STATUTORY RULES OF NORTHERN IRELAND

2015 No. 106

LOCAL GOVERNMENT

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015

Made - - - -	*27th February 2015*
Coming into operation	*1st April 2015*

The Department of the Environment, in exercise of the powers conferred by Article 24 of the Local Government (Northern Ireland) Order 2005 [F1], makes the following Regulations.

In accordance with Article 24(4) of that Order, the Department has consulted councils, such associations or bodies representative of councils, such associations or bodies representative of officers of councils and such other persons or bodies as appear to the Department to be appropriate.

F1 S.I. 2005/1968 (NI 18)

PART 1

Introductory

Citation, commencement and application

1.—(1) These Regulations may be cited as the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and shall come into operation on 1st April 2015.

(2) These Regulations shall not apply to statements of accounts for periods beginning before 1st April 2015.

(3) These Regulations shall apply as follows–

(a) regulations 2 to 3, 4 to 6 and 11 to 18 shall apply to all local government bodies;

(b) regulations 7 and 8 shall apply to larger local government bodies only; and

(c) regulations 9 and 10 shall apply to smaller local government bodies only.

Interpretation

2. In these Regulations—

"the 1972 Act" means the Local Government Act (Northern Ireland) 1972 [F2];

"the 2005 Order" means the Local Government (Northern Ireland) Order 2005;

"the 2011 Act" means the Local Government Finance Act (Northern Ireland) 2011 [F3];

"the 2014 Act" means the Local Government Act (Northern Ireland) 2014 [F4];

"chief financial officer" has the meaning assigned to it by section 1(2) of the Local Government Finance Act (Northern Ireland) 2011 and, in the case of a joint committee, means the officer who has responsibility for supervising the joint committee's arrangements for the receipt of money paid to it and the issue of money payable by it or, if no such officer has been appointed, the chief officer of the joint committee;

"Direction" means direction in writing and "directed" shall be construed accordingly;

"financial year" means the 12 months ending with 31st March;

"joint committee" means a joint committee appointed under section 11(1) of the Local Government Act (Northern Ireland) 2014;

"larger local government body" means-

(a) a council; or

(b) a local government body which is listed in the definition of "smaller local government body" in this Regulation but which does not meet the qualifying condition;

"local government body" means a local government body within the meaning of Part 2 of the Local Government (Northern Ireland) Order 2005;

"qualifying condition" means that the local government body's gross income or gross expenditure (whichever is higher) is not more than an amount directed by the Department;

"smaller local government body" means-

(a) a committee of a council for which accounts are separately kept;

(b) a joint committee of two or more councils; or

(c) a local government body which-

(i) is an established body, which meets the qualifying condition for the year concerned and for either of the two preceding years;

(ii) is a newly established body, which meets the qualifying condition for its first year; and

"working day" means any day other than a Saturday, Sunday or a public holiday.

F2 1972 c.9 (NI)
F3 2011 c.10 (NI)
F4 2014 c.8 (NI)

Revocations and saving of regulations

3.—(1) Subject to paragraph 2 the following Regulations are revoked–

(a) the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 [F5]; and

(b) the Local Government (Accounts and Audit) (Amendment) Regulations (Northern Ireland) 2006 [F6].

(2) The regulations in paragraph (1) are saved in so far as they apply to accounts for the financial year ending on or before 31st March 2015 and the audit of those accounts.

F5 S.R. 2006 No. 89

F6 S.R. 2006 No. 522

PART 2

Financial management and internal control

Responsibility for financial management and internal control

4.—(1) A local government body is responsible for ensuring that—

(a) the financial management of the local government body is adequate and effective; and

(b) the local government body has a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

(2) A local government body must conduct a review at least once in each financial year of the effectiveness of its system of internal control.

(3) The findings of the review referred to in paragraph (2) must be considered at a meeting either of the local government body as a whole or a committee of the local government body whose remit includes audit of governance functions.

(4) Following consideration of the findings of the review referred to in paragraph (3) that local government body as a whole or committee must approve an annual governance statement prepared in accordance with proper practices on internal control.

Accounting records and control systems

5.—(1) Subject to paragraphs (2) and (3), and in so far as they are not in conflict with those paragraphs, to any instructions given by a local government body to its chief financial officer, that officer must determine, on behalf of the local government body—–

(a) the form of its accounting records and supporting records; and

(b) its accounting control systems,

and such an officer must ensure that the accounting control systems determined by that officer are observed and that the accounting records of the local government body are kept up-to-date.

(2) The accounting records determined in accordance with paragraph (1)(a) must be sufficient to show and explain a local government body's transactions and to enable the chief financial officer to ensure that any statement of accounts or accounting statement which is prepared under these Regulations complies with these Regulations.

(3) The accounting records determined in accordance with paragraph (1)(a) must in particular contain–

(a) entries from day to day of all sums of money received and expended by the local government body and the matters to which its income and expenditure or receipts and payments relate; and

(b) a record of assets and liabilities of the local government body.

(4) The accounting control systems determined in accordance with paragraph (1)(b) must include–

(a) measures to ensure that the financial transactions of the local government body are recorded as soon as reasonably practicable and as accurately as reasonably possible, measures to enable the prevention and detection of inaccuracies and fraud, and the ability to reconstitute any lost records;

(b) identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;

(c) procedures to ensure that uncollectable amounts, including bad debts, are not written off except with the approval of the chief financial officer, or such member of that person's staff as is nominated for this purpose, and that the approval is shown in the accounting records; and

(d) measures to ensure risk is appropriately managed.

Internal audit

6.—(1) A local government body must undertake an adequate and effective internal audit of its accounting records and of its system of risk management, internal control and governance processes using internal auditing standards in force from time to time.

(2) Any officer or member of a local government body must, if internal audit requires–

(a) make available such documents and records as appear to internal audit to be necessary for the purposes of the audit; and

(b) supply internal audit with such information and explanation as internal audit considers necessary for that purpose.

(3) In this regulation "records" includes records and documents in an electronic form.

PART 3

Published Accounts and Audit – Larger Local Government Bodies

Statement of accounts

7. A larger local government body must ensure that its statement of accounts is prepared in accordance with these Regulations, in accordance with proper accounting practices and in the form directed by the Department including a remuneration report.

Signing, approval and publication of statement of accounts

8.—(1) A larger local government body must ensure that the statement of accounts required by regulation 7 is prepared in accordance with these Regulations.

(2) **[**F7Subject to paragraph (7),**]** Before the approval referred to in paragraph (3) is given, the chief financial officer of a larger local government body must, no later than 30th June following the end of the financial year, sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the local government body at the end of the year to which it relates and of that local government body's income and expenditure for the year, for submission to the Department and the local government auditor. Where the chief financial officer is unable to sign and certify the statement of accounts owing to absence or illness, a person nominated by the chief financial officer should sign and certify the statement of accounts.

(3) Subject to **[**F8paragraphs (4) and (8)**]**, a larger local government body must, no later than 31st October following the end of the financial year to which the statement relates—

(a) consider either by way of a committee of that body or by the members of the body meeting as a whole the statement of accounts;

(b) following that consideration, approve the statement of accounts for submission to the local government auditor by a resolution of that committee or meeting;

(c) following approval, ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which the approval was given; and

(d) publish (which must include as a minimum publication on the local government body's website) the statement of accounts together with any certificate, opinion or report issued, given or made by the local government auditor under Article 10 of the 2005 Order.

(4) The chief financial officer must re-certify the presentation of the statement of accounts referred to in paragraph (2) before the relevant local government body approves it.

(5) Where an audit of accounts has not been concluded before the date specified in paragraph (3) the local government body must publish (which must include publication on the local government body's website) as soon as reasonably practicable on or after that date a notice stating that it has not been able to approve the accounts and its reasons for this.

(6) A larger local government body must keep copies of the documents mentioned in paragraph (3)(d) for purchase by any person on payment of a reasonable sum.

[F9(7) Paragraph (2) applies in relation to the signing, dating and certifying of the statement of accounts relating to the financial year beginning in 2019 as if for "30th June" there were substituted "31st August".

(8) Paragraph (3) applies in relation to the publication of documents relating to the financial year beginning in 2019 as if for "no later than 30th September" there were substituted "no later than 31st December".**]**

F7 Words in reg. 8(2) inserted (30.6.2020) by The Local Government (Accounts and Audit) (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020 (S.R. 2020/120), regs. 1, **3(a)**

F8 Words in reg. 8(3) substituted (30.6.2020) by The Local Government (Accounts and Audit) (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020 (S.R. 2020/120), regs. 1, **3(b)**

F9 Reg. 8(7)(8) inserted (30.6.2020) by The Local Government (Accounts and Audit) (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020 (S.R. 2020/120), regs. 1, **3(c)**

PART 4

Published Accounts and Audit – Smaller Local Government Bodies

Statement of accounts

9. A smaller local government body must prepare a statement of accounts each year in accordance with proper accounting practices and in the form directed by the Department.

Signing, approval and publication of statement of accounts

10.—(1) A smaller local government body must ensure that the statement of accounts required by regulation 9 is prepared in accordance with these Regulations.

(2) **[**F10Subject to paragraph (7),**]** Before the approval referred to in paragraph (3) is given and the statement of accounts is submitted to the Department and the local government auditor, the chief financial officer of a smaller local government body must, no later than 30th June following the end of the financial year—

(a) in a case where the body has prepared a statement of accounts, sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the local government body at the end of the year to which it relates and of that local government body's income and expenditure for the year. Where the chief financial officer