/17	1
Fleet Management 2016/17 *	FI/AUD/39	13/04/17	1





## Appendix 3 – Outstanding Agreed Actions (4 of 12)

### ● Partially Implemented actions (2 of 4)

**Priority 2**

Original Agreed action	Original Target date	Status Update	Revised date
<b>Time Management System</b>			
<b>4.1 Overtime hours' payments relative to overtime hours worked</b>  There is a local agreement in place at SD around payment of overtime. It takes some time to work through local agreements and as these are linked to the ongoing review of waste collection arrangements, the management team is / has; <ul style="list-style-type: none"><li>managing the need for overtime - ensuring that it is kept to a minimum</li><li>monitoring to ensure that current local agreements are not exceeded</li><li>replicated the overtime procedure that is used in ESD to ensure equitable spread of overtime</li><li>monitoring TMS system by supervisors</li></ul>	31/08/2017 (0-3 months overdue)	While full resolution of the local agreements is expected at the completion of the Waste Review, the following management measures have been adopted: overtime monitored and approved by supervisors, monthly budget meetings with specific focus on staff costs, overtime procedure replicated in both operational depots, current local agreements monitored to ensure that they are not exceeded.	31/06/18



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## Appendix 3 – Outstanding Agreed Actions (5 of 12)

### ● Partially Implemented actions (3 of 4)

Priority 2

Original Agreed action	Original Target date	Status Update	Revised date
Community Centres 2016/17			
<b>2 Physical Security</b>  Management will adopt the Newtownabbey online booking system for the Antrim community centres, therefore eliminating the requirement, and the risks associated, with holding and safeguarding cash at each centre.  In the interim, management will review the physical security arrangements at the community centres and take appropriate action to strengthen.	28/02/17 (3-6 months overdue)	The telephone booking system is being piloted at both Muckamore and Stiles Community Centres. A number of issues have been identified from this pilot and are being worked through by management, prior to rolling out the system to the remaining Community Centres by 31 March 2018.	31/03/18



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## Appendix 3 – Outstanding Agreed Actions (6 of 12)

### ● Partially Implemented actions (4 of 4)

Priority 2

Original Agreed action	Original Target date	Status Update	Revised date
<b>Fleet Management 2016/17</b>			
<b>2 Driver Licensing</b> <p>Fleet Management will ensure that all drivers of Council vehicles must be holders of a licence valid for the category of vehicle in which they are driving. Fleet Management will ensure that all drivers must make their licence available to the Fleet Management for inspection annually. Thereafter this will be completed by operational line managers on a quarterly basis and any changes notified. (Copies will be retained in accordance with Driver Licence Guidelines and the Data Protection Regulations).</p> <p>Licence information will be input directly into a spreadsheet and set-up to be regularly checked by Fleet Management. This will provide greater accountability and any anomalies will be highlighted early allowing Fleet Management to monitor the driver's qualifications to ensure that they are suitable and fit for purpose.</p>	31/05/17 (0-3 months overdue)	The Fleet Management Unit are currently working through checking 302 driving licences. Additional resources have been allocated and a schedule has been put in place to ensure that the remaining driving licences will be checked by the 30 September 2017.	30/09/17



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## Appendix 3 – Outstanding Agreed Actions (7 of 12)

### ● Partially Implemented actions (1 of 6)

Priority 3

Audit Report	Ref	Date of issue	No. of actions
Capital Project Management *	2014/15 - 05	18/06/05	2
Central Stores 2016/17 *	FI/AUD/30	12/09/16	1
Time Management System 2016/17	FI/AUD/17	05/12/16	2
PCSP 2015/16 *	FI/AUD/37	25/11/16	1
Community Centres 2016/17 *	FI/AUD/43	15/02/17	1



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## Appendix 3 – Outstanding Agreed Actions (8 of 12)

### ● Partially Implemented actions (2 of 6)

Priority 3

Original Agreed action	Original Target date	Status Update	Revised date
<b>Capital Project Management</b>			
<b>4.1.1 Project Management Manual</b> Internal Audit recommends that the Project Management Manual be reviewed on a periodic basis (e.g. at least annually), with any updates made as required. Updates made will be recorded in the change control table, to ensure version control.	31/12/2015 (12+ months overdue)	There are currently higher priorities for the Capital Section. The status is monitored regularly to assess the risk and it is considered there is no significant risk to the Council.  Significant progress has been made, with all text for the manual now complete. Flowchart is planned to be completed by September 2017 and supporting templates by Christmas 2017.	31/12/2017



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## Appendix 3 – Outstanding Agreed Actions (9 of 12)

### ● Partially Implemented actions (3 of 6)

Priority 3

Original Agreed action	Original Target date	Status Update	Revised date
<b>4.1.2 Completed Project Reviews</b>  Internal Audit recommends that a regular review of completed projects should be introduced, to ensure that PERs (as well as any other relevant project management stages) have been completed on a timely basis.  In respect of larger, multi-stage projects, it should be considered whether a PER should be completed within 4 weeks of each of the practical completion dates, or if it is more appropriate that this should be completed at the end of the project as a whole. It could be argued that distinct phases in the project should be assessed individually, to avoid potential balancing effects of 'good' phases versus 'bad' phases, and to take action on poor performance at an early stage (recognising that these issues are likely to also be identified as part of regular progress meetings/ updates).	31/12/2015 (12+ months overdue)	<p>The Performance Evaluation Review (PER) is a tool within the overall Project Management Manual. Whilst there is no significant risk to the Council in the use of the PER, an amended simple template has been developed and is substantially complete. These will be finalised in line with the Project Manual by Christmas 2017.</p> <p>The PER will be implemented at the end of each capital project.</p>	31/12/2017



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## Appendix 3 – Outstanding Agreed Actions (10 of 12)

### ● Partially Implemented actions (4 of 6)

Priority 3

Original Agreed action	Original Target date	Status Update	Revised date
<p>The Manual should be updated to reflect any decisions regarding this/ the impact of the proportionality principle/ to reflect the purpose of completing the PER in the relevant timeframe.</p> <p>Consideration should be given to updating the PER template to focus on lessons learnt and contractor/ consultant performance to date, with a removal of budget elements which cannot be stated with certainty.</p>			
<b>Central Stores 2016/17</b>			
<b>3.5 Policies and Procedures</b>	31/10/2016	The review of the stores operations has commenced and is ongoing with a report to be submitted to CT for consideration by 31 October 2017.	31/10/2017
Management will complete and implement a stores policy which will outline the direction of central stores and include the roles and responsibilities of all staff whether working in stores, or using the stores.	(6-9 months overdue)		



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● Partially Implemented actions (5 of 6)

Priority 3

Original Agreed action	Original Target date	Status Update	Revised date
<b>Time Management System</b>			
<b>4.5 Levels of Staffing</b>  There are a number of permanent posts which have not been filled pending approval of the structure. The new structure is dependent on completion and approval of the service review. Following approval and the subsequent review of routes, rotas, working week, weekend working, etc. working patterns will be changed, subject to consultation with the trade unions. The new staffing structure will have optimum flexibility to minimise additional costs.	31/08/2017  (0-3 months overdue)	The Council has approved, in principle, a new Waste Collection Service subject to consultation with staff and Trade Unions. The consultation was due to be completed by 30 June 2017, but at the request of the Trade Unions, this period has been extended to 30 September 2017. It is envisaged that the implementation of the new Waste Collection Service will take approximately 9 months.	31/06/2018
<b>4.7 Specific Anomalies</b>  Specific anomalies have been reviewed and amendments to working practices have been changed as set out above or will be addressed pending completion and approval of the service review.	31/08/2017  (0-3 months overdue)	As with 4.5 above, this will be addressed with the implementation of the new waste service. In the meantime, measures have been established with Finance to ensure greater control over overtime payments to individual staff members.	31/06/2018





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## Appendix 3 – Outstanding Agreed Actions (12 of 12)

### ● Partially Implemented actions (6 of 6)

Priority 3

Original Agreed action	Original Target date	Status Update	Revised date
<b>PCSP 2015/16</b>			
<b>3 Policies and Procedures</b>  Management will develop and introduce procedures which outline the roles and responsibilities of PS & staff for the monitoring of projects, vouching project expenditure and processing payments.  These procedures will be reviewed on at least an annual basis to ensure that they are up to date and fit for purpose.	31/12/2016 (6-9 months overdue)	P & P procedures are currently developed and will be completed by 30 September 2017.	30/09/2017



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### ● Partially Implemented actions (6 of 6)

Priority 3

Original Agreed action	Original Target date	Status Update	Revised date
<b>Community Centres 2016/17</b>			
<b>5 Schedule of Fees</b> Management will review and update the schedule of fees for Community Centres to ensure all chargeable categories and applicable rates are included, as appropriate to the centres and their respective facilities.	31/03/17 (3-6 months overdue)	A workshop has been arranged with Members for 19 September 2017 to discuss the outcome and recommendations (11) of the Community Centre review. It is envisaged that all the recommendations will be phased in and implemented following approval by the Members by 31 March 2018. However, the Pricing Structure is a primary recommendation of this review and would be one of the first to be implemented, therefore being completed prior to the 31 March 2018 for implementation from 1 April 2018.	31/03/18



## Appendix 4 – Engagement Feedback Forms

### Overall Result

