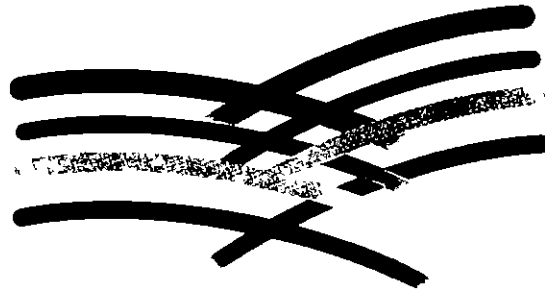


north east region



supporting our rural communities

NORTH EAST REGION JOINT COUNCIL COMMITTEE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

NORTH EAST REGION JOINT COUNCIL COMMITTEE
Financial Statements
for the year ended 31 March 2011

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Explanatory Foreword

Introduction

North East Region Joint Council Committee (Joint Committee hereafter) was established in 2008 under Section 19 (9) of the Local Government Act (Northern Ireland) 1972. The Joint Council Committee is contracted for the delivery of Axes 3 and 4 of Chapter 1 of title IV of the Council Regulation (EC) No 1898 /2005 of 20 September 2005 which are provided for in the Northern Ireland Rural Development Programme 2007 -2013. The contract for funding is with the Department of Agriculture and Rural Development and is worth £13 181 300.

The Joint Committee is a partnership of the following five District Councils

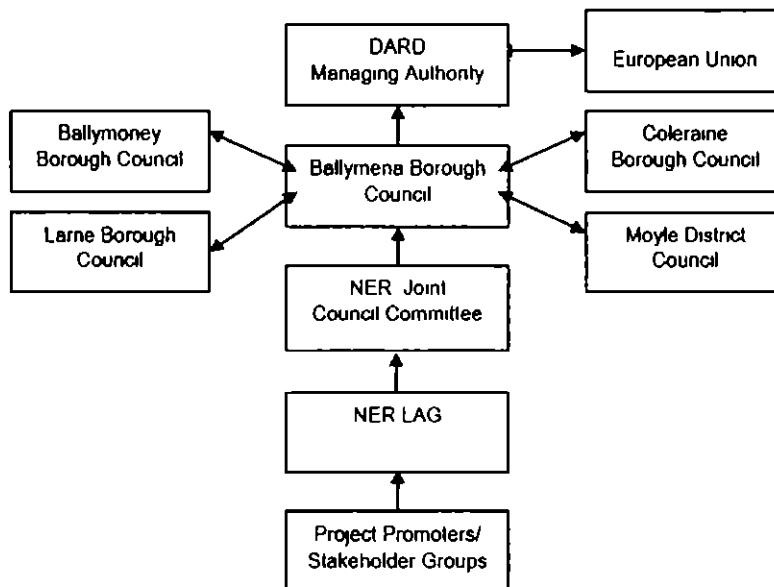
- Ballymena Borough Council
- Ballymoney Borough Council
- Coleraine Borough Council
- Larne Borough Council
- Moyle District Council

All five councils have agreed, pursuant to Terms of Agreement dated December 2007, to the creation of said committee. The Joint Council Committee has entered into a Service Level Agreement with Ballymena Borough Council known as the administrative council to provide administrative services in accordance with the terms of that Service Level Agreement. The Joint Committee has entered into an Agreement with North East Region Local Action Group Limited (NER) an incorporated body which is a Local Action Group appointed by the Joint Council Committee to implement the Local Development Strategy in accordance with Axes 3 and 4 of the Northern Ireland Rural Development Programme 2007-2013. An organisational reporting structure has been put in place to deal with the different levels.

The Northern Ireland Rural Development Programme 2007 - 2013 "Operational Rules" set out the roles and responsibilities of the Joint Committee. The Joint Committee operates under the Standing Orders of the administrative council. These set out how formal business of the Committee will be conducted including such matters as Joint Committee membership and quorum, order of business, minutes, motions and amendments, rules of debate, voting, sub-committees, contracts and variation and revocation of standing orders. A range of policy documents have also been adopted by the Joint Committee, which provide clear instructions and enable informed decision making processes.

Each of five councils involved shall be represented on the Joint Committee by three members of its council. Nominations are sought from respective councils through council meetings. The Joint Committee appoints a Chairperson and two Vice-Chairpersons from within the Membership on an annual basis.

The reporting structure of the organisation is as follows:



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 Joint Committee's financial performance for the year ended 31 March 2011 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out in the Balance Sheet

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 (the Code) and the Department of the Environment Accounts Direction Circular LG 05/11 dated 22nd April 2011. It is the purpose of this foreword to explain in an easily understandable way the financial facts in relation to the Joint Committee. Comparative figures have been restated to take account of changes in accounting requirements as a result of the introduction of the Code

This Statement of Accounts explains the Joint Committee's finances during the financial year 2010/11 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts

The Movement in Reserves Statement

This Statement as set out on page 13 shows the movement in the year on the different reserves held by the Joint Committee. The deficit on the provision of services' line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in Comprehensive Income and Expenditure Statement. The Joint Committee shows negative reserves, however there is no going concern issue as Ballymena Borough Council, in its role as administrative council continues to account for the losses associated with the Joint Committee

The Comprehensive Income and Expenditure Statement

This statement, as set out on page 14, shows the income earned and expenditure incurred during the year by the Joint Committee in accordance with generally accepted accounting practices

The Balance Sheet

The Balance Sheet, as set out on page 15, shows the value as at the Balance Sheet date of the Joint Committee's assets and liabilities. The net liabilities of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee

Financial Report

For the year ended 31 March 2011 the Joint Committee decreased its General Reserve Balance by £1 358 to (£5,378). The Joint Committee received grant income of £327 342 and incurred total costs of £328 700.

The only income to the Joint Committee in this financial year was from the Department of Agriculture and Rural Development (DARD).

The Joint Committee have adopted International Financial Reporting Standards for the 2010/2011 year in accordance with statutory requirements. This adoption has not impacted the results of the financial statements for this year or the prior year in any significant way.

The 2009/2010 accounts covered the Joint Committee's first 28 months in operation from 5th December 2007 to 31 March 2010. The first staff were employed from March 2009 and the first promoter payment was made in February 2010. This 28 month period is therefore deemed to be comparable with the 12 months to 31st March 2011 in terms of income and expenditure.

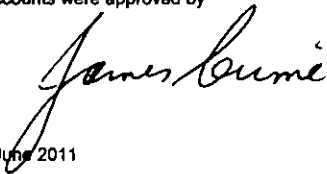
Statement of the Joint Committee's and Chief Financial Officer's Responsibilities for the Statement of Accounts

The Joint Committee's Responsibilities

Under Section 54 of the Local Government Act (Northern Ireland) 1972 the Joint Committee 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

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



on 15th June 2011

The Chief Financial Officer's Responsibilities

Under Regulation 4(1) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 the Chief Financial Officer is responsible for the preparation of the Joint Committee's Statement of Accounts in the form directed by the Department of the Environment

The accounts must give a true and fair view of the income and expenditure and cash flows 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
- 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

ANNUAL GOVERNANCE STATEMENT 2010/2011

Scope of Responsibility

NORTHERN IRELAND LOCAL GOVERNMENT BODIES

The Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Joint Committee also has a duty under Local Government (Best Value) Act (Northern Ireland) 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, the local government body is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Joint Committee is required to prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how the Joint Committee meets the requirements of Regulation 2A of the Local Government Accounts and Audit (Amendment) Regulations (Northern Ireland 2006) in relation to the publication of a statement on internal control.

The Purpose of the Governance Framework

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the local government body'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 at the Joint Committee for the year ended 31 March 2011 and up to the date of approval of the financial statement.

The governance framework

The key elements of the systems and processes that comprise the Joint Council Committee governance arrangements are as follows:

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

The Joint Committee identifies and communicates its vision and intended outcomes for all stakeholders through a Local Rural Development Strategy 2008 - 2013. The Joint Committee uses a number of communication means to present its strategy including the NER website, news releases, public information evenings and promotional literature.

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

The Joint Committee has established a 5 year Implementation Plan which is reviewed annually. Funding priorities for the forthcoming financial year are determined and the resources required are agreed. The Joint Committee also has a sound budgetary reporting mechanism in place and detailed budgetary reports are prepared and presented to members each month.

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

Reports are presented monthly to the senior officers and elected members from member councils who sit on the Joint Committee. These include progress reports on expenditure projects for approval, policies and procedures to be adopted, correspondence from the Department of Agriculture & Rural Development, amendments to Letters of Offer, barriers to progress and updates on network and group meetings. Depending on the nature of the information, the Joint Committee decides on the appropriate action to take.

- 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

A formal contract between the Department of Agriculture & Rural Development and the Joint Committee is in place for delivery of Axes 3 & 4 of the Northern Ireland Rural Development Programme 2007-2013.

The Northern Ireland Rural Development Programme 2007-2013 "Operational Rules" set out the roles and responsibilities of the Joint Committee. The Administrative Council Standing Orders are used by the Joint Committee as specified in the contract for funding.

An agreement, setting out the role of Ballymena Borough Council as Administrative Council, is in place between member Councils. In this role, Ballymena Borough Council performs a number of functions which are detailed in an agreed Service Level Agreement with the Joint Committee.

A Local Action Group was appointed by the Joint Committee to implement the Local Development Strategy in accordance with Axes 3 and 4 of the NI Rural Development Programme 2007-2013.

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

The individually elected members of the Joint Committee are bound by the codes of conduct from their own council. A range of policy documents exist across the Joint Committee providing clear instructions and enabling appropriate decision making.

- 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 financial system adopted by the Joint Council Committee and all other policies and procedures outlining the operating and decision making process are updated as and when required. Proposed changes require the necessary quorum to be present.

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

A Monitoring Group oversees the activities of the entire Northern Ireland Rural Development Programme 2007-2013, which includes the activities of the Joint Committee. There is also a review panel in place for the Joint Committee comprised of three members - two of these from North East Region Local Action Group and one member is from another NI Local Action Group.

Administrative Council activities are subject to review by both internal and external auditors. The Administrative Council has in place an Audit and Scrutiny Committee which meets bi-monthly and internal and external auditors are invited to attend this as appropriate. This committee receives internal and external audit reports and scrutinises Risk Management issues. It is comprised of elected Members and supports the Chief Executive Officer by offering objective advice on issues concerning the risk control and governance of the organisation and the associated assurances. The Audit and Scrutiny committee reviewed its effectiveness according to Appendix 2 of *Audit Committees – Practical Guidance for Local Authorities* at the meeting held on 18th June 2011.

In light of this, it is not considered productive for the Joint Council Committee to have its own separate Audit Committee.

- ensuring compliance with relevant laws and regulations internal policies and procedures and that expenditure is lawful

The Contract between the Department of Agriculture & Rural Development and Joint Committee sets out the Chief Financial Officer as the designated officer responsible for the proper administration of the Joint Committee's financial affairs

The Joint Committee has a Register of Interests in place which all Joint Committee members complete and which is reviewed on an annual basis. All members sitting on the Joint Committee also complete a Declaration of "Conflict of Interest" which is also reviewed on an annual basis and the need to declare a Conflict of Interest is a standing agenda item for all Joint Committee and Local Action Group meetings

All expenditure of the Joint Committee is subject to external audit by the Department of Agriculture & Rural Development. All payments to be made by the Administrative Council are reviewed by two councillors prior to approval at the monthly council meeting

Access to legal advice is received from the Administrative Council solicitors when required

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

There is a mechanism within the application process that affords applicants the opportunity to meet with senior officers to discuss their application. This is outlined in the notification letter sent to applicants when their application has been unsuccessful, outlining the opportunity for a debriefing session which is afforded to any applicant deemed ineligible for grant aid. The notification to unsuccessful applicants also outlines the right to request a formal review and a copy of the review procedures is provided on request. This mechanism is part of the Review Panel procedures within Northern Ireland Rural Development Programme 2007-2013 "Operating Rules"

The Administrative Council adopted a Whistle blowing Policy in 2009 to enable staff members to confidentially raise concerns which relate to possible illegal or improper behaviour within the Council without putting their positions at risk

- identifying the development needs of Members and senior officers in relation to their strategic roles supported by appropriate training

In terms of the needs of elected members on the Joint Committee and senior officers from the Joint Committee regular monthly meetings are held to ensure that they are kept up to date with issues as they emerge

Joint Committee members are given the opportunity to attend relevant training events on a needs basis and the Joint Committee staff attend programme specific training such as fraud and claims training on an ongoing basis

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

The Joint Committee regularly communicate with key stakeholders, including member Councils Rural Development Council Rural Support Networks Department of Agriculture & Rural Development rural groups and social partners. This is achieved in a variety of ways such as the NER website which is kept up to date with relevant information and news. Communication channels also include presentations events seminars public information sessions signage press releases and advertisements

On a six monthly basis the Joint Committee reports to the Department of Agriculture & Rural Development detailing publicity undertaken in the period passed as well as publicity activities planned for the coming six month period

NER has a corporate identity manifested in its Official Logo which is used to brand communications and information products. It also helps stakeholders to recognise the objectives of the Partnership and the Joint Council Committee

Review of Effectiveness

The Joint Committee has responsibility for conducting at least annually a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Joint Committee 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.

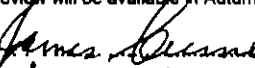
The process that has been applied in maintaining and reviewing the effectiveness of the governance framework, including the system of internal control includes the role of

- Elected Members who have reviewed, agreed and monitored a variety of policies and corporate documents including -
 - Financial System financial, purchasing, payment and authorisation policies
 - Assessment Panel Policy
 - Review Policy
 - Equality Statement
 - Implementation Plan matching funding priorities to resource requirements
- Senior Officers, who attended Joint Committee meetings in an advisory capacity and provided their own distinct expertise to facilitate Programme delivery
 - Considered new policies and procedures
 - Collectively were involved in the enhancement of governance arrangements
- Ballymena Borough Council Audit & Scrutiny Committee
 - Meets bi-monthly and internal and external auditors are invited as appropriate
 - Receive internal and external audit reports and scrutinises Risk Management
 - Offer objective advice to the Chief Executive on risk, control and governance
 - Reviewed its effectiveness according to Appendix 2 of Audit Committees – Practical Guidance for Local Authorities at the meeting held on 16th June 2011
- Internal Audit
 - During June 2010 DARD Internal audit carried out a full review of the procedures in place within NER
- Other Assurance and review mechanisms, including
 - External Audit by the Department of Agriculture & Rural Development who carried out a monitoring inspection of -
 - (i) policies and procedures including financial systems, publicity assessment & approval of projects
 - (ii) procurement
 - (iii) payments procedures
 - (iv) board / panel membership including training, corporate governance, conflict of interest / register of interest

Significant Governance Issues

No major findings were noted from the review performed by the Audit and Scrutiny Committee.

The Joint Committee's second Article 33 report which was issued in October 2010 highlighted a number of areas where procedures and policy notes could be improved such as the construction of a data protection policy, a computer security policy and a document retention policy. These improvements have been implemented and a third (now called an Article 28f) review has been performed in June 2011. The findings of this review will be available in Autumn 2011.

Signed 

Date 27th June 2011

Signed 

Date 27th June 2011

On behalf of the Committee of the North East Region or the Members of the body meeting as a whole and by the Chief Executive

Certificate of the Chief Financial Officer

I certify that

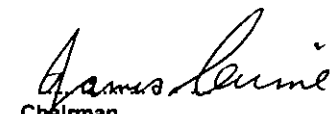
- (a) the Statement of Accounts for the year ended 31 March 2011 on pages 13 to 15 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on page 18
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year


Chief Financial Officer

27th June 2011
Date

Joint Committee Approval of Statement of Accounts

These accounts were approved by resolution of the Joint Committee on 15th June 2011


Chairman

27th June 2011
Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH EAST REGION JOINT COUNCIL COMMITTEE

I have audited the statement of accounts of North East Region Joint Council Committee for the year ended 31st March 2011 under the Local Government (Northern Ireland) Order 2005. The statement of accounts comprises the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet and related notes. The statement of accounts has been prepared under the accounting policies set out within them.

This report is made solely to the Members of North East Regional Joint Council Committee 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 the Joint Council Committee'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 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 the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice issued by the Chief Local Government Auditor. 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 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. This includes an assessment of whether the accounting policies are appropriate to the North East Region Joint Council Committee's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the North East Region Joint Council Committee, and the overall presentation of the statement of accounts. In addition I read all the financial and non financial information in the Foreword to identify material inconsistencies with the audited statement of accounts. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

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 2010-11, the financial position of North East Region Joint Council Committee as at 31st March 2011 and its income and expenditure for the year then ended.

Matters on which I report by exception

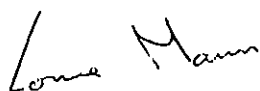
I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- the Annual Governance statement

- does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2010-11,
 - 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 North East Region Joint Council Committee 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



Louise Mason

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

28 October 2011

NORTH EAST REGION JOINT COUNCIL COMMITTEE
Movement in Reserves Statement
For the current and comparative year

This Statement shows the movement in the year on the reserves held by the Joint Committee

	General Reserves £	Total Usable Reserves £		Total Council Reserves £
At 1 April 2009	0	0		0
Movement in reserves during the year				
Deficit on the provision of services	(4 020)	(4,020)		(4,020)
Total Comprehensive Income and Expenditure	(4,020)	(4,020)		(4,020)
(Decrease) in Year	(4 020)	(4 020)	0	(4 020)
At 31 March 2010	(4 020)	(4 020)		(4,020)
Movement in reserves during the year				
(Deficit) on provision of services	(1 358)	(1 358)		(1 358)
Total Comprehensive Income and Expenditure	(1,358)	(1 358)		(1 358)
(Decrease) in Year	(1 358)	(1 358)	0	(1 358)
At 31 March 2011	(5,378)	(5,378)		(5,378)

NORTH EAST REGION JOINT COUNCIL COMMITTEE

Comprehensive Income and Expenditure Statement for the year ended 31 March 2011

This statement shows the income earned and expenditure incurred during the year by the Joint Committee in accordance with generally accepted accounting practices

	Notes	2010/11 £	2009/10 £
INCOME			
Participating Councils		0	1 224
Government Grant	3	327 342	359 469
TOTAL INCOME		327 342	360 693
EXPENDITURE			
Employee Costs	4	288 935	212 539
Other Operating Costs	6	39 765	152 174
TOTAL EXPENDITURE		328 700	364 713
(DEFICIT) ON CONTINUING OPERATIONS		(1 358)	(4 020)
(DEFICIT) ON THE PROVISION OF SERVICES		(1 358)	(4 020)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE		(1 358)	(4 020)

The Balance Sheet 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.

	Notes	2010/11 £	2009/10 £	2008/09 £
Short Term Debtors	7	102,908	196,417	0
CURRENT ASSETS		102,908	196,417	0
Short Term Creditors	8	108,286	200,437	0
CURRENT LIABILITIES		108,286	200,437	0
NET ASSETS		(5,378)	(4,020)	0
USABLE RESERVES		(5,378)	(4,020)	0
General Reserves	11	(5,378)	(4,020)	0
NET WORTH		(5,378)	(4,020)	0

NORTH EAST REGION JOINT COUNCIL COMMITTEE
Notes to the Financial Statements

1 Accounting Policies

General Principles

The Statement of Accounts summarises the Joint Committee's transactions for the 2010/11 financial year and its position at the year-end of 31 March 2011. The Joint Committee is required to prepare an annual Statement of Accounts 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 2010/11 and the Best Value Accounting Code of Practice 2010/11 supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost modified by the revaluation of certain categories of non-current assets and financial instruments. The Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 also requires disclosure in respect of

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

Revenue from the provision of services is recognised when the Joint Committee can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.

Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

Where revenue and expenditure have been recognised but cash has not been received or paid a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

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.

Employees of the Joint Committee are entitled to be members of the pension scheme which is operated within Ballymena Borough Council. All pension assets and liabilities relating to the Joint Committee employees are recognised in the Pension note of Ballymena Borough Council's Financial Statements for 2010/11.

iii) Government Grants and Contributions

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

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

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

iv) Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA *Best Value Accounting Code of Practice 2010/11* (BVACOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received.

v) Reserves

When expenditure to be financed from a reserve is incurred it is charged against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

vi) 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.

2 Financial Assistance to Beneficiaries

NER do not make any direct payments to project promoters as DARD make all such payments. In the year to 31st March 2011, £1,303,281 (2010: 368,247) of financial assistance was paid out by DARD in relation to projects which were processed by NER.

NORTH EAST REGION JOINT COUNCIL COMMITTEE
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

Operating Income and Expenditure

3 Government Grants

Revenue Grants

	2010/11	2009/10
	£	£
Animation funding from DARD	0	170,782
Administration funding from DARD	327,342	188,687
	327,342	359,469

Summary of Government Grant Income

	2010/11	2009/10
	£	£
Revenue Grants	327,342	359,469
Government Grants	327,342	359,469

4 Employee Costs and Members' Allowances

i) Staff Costs

	0	0
	£	£
Salaries and wages	206,526	81,787
Employers National Insurance	16,573	6,099
Employers pension costs	30,610	11,389
	253,709	99,275

Agency costs during the year amounted to £0 (2009/10 £78,971)

Additional staff costs for the year amounted to £17,615 for staff travel & subsistence (2009/10 £8,386) and £17,611 for services provided by Ballymena Borough Council under the Service Level Agreement (2009/10 £20,000). Total employee costs therefore amounted to £288,935 (2009/10 £212,539).

Employees of the Joint Committee are entitled to be members of the pension scheme which is operated within Ballymena Borough Council. All pension assets and liabilities relating to the Joint Committee employees are recognised in the Pension note of Ballymena Borough Council's Financial Statements for 2010/11.

ii) Average Number of Employees where FTE represents fulltime

	0	0
	FTE	FTE
Rural Development Programme	8	4
	8	4
	Actual Numbers	Actual Numbers
Full time numbers employed	8	4
	8	4

5 Members Allowances

During the year Members' allowances (paid under Sections 12 and 36 of the Local Government Act (NI) 1972) including Employer's costs totalled £6,340 (2009/10 £5,125) and are as follows:

	0	0
	£	£
Mileage	6,340	5,125
	6,340	5,125

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6 Other Operating Expenditure

	2010/11	2009/10
	£	£
Premises Costs	13,855	32,131
Supplies & Services	12,522	93,530
Administration Costs	7,048	21,388
Members' Allowances	6,340	5,125
	39,765	152,174

Summary

Other Operating Gross Income	0	0
Other Operating Gross Expenditure	39,765	152,174

Summary of Other Operating expenditure

	2010/11	2009/10
	£	£
Other Operating Income	0	0
Other Operating Expenditure	39,765	152,174

The Joint Committee has incurred the following costs relating to the annual audit of the Statement of Accounts. These expenses are included within the supplies and services expenditure detailed above

	2010/11	2009/10
	£	£
External Audit Fees	2,046	3,000
	2,046	3,000

There were no other fees payable in respect of any other services provided by

7 Debtors

	2010/11	2009/10	2008/09
	£	£	£
Short Term Debtors			
Government Departments	102,908	195,193	0
Councils	0	1,224	0
Total Short-Term Debtors	102,908	196,417	0
Total Debtors	102,908	196,417	0

8 Short Term Creditors

	2010/11	2009/10	2008/09
	£	£	£
Councils	108,286	200,437	0
Total Short Term Creditors	108,286	200,437	0
Total Creditors	108,286	200,437	0

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11 General Reserves

This reserve shows the accumulated resources which have not been assigned to a special purpose reserve and are therefore available to meet general future expenditure requirements. It is credited with income received less the accounting cost in the year of providing services in accordance with generally accepted accounting practices. The negative reserves balance demonstrates the cumulative cost which Ballymena Borough Council has incurred in connection with the operation of the Joint Council Committee.

12 Related Party Transactions

Transactions with related parties not disclosed elsewhere in these financial statements are set out below, where a description of the nature, the amount of the transaction and the amount of the outstanding balance is as follows:

Item	Value of Transaction	Explanation of Transaction
Office Rental	£ 9,691	Staff employed by the Joint Committee to facilitate the programme are based in offices at the ECOS Centre, Ballymena. This centre is owned by Ballymena Borough Council and office space is rented out to organisations on a commercial basis. The rental charge is market tested on an annual basis to ensure value for money.
Room Hire	£ 2,157	All LAG meetings, JCC meetings and Assessment Panel meetings are conducted at ECOS Centre also. On an annual basis, a value for money exercise is also conducted on the supply of both these services to the Joint Committee.
Hospitality	£ 992	

The Joint Committee also paid grants of £491,563 to a number of organisations in which Members and executive officers had an interest. £292,388 of these grants were payable to the five councils who make up the Joint Committee. All grants were made with proper consideration of declaration of interests.

13 First-time adoption of IFRS

These are the Joint Committee's first financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The date of transition to IFRS is 1 April 2009.

The Joint Committee's IFRS accounting policies presented in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2011, the comparative information and the opening statement of financial position at the date of transition.

The Joint Committee has applied the IFRS 1 First-time Adoption of International Financial Reporting Standards in preparing these first IFRS compliant financial statements, except in cases where interpretations or adaptations to fit the public sector, have been prescribed by the Code of Practice on Local Authority Accounting (The Code).

The movement from the SORP to the IFRS-based Code did not impact upon the amounts presented in the Financial statements for the Joint Committee.

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Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

Accounts Authorised for the Issue Certificate

In accordance with International Accounting Standard 10, Events after the Balance Sheet Date (IAS 10) this Statement of Accounts are at today's date hereby authorised for issue

IAS 10 sets out

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

Signed


Chief Financial Officer

Date

27th October 2011