



Tionól Réigiúnach an Deiscirt
Southern Regional Assembly

ANNUAL FINANCIAL STATEMENTS

FOR YEAR ENDED 31ST DECEMBER 2019

DRAFT



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**CERTIFICATE OF DIRECTOR FOR THE YEAR ENDED
31ST DECEMBER 2019**

I certify that the financial statements, as attached, of the Southern Regional Assembly for the year ended 31st December 2019, are in agreement with the books of accounts and have been prepared in accordance with the accounting requirements as directed by the Minister for Housing, Planning and Local Government.

I am satisfied that there were satisfactory systems, procedures and controls in place to ensure that all the records and registers are accurately and fully recorded in those records and registers of the Southern Regional Assembly relevant to 2019.

Signed:  _____ **Date:** 10th July, 2020

David Kelly
Director

AUDIT OPINION

To the Members of Southern Regional Assembly

I have audited the annual financial statements as set out on pages 5 to 11 for the year ended 31st December 2019.

Responsibilities of the Assembly and the Local Government Auditor

The Assembly is by law, responsible for the maintenance of all accounting records including the presentation of the Annual Financial Statement. It is my responsibility, based on my audit, to form an independent opinion on the statement and to report my opinion to you.

Basis of Opinion

I conducted my audit in accordance with the principles and practice of Local Government Audit. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the annual financial statement. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statement, and of whether the accounting policies are appropriate to the Assembly's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide sufficient evidence to give reasonable assurance that the annual financial statement is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In my opinion the annual financial statements presents fairly, in accordance with the Local Government Act, 1991 (Regional Authorities) (Establishment) Order, 2014, S.I. No. 573 of 2014, the financial position of the Southern Regional Assembly at 31st December 2019 and its income and expenditure for the year then ended.

James Moran
Local Government Auditor

Date: _____

STATEMENT OF ACCOUNTING POLICIES

1. The Annual Financial Statement has been prepared in accordance with LG09/2014 Local Government Reform Act 2014 – Regional Structures Reorganisation, the Local Government Act, 1991 (Regional Authorities) (Amendment) Order, 2014, S.I. No. 228 of 2014 and the Local Government Act, 1991 (Regional Authorities) (Establishment) Order, 2014, S.I. No. 573 of 2014 and all other relevant circulars.
2.
 - (i) The accounts are prepared on an Accrual basis in the format of an Income and Expenditure Account and Balance Sheet.
 - (ii) Expenditure is defined as all payments made in year to 31/12/2019 & Creditors appropriate to 2019.
 - (iii) Income is all monies actually received in the 12 months to 31/12/2019 & Debtors appropriate to 2019.
 - (iv) At the close of the financial year, Debtors represent income due but not yet received.
 - (v) At the close of the financial year, Creditors represent payments due in respect of goods received and services rendered but not yet paid.
 - (vi) The Debtors and Creditors as shown on the Balance Sheet includes **€215,075** relating to inter-account transfers within the Assembly's own accounts, as follows:

	Consolidated AFS 2019	Regional Assembly	Technical Assistance
Inter-Account Debtors	€215,075	€113,750	€101,325
Inter-Account Creditors	€215,075	€101,325	€113,750

3.
 - (i) All expenditure in the acquisition of Fixed Assets is recognised on an accrual basis.
 - (ii) Depreciation is calculated on a straight line basis and charged in the Income and Expenditure account, commencing in year of acquisition.
 - (iii) Depreciation rates are as follows: **Furniture & Fittings 10%** **I.T. Equipment 33%**
 - (iv) The net book value of fixed assets appearing in the Balance Sheet are broken down on Page. 10
4. The Regional Assembly is responsible for the management of EU funds in addition to the day to day operation of administering the Assembly functions as detailed in the Assembly's Establishment Order and Directions. During 2019, the Assembly Account operated for the latter, while the Technical Assistance, Interreg, and EU Projects Accounts operated for the management of ERDF funded activities. Activities under the ERDF Gateways Scheme are recorded under the Assembly Account in this document. The Ireland-Wales Technical Assistance Account and the Ireland-Wales Project Payments ceased activity during 2019 and the accounts were closed in early 2020. All of these accounts are included as part of the Assembly's Consolidated Account. It is envisaged that further funds of a similar nature may be introduced throughout the programming periods and these will be treated in a similar manner within the Assembly's accounts.
5. The Regional Assembly holds a contingency reserve fund as it is considered prudent that sufficient funds are held to ensure adequate cashflow for operational purposes and to provide a reserve for future pension payments. The **General Reserves** were used to finance the refurbishment of the new Assembly HQ, which now shows a Fixed Asset of €952,016 on Balance Sheet at year-end.
6. **Post Balance Sheet (Non-Adjusting) Event**
 At the financial year end on 31/12/2019 initial reports were emerging from China about Covid-19. In the interim the WHO has declared it a pandemic which has resulted in unprecedented restrictions on travel and movement. This health crisis has, in a short space of time, resulted in effectively locking down economic activity within the region for the vast majority of businesses, and brings with it financial uncertainty and consequences that will be of proportions impossible to estimate effectively at this time. The global economic shock created by the COVID 19 pandemic has been faster and more severe than the 2008 financial crash. It is clear, however, even at this point of the crisis that the financial impact will be significant but an estimate of such costs both in terms of dealing with the crisis and the direct impact on other Income and Expenditure for the Regional Assembly cannot be estimated at this time as the crisis is ongoing.

Southern Regional Assembly
Income and Expenditure Account as at 31st December 2019

Income	2019 €	2018 €
Local Authority Contributions	1,603,781	1,668,016
Built Heritage Investment Scheme Grant	8,000	0
Travel Recoupment EU Programmes	167,011	15,602
Salary Recoupment EU Programmes	305,349	196,160
General Recoupment EU Programmes	76,208	44,503
Dept of Public Expenditure & Reform	3,037	0
Technical Assistance Recoupment	344,470	280,694
Designated Urban Centre Grants Scheme	1,932,530	981,526
First Level Control (FLC) Fees	86,015	64,866
Miscellaneous	1,106	21,192
Total	<u>4,527,510</u>	<u>3,272,558</u>
Expenditure		
Payroll Costs	1,375,893	1,387,792
Pension Related Deduction	52,188	54,247
Superannuation	9,250	4,581
Travel & Subsistence – Staff	162,577	145,639
Members Annual Allowance	63,807	93,088
Members SPA / Other Travel	4,373	14,554
Members Training / Conference Allowance	32,269	4,579
Conference Fees	1,932	1,150
Office Equipment & Supplies	24,946	27,598
Repairs, Maintenance & Office Costs	84,551	39,921
Refurbishment Costs	31,148	19,652
Annual Contracts	58,501	28,172
Energy Costs	12,690	10,223
Post & Phone	14,741	15,340
Rates & Water Charges	666	7,448
Insurance	10,883	13,430
Annual Report	4,855	3,125
Consultancy/Professional Fees	55,026	19,170
Public Relations/Information & Publicity	82,550	132,355
Contributions/Fees/Levies (LGMA & Audit)	8,471	9,717
Health and Safety	1,780	82
Regional Planning RSES	55,206	34,948
Gateway Grant Scheme – Project Payments	1,932,530	981,526
Depreciation Charge	1,503	1,730
Bank Charges	868	1,217
Bad debts written off (FLC)	3,133	0
Miscellaneous	4,986	13,345
Inter-Account Transfer	28,163	0
Total Expenses	<u>4,119,486</u>	<u>3,064,629</u>
Excess of Income over Expenditure	408,024	207,929

Southern Regional Assembly
Balance Sheet as at 31st Dec 2019

	2019	2018
	€	€
Fixed Assets	999,789	998,019
Current Assets		
Cash at Bank	1,642,259	1,418,119
Debtors	1,224,102	1,227,819
	2,866,360	2,645,939
Current Liabilities		
Creditors & Accruals	536,640	721,532
Credit Card	1,972	2,914
	538,612	724,445
Net Current Assets	2,327,749	1,921,494
Net Assets	3,327,537	2,919,513
<u>Financed by</u>		
Balance at beginning of year	2,919,513	2,711,584
Excess of Income over Expenditure	408,024	207,929
	3,327,537	2,919,513

SOUTHERN REGIONAL ASSEMBLY

Analysis of Income & Expenditure 2019

NOTE 1	Analysis of Income 2019					
INCOME	AFS 2019	Assembly Account 2019	Technical Assistance Account 2019	Interreg Account 2019	EU Projects Account 2019	Ireland- Wales Account 2019
Local Authority Contributions	€ 1,603,781	€ 1,603,781	€ -	€ -	€ -	€ -
Built Heritage Investment Scheme Grant	€ 8,000	€ 8,000	€ -	€ -	€ -	€ -
Technical Assistance Recoupment (DoPER)	€ 347,507	€ 204,831	€ 139,639	€ 3,037	€ -	€ -
Salary Recoupment from EU Programmes	€ 305,349	€ 305,349	€ -		€ -	€ -
Travel Recoupments EU Programmes	€ 167,011	€ 78,382		€ 30,775	€ 57,854	€ -
General Recoupment EU Programme	€ 76,208	€ 60,008	€ -	€ -	€ 16,201	€ -
Designated Urban Centre Grants Scheme	€ 1,932,530	€ 1,932,530	€ -	€ -	€ -	€ -
Interreg FLC Fees	€ 86,015	€ 1,250	€ -	€ 84,765	€ -	€ -
Bank Interest	€ 2	€ 2	€ -	€ -	€ -	€ -
Miscellaneous	€ 1,106	€ 721	€ 303	€ 82	€ -	€ -
Total	€ 4,527,510	€ 4,194,854	€ 139,942	€ 118,660	€ 74,055	€ -

NOTE 1	Analysis of Expenditure 2019					
	AFS 2019	Assembly Account 2019	Technical Assistance Account 2019	Interreg Account 2019	EU Projects Account 2019	Ireland- Wales Account 2019
EXPENDITURE						
Payroll Costs*	€ 1,375,893	€ 1,375,893	€ -	€ -	€ -	€ -
Pension Related Deduction	€ 52,188	€ 52,188	€ -	€ -	€ -	€ -
Superannuation	€ 9,250	€ 9,250	€ -	€ -	€ -	€ -
Travel & Subsistence	€ 162,577	€ 88,409	€ 24,443	€ 33,384	€ 16,342	€ -
Members Annual Allowance	€ 63,807	€ 63,807	€ -	€ -	€ -	€ -
Members Travel (incl SPA)	€ 4,373	€ 4,373	€ -	€ -	€ -	€ -
Members Training & Conference Allowance	€ 32,269	€ 32,269	€ -	€ -	€ -	€ -
Conference Fees	€ 1,932	€ 1,932	€ -	€ -	€ -	€ -
Office Eqp & Supplies	€ 24,946	€ 24,946	€ -	€ -	€ -	€ -
Energy Costs	€ 12,690	€ 12,690	€ -	€ -	€ -	€ -
Post & Telephone	€ 14,741	€ 15,741	€ -	€ -	€ -	-€ 1,000
Rates & Water Charges	€ 666	€ 666	€ -	€ -	€ -	€ -
Repairs, Maintenance & Office Costs	€ 84,551	€ 64,795	€ -	€ -	€ 19,756	€ -
Refurbishment Costs	€ 31,148	€ 31,148	€ -	€ -	€ -	€ -
Consultancy/Professional Fees	€ 55,026	€ 11,324	€ 10,080	€ 765	€ 32,857	€ -
Annual Contracts	€ 58,501	€ 55,151	€ 1,550	€ 600	€ -	€ 1,200
Insurance	€ 10,883	€ 9,716	€ -	€ 120	€ 1,047	€ -
Annual Report	€ 4,855	€ 4,855	€ -	€ -	€ -	€ -
Information & Publicity	€ 27,228	€ -	€ 25,635	€ -	€ 1,593	€ -
Public Relations	€ 55,322	€ 51,769	€ 3,500	€ 53	0	€ -
Contributions & Fees	€ 8,471	€ 8,471	€ -	€ -	€ -	€ -
Bank Charges	€ 868	€ 681	€ 66	€ -	€ -	€ 120
Health and Safety	€ 1,780	€ 1,780	€ -	€ -	€ -	€ -
ERDF Gateways - Project Payment WCCC	€ 1,932,530	€ 1,932,530	€ -	€ -	€ -	€ -
Regional Planning	€ 55,206	€ 55,206				
Depreciation Charge	€ 1,503	€ 1,503	€ -	€ -	€ -	€ -
Miscellaneous	€ 4,986	€ 2,954	€ 592	€ 1,440	€ 0	€ -
Write Off Bad Debts	€ 3,133	€ -	€ -	€ -	€ -	€ 3,133
Inter-Account Transfer	€ 28,163	€ 28,163				
Total Expenditure	€ 4,119,486	€ 3,942,211	€ 65,866	€ 36,362	€ 71,595	€ 3,453
Excess of Income over Expenditure	€ 408,024	€ 252,643	€ 74,076	€ 82,298	€ 2,460	-€ 3,453
<i>*Payroll Costs include Pensions, Staff Training, Recruitment & HR Costs</i>						
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NOTE 1 (continued)	Analysis of Balance Sheet as at 31/12/2019					
	AFS 2019	Regional Assembly Account 2019	Technical Assistance Account 2019	Interreg Account 2019	EU Projects Account 2019	Ireland-Wales Account 2019
Fixed Assets	€ 999,789	€ 999,789	€ -	€ -	€ -	€ -
Current Assets						
Cash at Bank	€ 1,642,259	€ 179,633	€ 705,970	€ 271,371	€ 171,371	€ 313,914
Debtors	€ 1,224,102	€ 916,957	€ 192,378	€ 50,757	€ 62,759	€ 1,251
	€ 2,866,360	€ 1,096,590	€ 898,348	€ 322,128	€ 234,130	€ 315,165
Current Liabilities						
Creditors & Accruals	€ 536,640	€ 234,104	€ 243,776	€ 1,928	€ 53,269	€ 3,563
Credit Card	€ 1,972	€ 1,972	€ -	€ -	€ -	€ -
	€ 538,612	€ 236,076	€ 243,776	€ 1,928	€ 53,269	€ 3,563
Net Current Assets	€ 2,327,749	€ 860,514	€ 654,572	€ 320,200	€ 180,861	€ 311,601
Net Assets	€ 3,327,537	€ 1,860,303	€ 654,572	€ 320,200	€ 180,861	€ 311,601
<i>Financed by</i>						
Balance @ 1/1/2019	€ 2,919,513	€ 1,607,659	€ 580,496	€ 237,902	€ 178,401	€ 315,054
Excess of Income over Exp	€ 408,024	€ 252,643	€ 74,076	€ 82,298	€ 2,460	-€ 3,453
	€ 3,327,537	€ 1,860,303	€ 654,572	€ 320,200	€ 180,861	€ 311,601
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Consolidated Fixed Assets and Depreciation

Note 2

Value	Furniture & Fittings	Heritage Assets	Property	IT Equipment	Total
O/B 1st January 2019	€ -	€ 44,091	€ 952,016	€ 4,471	€ 1,000,578
Additions	€ 1,873	€ 360	€ -	€ 1,039	€ 3,272
Disposals	€ -	€ -	€ -	€ -	€ -
C/B 31st December 2019	€ 1,873	€ 44,451	€ 952,016	€ 5,510	€ 1,003,850
Accumulated Depreciation					
O/B 1st January 2019	€ -	€ -	€ -	€ 2,559	€ 2,559
Charge for the year 2019	€ 187	€ -	€ -	€ 1,315	€ 1,503
Write-Offs 2019	€ -	€ -	€ -	€ -	€ -
C/B 31st December 2019	€ 187	€ -	€ -	€ 3,874	€ 4,062
Net Book Value					
1st January 2019	€ -	€ 44,091	€ 952,016	€ 1,912	€ 998,019
31st December 2019	€ 1,685	€ 44,451	€ 952,016	€ 1,636	€ 999,788

Note 3:**LOCAL AUTHORITY STATUTORY CONTRIBUTIONS 2019
APPORTIONMENT OF COSTS PER LOCAL AUTHORITY**

Budget 2019 €1,603,781.18	Population (Census 2016)	% of Total	Income Received 2019
Carlow County Council	56,875	3.59%	€57,512.93
Clare County Council	118,627	7.48%	€119,957.57
Cork City Council	125,622	7.92%	€127,031.03
Cork County Council	416,574	26.27%	€421,246.48
Kerry County Council	147,554	9.30%	€149,209.03
Kilkenny County Council	99,118	6.25%	€100,229.75
Limerick City & County Council	195,175	12.31%	€197,364.17
Tipperary County Council	160,441	10.12%	€162,240.58
Waterford City & County Council	116,401	7.34%	€117,706.60
Wexford County Council	149,605	9.43%	€151,283.03
Total	1585992	100.00%	€ 1,603,781.18