



Department of
the Environment
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Local Government Division

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Dear Sir/Madam

Guidance on the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006

Introduction

- 1 The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 (the 2006 Regulations) came into operation on 1 April 2006 but will only apply to the audit of accounts of local government bodies (i.e. district councils, committees of councils for which accounts are separately kept and joint committees) for the financial year 2006/07 and each financial year thereafter. The purpose of this circular is to provide guidance to local government bodies in the operation of the accounting regime under 2006 Regulations.

Regulations 2(1) and 3(1) - "proper practices"

2. Regulation 2(1) of the 2006 Regulations provides that the term "proper practices" has the same meaning in the 2006 Regulations as in Article 6(3) of Part II of the Local Government (Northern Ireland) Order 2005 (the 2005 Order). Article 6(3) of the 2005 Order defines "proper practices" in relation to a local government body as:

‘.....those accounting practices-

- (a) which the body is required to follow by virtue of any statutory provision; or*
- (b) which, whether by reference to any generally recognised published code or otherwise, are regarded as proper accounting practices to be followed in the keeping of the accounts of local government bodies, either generally or of the description concerned;*

but, in the event of any conflict in any respect between the practices falling within sub-paragraph (a) and those falling within sub-paragraph (b), only those falling within sub-paragraph (a) are to be regarded as proper practices.”

3. Regulation 3(1) requires that the accounting records of a local government body are maintained in accordance with proper practices. Non-statutory proper practices in relation to the maintenance of accounting records by local government bodies may be found in the *Code of practice on local authority accounting in the United Kingdom: A statement of recommended practice*, issued by the Chartered Institute of Public Finance and Accountancy. In the case of any conflict between any practices required by any statutory provision and any practices set out in the Code, the requirements of the statutory provision will take precedence.

Regulation 5 - Signing and approval of statements of accounts role of the chair as signatory

4. The intention behind this regulation, which requires the chair of a local government body or a committee of a local government body to sign and date the statement of accounts, is that the chair's signature should formally represent the completion of the body's approval process of the accounts. The requirement for the chair to sign does not relate to the role of the chief financial officer in certifying that the statement of accounts is a proper reflection of the body's financial position under the terms of regulation 4(2), or to any determination made by the chief financial officer under regulation 3.

Regulation 6 – Publication of statement of accounts, etc.

5. Regulation 6 requires that, as soon as possible after the conclusion of its audit and before the 31 October immediately following the end of the financial year, a local government body must “publish” its statement of accounts “by means other than merely by reference in the documents of meetings, committees or sub-committees of the body”. In addition to this, the Department recommends as good practice that the requirement to “publish” the statement of accounts should also not mean merely providing copies to enquirers on demand. Good practice might include, for example, putting a copy on a noticeboard, copying onto a website, publishing as a separate leaflet, or publication in a newspaper or as part of a newsletter.
6. Each local government body will wish to consider the appropriateness of the publication arrangements it proposes to put in place, bearing in mind the need to make information as widely available as practicable, but also taking into account local circumstances, including the size of the body, the resources available, the number of electors and the existence of any local information networks.

Regulations 5(3)(a), 5(5) and 13(a) – Duty to “publish”

7. In regulations 5(3)(a), 5(5) and 13(a), local government bodies are required to “publish” certain other information at various stages of the audit process. Unlike regulation 6, there is no qualification in these regulations to indicate how this requirement might be met. It is therefore a matter for local government bodies to determine, in light of their


own circumstances and in each instance (if necessary, having taken legal advice), what would constitute an appropriate means of publishing the information mentioned in these regulations.

Regulations 10(1), 12(1) and 15 – Duty to “give notice by advertisement”

8. In regulations 10(1), 12(1) and 15, local government bodies have a duty to give “notice by advertisement” of certain matters. Local government bodies should note that regulation 2(1) defines “notice by advertisement” as a notice published in at least two newspapers circulating in the district of the local government body. The extent to which those matters mentioned in regulations 10(1), 12(1) and 15 are detailed in such notices is for local government bodies to determine.

Local Government Division contacts

9. If you have any queries concerning the content of this Circular, you should contact either Brian Copeland (telephone 028 9025 6082) or me (telephone 028 9025 6079).



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