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

PROSIECT GWYRDD JOINT COMMITTEE **REF: 02-21**
DATE: 02/12/2021

PROSIECT GWYRDD 2020/21 ANNUAL FINANCIAL RETURN RE-SIGNING

REPORT OF: TREASURER TO THE PROSIECT GWYRDD JOINT COMMITEE
AGENDA ITEM: 07

PURPOSE OF REPORT

1. To present to the Joint Committee an amended unaudited Financial Annual Return for the year ended 31st March 2021 for approval by the Joint Committee. Following the Joint Committee approval, the Annual Return will be submitted to Audit Wales to finalise the external audit of this return.

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.

ISSUES

3. The Joint Committee at its meeting on 18th May 2021 approved the unaudited Annual Return for 2020/21 and following a period of public display this document was forwarded to Audit Wales to complete their work as External Auditors. During the course of their work as external auditors of the Annual Returns for the Joint Committees for which Cardiff Council is the lead authority, inconsistencies in the treatment of the Accumulated Absences Reserve between the Joint Committees were identified. Consequently, the 2020/21 Annual Return requires the Accumulated Absences reserve to be excluded.

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4. The Accumulated Absences Reserve is an un-usable reserve which records the financial commitment for Annual Leave that has not been taken but is due at the end of the financial year. It is not included in the Prosiect Gwyrdd Budget nor the monitoring reports and it is not significant for Prosiect Gwyrdd with the Reserve being c£3,000 for 31.03.2021.

5. Although not a significant amount, there is no ability to amend the Annual Report outside of a formal Joint Committee meeting. The amended 2020/21 Annual Report is appended to this report. The removal of the Accumulated Absences Return has impacted on lines 4,7,10 and 11 of the Accounting Statements page of the Annual Return.

FINANCIAL IMPLICATIONS

6. There are no direct financial implications for removing the Accumulated Absences return from the annual Return as this is an un-usable reserve.

LEGAL IMPLICATIONS

7. 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.

8. 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.

9. 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

10. Subject to the approval by the Joint Committee of the revised Annual Return, the Joint Committee consequently authorises the Chair to re-sign the Annual Return on behalf of the Joint Committee, and its subsequent submission to Audit Wales to finalise the 2020/21 audit.

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Christopher Lee
Treasurer to Prosiect Gwyrdd Joint Committee

2nd December 2021

The following Appendix is attached:

Appendix A - The Prosiect Gwyrdd Joint Committee's Unaudited Annual Return for financial year 2020/21.

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