

LAGAN

RURAL PARTNERSHIP

Financial Statements

For the Year Ending 31st March 2014



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Explanatory Foreword**Introduction**

The Lagan Rural Partnership Joint Committee's (The Joint Committee) financial performance for the year ended 31st March 2014 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.

The Financial Statements for the year ended 31st March 2014 have been prepared in line with The Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (the Code) and the Department of the Environment Accounts Direction, Circular LG 13/14. It is the purpose of this foreword to explain, in an easily understandable way the financial facts in relation to The Joint Committee for this period. However, the Financial Statements follow approved Accounting standards and are necessarily technical in parts.

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 Joint Committee does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

Financial Report

The financial statements explain the Joint Committee's finances during the financial year ended 31 March 2014 and its financial position at the end of the year.

The following statements provide further information:

- The Movement in Reserves Statement, as set out on page 16, shows the movement in the year on the different reserves held by the Joint Committee. The surplus or (deficit) on the provision of services line shows the true economic cost of providing the Joint Committee's services.
- The Comprehensive Income and Expenditure Statement, as set out on page 17, shows the income earned and the expenditure incurred during the year by the Joint Committee in accordance with generally accepted accounting practices. This includes details of funding received from Government bodies and participating Councils, together with details of administrative expenditure incurred by the Joint Committee and financial assistance provided to beneficiaries.
- The Balance Sheet, as set out on page 18, 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.
- The Cash Flow Statement, as set out on page 19, shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

For the year ended 31st March 2014 the Joint Committee accounted for grant income of £203,931, Council contributions of £Nil and incurred total costs of £203,931. The financial activities of the Joint Committee are wholly funded by Government Bodies and the participating Councils, therefore resulting in a £nil surplus/deficit for the year.

Usable Reserves were carried as a result of the disallowed expenditure of £16,041 incurred by the Joint Committee. The £16,041 has been reimbursed from the three Councils on a proportionate basis of their elected members.

Since programme inception in July 2009, the Joint Committee has given approval to DARD to release grants of payments of up to £5,334,690 to date. In the financial year 2013/14 alone, the Joint Committee achieved grant spend of £2,327,897 representing an over achievement of the DARD agreed implementation target of £2,197,855 by £130,042. The Joint Committee has also approved commitment via letter of offer to projects that accounts for all of the DARD allocated funds amounting to £7,306,578.

Legislative Context for Preparation and Audit of the Financial Statements

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 authority 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 12th April 2014 under Regulation 4 of the Local Government (Accounts and Audit) Regulations 2006 requires the Joint Committee to prepare accounts. These financial statements cover the period from 1st April 2013 to 31st March 2014 and have been prepared in compliance with the Direction.

Statement of the Joint Committee's and the 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 safe and efficient arrangements for the proper administration of its financial affairs. A council shall designate an officer of the council as its Chief Financial Officer. Arrangements made by a council for the proper administration of its financial affairs shall be carried out under the supervision of its Financial Officer. The Joint Committee has adopted a similar arrangement and the Chief Financial Officer for the Administrative (Lead) Council i.e. Lisburn City 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 Joint Committee on 17 June 2014.

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 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 as amended and augmented from time to time, as appropriate;
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:-

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

Governance Statement

Introduction

Lagan Rural Partnership Joint Committee (The Joint Committee) is the Administrative and Lead Financial Body within the terms of the Local Government (Constituting a Joint Committee) Order (Northern Ireland) 2009 for the development and implementation of the agreed rural development strategy for the rural areas within Lisburn City Council, Castlereagh Borough Council and Belfast City Council under Axis 3 of the Northern Ireland Rural Development Programme 2007 - 2013. The Joint Committee was formed by the aforementioned Councils in July 2009 to deliver the above programme.

The Joint Committee is made up of elected members from each of the three Council areas (7 elected members from Lisburn City Council, 3 elected members from Castlereagh Borough Council and 1 elected member from Belfast City Council). The Joint Committee is primarily the financial administrator for the Local Action Group in the receipt, payment, disbursement, management and accounting for funds awarded. The above partners agreed that Lisburn City Council would be the Lead Council in relation to the administrative and financial management of the programme.

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.

The Local Action Group is also made up of elected members from each of the three council areas. There are 7 elected members from Lisburn City Council, 3 elected members from Castlereagh Borough Council and 1 elected member from Belfast City Council. In addition there are eleven social partners from the same council areas representing the agriculture, rural business and rural community sectors (7 social partners from Lisburn City Council, 3 social partners from Castlereagh Borough Council and 1 social partner from Belfast City Council). The Local Action Group is primarily responsible for issuing calls for applications, appraisal assessment and scoring of projects for approval/rejection by the Joint Committee and monitoring and evaluating the progress of the rural development strategy.

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

Lagan Rural Partnership 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. This 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 Joint Committee is directed and controlled and the activities through which the Joint Committee accounts to and engages with the community. It enables the 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 on-going process designed to identify and prioritise the risks to the achievement of the Joint Committee'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 financial period ended 31st March 2014 and up to the date of approval of the financial statements.

The Governance Framework

This section provides a summary of the key elements of the systems and processes that comprise the Joint Committee's governance arrangements. As noted on page 8, the governance arrangements for the Joint Committee are set out in the Consortium Agreement and are supported by the overall governance framework set by Lisburn City Council, in its role as Lead Council and secretariat to the Joint Committee.

The Chief Executive of Lisburn City Council as Chief Financial Officer of the Joint Council Committee has responsibility for maintaining a system of sound internal controls and risk management processes to support the Joint Committee in the achievement of all conditions in the Letter of Offer, and for reviewing their effectiveness. The systems of controls are based on a continual process designed to identify the principal risks to the achievement of the project objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

A copy of the full Governance Statement for Lisburn City Council is published in its own financial statements for the year ended 31st March 2014.

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

The following arrangements are in place for identifying and communicating etc:

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

A robust community consultation exercise supported the development of the Joint Committee's vision of its purpose and intended outcomes as set out in Lagan Rural Partnership's Rural Strategy 2007 - 2013. A copy of this is available to the public on request.

Further arrangements include:

Identifying and communicating the Joint Committee's vision of its purpose and intended outcomes for citizens and service users by the development of marketing & promotional literature, the development of a standalone website and attendance at key stakeholder events.

Adhering to the key targets outlined in the Rural Development Strategy for the duration of the NIRD Rural Development Programme 2007 - 2013.

Reviewing the Joint Committee's vision and its implications for the Joint Committee's governance arrangements within the Cluster area and Northern Ireland wide through engagement with other Joint Committees and relevant government bodies. Measuring the quality of services for ensuring that they are delivered in accordance with the Joint Committee's objectives and for ensuring that they represent the best use of resources. This will include benchmarking performance indicators against the programme administration plan and the performance of other Joint Committees, the provision of monthly project / administration spend updates and the development of processes and procedures to deal with application appeals and complaints.

Defining and documenting the roles and responsibilities of the Joint Committee, Local Action Group and officer functions in terms of application assessment and approval, with clear delegation arrangements and protocols for effective communication. This will include the scheduling of monthly Local Action Group meetings and Joint Committee meetings and circulation of minutes/decisions made of the same.

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

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

Ensuring the Joint Committee's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)

Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees - Practical Guidance for Local Authorities, the Joint Committee itself does not undertake the role of the Audit Committee. Rather that role is undertaken by Lisburn City Council's Audit Committee as the Audit Committee of Lisburn City Council, the lead Council.

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

Ensuring policies are in place for whistleblowing and for receiving and investigating complaints from the public and that capacity building processes are put in place to allow Joint Committee members to investigate same.

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

Adopting processes to establish clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation. Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the Joint Committee's overall governance arrangements.

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

Lisburn City Council as Lead Council to the Joint Committee has a wide range of policies and procedures, which are subject to on-going review and include the standards of behaviour expected from all employees. The Council has adopted the Local Government Staff Commission's Code of Conduct. All policies and procedures are communicated to employees through induction and other on-going training initiatives. The members of the Joint Committee have adopted and adhered to the policies, procedures and standards of behaviour of the Lead Council as well as availing of the on-going training initiatives.

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

The Joint Committee works in accordance to its own system of Standing Orders, Financial Regulations, Policies and Procedures as amended through guidance issued by the Department of Agriculture & Rural Development. Any changes to these documents require formal approval by the Joint Committee.

In addition, the formal mechanisms by which the Joint Committee regulates the conduct of its meetings are set out in the Consortium and Partnership Agreements. These arrangements are subject to review and update as necessary in response to the changing environment and the needs of the Joint Committee and the Managing Authority (the Department of Agriculture and Rural Development). Policies and procedures developed and adopted by the Joint Committee are subject to annual review.

To ensure an adequate and effective control framework is in place, all issues as identified under the DFP Article 62 (of the Commission Regulation (EC) No 1083/2006) Audit have been resolved and adopted by the Joint Committee and Partnership. None of these issues were significant in nature.

To facilitate risk management, Lisburn City Council on behalf of the Joint Committee has developed Corporate Risk Registers together with Departmental Risk Registers, which are subject to formal review and updated once per year. This approach includes risk management processes and internal controls to be adopted by the Administrative Unit to ensure proper stewardship of resources.

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

Lisburn City Council as the Lead Council for the Joint Committee has in place an Audit Committee whose overall purpose and objective is to assist Council in fulfilling its oversight responsibilities. The Audit Committee, which meets at least four times each year, has responsibility for working towards the terms and conditions under which it operates as follows:

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

Lisburn City Council's Audit Committee remit is not to act as the Audit Committee for the Joint Committee. Instead, it oversees the role of Lisburn City Council as Lead Council of the Joint Committee. All governance and audit issues are reported directly to the Joint Committee.

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

The Joint Committee and the Department of Agriculture and Rural Development regularly review progress made and issues arising by way of periodic progress reports, interim reports and final reports. Improved processes regarding eligibility of expenditure, compliance with Letters of Offer and the issue of amendments have been reviewed, updated and implemented during the 2013/14 financial year.

Lisburn City Council acting on behalf of the Joint Committee retain a panel of specialist legal advisors to provide expertise, advice and guidance as required. In addition, recommendations as outlined in internal and external audit reports enable the Council to ensure compliance is maintained.

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

The Joint Committee's Standing Operating Procedure: Fraud and Corruption, sets out whistle-blowing arrangements. The procedure sets out the arrangements where employees wish to make disclosures whilst remaining protected from action by their employer.

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

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

Lisburn City Council acting on behalf of the Joint Committee operates an Employee Development Scheme aimed at ensuring that Officers receive regular and appropriate training to enable them to fulfil their responsibilities.

Training, focusing on the implementation and administration of the Programme, was available to all Project Partners in September and November 2011. An in-depth Partnership Development Programme for all Members of the Joint Committee is to be delivered during 2013/14, in conjunction with the Consortium's work plan.

Arrangements for establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The Joint Committee is committed to establishing and maintaining strong lines of communication with all sections of the local community. The development of the Joint Committee's Strategy was concluded following detailed public consultation. Information including Guidance Notes, details of how to apply for funding and progress information relating to individual projects is made available on each of the participant Councils' websites.

Review of effectiveness

Lisburn City Council as the Lead Administrative Council for the Joint Committee 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 Director of Environmental Services within the Lead Administrative Council, who has responsibility for the development and maintenance of the governance environment and also by recommendations made by auditors from the Managing Authority, (the Department of Agriculture & Rural Development), the Audit Authority and other external auditors.

The following parties will be responsible for reviewing the effectiveness of the governance framework.

Members will be reminded of all relevant good governance issues that must be adopted at monthly meetings of the Joint Council Committee and any other relevant decision making meetings.

The Director of Environmental Services within the Lead Administrative Council for the Joint Committee is required to sign an Assurance Declaration which ultimately passes up the line to the Chief Executive of the Lead Administrative Council who is required to sign the overall Council Governance Statement (also signed by the Chair of the Lead Administrative Council's Audit Committee).

Internal Audit of Lisburn City Council acting on behalf of the Joint Committee will provide an independent and objective opinion on risk management, control and governance by measuring and evaluating their effectiveness in achieving the Joint Council Committee's agreed objectives.

The above represents all the parties involved in the review of effectiveness and there are no additional review/assurance/risk management procedures and/or Overview & Scrutiny Committees.

If appropriate, the Joint Council Committee are advised of any implications as a result of the review of effectiveness of the governance framework by the Lead Administrative Council's Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is put in place.

Overall control of the governance framework and system of internal controls is the responsibility of Lisburn City Council as Lead Council to 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 plan of the Joint Committee.

The Chief Executive of Lisburn City Council as the Lead Council to the Joint Committee has responsibility for the preparation of this Annual Governance Statement, as well as the Lead Partner Assurance Statement for submission to Department of Agriculture & Rural Development, as the Managing Authority. In preparing this statement, the Chief Executive 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 (Northern Ireland) 2006 issued by the Department of the Environment in February 2008. The Director of Environmental Services oversees 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 implementation of the Joint Committee Plan and issues arising are reviewed and reported to Lisburn City Council and the Joint Committee by way of Council reports.

In producing this statement, full regard has been made to Lisburn City Council's Corporate Risk Register and to Statements of Assurance provided by each Director to the Chief Executive for the year ended 31st March 2014 which is also adopted by the Joint Committee.

Internal Audit of Lisburn City Council acting on behalf of the Joint Council Committee provides an independent opinion on the adequacy and effectiveness of the Council's system of internal control. 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. Internal Audit reports any deficiencies in internal control to Senior Management Team whose responsibility it is to consider any recommendations made and to take necessary remedial action. The results of the work of Internal Audit are also reported to the Lead Council's Audit Committee at least four times each year to ensure that continuous improvements take place. These reports to Audit Committee include a follow-up report to ensure that actions previously agreed by the Management Team are implemented on a timely basis.

Lisburn City Council acting on behalf of the Joint Council Committee 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 United Kingdom 2006. This review proved satisfactory.

Verification and Audit reviews were conducted by the Managing Authority, DARD during the 2013/14 financial year. During this period, the risk rating for the Partnership has been maintained as low until a further review post December 2014. The introduction of improved policies and procedures contributed to maintaining this low rating. All issues and recommendations highlighted in these reviews have been resolved.

The Chief Executive of Lisburn City Council who also acts as the Chief Financial Officer has advised the Joint Committee of the results and implications of the review of the effectiveness of the governance framework.

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

Significant governance issues

As per DARD Axis 3 Operating Rules, it is the responsibility of the Joint Council Committee to ensure that running costs are closely monitored and do not exceed 20% of the overall Strategy Expenditure.

An internal Audit for the Joint Committee is planned for the 2014/15 audit cycle.

It is expected that the Joint Council Committee will achieve expenditure targets at the end of the project.

Local Government Reform

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

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

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

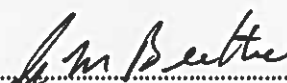
The contract between the Department of Agriculture & Rural Development (DARD) and Lagan Rural Partnership Joint Committee to deliver the Rural Development Programme 2007 - 2013 is due to expire on 31 March 2015 as will the service level agreement between the Joint Committee and Lisburn City Council for related administrative services provision. Whilst no formalised arrangements have been agreed to date, it is expected that both contracts will be extended to October 2015 with the contract for secretariat services being agreed with the new Lisburn City & Castlereagh District Council. If there are residual payments after 31 March 2015, the final year of account for the 2007-2013 Rural Partnership Joint Committee will be the year to 31 March 2016. In tandem it is expected that a contract will be agreed with DARD and a newly formed LAG body (encompassing the original Council areas of Lisburn/Castlereagh & Belfast) in early 2015 to deliver the Rural Development Programme 2014 - 2020 and that a service level agreement will also be agreed with the new Lisburn City & Castlereagh District Council to provide related administrative services. Taking this into consideration, it is expected that all current staff will be retained.

It is expected that the Joint Committee will achieve expenditure targets in full at the end of the programme and that the Joint Committee will discharge its contractual commitments with DARD in terms of project and administrative spend by October 2015. To that end it is expected that Audited Accounts will be issued by the Joint Committee for the period 2015/16 in addition to the period 2014/15.

There were no other significant governance issues identified during the year ending 31 March 2014.

Signature 
.....
Chief Financial Officer

Date 30/10/14

Signature 
.....
Chairman of the Joint Committee

Date 30/10/14

On behalf of the Chairman of the Joint Council Committee or the Members of the body meeting as a whole and by the Chief Executive

Certificate of the Chief Financial Officer

I certify that :-

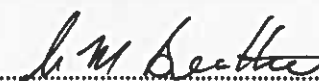
- a) The Statement of Accounts for the financial period ended 31st March 2014 on pages 16 to 26 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 20-21.
- b) In my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

Signature 
.....
Chief Financial Officer

Date 30/10/14

Joint Committee Approval of Statement of Accounts

These accounts were approved by resolution of the Joint Committee on 17 June 2014 and have been subject to the amendments set out on page 27.

Signature 
.....
Chairman of the Joint Committee

Date 30/10/14

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAGAN RURAL PARTNERSHIP JOINT COMMITTEE

I have audited the financial statements of Lagan Rural Partnership Joint Committee for the year ended 31 March 2014 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 Lagan Rural 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.

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 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 Lagan Rural Partnership Joint Committee's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Lagan Rural Partnership Joint Committee; 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 2013-14, of the financial position of Lagan Rural Partnership Joint Committee as at 31 March 2014 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 and the Department of the Environment directions issued there under.

Opinion on other matters

In my opinion the information given in the Explanatory Foreword for the financial year ended 31 March 2014 is consistent with the financial statements.

TW 30/10/14

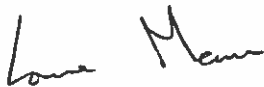
Matters on which I report by exception

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 2013-14; or
 - 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; 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 accounts of Lagan Rural Partnership Joint Committee 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
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

30 October 2014

Movement in Reserves Statement

	Notes	Total Usable Reserves £	Total Unusable Reserves £	Total Reserves £
At 1st April 2012		(16,405)	(1,580)	(17,985)
Movement in reserves during the year				
Surplus or deficit on provision of services		(168)	0	(168)
Other Comprehensive Income and Expenditure		0	0	0
Adjustments between accounting basis & funding basis under regulations		532	(532)	0
Total Comprehensive Income and Expenditure		364	(532)	(168)
At 31st March 2013	9	(16,041)	(2,112)	(18,153)
Movement in reserves during the year				
Surplus or deficit on provision of services		0	0	0
Other Comprehensive Income and Expenditure		0	0	0
Other adjustments	9	16,041	2,112	18,153
Total Comprehensive Income and Expenditure		16,041	2,112	18,153
At 31st March 2014	9	0	0	0

Comprehensive Income and Expenditure Statement

	Notes	2013/14 £	2012/13 £
Income			
Government Grant	2a/2b & 3	203,931	231,508
Total Income		<u>203,931</u>	<u>231,508</u>
Expenditure			
Staff Costs	6	159,793	176,343
Employment Expenses		122	0
Premises Costs		10,886	12,236
Supplies and Services		9,512	8,833
Travel and Subsistence Costs		9,784	10,741
Administration Costs		7,246	0
Marketing		3,076	10,151
Consultancy		3,512	13,372
Total Expenditure		<u>203,931</u>	<u>231,676</u>
Surplus/(Deficit) on Continuing Operations			(168)
Other Comprehensive Income and Expenditure		0	0
Total Comprehensive Income and Expenditure		<u>0</u>	<u>(168)</u>

Balance Sheet

	Notes	2014 £	2013 £
Short Term Debtors	7	53,921	88,221
Current Assets		<u>53,921</u>	<u>88,221</u>
Short Term Creditors	8	53,921	106,374
Current Liabilities		<u>53,921</u>	<u>106,374</u>
Net Assets		<u>0</u>	<u>(18,153)</u>
Usable Reserves	9	0	(16,041)
Unusable Reserves	9	0	(2,112)
Net Worth		<u>0</u>	<u>(18,153)</u>

Cash Flow Statement

		2013/14	2012/13
		£	£
Net (surplus) or deficit on the provision of services		0	(168)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing	10	(18,153)	168
Net Cash Flows from Operating Activities		<u>(18,153)</u>	<u>0</u>
Net Cash Flows from Investing Activities		0	0
Net Cash Flows from Financing Activities		18,153	0
Net increase / (decrease) in cash and cash equivalents		<u>0</u>	<u>0</u>
Cash and Cash Equivalents at the beginning of the reporting period		0	0
Cash and Cash Equivalents at the end of the reporting period		<u>0</u>	<u>0</u>

1 Accounting Policies

General Principles

The Financial Statements summarise the Joint Committee's transactions for the 2013/14 financial year and its position at the end of 31st March 2014. The Joint Committee is required to prepare annual Financial Statements 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 2013/14 and the Service Reporting Code of Practice 2013/14 supported by International Financial Reporting Standards (IFRS).

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

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 year in which those effects are experienced and not in the year in which the cash is actually received or paid. 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.

ii) 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 Joint Committee. 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 Joint Committee 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 in the Comprehensive Income and Expenditure Statement when the Joint Committee 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 Reserves balance to be charged with the amount payable by the Joint Committee 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.

Post Employment Benefits

Employees of the Joint Committee are members of the Northern Ireland Local government Officers Scheme (NILGOSC) by virtue of their employment by Lisburn City Council as lead Council of the project. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Lisburn City Council.

NILGOSC

The NILGOSC is accounted for as a defined benefits scheme.

The assets and liabilities of the NILGOSC attributable to the Joint Committee are included in the Balance Sheet of Lisburn City Council. No assets nor liabilities are recognised in the accounts for Lagan Rural Partnership Joint Council Committee.

iii) Government Grants and Contributions

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

- the Joint Committee 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 Government 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 Reserves 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.

iv) Value Added Tax

All expenditure and income, irrespective of whether it is revenue or capital in nature, is shown net of Value Added Tax, unless it is irrecoverable.

Lagan Rural Partnership

Financial Statements

2a Segmental Report - Current Year

In accordance with the Code of Practice on Local Authority Accounting, the Comprehensive Income and Expenditure Statement should be supported by information on individual reportable segments presented within the notes. Reportable segments are based on the Joint Committee's internal management reporting, for example departments, directorates or portfolios. For each reportable segment, an analysis of the income and expenditure for that segment (ie a subjective analysis) is presented, to include those items of income and expenditure that are reported as part of internal management reporting. This analysis may include items that do not form part of the Comprehensive Income and Expenditure Statement (for example, that statutory provision for the repayment of debt) and exclude items that do form part of the Comprehensive Income and Expenditure Statement (for example, depreciation).

	Administration
	£
Government Grants	203,931
Total Income	203,931
Staff Costs	159,793
Employment Expenses	122
Other Expenditure	44,016
Total Expenditure	203,931
Total Comprehensive Income and Expenditure	0

2b Segmental Report - Prior Year

	Administration
	£
Government Grants	231,508
Total Income	231,508
Staff Costs	176,343
Other Expenditure	55,333
Total Expenditure	231,676
Total Comprehensive Income and Expenditure	(168)

3	Government Grants	2013/14	2012/13
		£	£
	Administration	203,931	231,508
		<u>203,931</u>	<u>231,508</u>

4 Financial payments to beneficiaries

In the 13/14 Financial Year, the Joint Committee recommended the following payments to DARD to be paid to beneficiaries under Axis 3 of the Rural Development Programme:

		2013/14	2012/13
Theme		£	£
3.1 Diversification into Non-Agriculture Activities		199,740	438,507
3.2 Business Creation and Development		74,945	254,465
3.3 Encouragement of Tourism Activities		716,996	232,170
3.4 Basic Services for the Economy and Rural Population		727,764	602,690
3.5 Village Renewal and Development		348,139	147,405
3.6 Conservation and Upgrading of Rural Heritage		260,313	56,320
		<u>2,327,897</u>	<u>1,731,557</u>

5 External Audit Fees

		2013/14	2012/13
		£	£
	External Audit Fees	3,500	8,397
		<u>3,500</u>	<u>8,397</u>

The audit fee is given in the Audit Strategy by the Northern Ireland Audit Office.

6 Staff Costs

		2013/14	2012/13
		£	£
	Salaries	125,145	130,147
	National Insurance	8,977	10,002
	Pension Costs	25,120	25,129
	Agency Staff Costs	551	11,065
		<u>159,793</u>	<u>176,343</u>

		2013/14	2012/13
		FTE	FTE
	Total Staff Numbers	4	5

		Actual	Actual
		Numbers	Numbers
	Full-time numbers employed	3	3
	Part-time numbers employed	2	4
		<u>5</u>	<u>7</u>

7	Short Term Debtors	2014	2013
		£	£
	Government Departments	53,921	88,221
		<u>53,921</u>	<u>88,221</u>
8	Short Term Creditors	2014	2013
		£	£
	Councils	50,421	100,762
	Accumulated Absences	0	2,112
	Other	3,500	3,500
		<u>53,921</u>	<u>106,374</u>
9	Reserves	Usable	Unusable
		£	£
	Balance at 1 April 2013	(16,041)	(2,112)
	Other adjustments	16,041	2,112
	Balance at 31 March 2014	<u>0</u>	<u>0</u>

Usable Reserves were carried as a result of the disallowed expenditure of £16,041 incurred by the Joint Committee. The £16,041 has been reimbursed from the three Councils on a proportionate basis of their elected members. Unusable Reserves relating to Accumulated Absences of £2,112 have been released as they are not required under the Accounts Direction LG 14/13.

10	Cash Flow Note – Analysis of Adjustments to Surplus/Deficit on the Provision of Services	Note	2013/14	2012/13
			£	£
	(Increase) / decrease in debtors	7	34,300	(285)
	Increase / (decrease) in creditors	8	(52,453)	453
			<u>(18,153)</u>	<u>168</u>

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 and the amount of the transaction is as follows:

Members have direct control over the Joint Committee's financial and operating policies. In the 2013/14 financial year the Joint Committee commissioned £Nil of works and services from companies in which Members have an interest. The Joint Committee entered into these contracts in full compliance with the Joint Committee's standing orders and codes of conduct.

The Joint Committee also paid grants of £1,345,619 (2012-13: £818,884) to a number of organisations in which Members and executive officers had an interest. These grants were made with proper consideration of declaration of interests.

	Members	Grants	
		£	
Lisburn City Council	7	710,388	7 Projects
Castlereagh Borough Council	3	463,047	4 Projects
Belfast City Council	1	172,184	3 Projects
		<u>1,345,619</u>	

Project	Grant £
Lisburn City Council	
Rural Play Parks Regeneration Scheme	363,138
Annahilt Play Park Refurbishments	1,838
Lough Neagh Co Operation Project	10,313
Internet Kiosks Project	3,874
Maghaberry Sports Hall	123,642
Moira Demesne Regeneration Scheme	179,583
Village Gateway Features	28,000
	<u>710,388</u>
Castlereagh Borough Council	
Moneyreagh Play Park Scheme	1,817
Lisnabreeny American War Memorial Project	15,944
Lock Keepers Cottage & Barge Strategic Project	271,744
Moneyreagh Village Renewal Scheme	173,542
	<u>463,047</u>
Belfast City Council	
Hannahstown Village Renewal Phase 1	111,265
Barnetts Demesne Mountain Bike Trail	27,403
Hannahstown Village Renewal Phase 2	33,516
	<u>172,184</u>

Amounts due from DARD in relation to Lisburn City Council Projects at 31 March 2014 total £267,965.


Accounts Authorised for the Issue Certificate

In accordance with International Accounting Standard 10, Events after the Balance Sheet Date (IAS 10) this Statement of Accounts which contains a number of minor amendments from the Accounts approved on 17 June 2014 are 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


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Chief Financial Officer

Dated:

30/10/14