



ARC NORTH WEST RURAL DEVELOPMENT JOINT COMMITTEE

AUDITED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2015**

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Explanatory Foreword

Introduction

Derry City Council, Limavady Borough Council, Omagh District Council and Strabane District Council had formed a Joint Committee for the purposes of overseeing the delivery of Axis 3 and Axis 4 of the Rural Development Programme 2007-2013 in the North West. Omagh District Council was the Lead Council which supports and advises the Joint Committee. Each of the Councils nominated four Councillors to participate on the Joint Committee.

The Joint Committee's financial performance for the year ended 31st March 2015 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out in the Balance Sheet and Cash Flow Statement.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (the Code) and the Department of the Environment Accounts Direction, Circular LG15/15. It is the purpose of this foreword to explain, in an easily understandable way the financial facts in relation to the Joint Committee.

This Statement of Accounts explains the Joint Committee's finances during the financial year 2014/15 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

Group Accounts

The Code requires Local Authorities to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. ARC North West Rural Development Joint Committee does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

Financial Report

The Financial Statements for the year ended 31st March 2015 have been prepared in line with The Code of Practice on Local Authority Accounting in The United Kingdom 2014/15 (the Code) and the Department of the Environment Accounts Direction, Circular LG15/15. It is The purpose of this foreword to explain, in an easily understandable way the financial facts in relation to the Joint Committee for this period. However, the Financial Statements follow approved Accounting standards and are necessarily technical in parts.

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

ARC North West Rural Development Joint Committee

Financial Statements

For the year ended 31st March 2015

The following statements provide further information:

- The Movement in Reserves Statement, as set out on page 15, shows the movement in the year on the different reserves held by the Joint Committee. No Reserves exist in ARC north west.
- The Comprehensive Income and Expenditure Statement, as set out on page 16, shows the income earned and the expenditure incurred during the year by the Joint Committee in accordance with generally accepted accounting practices. This includes details of funding received from Government bodies and participating Councils, together with details of administrative expenditure incurred by the Joint Committee and financial assistance provided to beneficiaries.
- The Balance Sheet, as set out on page 17, shows the value as at the Balance Sheet date of the Joint Committee's assets and liabilities. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee.
- The Cash Flow Statement, as set out on page 18, shows the changes in cash and cash equivalents of the joint committee during the reporting period. The Joint Committee holds no cash and the only movements relevant to the cash flow of ARC north west are the movement in debtors and creditors.

For the year ended 31st March 2015 the Joint Committee accounted for grant income of £290,868, and incurred total costs of £290,868. The financial activities of the Joint Committee are wholly funded by Government Bodies and the participating Councils, therefore resulting in a £nil surplus/deficit for the year.

Legislative Context for Preparation and Audit of the Financial Statements

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

The accounts of every local authority government body shall be:

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

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 1st April 2015 under Regulation 4 of the Local Government (Accounts and Audit) Regulations 2006 requires the Joint Committee to prepare accounts. These financial statements cover the period from 1st April 2014 to 31st March 2015 and have been prepared in compliance with the Direction.

Post Balance Sheet Events

Local Government Reform

From 1st April 2015, the Joint Committee will cease to exist and its functions will be transferred to Fermanagh & Omagh District Council.

Fermanagh & Omagh District Council combines the previous councils of Fermanagh District Council & Omagh District Council into one new body constituted under the framework established by the Local Government Act (Northern Ireland) 2014.

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

The Chief Financial Officer of the lead council is responsible for the preparation, signing and dating of the statement of accounts for the Joint Committee. Since the lead council ceases on 31 March 2015, Regulation 9 of the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 provides that the activities of the lead council will be continued by the new council i.e. that council in which the lead council was a predecessor council. As such, for the purpose of complying with the requirements of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006, the attached Direction will require that the Chief Financial Officer should be that of the new council.

As required by regulation 5 of the Local Government (Accounts and Audit) Regulations (NI) 2006, Rural Development Joint Committees have until 30 June 2015 to approve their statement of accounts, and that approval must be given by a resolution of a committee of the Joint Committee or the members of the Joint Committee meeting as a whole. As noted in LG15/2015, given that it is anticipated that the role of the Rural Development Joint Committees will end on 31 March 2015, the statement of accounts shall be approved by a resolution of a committee of the new council as a whole.

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

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

The Joint Committee's Responsibilities

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 a Council shall make arrangements for the proper administration of its financial affairs. A council shall designate an officer of the council as its Chief Financial Officer. Arrangements made by a council for the proper administration of its financial affairs shall be carried out under the supervision of its Financial Officer. The Joint Committee has adopted a similar arrangement and the Chief Financial Officer for the Administrative (Lead) Council undertakes equivalent duties for the Joint Committee.

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

These accounts were approved by the Joint Committee on 23/06/15

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 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 as amended and augmented from time to time as appropriate;
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis; and
- make judgements and estimates that 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.

Governance Statement

Introduction

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 (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, the Joint Committee 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.

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 Joint Committee is directed and controlled and its activities which it is accountable to and engages with the rural dwellers in the North West cluster comprising the former Council areas of Derry, Limavady, Omagh and Strabane. It enables ARC north west to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost-effective delivery of Axis 3 and Axis 4 of the the Northern Ireland Rural Development Programme (NIRDP) 2007 - 2013.

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

The governance framework has been in place for the financial period ended 31st March 2015 and up to the date of approval of the financial statements.

The Governance Framework

This section provides a summary of the key elements of the systems and processes that comprise the Joint Committee's governance arrangements. The Joint Committee adopted the internal controls and procedures that existed within Omagh District Council for its governance. For example, the Joint Committee does not have its own Audit Committee but audit considerations were included as part of the workings of the Omagh District Council Audit Committee. Also, whistleblowing and any complaints from the public will be dealt with in line with the policies and procedures which the Lead Council has in place.

The Chief Executive for the Lead Council had responsibility for maintaining a system of sound internal controls and risk management processes to support the Joint Committee in the achievement of all conditions in the Letter of Offer, and for reviewing their effectiveness. The systems of controls 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.

Overall control of the governance framework and system of internal controls is the responsibility of the Joint Committee. The Joint Committee placed a heavy emphasis on governance and the key elements of the systems and processes that comprise the Joint Committee's governance arrangements are:

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

The Lead Council had in place an Audit Committee whose overall purpose and objective was to assist Council in fulfilling its oversight responsibilities. The Audit Committee, which met at least four times each year, had 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.

The Lead Council's Audit Committee remit was not to act as the Audit Committee for the Joint Committee. Instead, it oversaw the role of Omagh District Council as Lead Council of the Joint Committee. All governance and audit issues were reported directly to the Joint Committee.

The ARC north west Joint Committee was subject to internal audit in accordance with the audit arrangements of the Lead Council. The objectives of the internal audit undertaken for the year ended 31 March 2015 were to address the key risks emerging from the following audit objectives (i) to ensure that there are adequate arrangements in place in relation to the financial position of ARC north west; and (ii) to ensure that there are adequate arrangements in place to prepare for the effective winding-up of ARC north west. Following the conclusion of the audit ARC north west received a 'substantial' rating meaning that there was a robust system of governance, risk management and control which should ensure that objectives are fully achieved.

ARC North West Rural Development Joint Committee

Financial Statements

For the year ended 31st March 2015

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

ARC north west was audited by an independent internal auditor, DARD Programme Compliance and EU Verification, DARD internal audit, the Northern Ireland Audit Office and the European Commission. Any findings or recommendations made by the various audit bodies were reported back to the Joint Committee.

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

The Lead Council's Standing Operating Procedure: Fraud and Corruption, set out whistle-blowing arrangements. The procedure set out the arrangements where employees wish to make disclosures whilst remaining protected from action by their employer.

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

These arrangements extend to the role of Omagh District Council as Lead Council to the Joint Committee.

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

ARC north west, in partnership with the four local Councils, held information workshops to inform the general public on funding opportunities and public calls for funding however no calls for applications were released in year ended 31 March 2015. ARC north west's main channel of communication was its website which was updated on an ongoing basis (www.arcnorthwest.com). In addition ARC north west also publish a newsletter 'Rural Insight' which was distributed widely. To date two editions have been published in 2012 and 2013. In preparation for Programme closure the ARC north west Joint Committee will commission an independent Post Programme Evaluation of its delivery of the Rural Development Programme (2007-2013) which will include reviewing progress against its Strategy. It is anticipated that the Evaluation will include the need to contact/liase with Members of the Local Action Group and Joint Council Committee, representatives from the Partner Councils, other Programme partners and a sample of Project Promoters (i.e. recipients of the grant aid).

Review of effectiveness

The Joint Committee had 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 Joint Committee's Officers, who have responsibility for supporting the Committee in the development and maintenance of the governance environment and also by recommendations made by auditors from the Managing Authority, the Audit Authority and other external auditors.

Overall control of the governance framework and system of internal controls is the responsibility of the Joint Committee. Regular meetings, policy documents and periodic progress reports enabled the Joint Committee to examine and evaluate the progress made and address issues affecting the implementation of the JC Plan.

The Chief Executive for the Lead Council has responsibility for the preparation of this Annual Governance Statement, as well as the Lead Partner Assurance Statement for submission to DARD, as the Managing Authority. In preparing this statement, he has considered the governance framework and system of internal controls in place.

In undertaking this review account has been taken of Guidance on the Local (Accounts and Audit) (Amendment) Regulations (Northern Ireland) 2006 issued by the Department of the Environment in February 2008. The Chief Executive of Omagh District Council led the Council's Senior Management Team to collectively have involvement in and oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework, this includes the delivery of the Council's responsibilities as Lead Council for ARC north west. Progress on the implementation of the JC Plan and issues arising were reviewed and reported to the Lead Partner Council by way of Council reports.

In producing this statement, full regard has been made to Omagh District Council's Corporate Risk Register and to Statements of Assurance provided by each Director to the Chief Executive for the year ended 31st March 2015.

Internal Audit services are provided to the Lead Council by Moore Stephens under contract. Internal Audit provides an independent opinion on the adequacy and effectiveness of the Council's system of internal control. This extends to reviewing the arrangements in place for JC Projects, which will be reviewed on a periodic basis as part of an on-going programme of work. Internal Audit reports any deficiencies in internal control to Senior Management Team whose responsibility it is to consider any recommendations made and to take necessary remedial action. The results of the work of Internal Audit are also reported to the Lead Council's Audit Committee at least four times each year to ensure that continuous improvements take place. These reports to Audit Committee include a follow-up report to ensure that actions previously agreed by the Management Team are implemented on a timely basis.

ARC North West Rural Development Joint Committee

Financial Statements

For the year ended 31st March 2015

The Lead Council undertook an annual review of the effectiveness of Internal Audit in line with the requirements of the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006. This review proved satisfactory.

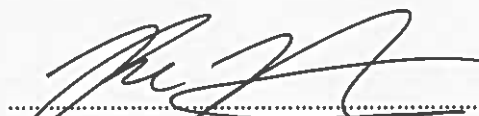
The Chief Executive for the Lead Council has advised the Joint Committee of the results and implications of the review of the effectiveness of the governance framework.

On-going review and update of the governance framework and internal controls ensured continual improvement and a robust governance framework.

Significant governance issues

The Northern Ireland Rural Development Programme (NIRDP) 2007-2013 will finish in 2015 (post 31 March 2015). It is anticipated that the Northern Ireland Rural Development Programme (NIRDP) 2014-2020 will commence during 2015. The role of the Joint Committee established as part of the governance structures for the NIRDP 2007-2013 will cease on 31 March 2015 and that there will be no Joint Committee for the NIRDP 2014-2020. The final accounts for the NIRDP 2007-2013 Joint Committee comprising the Council areas of Derry, Limavady, Omagh and Strabane will therefore be for the 2015/16 financial year and will cover any payments made post 31 March 2015.

Signature


.....
Chief Financial Officer

Date

14th October 2015

Signature


.....
Chairperson of the Policy & Resources Committee

Date

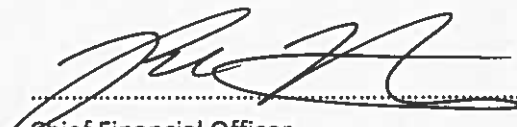
14th October 2015

Certificate of the Chief Financial Officer

I certify that :-

- a) The Statement of Accounts for the financial period ended 31st March 2015 on pages 3 to 24 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on page 19.
- b) In my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

Signature


.....
Chief Financial Officer

Date

14th October 2015

Certificate of Joint Committee Approval of Statement of Accounts

These financial statements were approved by resolution of the Joint Council Committee on 23 June 2015.

They have been subsequently amended for the non-material items referred to in the Accounts Authorised for Issue Certificate at Page 24.

Signature


.....
Chairperson of the Policy & Resources Committee

Date

14th October 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSISTING RURAL COMMUNITIES NORTH WEST JOINT COMMITTEE

I have audited the financial statements of Assisting Rural Communities North West Joint Committee for the year ended 31 March 2015 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement, and the related notes. The financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the Members of Assisting Rural Communities North West Joint Committee in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities. Under the transitional arrangements set out in the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations Northern Ireland) 2014, the Fermanagh and Omagh District Council takes responsibility for the financial statements of the Assisting Rural Communities North West Joint Committee.

Respective responsibilities of the Chief Financial Officer and the independent auditor

As explained more fully in the Statement of Joint Committee's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year. My responsibility is to audit the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Assisting Rural Communities North West Joint Committee's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Assisting Rural Communities North West Joint Committee; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Statement of Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15, of the financial position of Assisting Rural Communities North West Joint Committee as at 31 March 2015 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 and the Department of the Environment directions issued thereunder.

Opinion on other matters

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

Matters on which I report by exception

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

- The Annual Governance Statement:
 - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15;
 - does not comply with proper practices specified by the Department of the Environment; 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 Assisting Rural Communities North West Joint Committee in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.



Louise Mason

Local Government Auditor

Northern Ireland Audit Office

106 University Street

Belfast

BT7 1EU

 October 2015

Movement in Reserves Statement

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

Comprehensive Income and Expenditure Statement

	Notes	2014/15 £	2013/14 £
Income			
Government Grant	2 & 3	290,868	400,611
Total Income		<u>290,868</u>	<u>400,611</u>
Expenditure			
Staff Costs	5	229,608	335,617
Committee Member Costs		2,216	4,726
Premises Costs		21,698	21,822
Supplies and Services		1,976	2,634
Travel and Subsistence Costs		8,807	13,986
Administration Costs		26,563	21,826
		<u>290,868</u>	<u>400,611</u>
 Other Comprehensive Income and Expenditure		 0	 0
Total Comprehensive Income and Expenditure		<u>0</u>	<u>0</u>

Balance Sheet

		2015	2014
	Notes	£	£
Long Term Assets		0	0
Short Term Investments		0	0
Inventories		0	0
Short Term Debtors	6	102,390	144,595
Cash and Cash Equivalents		0	0
Assets Held for Sale		0	0
Current Assets		102,390	144,595
Bank Overdraft		0	0
Short Term Borrowing		0	0
Short Term Creditors	7	102,390	144,595
Provisions		0	0
Current Liabilities		102,390	144,595
Long Term Liabilities		0	0
Net Assets		0	0
Usable Reserves		0	0
Unusable Reserves		0	0
Net Worth		0	0

Cash Flow Statement

	2014/15	2013/14
	£	£
Net (surplus) or deficit on the provision of services	0	0
Adjustments for items included in the net surplus or deficit on the provision of services that are investing	8	0
Net Cash Flows from Operating Activities	0	0
Net Cash Flows from Investing Activities	0	0
Net Cash Flows from Financing Activities	0	0
Net increase / (decrease) in cash and cash equivalents	0	0
Cash and Cash Equivalents at the beginning of the reporting period	0	0
Cash and Cash Equivalents at the end of the reporting period	0	0

1 Accounting Policies**General Principles**

The Financial Statements summarise the Joint Committee's transactions for the 2014/15 financial year and its position at the end of 31st March 2015. The Joint Committee is required to prepare annual Financial Statements in a form directed by the Department of the Environment in accordance with regulations 4 (1) and (2) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and the Service Reporting Code of Practice 2014/15 supported by International Financial Reporting Standards (IFRS).

Accruals of Income and Expenditure

The Financial Statements have been prepared on an accruals basis. The accruals basis of accounting requires the non-cash effect of transactions to be reflected in the Financial Statements for the year in which those effects are experienced and not in the year in which the cash is actually received or paid. This ensures that provision has been made for known outstanding debtors and creditors at the year end, estimated amounts being used where actual figures are not available.

Cash and Cash Equivalents

ARC north west does not have its own bank account. All transactions were processed through Omagh District Council. The Joint Committee have their own cost codes so that all income and expenditure is properly recorded and accounted for.

Employee Benefits

All costs in relation to short term employee benefits, termination benefits and post employment benefits reside with the employer Council of each staff member rather than with the Joint Committee.

Events After the Balance Sheet Date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events

- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

The financial statements may subsequently be adjusted up to the date when they are authorised for issue. This date will be recorded on the financial statements and is usually the date the Local Government Auditor issues his certificate and opinion. Where material adjustments are made in this period they will be disclosed.

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 Segmental Report

	2014/15	2013/14
	£	£
Government Grants	290,868	400,611
Total Income	290,868	400,611
Staff Costs	229,608	335,617
Committee Member Costs	2,216	4,726
Premises Costs	21,698	21,822
Supplies and Services	1,976	2,634
Travel and Subsistence Costs	8,807	13,986
Administration Costs	26,563	21,826
Total Expenditure	290,868	400,611
Total Comprehensive Income and Expenditure	0	0

ARC North West Rural Development Joint Committee

Financial Statements

For the year ended 31st March 2015

3 Government Grants	2014/15	2013/14
	£	£
Rural Development	290,868	400,611
	<u>290,868</u>	<u>400,611</u>
4 External Audit Fees	2014/15	2013/14
	£	£
External Audit Fees	3,500	3,264
	<u>3,500</u>	<u>3,264</u>
5 Staff Costs	2014/15	2013/14
	£	£
Salaries	143,078	248,419
National Insurance	10,819	18,096
Pension Costs	29,667	45,701
Agency Staff Costs	46,043	23,401
	<u>229,608</u>	<u>335,617</u>
	2014/15	2013/14
	FTE	FTE
Total Staff Numbers	8	12
	Actual Numbers	Actual Numbers
Full-time numbers employed	9	19
Part-time numbers employed	2	0
Agency Staff numbers	5	3
	<u>16</u>	<u>22</u>
6 Short Term Debtors	2015	2014
	£	£
Government Departments	100,811	144,513
Prepayments	1,579	82
	<u>102,390</u>	<u>144,595</u>
7 Short Term Creditors	2015	2014
	£	£
Councils	89,576	137,927
Trade Creditors	7,735	1,611
Receipts in Advance	1,579	82
Other	3,500	4,975
	<u>102,390</u>	<u>144,595</u>

8	Cash Flow Note – Analysis of Adjustments to Surplus/Deficit on the Provision of Services	Note	2014/15 £	2013/14 £
	(Increase) / decrease in debtors	6	42,206	47,257
	Increase / (decrease) in creditors	7	(42,206)	(47,257)
			0	0

9 Beneficiary Payments

During the year ended 31 March 2015, total project spend recommended by the Joint Council for payment by DARD to beneficiaries amounted to £4.74m with a further £0.44m expected to be paid in relation to costs incurred by promoters during the year for which claims are outstanding or in progress.

Measure	2014/15 £	2013/14 £
3.1: Diversification into Non Agricultural Activities	872,030	494,991
3.2: Business Creation and Development	478,829	466,822
3.3: Encouragement of Tourism Activities	223,698	97,982
3.4: Basic Services for the Economy and Rural Population	1,499,919	2,426,837
3.5: Village Renewal and Development	1,877,952	290,251
3.6: Conservation and Upgrading of Rural Heritage	235,664	37,793
	5,188,092	3,814,676

10 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 the Joint Committee 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 the Joint Committee and Trade Unions in the course of their normal dealings with the Joint Committee.

In addition where the relationship with the Joint Committee and the entity 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:

Members have direct control over the Joint Committee's financial and operating policies. In the 2014/15 financial year the Joint Committee did not commission any works and services from companies in which Members have an interest.

Members of both the Local Action Group and Joint Committee annually complete a Statement of Conflict of Interest and Declaration in which they document any organisations they are involved in. In organising assessment panels, care is taken to ensure no Members are involved in assessing projects in which they hold an interest. At Joint Committee meetings, Members must disclose at the outset of the meeting if they have an interest in any projects which are to be discussed.

During 2014/15 a total of £613k has been paid in grant funding to organisations in which Members hold an interest. This excludes amounts paid to Councils which is disclosed below.

Organisation Name	Amount Funded
Aghyaran Development Association CIC	50,000
Burnfoot Community Development	49,884
Claudy Parish Community Group	184,331
Feeny Community Association	169,713
Gortnaghey Community Association	11,146
Greencastle St Patricks GFC	118,658
RAPID	29,744

Related Party

Cllr K Maguire

Cllr G Mullan

J McColgan

Cllr T McCaul

Cllr G Mullan

M Clarke

Cllr B Stevenson, Cllr H Hastings, Cllr
P Fleming, J McColgan, C Lynch

Total	613,475
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ARC north west Joint Committee uses Omagh District Council to finance its activities. At 31 March 2015, Omagh District Council was owed a balance of £89,575 (2014: £137,927) in relation to the administration funding for 2014/15.

During 2014/15 a total of £1.6m was paid to Partner Councils for project funding. ARC north west did not reimburse partner Councils for any other administration costs in the 2014/15 year.

	Project Funding (£)	Related Party
Derry City Council	577,271	Cllr B Stevenson, Cllr P Fleming, Cllr H Hastings, Cllr G Middleton
Limavady Borough Council	11,363	Cllr B Chivers, Cllr D Nicholl, Cllr G Mullan, Cllr T McCaul
Omagh District Council	465,221	Cllr A Rainey, Cllr C Chittick, Cllr F Donnelly, Cllr P McDonnell
Strabane District Council	595,004	Cllr D Hussey, Cllr K Maguire, Cllr P Kelly, Cllr J Donnell, Cllr A Bresland
Total	1,648,859	

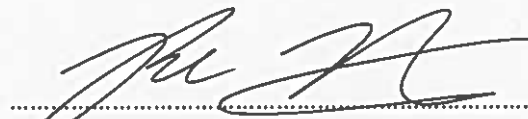
Accounts Authorised for the Issue Certificate

In accordance with International Accounting Standard (IAS10), this Statement of Accounts which contains amendments which are not material from the Accounts approved on 23/06/15 is 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


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Chief Financial Officer

Dated:

14th October 2015