

LAGAN

RURAL PARTNERSHIP

Account

For the period ending 31st March 2010



'The European Agricultural Fund
for Rural Development: Europe
investing in rural areas.'



Lagan Rural Partnership Joint Council Committee

Explanatory Foreword

Lagan Rural Partnership Joint Council Committee is the Administrative and Lead Financial Actor within the terms of The Local Government (Constituting a Joint Committee) Order (Northern Ireland) 2009 for the Local Action Group in the development and implementation of the agreed local rural development strategy for the rural areas within Lisburn City Council, Castlereagh Borough Council and Belfast City Council areas under Axis 3 of the Northern Ireland Rural Development Programme 2007 – 2013.

Joint Council Committee

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

Local Action Group

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

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

the accounts of every local government body shall be:-

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

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


The Accounts Direction, issued by the Department of the Environment on 24 May 2010 under Regulation 4 of the Local Government (Accounts and Audit) Regulations 2006 requires the Joint Committee to prepare accounts. This statement of accounts covers the period since 1 May 2008 to 31 March 2010 and has been prepared in compliance with the Direction”.

Certificate of the Chief Financial Officer

I certify that:-

- (a) the Statement of Accounts for the period ended 31 March 2010 on pages 10 to 13 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on page 13.


- (b) in my opinion the Statement of Accounts 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 year.

Signature.....
Norman Davidson
Chief Financial Officer

Date.....25/6/10.....

Joint Committee Approval of Statement of Accounts

These accounts were approved by resolution of the Joint Committee
on Wednesday 23 June 2010

Signature.....
Cllr Anne Marie Beattie
Chairman of Joint Council Committee

Date.....23-06-10.....

Statement of the Council's and Chief Financial Officer's responsibilities for the Statement of Accounts

The Joint Committee's Responsibilities

Under Section 54 of the Local Government Act (Northern Ireland) 1972 a council shall make safe and efficient arrangements for the receipt of money paid to it and the issue of money payable by it, and those arrangements shall be carried out under the supervision of such officer of the joint committee as the joint committee designates as its Chief Financial Officer. The Joint Committee has adopted a similar arrangement and the Chief Financial Officer for the Administrative Council undertakes equivalent duties for the Joint Committee.

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

The Chief Financial Officer's Responsibilities

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

The accounts must present fairly the income and expenditure for the financial year and the financial position as at the end of the financial year.

In preparing this statement of accounts, the chief financial officer is required to:-

- observe the Accounts Direction issued by the Department of the Environment including compliance with the Code of Practice on Local Authority Accounting in the United Kingdom (SORP – Statement of Recommended Practice) as amended and augmented from time to time, as appropriate;
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent; and
- disclose in the notes to the statement of accounts an analysis of the Financial Assistance to beneficiaries under the Lagan Rural Development Programme as operated by the Joint Committee.

The Chief Financial Officer is also required to:-

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

Annual Governance Statement

Scope of Responsibility

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

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

Joint Council Committee Administrative Arrangements

Administrative arrangements of the Joint Council Committee are integrated with those of Lisburn City Council, as the Lead Administrative Council for the Joint Council Committee. The procedures, controls and authority levels as documented in the **Standing Orders of Lisburn City Council** and the Councils Accounting Manual are adopted.

The functions of the audit committee are undertaken by Lisburn City Council's Corporate Services Committee who from 2010/11 are planning to receive:

- a) A progress report from the Head of Audit on a quarterly basis;
- b) The yearly audit plan (at the commencement of the year)
- c) The Head of Audit's Annual report (including Summary of audit opinions which forms part of the overall assurance provided to the Chief Executive (in his capacity as Chief Financial Officer)

Lisburn City Council as the Lead Administrative Council for the Joint Council Committee has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

The Purpose of the Governance Framework

The governance framework of Lisburn City Council as Lead Administrative Council comprises the systems and processes, and culture and values by which the Joint Council Committee is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Joint Council Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process

designed to identify and prioritise the risks to the achievement of the Joint Council Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place for the year ended 31 March 2010 and up to the date of approval of the statement of accounts.

The Governance Framework

The following are the key elements of the systems and processes that comprise Lisburn City Councils governance arrangements as Lead Administrative Council to the Joint Council Committee :

- Identifying and communicating the Joint Committee's vision of its purpose and intended outcomes for citizens and service users by the development of marketing & promotional literature, the development of a standalone website and attendance at key stakeholder events.
- Adhering to the key targets outlined in the Local Action Group's Rural Development Strategy for the duration of the NIRD P Rural Development Programme 2007 – 2013.
- Reviewing the Joint Council Committee's vision and its implications for the Joint Council Committee's governance arrangements within the Cluster area and Northern Ireland wide through engagement with other Joint Council Committees and relevant government bodies.
- Measuring the quality of services for users, for ensuring they are delivered in accordance with the Joint Council Committee's objectives and for ensuring that they represent the best use of resources. This will include benchmarking performance indicators against the Programme Administration Plan and the performance of other Joint Council Committees, the provision of monthly project /administration spend updates and the development of processes and procedures to deal with application appeals and complaints.
- Defining and documenting the roles and responsibilities of the Joint Council Committee, Local Action Group and officer functions in terms of application assessment and approval, with clear delegation arrangements and protocols for effective communication. This will include the scheduling of monthly Local Action Group meetings, bimonthly Joint Council Committee meetings and circulation of minutes/decisions made of the same.
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff.
- Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks.

- Ensuring the Joint Council Committee's financial management arrangements conform with the governance requirements of the CIPFA Statement on The Role of the Chief Financial Officer in Local Government (2010).
- Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committee – Practical Guidance for Local Authorities.
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- Whistle blowing and for receiving and investigating complaints from the public.
- Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.
- Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the Joint Committee's overall governance arrangements.

Review of effectiveness

Lisburn City Council as the Lead Administrative Council for the Joint Council Committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Lead Administrative Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.


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

- a) All Line Managers associated with the delivery of the Rural Development Programme are required to sign an Assurance Declaration which ultimately passes up the line to the Chief Executive who is required to sign the overall Council Governance Statement (also signed by the Chair of the Corporate Services Committee).
- b) Internal Audit – The main role of Internal Audit is to provide an independent and objective opinion on risk management, control and governance by measuring and evaluating their effectiveness in achieving the Joint Council Committees agreed objectives.

Significant Governance Issues

The Joint Council Council Committee commenced in May 2008 but did not become fully operational until February 2009. To this end it has been too early for internal audit to review systems. It is planned for internal audit to review these systems in the period 2010/11.

I am satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:  Date: 25/6/10
Norman Davidson
Chief Executive Officer

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

I have audited the statement of accounts Lagan Rural Partnership for the year ended 31 March 2010 under the Local Government (Northern Ireland) Order 2005. The statement of accounts comprises the Income and Expenditure Account, Statement of Movement on the General Reserves Balance and Balance Sheet.

This report is made solely to the Members of Lagan Rural Partnership in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Local Government Code of Audit Practice issued by the Chief Local Government Auditor.

Respective responsibilities of the Chief Financial Officer and the independent auditor

As explained more fully in the Statement of the Joint Committee and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the statement of accounts and for being satisfied that it gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year. My responsibility is to audit the statement of accounts in accordance with applicable law, the Local Government Code of Audit Practice issued by the Chief Local Government Auditor and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Statement of Accounts

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the statement of accounts are free from material misstatement, whether caused by fraud or error.

Opinion

In my opinion the statement of accounts gives a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009, the financial position of Lagan Rural Partnership as at 31 March 2010 and its income and expenditure for the year then ended.

Matters on which I report by exception

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

- the Annual Governance statement:
 - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2009,
 - does not comply with proper practices specified by the Department of the Environment,
 - is misleading or inconsistent with other information I am aware of from my audit, or
- adequate accounting records have not been kept; or
- the statement of accounts is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

Certificate

I certify that I have completed the audit of the accounts of Lagan Rural Partnership in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice issued by the Chief Local Government Auditor.

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

Date

Joint Council Committee – Income and Expenditure Account for the period ended 31 March 2010

	<i>Notes</i>	2009/10
		£
Income		
Government Departments		282,725
Participating councils		
Bank Interest		
Other Income		
Total income		
Expenditure		
Employee costs	2	166,338
Committee Member costs		
Premises costs		12,510
Supplies and services		
Travel and subsistence costs		14,244
Administration costs		75,257
Other costs		29,857
Total expenditure		298,206
Surplus / (Deficit) for the period		(15,481)

**Statement of Movement on the General Reserves Balance for the period ended
31 March 2010**

	Notes	2009/10 £
Surplus/(Deficit) for the year on the Income and Expenditure Account	5	(15,481)
Movement on the General Reserves Balance for the year		(15,481)
Balance Brought Forward		-
Balance Carried Forward	5	(15,481)

Balance Sheet as at 31 March 2010

	<i>Notes</i>	2009/10 £
CURRENT ASSETS		
Stock		-
Debtors	3	110,786
Prepayments		-
Accrued Income		-
Cash and Bank		-
Petty Cash		-
VAT recoverable		-
TOTAL ASSETS		110,786
CURRENT LIABILITIES		
Creditors	4	(123,267)
Accruals	5	(3,000)
Bank Overdraft		
VAT payable		
NET ASSETS		(15,481)

Financed by:

General Reserve	(15,481)
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Notes to the Financial Statements

1 Accounting Policies

These accounts follow standard accounting principles for representation for presentation of Income and Expenditure. The Joint Committee does not have any significant expenditure on Fixed Assets, and therefore any asset expenditure is carried to the Income and Expenditure account.

2 Employee costs

	2009-10
	£
Salaries & Wages	134,934
Employers National Insurance	11,687
Employers Pension Costs	19,717
	<u>166,338</u>

The Joint Council Committee employed a total of 7 employees during the year.

3 Debtors

	2009-10
	£
Government Departments (DARD)	110,786
Other Councils	-
Other	-
	<u>110,786</u>

4 Creditors

	2009-10
	£
Government Departments	
Other Councils – Lisburn City Council	123,267
Accruals – Audit Fees	3,000
	<u>126,267</u>

5 Reserves

Lisburn City Council acts as the Lead Administrative Council for for the Joint Council Committee and finances the deficit of £15,481.

It is stated in the terms and agreement for the operation of the Joint Council Committee that such deficit will be financed by Lisburn City Council (7/11 of costs), Castlereagh Borough Council (3/11 of costs) and Belfast City Council (1/11 of costs) (Stated in Annex 1 of Rural Development Implementation Contract with DARD).

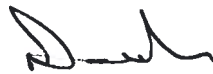
Accounts Authorised for Issue

In accordance with Financial Reporting Standard 21 (FRS 21) this Statement of Accounts which contains a number of minor amendments from the Accounts approved on 25 June 2010 are at today's date hereby authorised for issue.

FRS 21 sets out

- The period during which an entity should adjust its financial statements for events after the balance sheet date as being the period between the date the financial statements were prepared and the date of this authorisation; and
- In the event of adjustments the disclosures that should be made.

Signed



Chief Financial Officer

Date

19/10/10