

**THE BOROUGH, CITY AND COUNTY COUNCILS OF CAERPHILLY, CARDIFF,
MONMOUTHSHIRE, NEWPORT AND THE VALE OF GLAMORGAN**

PROSIECT GWYRDD JOINT COMMITTEE

REF: 01-23

DATE: 22/05/2023

PROSIECT GWYRDD 2022/23 OUTTURN AND ANNUAL FINANCIAL RETURN

REPORT OF: TREASURER TO THE PROSIECT GWYRDD JOINT COMMITTEE

AGENDA ITEM : 6

PURPOSE OF REPORT

1. To present to the Joint Committee the draft, unaudited Financial Annual Return for the year ended 31st March 2023. The Joint Committee will be asked to approve the unaudited Annual Return and following their approval, the document will be available for public inspection for the advertised period, and then submitted to the Audit Wales to undertake the external audit of this return. The deadline for the Joint Committee to approve the return and to submit to the auditor (Audit Wales) is 30 June following the end of the financial year. The audited return should be published by the 30 September.

BACKGROUND

2. Local Authorities and other relevant bodies (including Joint Committees) are required to prepare and publish their annual accounts in-line with the requirements of the Accounts & Audit (Wales) Regulations 2014 (as amended). Regulation 14 states that smaller local government bodies (those with annual income and expenditure below £2.5 million) can prepare their accounts in the form of an Annual Return replacing the obligation to produce a full Statement of Accounts.
3. The Joint Committee will now be asked to approve the unaudited Annual Return for submission to the external auditor in accordance with the Accounts and Audit (Wales) Regulations for small Local Government Bodies into which category Prosiect Gwyrdd now resides.
4. Following the audit of the Annual Return by Audit Wales, if there are no amendments then the certified Annual Return can be published without further reference to the

Joint Committee. If amendments are required by Audit Wales then a future meeting of the Joint Committee will be required to approve the audited annual return.

- The draft, unaudited Prosiect Gwyrdd Annual Return for 2022/23 is attached to this report as Appendix A. Prior to the commencement of the external audit the Annual Return will be made available for public inspection as required by the Public Audit (Wales) Act 2004 and by the Accounts and Audit (Wales) Regulations 2014 (as amended).

ISSUES

- Table 1 below provides a comparison of the 2022/23 outturn with the budget. This highlights a gross expenditure outturn of £162,469, a decrease of £91,189 compared to the original 2022/23 gross expenditure budget of £253,658. After including the Partner Contribution rebate of £50,000 (£10,000 per partner) the net underspend for 2022/23 is £41,189.

TABLE 1: 2022/23 Summary Outturn Position

	2022/23 Budget £	2022/23 Outturn £	2022/23 Variance £
Project Team	148,315	144,472	(3,843)
Supplies & Services	18,819	12,113	(6,706)
Committee & Support Services	48,348	44,558	(3,790)
Organics Contribution	(40,905)	(38,674)	2,231
Expenditure funded by Partner Contributions	174,577	162,469	(12,108)
External Advisors	58,681	0	(56,681)
Contingency	20,400	0	(20,400)
Expenditure funded by Reserve Account	79,081	0	(79,081)
Gross Expenditure	253,658	162,469	(91,189)
Partner Contributions	(185,000)	(135,000)	50,000
Net Expenditure	68,658	27,469	(41,189)
Appropriations (from) / to Joint Committee Reserve A/c	(68,658)	(27,469)	41,189
Balance of the Joint Committee Reserve A/c as at 31.03.2023		268,078	

7. The variance reported in Table 1 is largely due to underspends previously reported to the Joint Committee in the Month 7 monitoring report. The most significant of these underspends are the lack of spend against the contingency and external advisors budgets, as well as savings associated with the Project Team. Consequentially the projected budgeted drawdown from the Joint Committee Reserve Account of £65,828 was reduced to £27,469. The balance of the reserve account as at 31st March 2023 now stands at £268,078 and the options for the utilisation of an element of this reserve will be presented firstly to Contract Management Board and then the Joint Committee as part of the 2024/25 budget report as has been the case in previous years.

8. The format of the Annual Return for 2022/23 is in line with previous years and is attached as Appendix A, it includes the following sections :
 - a. Section 1 (page 2 of the return) holds the Accounting Statements for 2022/23 including a comparison with the equivalent 2021/22 figures.
 - b. Section 2 (page 3) of the Annual Return is the Annual Governance statement which continues in the form of a questionnaire.
 - c. Section 3 (page 4) includes the certification of the annual return both by the Joint Committee, subject to its approval, and the Responsible Finance Officer.
 - d. This is followed by the Auditor General for Wales' Audit Certificate and report on page 5 which will be updated on completion of the 2022/23 Audit.
 - e. The next Section is the Annual Internal Audit report (pages 6 and 7) which comments on the adequacy of procedures and controls relevant to Prosiect Gwyrdd.
 - f. The last section (page 8) includes Guidance notes on completing the Annual Return

FINANCIAL IMPLICATIONS

9. This report provides the Joint Committee with confirmation of the 2022/23 outturn position that reflects a gross expenditure underspend of £91,189 before the rebates of Partner Contributions of £50,000. The balance of the Reserve Account at the end of 2022/23 is £268,078 which will be available to assist in funding non-recurring Prosiect Gwyrdd expenditure and / or offsetting Partner Contributions in future financial years.

10. Options for the utilisation of the balance of the Joint Committee Reserve Account carried forward into 2023/24 are to be considered as part of the budget setting process for 2024/25.

LEGAL IMPLICATIONS

11. All Local authority accounts are required to be made up to 31st March. The Accounts and Audit (Wales) regulations set out the process for dealing with accounts and as

set out in this report that will be the process for a 'smaller relevant body' i.e. approval of an Accounting Statement (including amendments thereof) which is referred to in this report as an Annual Return. The Regulations also sets out further provision in relation to publication.

12. The Joint Working Agreement 2 (JWA2) in respect of the PG contract makes provision in respect of monitoring of costs, approving annual budgets, council contributions, project expenditure and subsequent reimbursements to councils.
13. Currently the JWA2 deals with the process of approving accounts according to legislation which was in place at the time of drafting the JWA2. It is understood that any update in the process of what is approved by Joint Committee is due to the updates in the Regulations referred to above and in the body of the report. The JWA2 states that any reference to legislation within the agreement includes any amended legislation. Accordingly any process under the JWA2 would be read in conjunction with any amended legislation.

RECOMMENDATIONS

14. That the Joint Committee notes the outturn position for the financial year ended 31st March 2023.
15. That the Joint Committee approves the Annual Return and authorises the Chair to sign the Annual Return on behalf of the Joint Committee, and its subsequent submission to Audit Wales to commence the 2022/23 audit.

Christopher Lee
Treasurer to Prosiect Gwyrdd Joint Committee

22 May 2023

The following Appendix is attached:

Appendix A - The Prosiect Gwyrdd Joint Committee's Unaudited Annual Return for financial year 2022/23.