

AUDITED ANNUAL FINANCIAL STATEMENTS

**Fermanagh and Omagh District Council
For the period ended 31st March 2015**

Fermanagh and Omagh District Council
Audited Financial Statements for the period ended 31st March 2015

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Fermanagh and Omagh District Council
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Explanatory Foreword

Introduction

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

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

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

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

Financial Report

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

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

The Financial Statements explain the New Council's finances during the financial period ended 31st March 2015 and its financial position at the end of that period.

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The following statements provide further information:

- The Movement in Reserves Statement, as set out on page 14 shows the movement in the period on the reserves held by the New Council.
- The Comprehensive Income and Expenditure Statement, as set out on page 15, shows the income earned and the expenditure incurred during the period by the New Council in accordance with generally accepted accounting practices. This includes details of funding received from Government bodies and Predecessor Councils, together with details of administrative expenditure incurred by the New Council.
- The Balance Sheet, as set out on page 16, shows the value as at the Balance Sheet date of the New Council's assets and liabilities. The net assets of the New Council (assets less liabilities) are matched by the reserves held by the New Council.
- The Cash Flow Statement, as set out on page 17, shows the changes in cash and cash equivalents of the New Council during the reporting period. The statement shows how the New Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

For the period ended 31st March 2015 the New Council accounted for grant income of £568,467, Predecessor Council contributions of £1,229,068 and incurred total costs of £1,709,600. The financial activities of the New Council are wholly funded by Government Bodies and the Predecessor Councils, and as such did not show a deficit for the period.

Post Balance Sheet Events

From 1st April 2015, Predecessor councils cease to exist and their functions and balances transferred to the New Council.

On this date, Central Government have also transferred specified services/functions to the New Council.

Legislative Context for Preparation and Audit of the Financial Statements

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

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

Article 24 of the Local Government (Northern Ireland) Order 2005 provides that the Department may, by regulations, provide for the Statement of Accounts to be in a form directed by the Department. In this regard the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 were made on 7 March 2006.

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

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

The New Council's Responsibilities

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 a Council shall make arrangements for the proper administration of its financial affairs. A council shall designate an officer of the council as its Chief Financial Officer (CFO). Arrangements made by a council for the proper administration of its financial affairs shall be carried out under the supervision of its Chief Financial Officer.

Under Regulation 5 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 the New Council (or a committee thereof) is required by resolution to approve the accounts.

These accounts were approved by the Policy and Resources Committee of Fermanagh and Omagh District Council on 23rd June 2015.

The Chief Financial Officer's Responsibilities

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

The accounts must give a true and fair view of the income and expenditure for the financial period and the financial position as at the end of the financial period.

In preparing this Statement of Accounts, the Chief Financial Officer is required to:

- observe the Accounts Direction issued by the Department of the Environment;
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis; and
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:

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

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

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

Fermanagh and Omagh District Council

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Governance Statement

Introduction

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

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

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

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

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

The Governance Framework

A governance framework, based on the six principles set out in CIPFA/SOLACE 'Delivering Good Governance in Local Government' guidance has been in place at the New Council for the financial period ended 31 March 2015 and up to the date of approval of the Financial Statements. During this period the new Council relied on the governance arrangements in place at Fermanagh District Council, in its role as Administrative Council for financial purposes.

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the New Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Chief Executive for the New Council has responsibility for maintaining a system of sound internal controls and risk management processes to support the New Council in the achievement of its objectives, and for reviewing their effectiveness. The systems of controls are based on a continual process designed to identify the principal risks to the achievement of the project objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

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This section provides a summary of the key elements of the systems and processes that comprise the New Council's governance arrangements.

The New Council during the shadow period is responsible for the preparation of the Statutory Transition Committee (STC) accounts and should comply with all related legislation in respect of the STC accounts, including their publication. Regulation 11 of the 2014 Regulations provide that a new council shall designate an officer of the Council as having responsibility for the winding-up of the predecessor councils in the form directed by the Department under regulation 4 of the 2006 Regulations.

Arrangements for identifying and communicating the New Council's vision of its purpose and intended outcomes for citizens and service users

Good Governance Guidance states that 'Local Government bodies need to develop and articulate a clear vision of their purpose and intended outcomes for citizens and service users that is clearly communicated, both within the organisations and to external stakeholders'. To facilitate this, a one year corporate plan was introduced for the New Council period during which time a Corporate Plan for 2015-2019 was also developed. This has been subsequently agreed, post 1st April 2015, and is currently available to the public (and all interested parties) on request and via the Council's website.

Arrangements for reviewing the New Council's vision and its implications for the New Council's governance arrangements

Progress made against the New Council's Corporate Plan was monitored on an ongoing basis through programme management process. The Corporate Plan 2015-2019 will be reviewed on a regular basis through the Council's performance management process and will be formally reported upon by way of periodic progress reports, interim reports and final reports to the relevant Council Committees.

Arrangements for defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

The Northern Ireland Local Government Code of Conduct for councillors came into force on 28th May 2014. All elected members signed up to the Code of Conduct during the New council period. The New Council had governance arrangements in place for the period ended 31st March 2015, based on the six principles set out in the CIPFA/SOLACE 'Delivering Good Governance in Local Government: a Framework'. During the shadow period reliance was placed on the Audit Committee of Fermanagh District Council, as Administrative Council for financial purposes. Job descriptions and specifications were developed for all staff which clearly define and document their roles and responsibilities. The Council has introduced a committee style of governance and decision making together with an Audit Panel with and agreed Terms of Reference. Appropriate meetings take place for effective communication. Post 1st April 2015 a scheme of delegation has been agreed and this is published in the New Council's constitution which is available on the website.

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

All employees have a Contract of Employment and must follow a Code of Conduct as well as Member/Officer Protocol. For those employees who were seconded to the New Council the relevant Contract of Employment was that of the relevant legacy Council. During the shadow period reliance was placed on policies and procedures of the legacy Councils. All policies and procedures are communicated to employees through induction and other on-going training initiatives. A range of policies and procedures have also been developed, which are subject to on-going review and include the standards of behaviour expected from all members and employees. The behaviour, standards and ethics expected of members are outlined in the Code of Conduct for Councillors issued by the Department of the Environment.

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Arrangements for reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks

Interim Standing Orders have been agreed and introduced both for the New Council period and for the the period post 1st April 2015. These will be subject to review once the new Regulations are introduced. Financial procedures were also agreed by the New Council. The Council's Policy & Resources Committee has responsibility for ongoing review of Standing Orders. All of this information is available through the new Council's Constitution which is also subject to ongoing review. The Constitution is published on the Council's website.

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

During the shadow period reliance was placed on the Audit arrangements of Fermanagh District Council as the lead Administrative Council for financial matters. An Audit Panel is in place effective from 1st June 2015 whose overall purpose and objective is to assist Council in fulfilling its oversight responsibilities. The Audit Panel, which will meet at least four times each year, has responsibility for reviewing:

- The system of internal control and management of risks;
- The financial reporting process;
- The internal and external audit process;
- Council's processes for monitoring compliance with laws and regulations; and
- Council's processes for monitoring compliance with its own Standing Orders, policies and procedures.

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

The Council regularly reviews progress made and issues arising by way of periodic progress reports, interim reports and final reports regarding compliance with relevant laws and regulations, internal policies and procedures and ensuring lawful expenditure. The New Council also placed reliance on procedures adopted by the Administrative Council to ensure compliance in this regard.

In the shadow period, whilst the Council utilised the financial expertise, systems and controls of the administrative council, it retains responsibility for ensuring that these are appropriate.

To facilitate risk management, a Corporate Risk Register was developed during the New Council period which was subject to review and updates during the year.

The Council has access to specialist legal advisors to provide expertise, advice and guidance as required.

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

During the shadow period reliance was placed on the fraud and corruption policy of the Administrative Council which reflects the Bribery Act and sets out whistle-blowing arrangements. A Fraud and Corruption Policy was developed by the New Council post April 2015.

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

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

During the shadow period reliance was placed on the procedures adopted by the Administrative Council to identify the development needs of members and senior officers during the transitional period.

Fermanagh and Omagh District Council

Audited Financial Statements for the period ended 31st March 2015

Review of effectiveness

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

The New Council has responsibility for conducting a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness was informed by the work of the New Council's Officers, who have responsibility for supporting the Committee in the development and maintenance of the governance environment and also by recommendations made by Internal Audit of the Administrative Council. Progress on the implementation of the New Council's Corporate Plan and issued arising were reviewed and reported to Councillors by way of Committee/Council reports.

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

In producing this statement, full regard has been made to the Fermanagh District Council's Corporate Risk Register, Statements of Assurance provided by each Director. The Administrative Council also undertook a review of the effectiveness of Internal Audit during the period in line with the requirements of the Public Sector Internal Audit Standards. This review proved satisfactory.

The Chief Executive of the New Council will be advised on the implications of the result of the review of effectiveness of the governance framework and if necessary, a plan to address weaknesses and ensure continuous improvement of the system will be put in place.

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

Significant governance issues

There were no significant governance issues noted

Fermanagh and Omagh District Council

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Local Government Reform

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

From 1st April 2015, under the Reform of Local Government, the number of Councils in Northern Ireland reduced from 26 Predecessor to 11 New Councils. From that date the Northern Ireland Executive agreed to transfer some functions currently carried out by NI Government Departments and give some new responsibilities to the 11 New Councils. The New Councils will be stronger, more efficient and will deliver more effective services.

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

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

Signature 
Chief Financial Officer of Fermanagh and Omagh District Council

Date 14th October 2015

Signature 
Chairperson of Fermanagh and Omagh District Council Policy and Resources Committee

Date 14th October 2015

Fermanagh and Omagh District Council
Audited Financial Statements for the period ended 31st March 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 14 to 24 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 give a true and fair view of the income and expenditure and cash flows for the financial period and the financial position as at the end of the financial period ended 31st March 2015.

Signature



Chief Financial Officer of Fermanagh and Omagh District Council

Date

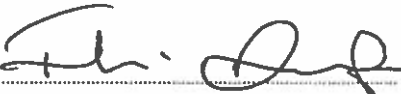
14th October 2015

Certificate of the Chairman of the Policy and Resources Committee Approval of Statement of Accounts

These financial statements were approved by the Policy and Resources Committee of Fermanagh and Omagh District Council on the 23 June 2015.

They have been subsequently amended for the non-material items referred to in the Accounts Authorised for Issue Certificate at page 25.

Signature



Chairperson of Fermanagh and Omagh District Council Policy and Resources Committee

Date

14th October 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FERMANAGH AND OMAGH DISTRICT COUNCIL

I have audited the statement of accounts of Fermanagh and Omagh District Council for the period ended 31 March 2015 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and the related notes. The statements of account have been prepared under the accounting policies set out within them.

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

Respective responsibilities of the Chief Financial Officer and the independent auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Fermanagh and Omagh District Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Fermanagh and Omagh District Council; 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, of the financial position of Fermanagh and Omagh District Council as at 31 March 2015 and its income and expenditure for the period then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 and the Department of the Environment directions issued thereunder.

Opinion on other matters

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

Matters on which I report by exception

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

- The Governance Statement:
 - does not comply with proper practices specified by the Department of the Environment; or
 - is misleading or inconsistent with other information I am aware of from my audit; or
- adequate accounting records have not been kept; or
- the Statement of Accounts is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

Certificate

I certify that I have completed the audit of accounts of Fermanagh and Omagh District Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.



Louise Mason

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

22 October 2015

Fermanagh and Omagh District Council
Audited Financial Statements for the period ended 31st March 2015

Movement in Reserves Statement

	<i>Notes</i>	Total Usable Reserves £	Total Unusable Reserves £	Total Reserves £
At 26th May 2014		-	-	-
Movement in reserves during the year				
Surplus on the provision of services		87,935	-	87,935
Other comprehensive income and expenditure		-	-	-
Total comprehensive income and expenditure		87,935	-	87,935
Adjustment between Accounting and Funding basis	11	42,763	(42,763)	-
At 31st March 2015		130,698	(42,763)	87,935

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

	<i>Notes</i>	2014/15 £
Income		
Income from Predecessor Councils	3	1,229,068
Government Grants	4	568,467
Total Income		<u>1,797,535</u>
Expenditure		
Members Costs	5	460,688
Staff Costs	6	550,497
Other Expenditure	7	698,415
Total Expenditure		<u>1,709,600</u>
Surplus on the provision of services		<u>87,935</u>
Other Comprehensive Income and Expenditure		-
Total Comprehensive Income and Expenditure		<u>87,935</u>

Fermanagh and Omagh District Council

Audited Financial Statements for the period ended 31st March 2015

Balance Sheet as at 31st March 2015

	<i>Notes</i>	£
Short Term Debtors	8	1,317,003
Current Assets		<hr/> 1,317,003
Short Term Creditors	10	1,229,068
Current Liabilities		<hr/> 1,229,068
Net Assets		<hr/> 87,935
Usable Reserves	11	130,698
Unusable Reserves	11	(42,763)
Net Worth		<hr/> 87,935

Fermanagh and Omagh District Council
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Cash Flow Statement for the period ended 31st March 2015

	<i>Notes</i>	2014/15
		£
Surplus on the provision of services		87,935
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	12	(87,935)
Net Cash Flows from Operating Activities		0
Net Cash Flows from Investing Activities	12	-
Net Cash Flows from Financing Activities	12	-
Net increase / (decrease) in cash and cash equivalents		0
Cash and Cash Equivalents at the beginning of the reporting period		-
Cash and Cash Equivalents at the end of the reporting period	9	0

Fermanagh and Omagh District Council

Audited Financial Statements for the period ended 31st March 2015

1 Accounting Policies

General Principles

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

Accruals of Income and Expenditure

The Financial Statements have been prepared on an accruals basis. The accruals basis of accounting requires the non-cash effect of transactions to be reflected in the Financial Statements for the 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 period end, estimated amounts being used where actual figures are not available.

Fermanagh and Omagh District Council
Audited Financial Statements for the period ended 31st March 2015

2 The Segmental Report

2014/15

		DOE Funding	Predecessor Council Funding	Total
		£	£	£
Income from Predecessor Councils	3	-	1,229,068	1,229,068
Government Grants	4	568,467	-	568,467
Other Income		-	-	-
Total Income		568,467	1,229,068	1,797,535
Member Costs	5	450,120	10,568	460,688
Staff Costs	6	37,847	512,650	550,497
Capacity Building	7	80,500	5,746	86,246
Branding	7	-	41,276	41,276
ICT convergence	7	-	447,746	447,746
ICT Support and Data Costs	7	-	43,018	43,018
Audit fee	7	-	6,000	6,000
Running costs	7	-	24,168	24,168
Travel expenses	7	-	22,593	22,593
Advertising and Awareness	7	-	15,461	15,461
Other Costs	7	-	11,907	11,907
Total Expenditure		568,467	1,141,133	1,709,600
Surplus on the provision of services		-	87,935	87,935

Fermanagh and Omagh District Council
Audited Financial Statements for the period ended 31st March 2015

		2014/15
3	Income from Predecessor Councils	£
	Fermanagh District Council	675,987
	Omagh District Council	553,081
		<u>1,229,068</u>
		2014/15
4	Government Grants	£
	Member Costs	450,120
	Capacity Building	80,500
	Change Management (Staff Costs)	37,847
		<u>568,467</u>
		2014/15
5	Members Costs	£
	Members basic allowances	313,492
	Presiding and Deputy Presiding Councillor's allowances	24,000
	Special responsibility allowances	11,250
	Dependents' carers allowances	335
	Employer costs	74,738
	Travel and Subsistence costs	36,073
	Miscellaneous costs	800
		<u>460,688</u>
		2014/15
6	Staff Costs	£
	Gross salaries	424,477
	Employer's national insurance	41,811
	Employer's superannuation	84,209
		<u>550,497</u>

Fermanagh and Omagh District Council
Audited Financial Statements for the period ended 31st March 2015

	2014/15
	FTE
Total Staff Numbers	10
	Actual Numbers
Full-time numbers employed	13
Part-time numbers employed	5
	<hr/> 18 <hr/>
	2014/15
	Actual Numbers
Senior Employee's Remuneration	2
£50,001 to £60,000	-
£60,001 to £70,000	-
£70,001 to £80,000	4
£80,001 to £90,000	-
£90,001 to £100,000	1
£100,001 to £110,000	-
£110,001 to £120,000	-
£120,001 to £130,000	-
	<hr/> 7 <hr/>
	2014/15
7 Other Expenditure	£
Capacity Building	86,246
Branding	41,276
ICT convergence	447,746
ICT Support and Data Costs	43,018
Audit fee	6,000
Running costs	24,168
Travel expenses	22,593
Advertising and Awareness	15,461
Other Costs	11,907
	<hr/> 698,415 <hr/>

Fermanagh and Omagh District Council
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	31st March 2015
8	£
Short Term Debtors	
Predecessor Councils	1,229,068
Prepayments	87,935
	<u>1,317,003</u>
	31st March 2015
9	£
Cash and Cash Equivalents	
The balance of Cash and Cash Equivalents is made up of the following elements:	
Cash and Bank Balance	-
Bank Overdraft	-
	<u>-</u>
	31st March 2015
10	£
Short Term Creditors	
Predecessor Councils	856,193
Accruals	330,112
Accumulated Absences	42,763
	<u>1,229,068</u>

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31st March 2015

11 Reserves	Usable reserves	Unusable reserves		Total
	General fund	Capital adjustment account	Accumulated Absences Reserve	
	£	£	£	£
Opening reserve balances at 26th May 2014	-	-	-	-
Surplus on the provision of services	87,935	-	-	87,935
Adjustment for depreciation of fixed assets	-	-	-	-
Capitalisation Direction/ REFCUS	-	-	-	-
Accumulated Absences	42,763	-	(42,763)	-
Closing reserve balances at 31st March 2015	130,698	-	(42,763)	87,935

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12	Cash Flow Note	2014/15
	Adjustment to deficit on the provision of services for non cash movements	£
	Increase in Inventories	-
	Increase in debtors	(1,317,003)
	Increase in creditors	1,229,068
	Total adjustments for non cash movements	(87,935)
		2014/15
	Cash flows from operating activities include:	£
	Interest received	-
	Interest paid	-
	Total adjustments for investing activities	-
	Total adjustments for financing activities	-

13 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 New Council or the Government of which it forms part.

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

In addition where the relationship with the New Council and the entity is solely that of an Agency, these are not deemed to be Related Party Transactions.

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

During the financial year 2014/15 Fermanagh District Council and Omagh District Council, in compliance with Regulation 4(5) of the Local Government (Transitional, Supplementary and Incidental Provisions and Modification) Regulations (Northern Ireland) 2014, provided the New Council with suitable accommodation, administrative staff and support, facilities and financial management necessary to carry out their duties in an effective manner, at no cost. This included the use of the two council chambers of the predecessor Councils on a rota basis to hold meetings and also the provision of administrative and financial management staff.

Both Fermanagh District Council and Omagh District Council incurred costs on behalf of the New Council. Actual expenditure totalled £1,754,772 and the net contributions to the new Council from Fermanagh District Council and Omagh District Council were £675,987 and £553,081 respectively (as per note 3).

Fermanagh and Omagh District Council

Audited Financial Statements for the period ended 31st March 2015

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 which contains a number of minor amendments from the Accounts approved on 23rd June 2015 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


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Chief Financial Officer

Dated

14th October 2015

