



Northern Ireland Audit Office

Our purpose ...

Promoting better use of public money, through independent professional scrutiny, underpinned by our commitment to:

- Integrity
- Equality
- Openness
- Innovation

To make a difference for the people of Northern Ireland.

The Local Government (Northern Ireland) Order 2005 provides that the Department of the Environment may, with the consent of the Comptroller and Auditor General, designate persons who are members of the Northern Ireland Audit Office as Local Government Auditors. Louise Mason, Assistant Auditor General, is the designated Local Government Auditor for all local government bodies in Northern Ireland.

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CAUSEWAY COAST & GLENS STATUTORY TRANSITION COMMITTEE

AUDIT OF 2014-15
STATEMENT OF ACCOUNTS

REPORT TO THOSE CHARGED WITH
GOVERNANCE

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Introduction

1. This report summarises the key matters arising from our audit of the Causeway Coast & Glens Statutory Transition Committee 2014-15 financial statements for the benefit of those charged with governance¹. The Causeway Coast & Glens Borough Council is responsible for winding up the Statutory Transition Committee which ceased to exist on 19 June 2014 following election of the new shadow Council.
2. The examination of the 2014-15 financial statements was undertaken in accordance with auditing standards issued by the Auditing Practices Board (APB), taking into account Practice Note 10 (Revised); Audit of Financial Statements in Public Sector Bodies in the United Kingdom and the Code of Audit Practice.
3. Our prior consent should be sought before any distribution of this Report (including web publication) either in full or in part is made. The Northern Ireland Audit Office (NIAO) does not accept responsibility to any third party for losses arising from reliance being placed on this report.
4. In accordance with regulation 6 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006, the audited body shall as soon as reasonably possible after the conclusion of an audit, and in any event before 31 October immediately following the end of the financial year, publish its financial statements including the audit report. If the audit has not been completed by 31 October the unaudited financial statements should be published together with an explanation as to why the local government auditor has not given an audit opinion. When publication of the accounts is made via the website the published accounts should be in pdf format and be an exact copy of the audited accounts or in the event of the audit not being finalised by 31 October, the unaudited accounts presented to audit. Responsibility for thoroughly proofing these documents rests with Causeway Coast & Glens Borough Council. Our approval is required prior to publication and a copy of the document to be published should therefore be sent to us in advance for our consideration.
5. In addition, after the conclusion of the audit the Council shall then place an advertisement stating, in line with regulation 12 Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006, that the audit has been concluded and that the financial statements are publically available. A copy of the paper(s) incorporating this advertisement should be sent to our office within a week of the advertisement being made.

Actions for those charged with governance

6. Those charged with governance are invited to review the findings set out in this report, including the draft letter of representation and audit report included in Annex A and Annex B respectively.

Status of audit

7. Our audit is now complete and the Local Government Auditor certified the accounts on 23rd October 2015.

Overall conclusion and opinion

8. The Local Government Auditor provided her audit opinion in the format set out in Annex B – Audit Report. The audit report includes an opinion as to the truth and fairness of the financial statements and that certain information given in the Explanatory Foreword is consistent with the financial statements.
9. The Local Government Auditor certified the 2014-15 financial statements with an unqualified audit opinion, without modification.

Audit judgements

10. No significant audit judgements were made in reaching our audit opinion.

¹ In accordance with ISA 260, those charged with governance are those individuals accountable for ensuring that the entity achieves its objectives, with regard to reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws, and reporting to interested parties.

Audit Risks

11. We did not identify any significant risks during the course of the audit.

Audit findings

12. In Section 2 we outline the quality, effectiveness and transparency of Causeway Coast & Glens Statutory Transition Committee's financial reporting and its accounting policy selection, and our audit findings including any issues identified relating to regularity and the internal control environment.
13. No issues were identified on the quality, effectiveness and transparency of financial reporting and accounting.
14. The accounting policies were considered appropriate.
15. There were no significant issues identified regarding regularity.
16. We identified no significant internal control weaknesses².
17. Further issues of interest are set out in the Other Matters of Governance Interest section.

Identified misstatements

18. Misstatements identified during the course of the audit have been amended for the final accounts.
19. We made a number of suggestions to improve narrative disclosures and to ensure completeness of the disclosures required under the Accounts Direction for Statutory Transition Committees.

² In accordance with ISA 265, it is the auditor's responsibility to communicate appropriately to those charged with governance and management, deficiencies in internal control identified in an audit of financial statements that, in the auditor's professional judgement, are of sufficient importance to merit their respective attentions.

Section 1

Audit Findings

Financial Reporting and Accounting Policies

- 1.1 The Financial Statements are required to comply with the Accounts Direction issued by the Department of the Environment.
- 1.2 In this section we draw to your attention our review of qualitative aspects of the accounting practices and financial reporting. This includes any significant changes or issues in respect of the accounting policies; estimates; judgements and the adequacy of disclosures affected by unusual or non-recurring transactions recognised during the period. We also review the overall balance and clarity of information contained in the Explanatory Foreword.
- 1.3 We are content with the quality, effectiveness and transparency of financial reporting and accounting. We are content with the appropriateness of the accounting policies judged against the objectives of relevance, reliability, comparability and understandability.
- 1.4 We are content with the appropriateness of accounting estimates and judgements made to support the disclosures in the financial statements.

Review of information in the Explanatory Foreword

- 1.5 We review information in the Explanatory Foreword only to the extent that we confirm it is consistent with the financial statements and our understanding of the business. Except as noted in the audit opinion, the Explanatory Foreword is not subject to our audit opinion.
- 1.6 The Explanatory Foreword was considered to be consistent with our understanding of the business, and was in line with the other information provided in the financial statements.

Internal Control

- 1.7 We have reviewed the Governance Statement and in our opinion, it fairly reflects our understanding of the state of internal control systems within the entity during the year.

Observations & Recommendations

- 1.8 This section outlines the findings arising from our audit, as well as management's response and target date for implementation to these recommendations.

There were no significant, important or best practice findings arising from our audit.

- 1.9 Our procedures included a review of the internal controls and accounting systems and procedures only to the extent considered necessary for the effective performance of the audit. Audit findings and observations therefore should not be regarded as representing a comprehensive statement of all the weaknesses which exist, or all improvements which could be made to the systems and procedures operated.

Section 2

Other Matters of Governance Interest

- 2.1 International Standard on Auditing 260 requires us to communicate with those charged with governance any other audit matters of governance interest. These include matters which have come to our attention which may present future risks, enhance overall governance or where those charged with governance might wish to seek assurance on controls and processes.

Fraud

- 2.2 We are required by Auditing Standards to report to you if we identify a fraud or obtain information that indicates that a fraud may exist. We found no such instances during our testing.
- 2.3 In addition, we are not aware of material weaknesses in the design or implementation of internal controls to prevent and detect fraud.
- 2.4 In the course of our audit we have not identified any suspected or non-compliance with the laws and regulations.

Going concern

- 2.5 The Causeway Coast & Glens Borough Council is responsible for winding up the Statutory Transition Committee which ceased to exist on 19 June 2014 following election of the new shadow Council.

Management of personal data

- 2.6 The Council is required to comply with the Data Protection Act 1998 in the handling and storage of personal data and those charged with governance should ensure they have made sufficient enquiries of management to form a view on whether there were any significant specific data incidents which should be disclosed in the Governance Statement. We are unaware of any data handling incidents during the year. Confirmation of this is sought within the letter of representation (Annex A).

Statement on personal data

- 2.7 During the course of our audit we have access to personal data to support our audit testing. We have established processes to hold this data securely within encrypted files and to destroy it where relevant at the conclusion of our audit. We can confirm that we have discharged those responsibilities communicated to you in accordance with the requirements of the Data Protection Act 1998.

Disagreements with management

- 2.8 There are no audit disagreements with management about matters that could be significant to the financial statements to report.

Co-operation with other auditors

Internal Audit

- 2.9 Although we have not placed specific reliance on the work of Internal Audit, we liaised with them and used their work to inform our audit approach.

Deficiencies in internal control

- 2.10 There were no significant deficiencies identified in internal control.

Independence, integrity & objectivity of auditors

- 2.11 The NIAO's policy to ensure independence, integrity and objectivity of our auditors was set out in our Audit Strategy. Overall, the threat to the audit arising from issues affecting our independence, integrity and objectivity is low, and the safeguards in place ensure that the likelihood of any impact is low.
- 2.12 We have complied with APB Ethical Standards and, in our professional judgement, we are independent and our objectivity is not compromised. There are no relationships between NIAO and the Causeway Coast & Glens Statutory Transition Committee that we consider to bear on our objectivity and independence.

Section 2

Other Matters of Governance Interest

Reliance on other experts

2.13 We have not relied on other experts for this audit.

Other matters of interest

2.14 We are not aware of other issues to be raised to be raised in this Report.

Complaints procedure

2.15 NIAO seeks to ensure that, when carrying out its audit work, it complies with the principles developed by the Public Audit Forum in its paper “What Public Sector Bodies can expect from their Auditors”.

NIAO also wishes to gauge public sector bodies’ perceptions of its audit processes in order to promote continuous improvement. In particular, it undertakes to act quickly on any complaint and ensure that the underlying causes of problems are addressed to prevent them recurring. In the first instance, complaints can be addressed to the member of the Directorate responsible for the audit within which the concern has been raised.

Failing resolution of the problem to the satisfaction of the complainant, the Chief Executive of the audited body can then write directly to the Comptroller and Auditor General. He will ensure that a further review of the case will be undertaken.

[Client Letterhead]

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CAUSEWAY COAST & GLENS STATUTORY TRANSITION COMMITTEE FOR THE PERIOD ENDED 19 JUNE 2014.

LETTER OF REPRESENTATION

I acknowledge as Chief Financial Officer of Causeway Coast & Glens Statutory Transition Committee my responsibility for preparing accounts that give a true and fair view of the state of affairs, income and expenditure and cash flows of Causeway Coast & Glens Statutory Transition Committee for the period ended 19 June 2014.

In preparing the accounts, I was required to:

- observe the accounts direction issued by the Department of the Environment (DOE), including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis; and
- state whether applicable accounting standards have been followed and disclosed and explain any material departures in the accounts.

I confirm that for the financial period ended 19 June 2014:

- having considered and enquired as to the Causeway Coast & Glens Statutory Transition Committee's compliance with law and regulations, I am not aware of any actual or potential non-compliance that could have a material effect on the ability of Causeway Coast & Glens Statutory Transition Committee to conduct its business or on the results and financial position disclosed in the accounts;
- all accounting records have been provided to you for the purpose of your audit and all transactions undertaken by the Causeway Coast & Glens Statutory Transition Committee have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management meetings which you have requested have been supplied to you; and
- all Related Parties and Related Party Transactions involving Councillors and senior staff of the Causeway Coast & Glens Statutory Transition Committee have been properly disclosed.

All material accounting policies as adopted are detailed in note 1 to the accounts.

INTERNAL CONTROL

I acknowledge as Chief Financial Officer my responsibility for the design and implementation of internal controls to prevent and detect error and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated.

Annex A – Letter of Representation

I confirm that there were no data related incidents during the year which would have been required to be reported to the Information Commissioner's Office.

I confirm that I have reviewed the effectiveness of the system of internal control and that the disclosures I have made are in accordance with DOE guidance on the Governance Statement.

FRAUD

I acknowledge as Chief Financial Officer my responsibility for the design and implementation of internal controls to prevent and detect fraud and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated as a result of fraud.

I am not aware of any fraud or suspected fraud affecting the Causeway Coast & Glens Statutory Transition Committee and no allegations of fraud or suspected fraud affecting the financial statements has been communicated to me by employees, former employees, analysts, regulators or others.

ASSETS

General

All assets included in the Balance Sheet were in existence at the reporting period date and owned by the Causeway Coast & Glens Statutory Transition Committee and free from any lien, encumbrance or charge, except as disclosed in the accounts.

Current Assets

On realisation in the ordinary course of the Causeway Coast & Glens Statutory Transition Committee's operations the other current assets in the Balance Sheet are expected to produce at least the amounts at which they are stated. Adequate provision has been made against all amounts owing to the Causeway Coast & Glens Statutory Transition Committee which are known, or may be expected, to be irrecoverable.

LIABILITIES

General

All liabilities have been recorded in the Balance Sheet. There were no significant losses in the year and no provisions for losses were required at the year end.

Contingent Liabilities

I am not aware of any pending litigation which may result in significant loss to the Causeway Coast & Glens Statutory Transition Committee, and I am not aware of any action which is or may be brought against the Causeway Coast & Glens Statutory Transition Committee under the Insolvency (Northern Ireland) Order 1989 and the Insolvency (Northern Ireland) Order 2005.

OTHER DISCLOSURES

Results

Except as disclosed in the accounts, the results for the period were not materially affected by transactions of a sort not usually undertaken by the Causeway Coast & Glens Statutory Transition Committee, or circumstances of an exceptional or non-recurring nature.

Unadjusted errors

There are no unadjusted errors remaining.

Annex A – Letter of Representation

Events after the Balance Sheet

STC functions ended on 19th June 2014.

Except as disclosed in the accounts, there have been no material changes since the Balance Sheet date affecting liabilities and commitments, and no events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should have been brought to notice.

Chief Financial Officer
14th October 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAUSEWAY COAST & GLENS BOROUGH COUNCIL

I have audited the financial statements of Causeway Coast & Glens Statutory Transition Committee for the period ended 19 June 2014 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 Causeway Coast & Glens Borough Council (as the Statutory Transition Committee ceased to exist on 19 June 2014), in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities.

Respective responsibilities of the Chief Financial Officer and the independent auditor

As explained more fully in the Statement of Causeway Coast & Glens Statutory Transition 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 period. 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 Causeway Coast & Glens Statutory Transition Committee's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Causeway Coast & Glens Statutory Transition 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, of the financial position of Causeway Coast & Glens Statutory Transition Committee as at 19th June 2014 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 19th June 2014 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;
- is misleading or inconsistent with other information I am aware of from my audit; or

Annex B – Audit Report

- 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 the Causeway Coast & Glens Statutory Transition 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
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23rd October 2015