



Annual Audit Letter

Issued by the Local Government Auditor



2012-13

To the Members of
GROW South Antrim Joint
Committee

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1. Introduction

The Department of the Environment may, with the consent of the Comptroller and Auditor General for Northern Ireland, designate persons who are members of the staff of the Northern Ireland Audit Office as local government auditors¹. I have been designated the Local Government Auditor for the GROW South Antrim Joint Committee. This report provides a summary of the findings from my 2012-13 audit.

2. Financial Statements

Summary of Audit Findings

GROW South Antrim Joint Committee must prepare its accounts in accordance with International Financial Reporting Standards (IFRS) as interpreted for Local Government in the 'The Code of Practice on Local Authority Accounting in the United Kingdom' 2012-13. This code sets out the accounting treatment and disclosures for all normal transactions of local authorities.

The financial statements were signed by the Chief Executive of the lead Council, Antrim Borough Council and approved on behalf of the GROW South Antrim Joint Committee on 14 June 2013. This was within the statutory timeframe of 30 June. Following the audit, a number of presentational adjustments were required and the accounts were revised and re-signed on 28 October 2013 and published on the website of Antrim Borough Council as the Joint Committee's Lead Council on 31 October 2013. This was within the regulations timeframe of 31 October.

For the year ended 31 March 2013 I gave the following unqualified opinion on the 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 2012-13, of the financial position of GROW South Antrim Joint Committee as at 31 March 2013 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 and the Department of the Environment directions issued there under.

On 9 January 2014, my staff issued a Report to those charged with Governance on the results of the audit, noting the most significant issues, making recommendations and seeking responses from management to address these issues. That report is presented separately to your Joint Committee and the Audit Committee of your Lead Council.

Financial Performance

The Statement of Comprehensive Income and Expenditure of the GROW South Antrim Joint Committee shows that during the year ended 31 March 2013 the Joint Committee spent £209,408 on the provision of services. It also received income of £209,408.

¹ Article 4 (3) of the Local Government (Northern Ireland) Order 2005).

The main items of expenditure were:

- Employee costs: £157,852
- Other Operating Costs: £51,556

The main area of income was:

- Government Grant: £209,408

At the year end, GROW South Antrim Joint Committee was owed grant income of £69,056 from DARD for costs incurred in administering the scheme.

3. Governance

The Good Governance Standard for Public Services² sets out the following key principles of good governance. Good governance means;

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

Annual Governance Statement

The Lead Council is required to conduct a review at least once in a financial year of the effectiveness of its governance framework (including its system of internal control) and to then approve an Annual Governance Statement³.

I am required to report if the Annual Governance Statement:

- does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012-13;
- does not comply with proper practices specified by the Department of the Environment; or
- is misleading or inconsistent with other information I am aware of from my audit.

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

- As part of the consideration of governance arrangements, the Joint Council Committee is required to outline the actions taken, or proposed, to deal with significant governance issues. The Joint Council Committee note the NIAO concerns in relation to the submission of Board Member travel claims, which in some instances spanned across two financial years and were longer than 3 months. This issue has been resolved and claims are now accepted for a maximum of 3 months. The Joint Council Committee will ensure that all conflicts of interest declared during project assessment will be documented in the Board minutes and Annual Accounts. Each Member must complete a Conflict of Interest register on an annual basis and these are documented on file.

² The Good Governance Standard for Public Services, OPM and CIPFA, 2004

³ Local Government (Accounts and Audit) (Amendment) Regulations (NI) 2006 and DOE circular LG/04/08

Internal Audit

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

Audit Committee

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

Other matters of interest

We are aware that the 2007-2013 Rural Development Programme is due to end in 2013 and that another Rural Development Programme is planned to run from 2014-2020. The administration of this funding and the role of any Joint Committee will need to be clarified particularly in light of Council restructuring under the Review of Public Administration.

4. Closing Remarks

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

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

Louise Mason

Local Government Auditor

24 January 2014