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by the North East PEACE III Partnership*

# **NORTH EAST PEACE III PARTNERSHIP ANNUAL STATEMENT OF ACCOUNTS**

## **2014/15**

**Agreed by the Audit and Risk Committee on 29<sup>th</sup> June 2015**

**Comprising Council Areas:**

**Coleraine Borough Council  
Limavady Borough Council  
Ballymoney Borough Council  
Moyle District Council  
Ballymena Borough Council  
Larne Borough Council**



# Annual Statement of Accounts Year ended 31<sup>st</sup> March 2015



A project supported by the PEACE III Programme managed for the Special EU Programmes Body  
by the North East PEACE III Partnership



## CONTENTS

<b>EXPLANATORY FOREWORD .....</b>	<b>1</b>
<b>STATEMENT OF THE JOINT COMMITTEE'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS.....</b>	<b>5</b>
<b>GOVERNANCE STATEMENT.....</b>	<b>6</b>
<b>CERTIFICATE OF THE CHIEF FINANCIAL OFFICER.....</b>	<b>12</b>
<b>INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAUSEWAY COAST AND GLENS BOROUGH COUNCIL .....</b>	<b>13</b>
<b>STATEMENT OF MOVEMENT ON THE GENERAL RESERVES BALANCE .....</b>	<b>15</b>
<b>COMPREHENSIVE INCOME AND EXPENDITURE ACCOUNT .....</b>	<b>16</b>
<b>BALANCE SHEET AS AT 31 MARCH 2014 .....</b>	<b>17</b>
<b>CASHFLOW STATEMENT .....</b>	<b>18</b>
NOTES TO THE FINANCIAL STATEMENTS .....	19
1. ACCOUNTING POLICIES.....	19
2.A SEGMENTAL REPORT – CURRENT YEAR.....	21
2.B SEGMENTAL REPORT – COMPARATIVE YEAR.....	22
3. GOVERNMENT GRANTS .....	23
4. PARTICIPATING COUNCILS.....	23
5. FINANCIAL PAYMENTS TO BENEFICIARIES .....	24
6. EXTERNAL AUDIT FEES .....	24
7. STAFF COSTS AND NUMBERS .....	24
8. OVERHEAD CONTRIBUTION .....	25
9. TRADE DEBTORS .....	25
10. TRADE CREDITORS.....	25
11. RELATED PARTY TRANSACTIONS .....	25
<i>Accounts Authorised for Issue Certificate .....</i>	<i>26</i>



## **Explanatory Foreword**

The Joint Committee's financial performance for the year ended 31 March 2015 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out 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 2014/15 (the code) and the Department of the Environment Accounts Direction, Circular LG 14/15 dated 1<sup>st</sup> April 2015. It is the purpose of this foreword to explain, in an easily understandable way the financial facts in relation to the Joint Committee.

The Statement of Accounts explains the Joint Committee's finances during the financial year 2014/15 and its financial position at the end of the year. It follows approved accounting standards and is necessarily technical in parts.

The Explanatory Foreword is not part of the Financial Statements but is prepared on the basis that is consistent with the financial statements. In addition, the Explanatory Foreword does not purport to comment on Joint Committee policies.

### **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. The North East Peace III Partnership Joint Committee does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

### **The Movement in Reserves Statement**

This statement, as set out on Page 15, shows the movement in the year on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. this that can be applied to fund expenditure) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the Income and Expenditure Statement. The 'Net Increase/Decrease before transfers to earmarked reserves' line shows the Income and Expenditure Statement Balance before any discretionary transfers to or from statutory and other reserves undertaken by the Joint Committee.

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

This statement, as set out on page 16, shows the income earned and expenditure incurred during the year by the Joint Committee in accordance with generally accepted accounting policies.

### **The Balance Sheet**

The Balance Sheet, as set out in page 17, shows the value as at the Balance Sheet date of the Joint Committee's assets and liabilities. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Joint Committee 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 Reserves are those that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Joint Committee 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 in page 18, shows the changes in cash and cash equivalents by classifying cash flows as operating, investing and financial activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations at a Joint Committee are funded by way of grant income and Council contributions, or from the recipients of services provided by the Joint Committee. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Joint Committees 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 Joint Committee.

## **Financial Report**

For the year ended 31 March 2015 the General Reserves Balance remains at **£0**. The Joint Committee incurred total costs of **£285,719 (2014-£1,636,065)** and recorded grants receivable of **£259,366 (2014-£1,636,065)**. In addition partner councils provided a total of **£26,353** towards programme costs.

## **Establishment of the Joint Committee**

The six Councils of Coleraine, Limavady, Ballymoney, Moyle, Ballymena and Larne clustered together and agreed to form a Joint Committee to deliver the PEACE III Programme. The functions of the North East PEACE III Joint Committee are governed by a Memorandum of Understanding. The Councils agreed that Coleraine Borough Council will be the Lead Council in relation to the administrative and financial management of the programme.

The Councils who are parties to the Memorandum of Understanding acting pursuant to the powers conferred on them by section 19 of the 1972 Act have collectively agreed to the following: -

- The Committee Members agree that a Joint Committee of Councils shall be the legal vehicle to allow the Joint Venture to function.
- In accordance with the Letter of Offer from SEUPB, the Councils have established the Joint Committee for the purposes of implementing the policies and objectives set out in the Peace III Programme Priority 1 Theme 1 and NE Peace III Strategy and Action Plan and the Operational Programme.
- The Joint Committee shall be established by the Councils for the purpose of implementing the Peace III Programme Priority 1 Theme 1 in the North East Peace III Cluster areas.
- That the functions of the Joint Committee shall be fixed by reference to the Memorandum of Understanding (including for the avoidance of doubt the Statement of Principles and Standing Order).

## **Delegated Powers**

The Committee Members agree that the Joint Committee shall have delegated powers and responsibilities to implement Priority 1 Theme 1 of the Peace III Programme in the Coleraine Borough Council, Ballymena Borough Council, Ballymoney Borough Council, Larne Borough Council, Limavady Borough Council and Moyle District Council Areas.

The role of the Joint Committee will be to ensure the effective governance arrangements of programme and to ratify recommendations made to the Joint Committee by the Peace III Partnership.

## **Management**

The Joint Committee is chaired by one of the elected members duly appointed by the entire Committee. The Joint Committee is serviced by the Peace III Secretariat and the Peace III Manager has responsibility for the day to day administration of the programme. The Manager reports to the Joint Committee at its monthly meeting.

### **Schedule of the district councils involved in the North East Peace III Joint Committee:**

- Coleraine Borough Council (Lead)
- Larne Borough Council
- Moyle District Council
- Limavady Borough Council
- Ballymoney Borough Council
- Ballymena Borough Council

“The Local Government (Northern Ireland) Order 2005, Article 3, defines a joint committee of two or more councils to be a local government body and provides that :-

the accounts of every local government body shall be:-

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

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

The Accounts Direction, issued by the Department of the Environment on 1<sup>st</sup> April 2015 under Regulation 4 of the Local Government (Accounts and Audit) Regulations 2006 requires the Joint Committee to prepare accounts. This statement of accounts covers the period since 1 April 2014 to 31 March 2015 and has been prepared in compliance with the Direction.

## **Statement of the Joint Committee's and Chief Financial Officer's responsibilities for the Statement of Accounts**

### **The Joint Committee's Responsibilities**

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

The Joint Committee has adopted a similar arrangement and the Chief Financial Officer for the Administrative Council undertakes equivalent duties for the Joint Committee.

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

These accounts were approved by the Causeway Coast and Glens Borough Council Audit Committee on the 29<sup>th</sup> June 2015.

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

Under Regulation 4(1) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 the chief financial officer is responsible for the preparation of the joint committee's statement of accounts in the form directed by the Department of the Environment.

The accounts must give a true and fair view of the income and expenditure 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 of the Environment 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.

## Governance Statement

### Scope of Responsibility

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

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

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

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

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

### The Purpose of the Governance Framework

The Governance Framework comprises the systems and processes, and culture and values, by which the local government body is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the North East Peace III Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

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

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

## **The Governance Framework**

### **Corporate Vision**

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

### **The Vision for the North East Cluster by 2015:**

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

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

### **Performance Measurement**

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

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

## **Decision Making & Delegation**

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

## **Standards of Behaviour**

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

## **Standing Orders & Risk Management**

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

## **Audit and Risk Committee**

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

## **Legality of Decisions**

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

## **Fraud & Corruption**

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

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

## **Training & Development**

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

## **Local Government Reform**

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

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

### **Review of Effectiveness**

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

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

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

In undertaking this review account has been taken of Guidance on the Local (Accounts and Audit) (Amendment) Regulations (NI)2006 issued by the Department of the Environment in February 2008. The Chief Executive & Town Clerk of Coleraine Borough Council leads the Council's Senior Management Team to collectively have involvement in and oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework. This includes the delivery of the Council's responsibilities as Lead Council for the Joint Committee. Progress on the PEACE III Action plan and issues arising are reviewed and reported to the Lead Partner Council by way of Council reports.

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

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

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

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

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

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

### **Significant Governance Issues**

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

Signature



David Jackson

Chief Financial Officer

Date 20<sup>th</sup> October 2015

Signature



Cara McShane

Chair of the Causeway Coast and Glens Audit Committee

Date 20<sup>th</sup> October 2015

## Certificate of the Chief Financial Officer

I certify that:-

- (a) the Statement of Accounts for the year ended 31 March 2015 on pages 1 to 25 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 19 to 20.
  
- (b) in my opinion the Statement of Accounts gives a true and fair view of the financial position of the Committee at the reporting date and of its expenditure and income for the year ended 31 March 2015.



Signature

Chief Financial Officer

David Jackson

Dated: 20<sup>th</sup> October 2015

### **Audit Committee Approval of Statement of Accounts**

These accounts were approved by resolution of the Audit Committee on 29<sup>th</sup> June 2015 and are subject to the amendments set out on page 26.



Signature

Cara McShane

Chair of Causeway Coast and Glens Borough Council Audit Committee

Dated: 29<sup>th</sup> June 2015.

## **Independent auditor's report to the Members of Causeway Coast and Glens Borough Council**

I have audited the statement of accounts of North East PEACE III Partnership Joint Committee for the year ended 31 March 2015 under the Local Government (Northern Ireland) Order 2005. The statement of accounts comprises the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and related notes. The statement of accounts has been prepared under the accounting policies set out within them.

This report is made solely to the Members of North East PEACE III Partnership Joint Committee in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities issued by the Chief Local Government Auditor.

### **Respective responsibilities of the Chief Financial Officer and the independent auditor**

As explained more fully in the Statement of the Joint Committee's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the statement of accounts and for being satisfied that it 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. My responsibility is to audit the statement of accounts in accordance with the Local Government (NI) Order 2005 and the Local Government Code of Audit Practice issued by the Chief Local Government Auditor. 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 statement of accounts**

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 North East PEACE III Partnership Joint Committee's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the North East PEACE III Partnership Joint Committee; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Foreword to identify material inconsistencies with the audited statement of accounts. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion**

In my opinion the financial statements gives a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15, the financial position of North East PEACE III Partnership Joint Committee as at 31 March 2015 and its income and expenditure for the year then ended.

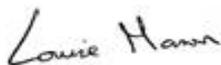
### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- the Annual Governance statement:
  - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15,
  - does not comply with proper practices specified by the Department of the Environment,
  - is misleading or inconsistent with other information I am aware of from my audit,  
or
- adequate accounting records have not been kept; or
- the statement of accounts is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

### **Certificate**

I certify that I have completed the audit of the accounts of North East PEACE III Partnership Joint Committee in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice issued by the Chief Local Government Auditor.



Louise Mason  
Local Government Auditor  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU  
27<sup>th</sup> October 2015

**Statement of Movement on the General Reserves Balance**

		<b>2014/15</b>	<b>2013/14</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Surplus/(Deficit) for the year on the Income and Expenditure Account</b>			
		0	0
<b>Movement on the General Reserves Balance for the year</b>			
<b>Balance Brought Forward</b>			
		0	0
<b>Balance Carried Forward</b>			
		0	0

## Comprehensive Income and Expenditure Account

		2014/15	2013/14
<b>Income</b>	<b>Notes</b>	<b>£</b>	<b>£</b>
Government Departments	2a/2b & 3	259,366	1,636,065
Participating councils	4	26,353	0
Bank Interest		0	0
Other Income		0	0
<b>Total income</b>		<b>285,719</b>	<b>1,636,065</b>
<b>Expenditure</b>			
Financial Assistance to Beneficiaries	2a/2b & 5	210,192	1,474,421
Employee costs	7	58,548	131,016
Committee Member costs		1,349	1,700
Premises costs		0	0
Supplies and services		0	0
Travel and subsistence costs		1,079	4,010
Administration costs		7,994	12,933
Overhead Contribution	8	6,557	11,985
<b>Total expenditure</b>		<b>285,719</b>	<b>1,636,065</b>
<b>Surplus / (Deficit) for the year</b>		<b>0</b>	<b>0</b>
<b>Other Comprehensive Income and Expenditure</b>		<b>0</b>	<b>0</b>
<b>Total Comprehensive Income and Expenditure</b>		<b>0</b>	<b>0</b>

**Annual Statement of Accounts  
Year ended 31<sup>st</sup> March 2015**



A project supported by the PEACE III Programme managed for the Special EU Programmes Body by the North East PEACE III Partnership



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**Balance Sheet as at 31 March 2015**

	Notes	2015	2014
		£	£
<b>Current assets</b>			
Stock		0	0
Debtors	9	60,728	258,747
Prepayments		0	0
Accrued Income		0	0
Cash and Bank		0	0
Petty Cash		0	0
VAT recoverable		0	0
<b>Total assets</b>		<b>60,728</b>	<b>258,747</b>
<b>Current liabilities</b>			
Creditors and accruals	10	60,728	258,747
Bank Overdraft		0	0
VAT payable		0	0
<b>Total current liabilities</b>		<b>60,728</b>	<b>258,747</b>
<b>Net assets</b>		<b>0</b>	<b>0</b>
<b>Financed by:</b>			
General Reserve		0	0

## Cashflow Statement

	2014/15	2013/14
	£	£
Surplus/(Deficit) for the year on the Income and Expenditure Account as restated	0	0
Adjustment to surplus / (deficit) on the provision of services for non-cash movements	0	0
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	0	0
Net cash flows from operating activities	0	0
Net cash flows from investing activities	0	0
Net cash flows from financing activities	0	0
Net increase / decrease in cash	0	0
<b>Cash and cash equivalents at the beginning of the reporting period</b>	0	0
Cash and cash equivalents at the end of the reporting period	0	0

	Notes	2014/15	2013/14
		£	£
Adjustment to surplus / (deficit) on the provision of services for non-cash movements			
(Increase) / decrease in debtors	8	197,539	(25,686)
Increase / (decrease) in creditors	9	(197,539)	25,686
		0	0

## Notes to the Financial Statements

### 1. Accounting Policies

#### General Principles

The Statement of Accounts summarises the North East Peace III Joint Committee's transactions for the 2014/2015 financial year and its position at the year-end of 31 March 2015. The North East Peace III Joint Committee is required to prepare an annual Statement of Accounts in a form directed by the Department of the Environment in accordance with regulations 4 (1) and (2) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and the Service Reporting Code of Practice (SeRCOP) 2014/15, 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.

#### Accounting Concepts

In general, the financial statements are prepared in accordance with the fundamental accounting concepts set out below:

#### Relevance

The financial statements are prepared so as to provide readers with information about the Joint Committee's financial performance and position that is useful for assessing the stewardship of public funds.

#### Reliability

The financial statements are prepared on the basis that the financial information contained within them is reliable, i.e. free from material error, deliberate or systematic bias, complete within the bounds of materiality and represent faithfully what they intend to represent. Where there is uncertainty in measuring or recognising the existence of assets, liabilities, income and expenditure then prudence has been used as a basis to inform the selection and application of accounting policies and estimation techniques.

#### Understanding

Every effort has been made to make the accounts as easy to understand as possible. Nevertheless, assumption has been made that the reader will have a reasonable knowledge of basic accounting and local government finance. Where the use of technical terms has been unavoidable, an explanation has been provided in the body of the financial statements.

#### Materiality

Certain information may be excluded from the financial statements on the basis that the amounts involved are not material either to the fair representation of the financial position and transactions to be reflected in the financial statements for the period in which the cash is actually received or paid.

### **Accruals**

The financial statements have been prepared on an accruals basis. The accruals basis of accounting requires the non-cash effect of transactions to be reflected in the financial statements for the period in which those effects are experienced and not in the period in which cash is actually received or paid.

### **Reserves**

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

### **Value Added Tax**

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

### **Debtors and Creditors**

The accounts of the Coleraine Borough Council are maintained on an accrual basis in accordance with the SORP and Financial Reporting Standard 18 Accounting Policies (FRS 18). This ensures that provision has been made for known outstanding debtors and creditors at the year end, estimated amounts being used where actual figures are not available.

Provisions are made for doubtful debts and known uncollectible debts are written off in full, after all steps have been taken to recover the amount due. The carrying amount of debtors is adjusted accordingly.

Followed by supporting analysis to figures in the Income and Expenditure and key figures in the Balance Sheet.

## 2.a Segmental Report – Current Year

	Technical Assistance	Aim 1 Objective1	Aim 2 Objective1	Aim 2 Objective2	Aim AA Objective1	Aim AA Objective2	Total
<b>Income</b>	£	£	£	£	£	£	£
Government Grants	49,174	52,551	19,274	59,996	29,900	48,471	259,366
Participating Councils	26,353						26,353
<b>Total Income</b>	<b>75,527</b>	<b>52,551</b>	<b>19,274</b>	<b>59,996</b>	<b>29,900</b>	<b>48,471</b>	<b>285,719</b>
<b>Expenditure</b>							
Financial Assistance to Beneficiaries	0	52,551	19,274	59,996	29,900	48,471	210,192
Staff Costs	58,548	0	0	0	0	0	58,548
Committee Member	1,349	0	0	0	0	0	1,349
Travel and Subsistence	1,079	0	0	0	0	0	1,079
Administration Costs	7,994	0	0	0	0	0	7,994
Overhead Contribution	6,557	0	0	0	0	0	6,557
<b>Total Expenditure</b>	<b>75,527</b>	<b>52,551</b>	<b>19,274</b>	<b>59,996</b>	<b>29,900</b>	<b>48,471</b>	<b>285,719</b>
<b>Total Comprehensive Income and Expenditure</b>							
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Aims and objectives are summarised in the matrix below:

Peace III Priorities	Priority 1: Reconciling Communities	
Peace III areas	1.1: Building positive relations at local level	
NE Peace III Aims	<b>Aim 1:</b> Preparing for change in addressing sectarianism and racism	<b>Aim 2:</b> Increasing engagement among and between communities
	<b>Aim AA:</b> Taking a sustainable and lasting approach to peace and reconciliation building in the North East Area	
	<b>Objective AA:</b> To deliver a cross border objective, cross border engagement, communication, engagement, networking and reconciliation embedding programme.	
NE Peace III Objectives	<b>Objective 1:</b> To foster Community Leadership at civic and local level and to prepare the communities for change through capacity and reconciliation skills enhancement	<b>Objective 2:</b> To promote respect, inclusion and cultural diversity and to enhance respect and improved understanding of differences among the communities of the North East

## 2.b Segmental Report – Comparative Year

	Technical Assistance	Aim 1 Objective1	Aim 2 Objective1	Aim AA Objective AA	Aim AA Objective AA (A)	Aim AA Objective AA (B)	Total
<b>Income</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Government Grants	161,644	500,745	283,128	5,340	340,185	345,023	1,636,065
<b>Total Income</b>	<b>161,644</b>	<b>500,745</b>	<b>283,128</b>	<b>5,340</b>	<b>340,185</b>	<b>345,023</b>	<b>1,636,065</b>
<b>Expenditure</b>							
Financial Assistance to Beneficiaries	0	500,745	283,128	5,340	340,185	345,023	1,474,421
Staff Costs	131,016	0	0	0	0	0	131,016
Committee Member Costs	1,700	0	0	0	0	0	1,700
Travel and Subsistence	4,010	0	0	0	0	0	4,010
Administration Costs	12,933	0	0	0	0	0	12,933
Overhead Contribution	11,985	0	0	0	0	0	11,985
<b>Total Expenditure</b>	<b>161,644</b>	<b>500,745</b>	<b>283,128</b>	<b>5,340</b>	<b>340,185</b>	<b>345,023</b>	<b>1,636,065</b>
<b>Total Comprehensive Income and Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3. Government Grants

	2014/15	2013/14
	£	£
Technical Assistance	49,174	161,644
Aim 1 Objective 1	52,551	500,745
Aim 2 Objective 1	19,274	283,128
Aim 2 Objective 2	59,996	0
Aim AA Objective 1	29,900	0
Aim AA Objective 2	48,471	0
Aim AA Objective AA	0	5,340
Aim AA Objective AA (A)	0	340,185
Aim AA Objective AA (B)	0	345,023
	<b>259,366</b>	<b>1,636,065</b>

### 4. Participating Councils

	2014/15	2013/14
	£	£
Ballymena Borough Council	583	0
Ballymoney Borough Council	4,350	0
Coleraine Borough Council	8,370	0
Larne Borough Council	4,350	0
Limavady Borough Council	4,350	0
Moyle District Council	4,350	0
	<b>26,353</b>	<b>0</b>

At the inception of the Peace III programme initial formation costs which were not eligible under Peace III funding were incurred – these costs included legal and infrastructure costs, all of which were incurred wholly, exclusively and necessarily on behalf of the Peace III programme. As these costs and the final audit costs fell outside SEUPB grant funding, Coleraine Borough Council, as Lead Council, requested funding of £4,350 from all partner Councils under the terms of the joint agreement. This was the only occasion that the partner councils made a financial contribution to the PEACE III Programme. With the exception of **Ballymena Borough Council** all partners complied. Ballymena Borough Council contributed towards final audit costs only – consequently **Coleraine Borough Council** has had to contribute an additional £3,780 so that the Peace III programme could be wound up in an orderly and expeditious manner and without causing financial loss to creditors and/or financial beneficiaries of the programme.

## 5. Financial Payments to Beneficiaries

	2014/15	2013/14
	£	£
Aim 1 Objective 1	52,551	500,745
Aim 2 Objective 1	19,274	283,128
Aim 2 Objective 2	59,996	0
Aim AA Objective 1	29,900	0
Aim AA Objective 2	48,471	0
Aim AA Objective AA	0	5,340
Aim AA Objective AA (A)	0	340,185
Aim AA Objective AA (B)	0	345,023
	<b>210,192</b>	<b>1,474,421</b>

## 6. External Audit Fees

	2014/15	2013/14
	£	£
External Audit Fee	3,500	3,000

## 7. Staff Costs and Numbers

	2014/15	2013/14
	£	£
Gross	6,256	93,158
Employers National Insurance	488	7,266
Employers Superannuation	1,251	18,632
Agency Staff Costs	50,553	11,960
	<b>58,548</b>	<b>131,016</b>

	2014/15	2013/14
	FTE & Actual	FTE & Actual
Salaries	0.25	4
Agency Staff Costs	2	1
	<b>2.25</b>	<b>5</b>

## 8. Overhead Contribution

Coleraine Borough Council are entitled to recover 11.2% of direct salary costs towards light and heat and rent etc.

## 9. Trade Debtors

	2015	2014
	£	£
Government Departments	60,728	258,747
	<b>60,728</b>	<b>258,747</b>

## 10. Trade Creditors

	2015	2014
	£	£
Government Departments	3,500	3,000
Councils	57,228	255,747
	<b>60,728</b>	<b>258,747</b>

## 11. Related Party Transactions

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party Transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the Joint Committee or the Government of which it forms part. A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Joint Committee and Trade Unions in the course of their normal dealings with the Joint Committee. In addition where the relationship with the Joint committee and the entity is solely that of an Agency these are not deemed to be Related Party Transactions.

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

Members have direct control over the Joint Committee's financial and operating policies.

In the year ending 31 March 2015 the Joint Committee commissioned £Nil of works and services from companies in which members have an interest.

The Joint Committee also paid grants of £Nil to a number of organisations in which Members and executive officers had an interest.

North East Peace III Partnership has no related party transactions in the current year.

### **Accounts Authorised for Issue Certificate**

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 29<sup>th</sup> June 2015 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.

Signed



David Jackson

Chief Financial Officer

Date 27<sup>th</sup> October 2015