

**Lisburn-
Castlereagh
PEACE III
Statutory Joint
Committee**



STATEMENT OF ACCOUNTS

For the Year Ending 31st March 2015

**Lisburn-
Castlereagh
PEACE III Action
Plan**



European Union
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Development Fund
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Explanatory Foreword

Introduction

The Joint Committee's financial performance for the year ended 31st 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.

This Statement of Accounts explains the Joint Committee's finances during the financial year 2014/15 and its financial position at the end of the period. It follows approved accounting standards and is 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. Lisburn - Castlereagh Peace III Statutory 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 for the year ended 31st March 2015 were 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. 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.

The financial statements explain the Joint Committee's finances during the financial year ended 31st March 2015 and its financial position at the end of that period.

Lisburn - Castlereagh Peace III Statutory Joint Committee

Statement of Accounts

For the Year Ended 31st March 2015

The following statements provide further information:

- The Movement in Reserves Statement, as set out on page 15, 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 16, 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 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.
- The Cash Flow Statement, as set out on page 18, 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 2015 the Joint Committee accounted for grant income of £725,680, Council contributions of £nil and incurred total costs of £725,680. The financial activities of the Joint Committee were wholly funded by Government Bodies and the participating Councils, therefore resulting in a £nil surplus/deficit for the year.

Since inception the Joint Committee issued letters of offer to 53 eligible projects (32 in Phase 1 and 21 in Phase II), representing a total commitment of £4.109m. Actual expenditure for the PEACE III programme totalled £3.969m.

Lisburn - Castlereagh Peace III Statutory Joint Committee

Statement of Accounts

For the Year Ended 31st March 2015

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 1 April 2015 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 2014 to 31st March 2015 and have been prepared in compliance with the Direction.

Post Balance Sheet Events

Local Government Reform

From 1st April 2015, the Joint Committee ceased to exist and its functions were transferred to the new Council - Lisburn & Castlereagh City Council.

Lisburn & Castlereagh City Council combines the previous councils of Lisburn City Council and Castlereagh Borough Council into one new body constituted under the framework established by the Local Government Act (Northern Ireland) 2014.

Under regulation 11 of the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014, the new council will designate an officer as having responsibility for the winding up of its predecessor Joint Committees.

This designated officer will have responsibility for the preparation of final statements of account for the Joint Committee in a form directed by the Department under regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006.

These accounts were prepared on a going concern basis in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

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 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 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 Governance & Audit Committee on 26 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 was 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 period.

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; and
- make judgements and estimates that were reasonable and prudent.

The Chief Financial Officer was also required to:-

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

Governance Statement

Introduction

Under the terms of a Partnership Agreement, Lisburn City 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 Plan within the Lisburn City Council and Castlereagh Borough Council cluster area. This included responsibility for ensuring the sound financial management of funds allocated to the cluster, for the overall co-ordination and implementation of the PEACE III 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 SEUPB (Managing Authority).

Joint Council Committee

The Joint Committee was made up of elected members from each of the two council areas (7 elected members from Lisburn City Council and 7 elected members from Castlereagh Borough Council area). The Joint Committee was primarily the financial administrator for the local PEACE III Partnership in the receipt of, payment, disbursement, management and accounting for funds awarded.

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

Local Peace III Partnership

The Lisburn-Castlereagh PEACE III Partnership was also made up of elected members from each of the two council areas (7 elected members from Lisburn City Council, 7 elected members from Castlereagh Borough Council) and eleven social partners from the same council areas representing the community and voluntary sectors. The Local PEACE III Partnership was primarily responsible for issuing calls for applications, appraisal, assessment and scoring of projects, recommending projects for approval/rejection by the Joint Committee and monitoring and evaluating the progress of the local PEACE III Action Plan.

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

The Joint Committee was required to prepare an Annual Governance Statement, which was consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. This statement explains how the Joint Committee met 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 was directed and controlled and the activities through which the Joint Committee accounted to and engaged with the community. It enabled the Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives had led to the delivery of appropriate cost-effective services.

The system of internal control was a significant part of that framework and was designed to manage risk to a reasonable level. It could not eliminate all risk of failure to achieve policies, aims and objectives and could therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control was 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 was in place for the financial year ended 31st March 2015 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 7, the governance arrangements for the Joint Committee were set out in the Consortium Agreement and were supported by the overall governance framework set by Lisburn City Council, in its role as Lead Council.

The Chief Executive for the Lead Council had 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 were 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 31 March 2015.

Overall control of Peace III's governance framework and system of internal controls was the responsibility of the Joint Committee.

Lisburn - Castlereagh Peace III Statutory Joint Committee

Statement of Accounts

For the Year Ended 31st March 2015

The following arrangements were in place for identifying and communicating:

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 the Joint Committee's "Action Plan". A copy of this is available to the public on the Lisburn and Castlereagh City Council's website and hard copies are also made available on request.

Arrangements for reviewing the Joint Committee's vision and its implications for the Joint Committee's governance arrangements

Progress made against the Joint Committee's Action Plan was 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.

Arrangements for measuring the quality of services for users through the Citizen Satisfaction Survey, for ensuring they are delivered in accordance with the Joint Committee's objectives and for ensuring that they represent the best use of resources

The Joint Committee evaluated the quality of service for users through a range of approaches including attitudinal surveys with the Joint Committee beneficiaries across the cluster area and throughout the delivery of Joint Committee Plan.

Arrangements for defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

As a statutory body, the Joint Committee performed a number of functions that were provided for in legislation. The Joint Committee took overall accountability for discharging these functions and delegates responsibility for making recommendations regarding the implementation of the Action Plan to the Joint Committee. The Partnership Agreement set out the roles and responsibilities for Lisburn City Council as the Lead Council for the Joint Committee.

The Joint Committee had designated as its Chief Financial Officer, the Chief Financial Officer for the Lisburn City Council.

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

Lisburn City Council 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 had 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.

Lisburn - Castlereagh Peace III Statutory Joint Committee

Statement of Accounts

For the Year Ended 31st March 2015

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 role of Lisburn City Council as Lead Council to the Joint Committee for PEACE III was conducted in accordance with its own system of Standing Orders, Financial Regulations, Policies and Procedures, as amended through guidance issued by the Managing Authority. Any changes to these documents require formal approval by the Council.

In addition, the formal mechanisms by which the Joint Committee and Partnership regulated the conduct of its meetings was set out in the Joint Committee and Partnership Agreements. These arrangements were subject to review and were updated as necessary in response to the changing environment and the needs of the Joint Committee and Managing Authority. Policies and procedures developed and adopted by the Joint Committee were subject to annual review.

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

To facilitate risk management, Lisburn City Council has developed Corporate Risk Registers together with Departmental Risk Registers, which are subject to formal review and updated at least once a year. This approach includes risk management processes and internal controls to the Joint Committee to ensure proper stewardship of Joint Committee 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 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 three times each year, has responsibility for reviewing:

- 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 was not to act as the Audit Committee for the Joint Committee. Instead, it overseen the role of Lisburn City Council as Lead Council of the Joint Committee. All governance and audit issues relating to Peace III were reported directly to the Joint Committee.

Lisburn - Castlereagh Peace III Statutory Joint Committee

Statement of Accounts

For the Year Ended 31st March 2015

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

The Joint Committee and Managing Authority regularly reviewed progress made and issues that arose 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 were reviewed, updated and implemented during the 2014/15 financial year.

Lisburn City Council 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 enabled the Lead Council to ensure compliance was maintained.

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

Lisburn City Council'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.

These arrangements extended to the role of Lisburn City Council as Lead Council to the Joint Committee.

Review of effectiveness

Lisburn City Council as the Lead Administrative Council for the Joint Committee had responsibility for conducting, at least annually, a review of the effectiveness of Lisburn City Council's governance framework including the system of internal control. The review of effectiveness was informed by the work of the Joint Committee's Officers, who had 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 Audit Authority and other external auditors.

Overall control of the governance framework and system of internal controls was the responsibility of Lisburn City Council as lead council to the Joint Committee. Regular meetings, policy documents and periodic progress reports enabled the Joint Committee to examine and evaluate the progress made and address issues affecting the implementation of the Joint Committee Plan.

The Chief Executive for Lisburn City Council had responsibility for the preparation of this Annual Governance Statement, as well as the Lead Partner Assurance Statement for submission to SEUPB, as the Managing Authority. In preparing this statement, he had 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 Chief Executive of Lisburn City Council led 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 included the delivery of the Council's responsibilities as Lead Council. Progress on the implementation of the Joint Committee Plan and issues arising were reviewed and reported to the Lead Partner Council 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 the Director of Leisure Services to the Chief Executive for the year ended 31st March 2015.

Internal Audit 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 were reviewed on a periodic basis as part of an on-going programme of work. Internal Audit reports any deficiencies in internal control to the Director of Leisure Services whose responsibility it is to consider any recommendations made and to take necessary remedial action. The results of the work of Internal Audit were also reported to the Lisburn City Council's Audit Committee on the occasion of each Audit Committee meeting to ensure that continuous improvements take place. These reports to Audit Committee included a follow-up report to ensure that actions previously agreed by the Management Team were implemented on a timely basis.

Lisburn City Council undertook an annual review of the effectiveness of Internal Audit in line with the requirements of the Public Sector Internal Audit Standards 2013. This review proved satisfactory.

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 varied between 0% and 0.15% and back to 0% at the close of the programme. The introduction of improved policies and procedures contributed to the reduced error rate. All issues and recommendations highlighted in these reviews have been resolved.

Lisburn City Council's Chief Executive has advised the Joint Committee of the results and implications of the review of the effectiveness of the governance framework.

Significant governance issues

Local Government Reform

From 1 April 2015, under the Reform of Local Government (RLG), the number of Councils in Northern Ireland reduced 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 agreed to transfer some functions formerly 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.

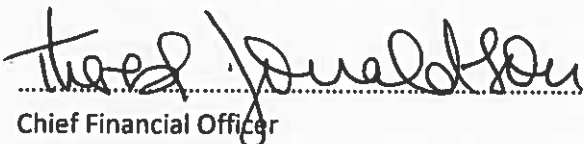
Lisburn - Castlereagh Peace III Statutory Joint Committee

Statement of Accounts

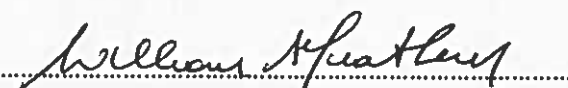
For the Year Ended 31st March 2015

The new councils came into existence on 26th May 2014, operating in shadow form until they took over full responsibility for local government on 1st April 2015 when the 26 existing councils ceased to exist. The Joint Committee was due to end in December 2014 in line with PEACE III closure. The PEACE III programme is to be replaced by a new EU Programme for Peace and Reconciliation 2014-2020 which is anticipated to commence during 2015. The final accounts for the Lisburn-Castlereagh PEACE III Partnership will therefore be for the year ended 31st March 2015. 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 framework for Northern Ireland's 11 new councils and made transitional provisions to provide for the transfer of staff, assets and liabilities from 26 councils to the 11 new councils, and from departments transferring functions to the new councils.

Signature 
.....
Chief Financial Officer

Date 27 October 2015

Signature 
.....
Chairman of the Governance & Audit Committee

Date 27 October 2015

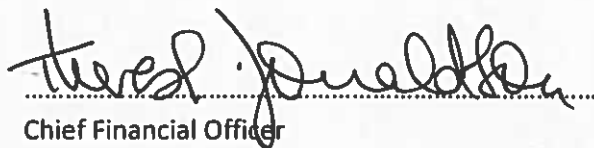
Certificate of the Chief Financial Officer

I certify that :-

- a) The Statement of Accounts for the financial year ended 31st 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 page 19-20.

- 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

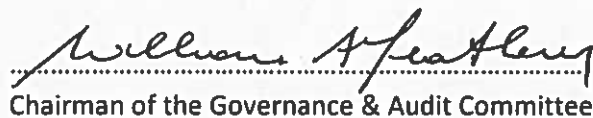
Date

27 October 2015

Committee Approval of Statement of Accounts

These accounts were approved by resolution of the Governance and Audit Committee on 26 June 2015 and have been subject to the amendments set out on page 26..

Signature


.....
Chairman of the Governance & Audit Committee

Date

27 October 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LISBURN AND CASTLEREAGH CITY COUNCIL

I have audited the financial statements of Lisburn-Castlereagh Peace III Statutory Joint Committee for the year ended 31 March 2015 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 Lisburn and Castlereagh City Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities. Under the transitional arrangements set out in the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations Northern Ireland 2014, Lisburn and Castlereagh City Council takes responsibility for the financial statements of Lisburn-Castlereagh Peace III Statutory Joint Committee.

Respective responsibilities of the Chief Financial Officer and the independent auditor

As explained more fully in the Statement of 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 Lisburn-Castlereagh Peace III Statutory Joint Committee's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Lisburn-Castlereagh Statutory Peace III Statutory 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 2014-15, of the financial position of Lisburn-Castlereagh Peace III

Statutory Joint Committee as at 31 March 2015 and its income and expenditure for the year then ended; and

- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 and the Department of the Environment directions issued thereunder.

Opinion on other matters

- In my opinion the information given in the Explanatory Foreword for the financial year ended 31 March 2015 is consistent with the financial statements.

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 accounts of Lisburn-Castlereagh Peace III Statutory 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

28 October 2015

Movement in Reserves Statement

		Total Usable Reserves	Total Unusable Reserves	Total Reserves
		£	£	£
At 1st April 2013		0	(1,914)	(1,914)
Movement in reserves during the year				
Surplus or deficit on provision of services		0	0	0
Other Comprehensive Income and Expenditure		0	0	0
Total Comprehensive Income and Expenditure		0	0	0
Other adjustments	9	0	1,914	1,914
At 31st March 2014		0	0	0
Movement in reserves during the year				
Surplus or deficit on provision of services		0	0	0
Other Comprehensive Income and Expenditure		0	0	0
Total Comprehensive Income and Expenditure		0	0	0
At 31st March 2015	9	0	0	0

Comprehensive Income and Expenditure Statement

	Notes	2014/15 £	2013/14 £
Income			
Government Grant	2a/2b & 3	725,680	1,354,224
Total Income		<u>725,680</u>	<u>1,354,224</u>
Expenditure			
Staff Costs	5	73,938	91,009
Other Payments		651,742	1,263,215
		<u>725,680</u>	<u>1,354,224</u>
Surplus of Income over Expenditure		0	0
Other Comprehensive Income and Expenditure		0	0
Total Comprehensive Income and Expenditure		<u>0</u>	<u>0</u>

Balance Sheet

		2015	2014
	Notes	£	£
Short Term Debtors	6	41,522	467,821
Current Assets		<u>41,522</u>	<u>467,821</u>
Short Term Creditors	7	41,522	467,821
Current Liabilities		<u>41,522</u>	<u>467,821</u>
Net Assets		<u>0</u>	<u>0</u>
Usable Reserves	8	0	0
Unusable Reserves	8	0	0
Net Worth		<u>0</u>	<u>0</u>

Cash Flow Statement

	2014/15	2013/14
	£	£
Net (surplus) or deficit on the provision of services	0	0
Adjustments for items included in the net surplus or deficit on the provision of services that are investing	9	(1,914)
Net Cash Flows from Operating Activities	<u>0</u>	<u>-1,914</u>
Net Cash Flows from Investing Activities	0	0
Net Cash Flows from Financing Activities	0	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 year to 31st March 2015 and its position at the end of 31st March 2015. 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 2014/2015 and the Service Reporting Code of Practice 2014/2015 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 were 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 Peace III Joint Committee.

iii) Government Grants and Contributions

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

- the Joint Committee would comply with the conditions attached to the payments,
- the grants or contributions would be received.

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

Monies advanced as grants and contributions for which conditions were not satisfied are carried in the Balance Sheet as creditors. When conditions were satisfied, the grant or contribution was credited to Government Grants in the Comprehensive Income and Expenditure Statement.

Where capital grants were credited to the Comprehensive Income and Expenditure Statement, they were reversed out of the General Reserves Balance in the Movement in Reserves Statement. Where the grant was to be used to finance capital expenditure, it was 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.

Description of Segmental Themes

- 1 **Leadership for a Shared Society** - building a lasting legacy of peace building, tolerance and mutual understanding in the cluster area through investing in leadership.
- 2 **The Future Together - Youth & Families** - facilitating the engagement of children, young people and their families, in order to address sectarianism, racism and issues of prejudice in their communities.
- 3 **Shared Communities & Spaces** - building shared and consensual spaces across the area to which people feel they belong or within which they feel comfortable and non-threatened.
- 4 **Working Bridges: Building & Creating Cross-Border Connections** - Creating the connections for and facilitating practical cross-border co-operating to improve connections between people from both sides of the border and reduce tensions, suspicions and misperceptions.
- 5 **Celebrating, Understanding, Appreciating and Sharing Cultural Diversity and Identity** - increasing the understanding and appreciation of the different cultures throughout the cluster area, promoting positive cultural celebrations and encouraging civic participation by all.

2a Segmental Report - Current Year

	Theme 1	Theme 2	Theme 3	Theme 4	Theme 5	Admin	Total
	£	£	£	£	£	£	£
Government Grants	16,070	191,616	251,514	0	172,468	94,012	725,680
Total Income	16,070	191,616	251,514	0	172,468	94,012	725,680
Staff Costs	0	0	0	0	0	73,938	73,938
Other Payments	16,070	191,616	251,514	0	172,468	0	631,668
Administration Costs	0	0	0	0	0	20,074	20,074
Total Expenditure	16,070	191,616	251,514	0	172,468	94,012	725,680
Total Comprehensive Income and Expenditure	0	0	0	0	0	0	0

2b Segmental Report - Prior Year

	Theme 1	Theme 2	Theme 3	Theme 4	Theme 5	Admin	Total
	£	£	£	£	£	£	£
Government Grants	66,810	351,671	532,911	89,100	193,005	120,727	1,354,224
Total Income	66,810	351,671	532,911	89,100	193,005	120,727	1,354,224
Staff Costs	0	0	0	0	0	91,009	91,009
Other Payments	66,810	351,671	532,911	89,100	193,005	0	1,233,497
Administration Costs	0	0	0	0	0	29,718	29,718
Total Expenditure	66,810	351,671	532,911	89,100	193,005	120,727	1,354,224
Total Comprehensive Income and Expenditure	0	0	0	0	0	0	0

Lisburn - Castlereagh Peace III Statutory Joint Committee

Statement of Accounts

For the year ended 31st March 2015

3 Government Grants	2014/15	2013/14
	£	£
Theme 1	16,070	66,810
Theme 2	191,616	351,671
Theme 3	251,514	532,911
Theme 4	0	89,100
Theme 5	172,468	193,005
Admin	94,012	120,727
	725,680	1,354,224

4 External Audit Fees	2014/15	2013/14
	£	£
External Audit Fees	3,500	3,500
	3,500	3,500

5 Staff Costs	2014/15	2013/14
	£	£
Salaries	58,124	71,600
National Insurance	4,157	5,013
Pension Costs	11,657	14,396
	73,938	91,009

	2014/15	2013/14
	FTE	FTE
	Actual	Actual
	Numbers	Numbers
Full-time numbers employed	3	3
	3	3

Lisburn - Castlereagh Peace III Statutory Joint Committee

Statement of Accounts

For the year ended 31st March 2015

6	Short Term Debtors	2014/15	2013/14
		£	£
	Councils	41,522	26,859
	Other	0	440,962
		41,522	467,821

7	Short Term Creditors	2014/15	2013/14
		£	£
	Councils	38,022	464,321
	Other	3,500	3,500
		41,522	467,821

8	Reserves	Usable	Unusable	Usable	Unusable
		Reserves	Reserves	Reserves	Reserves
		31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
		£	£	£	£
	Opening Balance	0	0		(1,914)
	Adjustment	0	0		1,914
	Closing Balance	0	0	0	0

Unusable Reserves relating to Accumulated Absences of £1,914 have been released against staff costs as they are not required under the Accounts Direction.

9	Cash Flow Note – Analysis of Adjustments to Surplus/Deficit on the Provision of Services	Note	2014/15	2013/14
			£	£
	(Increase) / decrease in debtors	6	426,299	130,254
	Increase / (decrease) in creditors	7	(426,299)	(132,168)
			0	-1,914

10 Related Party Transactions

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

A related party was one that had the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This included cases where the related party entity and another entity were subject to common control but excluded 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 was solely that of an Agency, these were 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:

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

11 Post Balance Sheet Event Note

The administration of each of the 7 Peace III bodies was established through a partnership agreement which established a lead council (one of the participant councils that formed the Joint Committee). The Chief Financial Officer of the lead council was responsible for the preparation, signing and dating of the statement of accounts for the Joint Committee. While the lead council ceased 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.

Accounts Authorised for 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 and material amendments from the Accounts approved on 26 June 2015 are at today's date hereby

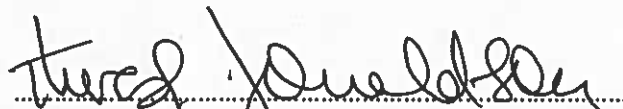
IAS 10 sets out

- 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.

Material amendments

- The financial statements were originally prepared for the nine month period up to 31 December 2014 as this was when the Peace III Programme ended. Following clarification of the correct accounting period, the financial statements were then prepared up to 31 March 2015 and as a result, debtors and creditors were both reduced by £59,754.

Signed


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Chief Financial Officer

Date: 27 October 2015