

# FINANCIAL STATEMENTS

Mid and East Antrim District Council  
For the period ended 31st March 2015

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## **Explanatory Foreword**

### **Introduction**

As part of local government reform 11 new Councils in Northern Ireland were established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008.

The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 made transitional provision for the new Councils, which came into existence on 26th May 2014 and operated in shadow form until they took over full responsibility for local government on the 1st April 2015 when the 26 predecessor councils ceased to exist.

Under the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014, during the transitional period a new Council shall:

- Prepare for the discharge of its functions after the 31st March 2015, and shall, in particular, establish such committees and sub-committees, appoint such staff, and prepare such budgets, plans, schemes and other things as are, or will be, required for that purpose; and
- Liaise with any existing Council for the purposes of ensuring continuity in the exercise of its functions on and after the 1st April 2015.

It is the purpose of this foreword to explain, in an easily understandable way, the financial facts in relation to the new Council for this period.

### **Financial Report**

New Councils operated in shadow form, and therefore had limited activity, until they took over full responsibility for local government on 1st April 2015. As such they were not required to observe all the relevant accounting and disclosure requirements given in the Code of Practice during the period ended 31st March 2015.

The Financial Statements for the period ended 31st March 2015 have been prepared in line with the Department of the Environment (DOE) Accounts Direction, Circular LG 13/2015.

The Financial Statements explain Mid and East Antrim District Council's (new Council) finances during the financial period ended 31st March 2015 and its financial position at the end of that period.

The following statements provide further information:

- The Movement in Reserves Statement, as set out on page 17 shows the movement in the period on the reserves held by the new Council.

## Mid and East Antrim District Council

### Financial Statements

For the period ended 31st March 2015

- The Comprehensive Income and Expenditure Statement, as set out on page 18, shows the income earned and the expenditure incurred during the period by the new Council in accordance with generally accepted accounting practices. This includes details of funding received from Government bodies and Predecessor Councils, together with details of administrative expenditure incurred by the new Council.
- The Balance Sheet, as set out on page 19, shows the value as at the Balance Sheet date of the new Council's assets and liabilities. The net assets of the new Council (assets less liabilities) are matched by the reserves held by the new Council.
- The Cash Flow Statement, as set out on page 20, shows the changes in cash and cash equivalents of the new Council during the reporting period. The statement shows how the new Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

For the period ended 31st March 2015 the new Council accounted for grant income of £594,128, Predecessor Council contributions of £613,057 and incurred total costs of £1,264,082. The financial activities of the new Council are wholly funded by Government Bodies and the Predecessor Councils.

### Post Balance Sheet Events

#### Local Government Reform

From 1st April 2015, Predecessor councils ceased to exist and their functions and balances transferred to the new Mid and East Antrim Borough Council. Mid and East Antrim District Council combines the previous councils of Ballymena, Carrickfergus and Larne into one new body constituted under the framework established by the Local Government Act (Northern Ireland) 2014.

On this date, Central Government also transferred specified services/functions to Mid and East Antrim Borough Council. The council assumed responsibilities for planning decisions and authority over a number of additional services such as Community Planning.

#### Legislative Context for Preparation and Audit of the Financial Statements

As provided for by Article 3 of the Local Government (Northern Ireland) Order 2005, the accounts of every local government body shall be:

- a) made up to the end of each financial year; and
- b) audited 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, by regulations, provide for the Statement of Accounts to be in a form directed by the Department. In this regard the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 were made on 7 March 2006.

These accounts are prepared in compliance with the Departments' Accounts Direction issued on 21st May 2015, under Regulation 4(1) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006. Since the new Council came into existence on 26th May 2014, they have been prepared from that date to 31st March 2015.

**Statement of the Mid and East Antrim District Council's and the Chief Financial Officer's responsibilities for the Statement of Accounts**

**Mid and East Antrim District Council'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 (CFO). Arrangements made by a council for the proper administration of its financial affairs shall be carried out under the supervision of its Chief Financial Officer.

Under Regulation 5 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 Mid and East Antrim Borough Council is required by resolution to approve the accounts.

These accounts were approved by Mid and East Antrim Borough Council Audit and Scrutiny Committee on 29th June 2015.

**The Chief Financial Officer's Responsibilities**

Under Regulation 4(1) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006, the Chief Financial Officer is responsible for the preparation of Mid and East Antrim District Council'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 period and the financial position as at the end of the financial 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;
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis; and
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:

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

Schedule 1 of the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 disapples provisions of existing local government legislation in respect of the new Councils during the transitional period. For example, the Chief Financial Officer is not required to report on the adequacy of reserves. With the exception of the disappled provisions, Chief Financial Officers should ensure the new Council is compliant with the Local Government Finance Act (NI) 2011 and the Prudential Code for Capital Finance in Local Councils ("the Prudential Code"), and ensure that this is reflected where appropriate in the financial statements.

## **Mid and East Antrim District Council**

### **Financial Statements**

**For the period ended 31st March 2015**

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CIPFA recently issued *Guidance on Prudential Indicators and the impact of Local Government Reform* to provide councils with guidance on the issues that surround setting and reviewing the prudential indicators for the newly formed Council. Chief Financial Officers should ensure they are compliant on matters such as the quality of the report on the robustness of estimates, the annual investment strategy approved by Council and reporting on the indicators contained in the Prudential Code.

## **Mid and East Antrim District Council**

### **Financial Statements**

**For the period ended 31st March 2015**

#### **Governance Statement**

##### **Introduction**

The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2015 provides that, during the transitional period, Mid and East Antrim District Council should:

- (i) prepare for the discharge of its functions after 31st March 2015 and, in particular, establish such committees and sub-committees, appoint such staff, and prepare such budgets, plans, schemes and other things as are, or will be, required for that purpose; and
- (ii) liaise with any existing council for the purposes of ensuring continuity in the exercise of its functions on and after the 1st April 2015.

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

In discharging this overall responsibility, Mid and East Antrim District Council 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.

Mid and East Antrim District Council is required to prepare a Governance Statement covering the period of the accounts, which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. This statement explains how Mid and East Antrim District Council meets the requirements of Regulation 2A of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in relation to the publication of a statement on internal control.

**The Governance Framework**

The governance framework has been in place at Mid and East Antrim District Council for the financial period ended 31st March 2015 and up to the date of approval of the Financial Statements.

The governance framework comprises the systems and processes, and culture and values, by which Mid and East Antrim District Council is directed and controlled and the activities through which Mid and East Antrim District Council accounts to and engages with the community. It enables Mid and East Antrim District Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost-effective services.

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 Mid and East Antrim District Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Mid and East Antrim District Council utilises the systems and processes of the lead administrative Council (Ballymena Borough Council). A copy of the full Governance Statement of the lead administrative Council is published in its own financial statements to 31 March 2015.

The Clerk and Chief Executive for Mid and East Antrim District Council has responsibility for maintaining a system of sound internal controls and risk management processes to support Mid and East Antrim District Council in the achievement of its objectives, 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.

**Arrangements for identifying and communicating Mid and East Antrim District Council's vision of its purpose and intended outcomes for citizens and service users**

Good Governance Guidance states that 'Local Government bodies need to develop and articulate a clear vision of their purpose and intended outcomes for citizens and service users that is clearly communicated, both within the organisations and to external stakeholders'. To facilitate this Mid and East Antrim District Council, in conjunction with its Predecessor Councils, has developed a Corporate Plan which is currently available to the public (and all interested parties) on request and via the Council's website.



## **Mid and East Antrim District Council**

### **Financial Statements**

**For the period ended 31st March 2015**

#### **Arrangements for reviewing Mid and East Antrim District Council's vision and its implications for Mid and East Antrim District Council's governance arrangements**

Council have developed and approved an interim Mid and East Antrim District Council Corporate Plan to cover the transition period up until 31 March 2015. This operates alongside the DOE Local Government Reform Transition Implementation Plan. This includes Council's vision 'Working together to create a better future for all'. Arrangements for reviewing progress made against Mid and East Antrim District Council's Corporate Plan for the transitional period are detailed within the Corporate Plan and reported by way of periodic progress reports, interim reports and final reports to relevant Mid and East Antrim District Council committees. The interim Corporate Plan provided the basis for the development of the Corporate Plan for the period of April 2015 to 2019, which was agreed by Council in March 2015.

#### **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**

The Northern Ireland Local Government Code of Conduct for councillors came into force on 28th May 2014. All elected members within Mid and East Antrim District Council have signed up to the Code of Conduct. A Code of Governance was developed for Mid and East Antrim District Council for the period ended 31st March 2015, based on the six principles set out in the CIPFA/SOLACE 'Delivering Good Governance in Local Government: a Framework'.

Terms of Reference have been documented for the lead Administrative Council's Audit Committee detailing their scrutiny function. Job descriptions and job specifications have been developed for all Senior Manager roles, which clearly define and document the roles and responsibilities of officers. Appropriate meetings take place for effective communication.

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

All employees have a Contract of Employment and all Contracts include a Code of Conduct, which must be followed.

Mid and East Antrim District 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 members and employees.

All policies and procedures are communicated to employees through induction and other on-going training initiatives.

The behaviour, standards and ethics expected of members are outlined in the Code of Conduct for Councillors issued by the Department of the Environment.

Mid and East Antrim District Council is fully compliant with all these policies and procedures.

## **Mid and East Antrim District Council**

### **Financial Statements**

**For the period 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 new Clerk and Chief Executive, in conjunction with its Predecessor Councils, has developed standing orders, standing financial instructions, a scheme of delegation, etc. for Mid and East Antrim District Council operating in shadow form.

The new Clerk and Chief Executive in consultation with the Elected Members established the Governance Framework around a new Committee Structure and carried out an organisational design review from which a new Organisation Structure was created. These structures enabled the commencement of the appointment of Senior officers to Mid and East Antrim District Council during 2014/15.

Governance and decision making arrangements were also developed and approved in relation to the Planning Function.

Mid and East Antrim District Council is currently undertaking an extensive review of Risk Management arrangements across its predecessor Councils in order to develop and implement robust and innovative Risk Management arrangements throughout the Council.

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

Mid and East Antrim District Council relies on the scrutiny of the Lead Administrative Council's Audit Committee whose overall purpose and objective is to assist Mid and East Antrim District Council in fulfilling its oversight responsibilities. The Audit Committee, which meets at least four 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.

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

Mid and East Antrim District Council regularly reviews progress made and issues arising by way of periodic progress reports, interim reports and final reports regarding compliance with relevant laws and regulations, internal policies and procedures and ensuring lawful expenditure. Assurance has been provided by the Lead Administrative Council with regards to its systems, policies, procedures and internal controls which have been independently reviewed by Internal Audit.

Whilst Mid and East Antrim District Council utilised the financial expertise, systems and controls of the lead Administrative council, Mid and East Antrim District Council retains responsibility for ensuring that these are appropriate.

## **Mid and East Antrim District Council**

### **Financial Statements**

**For the period ended 31st March 2015**

Mid and East Antrim Borough Council is currently undertaking an extensive review of Risk Management arrangements across its predecessor Councils in order to develop and implement robust and innovative Risk Management arrangements throughout the Council. These new arrangements will include a Risk Management Strategy and associated Corporate and Service Risk Registers.

Mid and East Antrim District Council have access to specialist legal advisors to provide expertise, advice and guidance as required.

The Clerk and Chief Executive is also the Council's Chief Financial Officer, as outlined in Section 1 of the Local Government Finance Act (Northern Ireland) 2011. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision-making, providing advice and guidance and ensuring that expenditure incurred is lawful.

The Council's financial management arrangements do not comply with Principle 5 "The CFO in a local authority must be professionally qualified and suitably experienced" of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government: Framework, as the Council's designated Chief Financial Officer is not a professionally qualified accountant and the role of Chief Financial Officer and Clerk and Chief Executive are not separate within the Council. The arrangements presently in place are not considered to compromise the Council's financial management arrangements in any way as the Chief Financial Officer is supported by the Director of Finance and Governance, who is a fully qualified accountant, to ensure that the decisions made by the Chief Financial Officer are based on sound technical knowledge and understanding. This arrangement complies with the current legislation in Northern Ireland - section 1 (2) of the Local Government Finance Act (Northern Ireland) 2011.

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

Mid and East Antrim District Council relies on the Whistleblowing and Fraud Policies of the Lead Administrative Council (Ballymena Borough Council) which reflects the Bribery Act and sets out clear guidelines for reporting witnessed or alleged instances of malpractice.

The handling of complaints is set out in the Lead Administrative Council's Complaints Procedure, a copy of which is published on the Lead Administrative Council's website.

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

Mid and East Antrim District Council relied on the procedures adopted by the Lead Administrative Council to identify the development needs of members and senior officers during the transitional period.

## **Mid and East Antrim District Council**

### **Financial Statements**

**For the period ended 31st March 2015**

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#### **Review of effectiveness**

Overall control of the governance framework and the system of internal control is the responsibility of Mid and East Antrim District Council. Regular meetings, policy documents and periodic progress reports enabled Mid and East Antrim District Council to examine and evaluate the progress made and address issues affecting the implementation of Mid and East Antrim District Council Corporate Plan.

Mid and East Antrim District Council has responsibility for conducting a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness was informed by the work of Mid and East Antrim District Council's Officers, who have responsibility for supporting the Committee in the development and maintenance of the governance environment and also by recommendations made by Internal Audit.

Mid and East Antrim District Council relies on the Internal Audit function of the Lead Administrative Council which is externally sourced and provides an independent opinion on the Council's Governance Framework.

Based on the conclusions of the 2014/2015 Internal Audit Programme, Internal Audit have provided the Council's Chief Financial Officer with a satisfactory level of assurance in relation to the organisation's arrangements for risk management, control and governance.

Mid and East Antrim District Council relies on the scrutiny of the Lead Administrative Council's Audit Committee which meets four times per year. The Audit Committee has an Independent Member who attends all meetings. The internal and external auditors also attend meetings as appropriate. The Audit Committee approves a risk based audit plan and considers the findings of internal audit reviews and the external audit Governance Report.

The Audit Committee reviews the Internal Audit function on an annual basis and through the Assurance Statement provided by the Internal Auditor ensures that its financial management is adequate and effective and that it has a sound system of internal control.

The effectiveness of the Audit Committee was reviewed at the Audit Committee of 19 March 2015. This was done using the self-assessment checklist in the Audit Committees: Practical Guidance for Local Authorities and Police (2013 Edition). The Committee was satisfied with its overall performance when compared against the checklist. In addition, the implementation of recommendations in Internal and External Audit Reports was reviewed.

The Clerk and Chief Executive of Mid and East Antrim District Council is the Chief Financial Officer, and leads the Council's Senior Management Team to collectively have involvement in and oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework.

## **Mid and East Antrim District Council**

### **Financial Statements**

**For the period ended 31st March 2015**

In doing so the Senior Management Team regularly review:

- Progress against the DOE Regional Reporting Framework;
- Internal and External Audit Reports;
- New and revised Council Policies;
- Setting the direction of Council through the development of a Corporate Plan;
- Financial reporting; etc.

The Clerk and Chief Executive of Mid and East Antrim District Council has been advised on the implications of the result of the review of effectiveness of the governance framework by her Senior Management Team, the work of External Audit and Internal Audit's Annual Report and Statement of Opinion on Internal Control, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Clerk and Chief Executive for Mid and East Antrim District Council has responsibility for the preparation of this Annual Governance Statement. In preparing this statement, consideration has been given to the governance framework, the system of internal controls in place, and Best Practice guidance.

The Clerk and Chief Executive of Mid and East Antrim District Council also undertook a review of the effectiveness of Internal Audit during the period in accordance with the recommended checklist provided in the CIPFA Local Government Application Note for the UK Public Sector Internal Audit Standards (PSIAS), 2013. This review was presented to the Lead Administrative Council's Audit Committee on 19 March 2015, along with the Internal Auditor's Annual Report and Statement of Opinion on Internal Control. Internal Audit reported a substantial level of compliance with the PSIAS.

## Mid and East Antrim District Council

### Financial Statements

For the period ended 31st March 2015

#### Significant governance issues

There were no significant governance issues noted

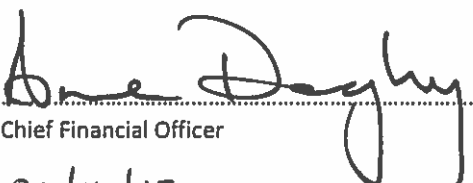
#### Local Government Reform

The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 vested functions and powers in the new Councils during the transitional period to enable them to prepare for the assumption of their full functions and to ensure continuity in performance after the 1st April 2015.


From 1 April 2015, under the Reform of Local Government, the number of Councils in Northern Ireland reduced from 26 Predecessor to 11 new Councils. From that date the Northern Ireland Executive 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 Local Government Act (Northern Ireland) 2014 introduced the legislative framework for Northern Ireland's 11 new Councils. This includes how decisions are made, how positions of responsibility are shared across political parties, how improvements in the delivery of council functions can be achieved to reflect the needs of local communities, and how effectively and efficiently council services are delivered to people. It provides for strong, modern, statutory governance in Councils and introduces a new ethical standards framework which includes a mandatory code of conduct for councillors.

The Local Government Act (Northern Ireland) 2014 also made provision for Northern Ireland Departments to make schemes for the transfer of designated assets or liabilities from the 26 Predecessor Councils to the 11 new Councils, and from departments to the 11 new Councils.

Signature   
Chief Financial Officer

Date 26/10/15

Signature   
On behalf of Audit and Scrutiny Committee

Date 26/10/15

**Mid and East Antrim District Council**

**Financial Statements**

**For the period ended 31st March 2015**

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**Certificate of the Chief Financial Officer and Mid and East Antrim District Council's Approval of the Statement of Accounts**

I certify that :-

- a) The Statement of Accounts for the financial period ended 31st March 2015 on pages 17 to 28 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on page 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 period and the financial position as at the end of the financial period ended 31st March 2015.

Signature .....   
Chief Financial Officer

Date ..... 26/10/15 .....

Signature .....   
On behalf of Audit and Scrutiny Committee

Date ..... 26/10/15 .....

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MID AND EAST ANTRIM DISTRICT COUNCIL**

I have audited the statement of accounts of Mid and East Antrim District Council for the period 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 statements of account have been prepared under the accounting policies set out within them.

This report is made solely to the Members of Mid and East Antrim District Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities issued by the Chief Local Government Auditor.

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

As explained more fully in the Statement of Mid and East Antrim District Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the statement of accounts and for being satisfied that they give a true and fair view of the income and expenditure and cash flows for the financial period and the financial position as at the end of the financial period. My responsibility is to audit the statement of accounts 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 Mid and East Antrim District Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Mid and East Antrim District Council; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Financial Statements 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, of the financial position of Mid and East Antrim District Council as at 31 March 2015 and its income and expenditure for the period 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 period 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 Governance Statement:
  - 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 Mid and East Antrim District Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.



Louise Mason

Local Government Auditor  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

28 October 2015

**Mid and East Antrim District Council  
Financial Statements**

**For the period ended 31st March 2015**

**Movement in Reserves Statement**

	<i>Notes</i>	Total Usable Reserves £	Total Unusable Reserves £	Total Reserves £
<b>At 26th May 2014</b>		-	-	-
<b>Movement in reserves during the year</b>				
(Deficit) on the provision of services		(56,897)	-	(56,897)
Other comprehensive income and expenditure		-	-	-
<b>Total comprehensive income and expenditure</b>		<b>(56,897)</b>	<b>-</b>	<b>(56,897)</b>
Adjustment between Accounting and Funding basis	<b>14</b>	56,897	(56,897)	-
<b>At 31st March 2015</b>		<b>-</b>	<b>(56,897)</b>	<b>(56,897)</b>

**Mid and East Antrim District Council  
Financial Statements**

**For the period ended 31st March 2015**

**Comprehensive Income and Expenditure Statement for the period ended 31st March 2015**

	<i>Notes</i>	2014/15 £
<b>Income</b>		
Income from Predecessor Councils	<b>3</b>	613,057
Government Grants	<b>4</b>	594,128
<b>Total Income</b>		<b>1,207,185</b>
<b>Expenditure</b>		
Members Costs	<b>5</b>	460,517
Staff Costs	<b>6</b>	481,396
Other Expenditure	<b>7</b>	322,169
<b>Total Expenditure</b>		<b>1,264,082</b>
<b>(Deficit) on the provision of services</b>		<b>(56,897)</b>
<b>Total Comprehensive Income and Expenditure</b>		<b>(56,897)</b>

**Mid and East Antrim District Council  
Financial Statements**

**For the period ended 31st March 2015**

**Balance Sheet as at 31st March 2015**

	<i>Notes</i>	<b>2015</b>
		<b>£</b>
Long Term Assets	<b>8</b>	<b>284,335</b>
Short Term Debtors	<b>9</b>	679,421
Cash and Cash Equivalents	<b>10</b>	142,936
<b>Current Assets</b>		<b>822,357</b>
Short Term Creditors	<b>11</b>	1,163,589
<b>Current Liabilities</b>		<b>1,163,589</b>
<b>Net Assets</b>		<b>(56,897)</b>
Unusable Reserves	<b>14</b>	(56,897)
<b>Net Worth</b>		<b>(56,897)</b>

**Mid and East Antrim District Council**  
**Financial Statements**

**For the period ended 31st March 2015**

**Cash Flow Statement for the period ended 31st March 2015**

	<i>Notes</i>	2014/15 £
<b>(Deficit) on the provision of services</b>		<b>(56,897)</b>
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	<b>15</b>	484,168
<b>Net Cash Flows from Operating Activities</b>		<b>427,271</b>
<b>Net Cash Flows from Investing Activities</b>	<b>15</b>	<b>(284,335)</b>
<b>Net Cash Flows from Financing Activities</b>	<b>15</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>142,936</b>
<b>Cash and Cash Equivalents at the beginning of the reporting period</b>		<b>-</b>
<b>Cash and Cash Equivalents at the end of the reporting period</b>	<b>10</b>	<b>142,936</b>

## **1 Accounting Policies**

### **General Principles**

The Financial Statements summarise the Mid and East Antrim District Council's transactions for the 2014/15 financial period and its position as at 31st March 2015. Mid and East Antrim District Council is required to prepare Financial Statements in a form directed by the Department of the Environment in accordance with regulation 4(1), and in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and the Service Reporting Code of Practice 2014/15, supported by International Financial Reporting Standards (IFRS). As Mid and East Antrim District Council has had limited activity during the transitional period, it was not required to observe all relevant accounting and disclosure requirements given in the Code of Practice during this period.

### **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 period in which those effects are experienced and not in the period in which the cash is actually received or paid. This ensures that provision has been made for known outstanding debtors and creditors at the period end, estimated amounts being used where actual figures are not available.

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

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, the capitalisation policy of the Lead Administrative Council has been adhered to. In the period expenditure of £284,335 was incurred in relation to Mid and East Antrim District Council ICT convergence, this programme of expenditure is ongoing at the 31st March 2015.

### **Employment Benefits**

Short-term employee benefits are those due to be settled within 12 months of the period-end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense in the period in which the employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the period-end and which employees can carry forward into the next financial year.

**Mid and East Antrim District Council  
Financial Statements**

**For the period ended 31st March 2015**

**2 The Segmental Report**

2014/15

		DOE Funding	Predecessor Council Funding	Total
		£	£	£
Income from Predecessor Councils	3	-	613,057	613,057
Government Grants	4	594,128	-	594,128
<b>Total Income</b>		<b>594,128</b>	<b>613,057</b>	<b>1,207,185</b>
Member Costs	5	452,850	7,667	460,517
Staff Costs	6	37,879	443,517	481,396
Capacity Building	7	103,399	5,229	108,628
Transitional costs	7	-	115,399	115,399
External Audit fee	7	-	6,000	6,000
Running costs	7	-	92,043	92,043
Other expenses	7	-	99	99
<b>Total Expenditure</b>		<b>594,128</b>	<b>669,954</b>	<b>1,264,082</b>
<b>(Deficit) on the provision of services</b>		<b>-</b>	<b>(56,897)</b>	<b>(56,897)</b>

**Mid and East Antrim District Council**  
**Financial Statements**

**For the period ended 31st March 2015**

	<b>2014/15</b>
<b>3 Income from Predecessor Councils</b>	<b>£</b>
Ballymena Borough Council	288,137
Carrickfergus Borough Council	177,786
Larne Borough Council	147,134
	<hr/> <b>613,057</b> <hr/>
	<b>2014/15</b>
<b>4 Government Grants</b>	<b>£</b>
Member Costs	452,850
Capacity Building	103,399
Change management	37,879
	<hr/> <b>594,128</b> <hr/>
	<b>2014/15</b>
<b>5 Members Costs</b>	<b>£</b>
Members basic allowances	329,996
Presiding and Deputy Presiding Councillor's allowances	10,670
Special responsibility allowances	21,825
Dependents' carers allowances	458
Employer costs	80,586
Mileage	16,913
Travel and Subsistence costs	69
	<hr/> <b>460,517</b> <hr/>
	<b>2014/15</b>
<b>6 Staff Costs</b>	<b>£</b>
Gross salaries	341,000
Employer's national insurance	37,510
Employer's superannuation	68,199
Agency costs	34,687
	<hr/> <b>481,396</b> <hr/>



**Mid and East Antrim District Council  
Financial Statements**

**For the period ended 31st March 2015**

	2014/15
<b>Total Staff Numbers</b>	<b>FTE</b> 7
	<b>Actual Numbers</b>
Full-time numbers employed	6
Part-time numbers employed	1
Agency staff numbers	1
	<hr/> <b>8</b> <hr/>

	2014/15
<b>Senior Employee's Remuneration</b>	<b>Actual Numbers</b>
£50,001 to £60,000	2
£60,001 to £70,000	-
£70,001 to £80,000	1
£80,001 to £90,000	-
£90,001 to £100,000	-
£100,001 to £110,000	-
£110,001 to £120,000	-
£120,001 to £130,000	-
	<hr/> <b>3</b> <hr/>

The above figures are based on the reporting period 26th May 2014 to 31st March 2015.

	2014/15
<b>7 Other Expenditure</b>	<b>£</b>
Capacity Building	108,628
Transitional costs	115,399
External Audit fee	6,000
Running costs	92,043
Other expenses	99
	<hr/> <b>322,169</b> <hr/>

**Mid and East Antrim District Council**  
**Financial Statements**

**For the period ended 31st March 2015**

	Property, Plant and Equipment	Property, Plant and Equipment under construction	Total
	£	£	£
<b>8 Long Term Assets</b>			
Opening Cost at 26th May 2014	-	-	-
Additions	-	284,335	284,335
<b>Closing Cost at 31st March 2015</b>	<b>-</b>	<b>284,335</b>	<b>284,335</b>
Opening Accumulated Depreciation at 26th May 2014	-	-	-
Charge for the year	-	-	-
<b>Closing Accumulated Depreciation at 31st March 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Net Book Value at 31st March 2015</b>	<b>-</b>	<b>284,335</b>	<b>284,335</b>

	31st March 2015
	£
<b>9 Short Term Debtors</b>	
Government Departments	316,722
Predecessor Councils	353,451
Prepayments	9,248
	<b>679,421</b>

	31st March 2015
	£
<b>10 Cash and Cash Equivalents</b>	
The balance of Cash and Cash Equivalents is made up of the following elements:	
Cash and Bank Balance	142,936
	<b>142,936</b>

**Mid and East Antrim District Council**  
**Financial Statements**

**For the period ended 31st March 2015**

	31st March 2015
<b>11 Short Term Creditors</b>	<b>£</b>
Predecessor Councils	1,106,692
Accumulated Absences	56,897
	<hr/>
	<b>1,163,589</b>

**12 Borrowings**

There were no borrowings.

**13 Provisions**

There were no provisions.

14 Reserves	Usable reserves	Unusable reserves		Total
	General fund	Capital adjustment account	Accumulated Absences Reserve	
	£	£	£	£
<b>Opening reserve balances at 26th May 2014</b>	-	-	-	-
(Deficit) on the provision of services	(56,897)	-	-	(56,897)
Accumulated Absences	56,897	-	(56,897)	-
Adjustment between Accounting and Funding basis	56,897	-	(56,897)	-
<b>Closing reserve balances at 31st March 2015</b>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	(56,897)	(56,897)

Accumulated Absences Account absorbs the difference that would otherwise arise on the General Fund balance accruing for compensated absences earned but not taken in the year e.g staff annual leave entitlement carried forward at the end of the financial year.

The Accumulated Absences figure relates to staff employed and seconded to Mid and East Antrim District Council in the period, these staff all transferred to Mid and East Antrim Borough Council on 1st April 2015.

**Mid and East Antrim District Council  
Financial Statements**

**For the period ended 31st March 2015**

<b>15 Cash Flow Note</b>	<b>2014/15</b>
<b>Adjustment to deficit on the provision of services for non cash movements</b>	<b>£</b>
Depreciation	-
Increase in Inventories	-
Increase in debtors	(679,421)
Increase in creditors	1,163,589
Contributions to Provisions	-
<b>Total adjustments for non cash movements</b>	<b>484,168</b>
	<b>2014/15</b>
<b>Cash flows from operating activities Include:</b>	<b>£</b>
Interest received	-
Interest paid	-
	-
	<b>2014/15</b>
<b>Cash flows from investing activities</b>	<b>£</b>
Purchase of Property, Plant and Equipment	(284,335)
<b>Total adjustments for investing activities</b>	<b>(284,335)</b>
	<b>2014/15</b>
<b>Cash flows from financing activities</b>	<b>£</b>
New loans received	-
Loan repayments	-
<b>Total adjustments for financing activities</b>	<b>-</b>

**16 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 Mid and East Antrim District Council or the Government of which it forms part.

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

In addition where the relationship with Mid and East Antrim District Council 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:

Ballymena Borough Council, Carrickfergus Borough Council and Larne Borough Council have provided premises, facilities and Council chambers to enable Council members to hold council meetings and to facilitate the Mid and East Antrim District Council to perform its daily functions. During the period three members of finance staff were seconded (one from each Legacy Council) to the new Council for a short period of time to assist the Finance function. Committee Administration and financial management staff of the lead administrative Council (Ballymena Borough Council) have serviced the committees and produced the financial statements for the new Council at no charge.

At the period end (refer note 3) costs incurred by the Predecessor Councils amounted to £613,057 this amount is being recouped on a proportional basis from each council.

**Accounts Authorised for the Issue Certificate**

In accordance with International Accounting Standard 10 (IAS 10) this Statement of Accounts which contains a number of material amendments from the Accounts approved on 29th June 2015 is at today's date hereby authorised for issue. Any material amendments will be explained and reported in accordance with Regulation 12 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006.

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 Amendment

- Financial Statements amended to include holiday pay accrual of £56,897

Signed

.....  
Chief Financial Officer

Dated

.....26/10/15.....