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# **Prosiect Gwyrdd Statement of Accounts**

## **2013/14**

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## Explanatory Foreword

### 1. Introduction

- 1.1 This document presents the Statement of Accounts for the Prosiect Gwyrdd Joint Committee. These are prepared in accordance with proper accounting practices as contained in the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 supported by International Financial Reporting Standards (IFRS).
- 1.2 Prosiect Gwyrdd is a partnership between Caerphilly County Borough Council, the County Council of the City and County of Cardiff, Monmouthshire County Council, Newport City Council and the Vale of Glamorgan Council.
- 1.3 The partnership aims to deliver the best long term, environmentally sustainable and cost effective solution for waste after recycling and composting has been maximised. By all of the authorities working together on a regional basis, the partnership is seeking to maximise economies of scale and provide best value for the taxpayer in an area of service delivery that is complex, emotive and often attracts significant public interest, requiring extensive stakeholder engagement.
- 1.4 The five Local Authority partners signed a formal Memorandum of Understanding in July 2007 to deliver the work required in preparation for a procurement process to find a long-term solution for the treatment of their residual waste. In addition, funding was secured from the Welsh Government's Regional Capital Access Fund (RCAF), allowing the partnership to move forward and prepare a robust Outline Business Case.
- 1.5 Each of the partners secured approval from their respective Councils in the summer of 2009 to commence the formal procurement and the formation of the Prosiect Gwyrdd Joint Committee was confirmed on 31<sup>st</sup> July 2009.
- 1.6 The Joint Committee was formed by the five participating councils to carry out the functions set out in the Joint Working Agreement (JWA) which defines the Councils respective roles and responsibilities for the procurement phase of the Project. Each Council appointed two elected member representatives to the Joint Committee, with the Chairperson being an elected member of the Lead Council. In addition a Joint Scrutiny Committee with representatives from the five participating councils has also been formed with a role to monitor and review the work of the Joint Committee during the procurement phase.

- 1.7 The Authorities have agreed that Cardiff Council will be the Lead Council for the purposes of carrying out the procurement phase of the project. In addition, it was been agreed that all revenue costs associated with procurement will be met equally by the five partnering authorities. However, where appropriate, some costs such as the costs associated with the Optional Site, will be shared on a tonnage basis.
- 1.8 At its meeting on 7<sup>th</sup> February 2013 the Prosiect Gwyrdd Joint Committee recommended to the Partner Councils that Viridor should be identified as the Preferred Bidder, to deliver an environmentally sustainable residual waste management solution for the Partnership. This recommendation was endorsed by the five individual partner authority Full Council meetings between 26<sup>th</sup> February and 6<sup>th</sup> March 2013. These meetings also approved the draft Joint Working Agreement 2 (JWA2) which governs the relationship between the 5 partner authorities during the term of the contract.
- 1.9 Viridor signed the Preferred Bidder letter on the 28<sup>th</sup> March, with the Partnership signing on 4<sup>th</sup> April 2013. This letter outlined both parties agreement of the outstanding areas of “fine tuning” that needs to be completed before the Contract can be signed. The Contract itself was signed on 10<sup>th</sup> December 2013 by the Host Authority and Viridor. Preceding this event the 5 Partner Councils signed the final version of the JWA2.
- 1.10 Following the signing of the contract and the completion of the procurement phase the project has now entered the Transitional monitoring phase as the facility is constructed prior to receiving contract waste.
- 1.11 Table 1 details the Joint Committee’s elected membership as at 31<sup>st</sup> March 2014.

**Table 1: Prosiect Gwyrdd Joint Committee Elected Membership as at 31<sup>st</sup> March 2014**

<b>Elected Member</b>	<b>Partner</b>	<b>Portfolio</b>
Cllr David Poole	Caerphilly County Borough Council	Community and Leisure Services
Cllr Keith Reynolds	Caerphilly County Borough Council	Deputy Leader & Corporate Services
Cllr Russell Goodway	Cardiff Council	Finance, Business and Local Economy
Cllr Ashley Govier	Cardiff Council	Environment
Cllr Phil Murphy	Monmouthshire County Council	Finance & Performance Improvement
Cllr Bryan Jones	Monmouthshire County Council	County Operations
Cllr Gail Giles	Newport City Council	Licensing and Statutory Functions
Cllr Ray Truman	Newport City Council	Deputy Leader
Cllr Rob Curtis	Vale of Glamorgan Council	Environment and Visible Services
Cllr Neil Moore	Vale of Glamorgan Council	Leader and Corporate Management and Services

1.12 The Joint Committee is supported in its work by the Contract Management Board, previously Project Board, a fully resourced Contract Management Team and appointed professional Technical, Legal, Insurance and Financial advisors.

## 2 Summary of Financial Performance

2.1 The Summary of Financial Performance provides an analysis of the Joint Committee financial performance for the period 1<sup>st</sup> April 2013 to the 31<sup>st</sup> March 2014. Table 2 below gives a summary of the 'Actuals' against 'Budgets' analysed using the Chartered Institute of Public Finance and Accountancy (CIPFA) standard subjective groupings.

**Table 2: Summary of Financial Performance (1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014)**

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance – Revised : Actual</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expenditure</b>				
Employees	202,040	205,679	195,892	(9,787)
Premises	10,017	18,000	18,000	0
Transport	1,083	1,000	575	(425)
Supplies & Services	294,577	399,180	296,210	(102,970)
Support Services	8,948	13,000	10,037	(2,963)
<b>Gross Expenditure</b>	<b>516,665</b>	<b>636,859</b>	<b>520,714</b>	<b>(116,145)</b>
<b>Income</b>				
WG Grant	(100,000)	(100,000)	(100,000)	0
Interest	0	0	(1,290)	(1,290)
Contributions from Local Authorities	(416,665)	(416,665)	(416,665)	0
<b>Net (Surplus) / Expenditure before appropriations (to) / from Reserves.</b>	<b>0</b>	<b>120,194</b>	<b>2,759</b>	<b>(117,435)</b>
Appropriations (from) / to Joint Committee General Reserve.	0	(120,194)	(2,759)	117,435
<b>Total Joint Committee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

2.2 The Revised Budget reflects the slippage in the Financial Close date which was 10<sup>th</sup> December 2013 compared with the end of July 2013, which was the Original Budget assumption. The Revised Budget was therefore based on a provision for a 9 month Procurement Phase and 3 months Transitional phase expenditure in 2013/14 whereas the Original Budget assumption was of a 4 month Procurement phase and 8

months of Transitional phase expenditure being required. A comparison between the Revised Budget and Actuals identify a number of variances and budget slippage. A summary of the key variances between the Revised Budget and the Actual for 2013/14 are detailed below:-

Employees - Project Team – reduction in Projected Outturn expenditure is a reflection of a flexible approach to filling vacancies as well as income received from supporting the Cardiff Organics Waste Procurement Project for which a prudent estimate was included in the budget.

External Advisors – As in previous years External Advisors expenditure is a significant proportion of expenditure for the Project. The reduction in projected outturn expenditure relative to the Revised Budget is the result of a combination of the cautious projection prepared for the Procurement phase plus the fact that since the commencement of the Transitional phase there has only been limited use of the External Advisors.

Supplies and Services – In addition to the External Advisors variance outlined above this expenditure heading also includes a number of relatively small underspends for example for stakeholder engagement where the set aside provision was not required.

- 2.3 The net revenue deficit for the 2013/14 financial year of £2,759 has been transferred from the Joint Committee Reserve Account. This is a decrease of £117,435 compared with the Revised Budget projected drawdown of £120,194. The balance of the Joint Committee Reserve as at 31<sup>st</sup> March 2014 was £260,606.

### **3 Introduction to Accounting Statements**

#### **3.1 Statement of Accounting Policies**

The purpose of this statement is to explain the basis of the figures in the accounts. It outlines the accounting policies adopted.

#### **3.2 Statement of Responsibilities for the Statement of Accounts**

This sets out the responsibilities of the Joint Committee and the arrangements for the preparation of the Statement of Accounts. The Statement is to be signed by the Joint Committee Chair on behalf of the Committee.

#### **3.3 Comprehensive Income and Expenditure Statement**

This statement is prepared in accordance with generally accepted accounting practices to record the day-to-day expenditure, on an accruals basis, on items such as salaries and wages, running costs of the service and income received to calculate the net operating expenditure of the Joint Committee.

#### **3.4 Movement in Reserves Statement**

This statement shows the movement in the year on the different reserves held by the Joint Committee analysed into 'usable reserves' and other reserves.

#### **3.5 Balance Sheet**

This statement shows the Prosiect Gwyrdd Joint Committee financial position as at the balance sheet date. Where relevant, it includes the fixed assets, current assets and liabilities of all activities of the Joint Committee together with the balances and reserves at its disposal.

#### **3.6 Cash flow Statement**

This summarises the inflows and outflows of cash arising from activities during the year which reconciles to the movement in the cash and cash equivalents.

#### **3.7 Annual Governance Statement**

This statement sets out the governance framework within which the Joint Committee conducts its affairs, including its arrangements for the management of risk.

## **Statement of Responsibilities for the Statement of Accounts**

### **The Prosiect Gwyrdd Joint Committee Responsibilities**

The Joint Committee is required to:

- make arrangements for the proper administration of its financial affairs and to secure that an appropriate officer has the responsibility for the administration of those affairs. In 2013/14, this officer was Christine Salter, Corporate Director Resources and Section 151 Officer of Cardiff Council who held the statutory post of Chief Finance Officer.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the statement of accounts.

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**Cllr Graham Hinchey**  
**Chair of Prosiect Gwyrdd Joint Committee**

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**Date**

## The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Joint Committee's financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 ('the Code')

### In preparing these financial statements, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

## The Chief Finance Officer's Certificate

The financial statements present a true and fair view of the financial position of the Prosiect Gwyrdd Joint Committee at 31<sup>st</sup> March 2014 and its income and expenditure for the year ended **31<sup>st</sup> March 2014.**

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**Christine Salter**  
**Treasurer to Prosiect Gwyrdd Joint Committee**  
**Cardiff Council**

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**Date**

## **Statement of Accounting Policies**

In accordance with the Accounts and Audit (Wales) Regulations 2005, this Statement of Accounts summarises the Joint Committees transactions for the 2013/14 financial year and its position at the year-end of 31<sup>st</sup> March 2014. The accounts are prepared in accordance with proper accounting practices as contained in the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 supported by International Financial Reporting Standards (IFRS).

### **1. Debtors and Creditors**

The revenue transactions of the Joint Committee are recorded on an accruals basis. All known debts due to the Joint Committee as at 31<sup>st</sup> March 2014 are taken into account, as are all known liabilities for goods received or work carried out by this date. Where there was insufficient information available to provide actual figures, estimated amounts have been included.

### **2. Inventories**

The Joint Committee held no inventories as at 31<sup>st</sup> March 2014.

### **3. Value Added Tax (VAT)**

The Income and Expenditure Account has been prepared excluding Value Added Tax. The Committee is not separately registered for VAT and therefore the net value of VAT incurred is recoverable from HM Revenue and Customs under the umbrella of Cardiff Council's VAT registration.

### **4. Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not when cash payments are made or received. Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

### **5. Allocation of Central Departmental Support**

A proportion of central departmental support of Cardiff Council is allocated to the Prosiect Gwyrdd Joint Committee by the most appropriate method for that particular support service, e.g. Staff time, number of licences, number of transactions, number of PCs etc. The information used to allocated Support Service costs is to be reviewed annually

## **6. Retirement Benefits**

The Joint Committee does not have the legal power to directly employ staff. Officers involved in Joint Committee activities are therefore employed by a constituent authority. Each constituent authority participates in a defined benefit pension scheme. The Joint Committee meets the cost of the actual pension contributions and accounts for them in the income and expenditure account. Pension costs are therefore accounted for as if contributions had been made to a defined contribution pension scheme because it is not possible to determine the underlying assets and liabilities in the schemes relating to the staff involved in Joint Committee activities on a reasonable and consistent basis. Therefore, no liability for future payments of benefits is recognised in the Balance Sheet. The resultant assets and liabilities relating to Prosiect Gwyrdd employees are included within the Balance sheet of the respective employing authority.

## **7. Grants and Contributions**

Revenue grants and contributions received are matched to the expenditure to which they relate. Government grants are accounted for on an accruals basis and recognised in the accounting statements when the conditions of their receipt have been complied with and there is reasonable assurance that the grant will be received.

Where grants are received or receivable that have conditions attached to them that have not been satisfied and are unlikely to be satisfied then this element will be shown as a creditor in the accounts.

## **8. Events after the Reporting Period**

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – The Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

## **9. Cash and Cash equivalents**

The Joint Committee does not hold its own bank account so all income and expenditure is handled by the Host Authority through its own bank balance. Therefore, the amount shown as cash in the balance sheet represents the inter-authority cash held by the Host Authority on behalf of the Joint Committee.

<b>Comprehensive Income and Expenditure Statement for the year ended 31st March 2014</b>			
<b>2012/13</b>		<b>2013/14</b>	<b>Note</b>
<b>£</b>		<b>£</b>	
	<b>Expenditure</b>		
311,269	Employees	195,099	1.0
43,060	Premises	18,000	2.0
1,317	Transport	575	
643,503	Supplies and Services	296,210	
8,565	Support Services	10,037	3.0
<b>1,007,714</b>	<b>Net Cost of Services</b>	<b>519,921</b>	
0	Interest Payable and Similar Charges		
(1,692)	Interest and Investment Income	(1,290)	4.0
<b>1,006,022</b>	<b>Net Operating Expenditure</b>	<b>518,631</b>	
	<b>Income</b>		
(310,000)	Welsh Government Grant	(100,000)	
(18,000)	Non-Welsh Government Grant		
(369,040)	Contributions from Local Authorities	(416,665)	5.0
<b>308,982</b>	<b>Net (Surplus)/Deficit on Provision of Services</b>	<b>1,966</b>	

There have been no other gains or losses during the year

**Movement in Reserves Statement for the year ended  
31<sup>st</sup> March 2014**

	<b>Usable General Reserve £</b>	<b>Unusable Reserves £</b>	<b>Total Reserves £</b>
<b>Balance at 31<sup>st</sup> March 2013</b>	<b>263,365</b>	<b>(1,716)</b>	<b>261,649</b>
Surplus/(Deficit) for the Year on the Income and Expenditure Account	(1,966)		(1,966)
Appropriation to / (from) Accumulated Absences Account	(793)	793	0
Net Transfer to/(from) General Reserve	(2,759)	793	(1,966)
<b>Balance at 31<sup>st</sup> March 2014</b>	<b>260,606</b>	<b>(923)</b>	<b>259,683</b>

**Balance Sheet as at 31<sup>st</sup> March 2014**

2012/13 £		2013/14 £	Note
	<b>Property, Plant &amp; Equipment</b>		
0	Operational Assets	0	
0	Land & Buildings	0	
0	Assets Under Construction	0	
0	Vehicles, Plant, Furniture & Equipment	0	
<b>0</b>		<b>0</b>	
	<b>Current Assets</b>		
0	Inventories		
161,866	Short-term debtors	1,290	7.0
294,813	Cash and Cash Equivalents	391,692	
456,679		392,982	
	<b>Current Liabilities</b>		
(195,030)	Short-term creditors	(133,299)	8.0
<b>261,649</b>	<b>NET ASSETS</b>	<b>259,683</b>	
	<b>Represented By:</b>		
	<b>Usable Reserves:</b>		
263,365	Joint Committee Reserve	260,606	9.0
	<b>Unusable Reserves:</b>		
(1,716)	Accumulated Absences Account	(923)	6.0
<b>261,649</b>	<b>TOTAL RESERVES</b>	<b>259,683</b>	

## Cashflow Statement for the Year Ended 31<sup>st</sup> March 2014

2012/13 £		2013/14 £
	<b>Operating Activities</b>	
	Cash Outflows	
233,240	Cash Paid to and on Behalf of Employees	155,191
708,451	Cash Paid to suppliers of Goods and Services	476,365
72,178	Other Operating Cash Payments	50,098
1,013,869	Cash outflows generated from operating activities	681,654
	Cash Inflows	
(310,000)	Cash Received from Welsh Government Grant	(200,000)
(923,766)	Other Non Welsh Government Grant	(18,000)
(1,692)	Contributions from Local Authorities	(560,533)
(1,235,458)	Interest Received	
	Cash inflows generated from operating activities	(778,533)
(221,589)	<b>Net cash flows from operating activities</b>	(96,879)
<b>(221,589)</b>	<b>Net (increase)/decrease in Cash and Cash Equivalents (See Note 13)</b>	<b>(96,879)</b>
73,224	Cash and cash equivalents at the beginning of the reporting period	294,813
<b>294,813</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>391,692</b>

*Cardiff Council administers all cash transactions as the Joint Committee does not operate its own bank account. Interest Receivable/Payable is calculated on all Joint Committee transactions during the year.*

## Notes to the Statement of Accounts

### **Note 1 - Officers Emoluments**

- 1.1 Under the Accounts and Audit (Wales) Regulations 2005, as amended, Local Authorities and Joint Committees must disclose in their accounts the number of officers whose total remuneration exceeded £60,000 (listed in ranges, in multiples of £5,000). For the purpose of this disclosure, remuneration includes Gross Pay, Employer's National Insurance Contributions, Redundancy payments etc., but excludes Employer's Pension Contributions.
- 1.2 During 2013/14, total expenditure on staff was £195,099. Within this amount no single employee received remuneration above £60,000. (2012/13 – no single employee received remuneration above £60,000.)

- 1.3 A summary of Employee expenditure is included below :-

	2012/13	2013/14
	£	£
Pay	229,796	143,071
Pension and National Insurance	71,072	46,737
Agency Staff	10,217	5,126
Indirect Employee costs	184	165
<b>Total Employee Costs</b>	<b>311,269</b>	<b>195,099</b>

### **Note 2 - Premises**

- 2.1 Premises expenditure includes the rent of £18,000 for the office space used by Prosiect Gwyrdd Project Team at Cardiff Councils Lamby Way depot.

### **Note 3 - Support Services**

- 3.1 A proportion of central departmental support of Cardiff Council is allocated to the Prosiect Gwyrdd Joint Committee by the most appropriate method for that particular support service, e.g. Staff time, number of licences, number of transactions, number of PCs etc. The information used to allocate Support Service costs is reviewed annually.

### **Note 4 - Interest and Investment Income**

- 4.1 The interest was received in respect of the cash balance held by Cardiff Council on behalf of the Joint Committee during the year. The average rate of interest for the year was 0.35% in line with the 7 day LIBID (London Interbank Bid) rate.

**Note 5 - Contributions Received**

- 5.1 The JWA provides for contributions towards estimated expenditure for each year to be notified in advance to each Authority, and to be made in one annual instalment – (Clause 7.9 of the JWA).
- 5.2 The contribution provided by the 5 Local Authorities for the period to the 31<sup>st</sup> March 2014 was as shown in Table 3 below.

**Table 3: 2013-14 Partner Contributions**

<b>Authority</b>	<b>2012/13 Total Contributions £</b>	<b>2013/2014 Procurement Contributions £</b>	<b>2013/2014 Transitional Contributions £</b>	<b>2013/2014 Total Contributions £</b>
Caerphilly CBC	<b>73,308</b>	59,333	24,000	<b>83,333</b>
Cardiff Council	<b>79,308</b>	59,333	24,000	<b>83,333</b>
Monmouthshire CC	<b>71,308</b>	59,333	24,000	<b>83,333</b>
Newport CC	<b>72,558</b>	59,333	24,000	<b>83,333</b>
Vale of Glamorgan Council	<b>72,558</b>	59,333	24,000	<b>83,333</b>
<b>TOTAL</b>	<b>369,040</b>	<b>296,665</b>	<b>120,000</b>	<b>416,665</b>

- 5.3 Since the project's inception all partnering Councils have contributed equally to the cost of project revenue expenditure after applying the approved level of grant funding. Pre 2013-14 Partner contributions relating to the acquisition of the optional site were based on a projected tonnage basis rather than being shared equally.

**Note 6 – Accumulated Absences Account**

- 6.1 IFRS introduced a requirement to accrue for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Comprehensive Income and Expenditure Statement but then reversed out through the Movement in Reserves Statement so that there is no impact on contributions paid by the partner Local Authorities. This account does not represent a usable resource for the Joint Committee with the account being an Unusable Reserve earmarked for the payment of the Accrued employee benefits.

**Note 7 - Short Term Debtors**

7.1 Short Term Debtors in the Balance Sheet consist of:

**Table 4: 2013/14 Debtors**

	<b>2012/13</b>	<b>2013/14</b>
	£	£
Central Government Bodies	0	0
Other Local Authorities	143,866	1,290
NHS Bodies	0	0
Public Corporations and Trading Funds	0	0
Other Entities and Individuals	18,000	0
	<b>161,866</b>	<b>1,290</b>

7.2 Other Local Authorities Debtors comprise Interest Income for 2013-14 that has been paid to Prosiect Gwyrdd after 31<sup>st</sup> March 2014.

**Note 8 - Short Term Creditors**

8.1 Short Term Creditors in the Balance Sheet as at the 31<sup>st</sup> March 2014 were as follows:

**Table 5: 2013/14 Creditors**

	<b>2012/13</b>	<b>2013/14</b>
	£	£
Central Government Bodies	31,680	110,560
Other Local Authorities	27,410	11,238
NHS Bodies	0	0
Public Corporations and Trading Funds	0	0
Other Entities and Individuals	135,940	11,501
	<b>195,030</b>	<b>133,299</b>

**Note 9 - Joint Committee Reserve**

9.1 The Joint Committee Reserve Balance being carried forward as at 31<sup>st</sup> March 2014 (£260,606), relates to the deficit from the current financial year (£1,966) plus the Reserve brought forward from 31<sup>st</sup> March 2013 (£263,365) less an adjustment for the accumulated absences account (£793).

- 9.2 The accumulation of a substantial reserve balance is largely in-line with the budget strategy approved by the Joint Committee in December 2009 and reconfirmed in December 2010. The Partner Authorities agreed to pay their full 2013/14 budgeted contributions on the basis that any surplus would be held by the Joint Committee and used to reduce the level of Partner contributions required in future years, thereby minimising any future budgetary impact.
- 9.3 The Joint Committee Reserve Balance is an integral element of the sources of funding identified to support the overall Project Budget to the end of the procurement process.

### **Note 10 - Related Party Transactions**

- 10.1 The Joint Committee has a duty to disclose any material transactions with a “related party”. This is to ensure that financial statements contain disclosures necessary to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties and by material transactions with them.
- 10.2 Prosiect Gwyrdd is managed and administered by the Prosiect Gwyrdd Joint Committee. The Joint Committees terms of reference and powers delegated to it are set out in the JWA dated 12<sup>th</sup> October 2009 which during 2013-14 was superseded by JWA2 dated December 2013.
- 10.3 Cardiff Council was the Lead Procurement Authority for the procurement stage of the project and is now the Host Authority for the term of the contract. As such it is responsible for the financial and administrative arrangements relating to the Joint Committee’s financial affairs.
- 10.4 Under the terms of the JWA2, previously the JWA, any of the five Local Authority partners may provide support to the Joint Committee to assist it in discharging its responsibilities. In the period ending 31<sup>st</sup> March 2014, the following Related Party Transactions were recorded:

**Table 6: Related Party Transactions for the Year ending 31<sup>st</sup> March 2014**

	2012/13	2013/14		
Authority	Net £	Income £	Expend. £	Related Party Details
Caerphilly CBC	(21,082)	(83,333)	25,201	Funding, Procurement Staff
Newport CC	(45,961)	(83,333)	427	Funding, Committee Services,
Cardiff Council	847,495	(84,625)	492,959	Funding, Interest Income and all other project expenditure
Monmouthshire CC	(71,308)	(83,333)	0	Funding
Vale of Glamorgan CC	(72,558)	(83,333)	0	Funding
<b>TOTAL</b>	<b>636,586</b>	<b>(417,957)</b>	<b>518,587</b>	

Balances due from or to these related parties at the year end are as follows:

	2012/13	2013/14	
Authority	Net £	Debtors £	Creditors £
Caerphilly CBC	26,254	0	(10,811)
Newport CC	1,156	0	(427)
Cardiff Council	0	1,290	0
Monmouthshire CC	(71,308)	0	0
Vale of Glamorgan CC	(72,558)	0	0
<b>TOTAL</b>	<b>(116,456)</b>	<b>1,290</b>	<b>(11,238)</b>

### **Note 11 - External Audit Costs**

11.1 In 2013/14 the Joint Committee incurred estimated External Audit costs of £6,019. The amount incurred in 2012/13 was £3,000.

**Note 12 - Reconciliation of Comprehensive Income and Expenditure Statement to Cashflow Statement**

2012/13 £		2013/14 £
308,982	Income and Expenditure Account (Surplus)/Deficit	1,966
6,335	(Increase)/Decrease in Creditors	61,731
(536,726)	Increase/(Decrease) in Debtors	(160,576)
(180)	Increase/(Decrease) in Stocks	
<b>(221,589)</b>	<b>Cash (Inflow)/Outflow from Revenue Items</b>	<b>(96,879)</b>

**Note 13 – Events After the Reporting Period**

13.1 A letter dated 11<sup>th</sup> June 2014 was received from the Welsh Government asking that the full overpayment of grant of £100,000 was returned to the Welsh Government. This amount is included as a short term creditors in the 31<sup>st</sup> March 2014 Balance Sheet - see note 8.

13.2 Post 31<sup>st</sup> March 2014 there have been a number of changes of membership of the Joint Committee :-

- for Cardiff, Councillors Derbyshire and Hinchey replaced Councillors Goodway and Govier.
- for Caerphilly, Councillor Jones replaced Councillor Reynolds
- for Newport, Councillor Poole replaced Councillor Giles

**Note 14 – Date of Authorisation of the Accounts for Issue**

14.1 This Statement of Accounts was authorised for issue on 24<sup>th</sup> September 2014 by Christine Salter , Treasurer to the Prosiect Gwyrdd Joint Committee. Events after the reporting period have been considered up to this date.

## **Annual Governance Statement 2013/14: Prosiect Gwyrdd Joint Committee**

### **Scope of Responsibility**

The five Local Authorities had each determined to set up the Joint Committee and proceed with the Procurement by decisions made by their respective Cabinets and Councils. This decision was made on 30<sup>th</sup> July 2009 and the Prosiect Gwyrdd Joint Committee was deemed to have become operational on 31<sup>st</sup> July 2009. The scope of responsibility was to oversee the progress and implementation of the Project, to give the Project strategic direction and to deliver those Procurement Milestones delegated to the Joint Committee by the Partner Councils. A Joint Working Agreement (JWA) between the five Local Authorities formalised these responsibilities and the relationship between the Authorities.

The Joint Committee meeting held on 7<sup>th</sup> February 2013 was especially significant in terms of procurement milestones as this meeting recommended the approval of Viridor as the Preferred Bidder and associated Joint Working Agreement 2 (JWA2) and Final Business Case (FBC) documents to the Partner Councils. In turn the five Partner Councils approved the Joint Committee recommendations between February 26<sup>th</sup> and 6<sup>th</sup> March 2013. The JWA2 outlines the responsibilities and relationships between the Partner Councils in the post procurement period throughout the operation of the contract. The final JWA2 was agreed between the five Local Authorities prior to the contract with Viridor being signed on 10<sup>th</sup> December 2013.

In discharging this overall responsibility, Prosiect Gwyrdd is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Joint Committee has approved and adopted a code of corporate governance, which is, where relevant, consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how Prosiect Gwyrdd complied with the Governance Framework and also meets the requirements of the Accounts and Audit Regulations 2005.

### **The Purpose of the Governance Framework**

The Governance Framework comprises the systems, processes, culture and values by which the Project is directed and controlled and its activities through which it accounts to and engages with the community. It enables the Project to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Project's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The following paragraphs summarise the core principles of Prosiect Gwyrdd's Governance Framework and reflects the arrangements in place to meet the relevant core principles of effective governance.

### **Prosiect Gwyrdd's Governance Framework**

The Partner Councils determined that the Project structures its governance arrangements on the basis of a Joint Committee with a Host / Lead Authority. These arrangements are established pursuant to the powers in section 101 of the Local Government Act 1972. The Councils agreed that Cardiff Council would be the lead authority for the purposes of carrying out the procurement and have now agreed, as part of the preferred bidder appointment process, that Cardiff will be the Host Authority throughout the period of the contract.

The Joint Committee is the key body which oversees the Project and represents the interests of the Councils and its Stakeholders. The Joint Committee is also responsible for monitoring Project progress and managing the political dimensions of the Project.

Each Council has appointed two elected, executive member representatives to the Joint Committee, with the Chairperson being the Cabinet member for the Finance and Economic Development portfolio for Cardiff Council.

Moving forward during the post-procurement phase the key governance document will be the Joint Working Agreement 2 (JWA2) which includes setting out:-

- The Host and other Partner Authorities responsibilities and obligations
- The Joint Committee terms of reference
- The Contract Management Board terms of reference
- Decision Making powers at these different hierarchical governance levels
- Obligations arising from the waste disposal contract with Viridor.

### **Focusing on the purpose of the Joint Committee and on outcomes for the community and creating and implementing a vision for the local area**

Prosiect Gwyrdd was established to consider the future arrangements for the management of residual waste across the five local authorities of Caerphilly, Cardiff, Monmouthshire, Newport and the Vale of Glamorgan in South-East

Wales. Following the completion of the Procurement phase the JWA2 identifies the key tasks and activities the project will undertake in order to manage the residual waste treatment contract for the Councils.

### **Members and Officers working together to achieve a common purpose with clearly defined functions and roles**

Responsibility for decision making in relation to the functions of Prosiect Gwyrdd are clearly set out in the JWA2.

The JWA2 sets out those matters that are reserved for decisions by the Councils, those matters that can be determined by the Joint Committee, those matters that can be determined by the Contract Management Board and those matters that can be determined by the Contract Manager.

'Matter Reserved To The Councils' – being a matter identified as such which will have to be referred to each Council for decision and, for the avoidance of doubt, any such matter will not be dealt with by the Contract Management Board or the Joint Committee (as the case may be) until the matter has been determined by all the Councils. If the Councils fail to reach the same decision in respect of such matter then the matter shall be referred as a dispute for resolution.

'Joint Committee Matter' – being a matter which is to be decided upon at a quorate meeting of the Joint Committee by those present and entitled to vote and any such decision will be binding on all the Councils if it is within annual financial impact parameters. For the avoidance of doubt, the Joint Committee may determine that any Joint Committee Matter or any Contract Management Board Matter may be referred back to each Council for decision.

The Joint Committee is supported in its work by the Contract Management Board, a fully resourced Project Team and appointed professional Technical, Legal and Financial advisors.

The Joint Committee will also carry out the following functions;

- Provide strategic direction to the Contract Management Board (to include approval and approval of annual budget for recommendation by the Councils);
- Act as a representative for each Council's Executive/Cabinet to ensure consistency with individual objectives and visions;
- Monitor Contract performance, management and working arrangements (to include the necessary audit and assurance checks);
- Ensure that sufficient resources are committed to the Project;
- Arbitrate on any conflicts within the programme or negotiate a solution to any problems between the programme and external bodies;
- Promote Partnership working between the Councils.

'Contract Management Board Matter' – being a matter which is to be decided upon at a quorate meeting of the Contract Management Board by those present and entitled to vote and any such decision will be binding on all the Councils provided it does not exceed the pre-determined financial parameters.

'Contract Manager Matter' – being the day to day management of the Contract provided any such decision does not exceed the pre-determined financial parameters or is expected to have any local and / or political significance to any of the Councils, in which case it will be elevated to the Contract Management Board.

It has been agreed that the Joint Committee will follow the principles of the Host Authority's Financial and Contract Procedure Rules and their Scheme of Delegations.

### **Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

As Cardiff is the host authority Prosiect Gwyrdd is primarily following Cardiff Council policies and procedures. Cardiff Council's values have been actively communicated across the Project and the Council's performance and development arrangements have been adopted which include specific tools to support staff in reflecting on how best to bring these behavioural values to life in their day to day work. Staff would have undertaken induction training which provides information on a range of policies, procedures and regulations including those relating to financial control, Health & Safety, Equalities and IT Security.

The Lead Authority takes fraud, corruption and maladministration very seriously and has the following policies to prevent, and deal with, such occurrences:

- Whistleblowing Policy
- Anti-Fraud, Anti-Corruption and Bribery Policy.
- HR policies regarding disciplinary of staff involved in such incidents;

### **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

Responsibility for decision making in relation to the functions of Prosiect Gwyrdd are clearly set out in the JWA2 and these have been outlined above.

A Member Joint Scrutiny Panel operated during the procurement phase whose terms of reference included a role in ensuring the Project decision making process adheres to the published evaluation criteria and process. Moving forward into the post-procurement phase each individual Local Authority will undertake its own scrutiny of Prosiect Gwyrdd as it considers

necessary but with the provision to reform the Joint Scrutiny Panel if the partners consider it appropriate.

The JWA2 outlines the key role of the Contract Manager in Contract Performance Monitoring. It emphasises the significance of the Performance and Improvement Plan Monitoring as well as the Transport Route and Sustainable Transport plans and the role of the Contract Management Board in monitoring and reviewing these plans. This will allow Contract Management Board to be aware of any significant changes or issues that may need to be referred to the Joint Committee.

During the Transitional period the Transition Manager will have responsibilities for ensuring appropriate operational plans are delivered by the Contractor in compliance with agreed contractual positions, monitoring the construction of the facility and performance of the contractor. In addition the Transition Manager will be preparing for the Services Period of the contract preparing documentation and systems to ensure knowledge retention and contractual positions are not diminished during the course of the 25 year contract.

Highlight reports to Contract Management Board also include assessment of the key risks and their mitigations and sets out the on-going challenges and issues for the Project moving forward.

In addition the Project maintains a comprehensive risk register that identifies all of the Projects Risks. External Quality Assurance is also obtained from the Welsh Government appointed Local Partnerships Transactor.

The Project has in place an approved Project Budget, which details the projected resources needed to finance its activities over the relevant financial year. The Budget report approved by the Joint Committee in November 2013 as well as recommending a 2014-15 Budget also included indicative budgets for the post-procurement transitional monitoring and contract management activities covering the period up to 2017/18 financial year.

Project officers are acutely aware of the need to maximise value for money from the approved resources. Therefore, the Project Budget is reviewed annually as part of the annual budget setting process, to review the adequacy of existing resources and to review and re-align resources, where appropriate to do so

All key resource commitments are reviewed on a regular basis, especially externally procured advisor support, which is reviewed as part of a regular programme of detailed financial monitoring reports. All resources, but particularly advisor support, are subject to a level of scrutiny and challenge to ensure that the Partnership secures continuous improvements and value for money.

The system of financial management is based on a framework of regular management information, Financial Procedure Rules within the Lead

Authority's Constitution and a system of delegation and accountability. The Prosiect Gwyrdd Project budget is managed within this framework.

Financial Reports in terms of forecasting and budget monitoring have been regularly presented to the Prosiect Gwyrdd Joint Committee as well as to the Contract Management Board and Project Board during 2013-14, broadly in-line with the requirements of the JWA2.

Cardiff Council's Section 151 Officer, the Corporate Director Resources, has overall responsibility for the financial administration of the Joint Committee in her role as Treasurer to the Joint Committee. During the 2013-14 financial year there was a period when the Corporate Director Resources was acting as Cardiff Council's Interim Head of Paid Service when back to back arrangements were in place for an Interim Section 151 Officer. The Joint Committee's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

### **Developing the capacity and capability of Members and Officers to be effective**

Prosiect Gwyrdd staff participates in Cardiff Council's Personal Performance and Development scheme through which each member of staff has regular structured opportunities to discuss their objectives, performance against those objectives, and their development needs and aspirations. Support staff supporting Prosiect Gwyrdd participate in the schemes relevant to their employing Authority.

Prosiect Gwyrdd also benefits from its new staff attending an induction programme to introduce them to the Cardiff Council and its values, objectives, policies and procedures.

A number of workshop sessions for members of the Contract Management Board and Project Board have been developed to explore issues arising from the procurement and more recently the transitional phases. For example during 2013-14 a Lessons Learnt workshop was held following the conclusion of the procurement phase.

As to be expected following the intensive briefings and dissemination of information in the lead up to Viridor being appointed Preferred Bidder in March 2013 the number of member events has diminished in 2013-14 compared to 2012-13. Following contract signature with Viridor an extensive information pack was circulated to members. Members were offered the opportunity to visit Viridor Lakeside site on the 18<sup>th</sup> and 19<sup>th</sup> November 2013 and Joint Committee and Scrutiny Members were invited to attend a presentation and tour of the Trident Park site on 11<sup>th</sup> March 2014.

## **Engaging with local people and other stakeholders to ensure robust public accountability**

The procurement of a major waste facility has been a large scale and complex exercise which has imposed obligations on the Project to protect the commercial confidentiality of bidders' solutions and which will as a consequence restrict the availability of information that can be released to stakeholders.

Working within these constraints the Project has through the procurement phase extensively engaged with local stakeholders. This has included :-

- A series of Roadshows and drop-in information sessions in each of the constituent Council areas have been run to coincide with key stages in the procurement phase.
- Following the Preferred Bidder announcement drop-in sessions were held jointly with Viridor in the vicinity of the proposed facility site and these were followed by a further drop-in session in each of the other four Partner Councils during March 2013.
- Following the public engagement to support the Preferred Bidder announcement between February 2013 and March 2013, the project provided detailed information to all stakeholders to provide information on the financial close and the signing of the contract in December 2013. This involved a press briefing with key regional media organisations, a newsletter to all Elected Members, Assembly Members and relevant MPs with a Q and A sheet; and a newsletter to all known stakeholders on our data base with a Q and A sheet.
- A Focus Group with residents from across the five authority areas was established for the procurement phase which received information from the Project. Following the completion of the procurement phase this group has now been disbanded.
- In addition the dedicated website for the Project is regularly updated – [www.prosiectgwyrdd.co.uk](http://www.prosiectgwyrdd.co.uk) - which included publishing the Joint Working Agreement 2 and the final procurement documentation for the Call for Final Tender. –
- As the Project is now in the transition phase, communications support is given to the Project Team to support moving from the procurement phase towards the contract management phase.

Following the start of construction at the Trident Park site Viridor has established a Community Liaison Group which includes representatives from the Contract Management Board as well as representatives from the local community and the regulatory bodies.

## **Review of Effectiveness**

Regulation 4 of the Accounts and Audit (Wales) Regulations 2005 requires authorities to carry out an annual review of the effectiveness of the system of internal control.

The review of the effectiveness of the system of internal control is informed by:-

- The senior managers within the Project and the Contract Management Board who have responsibility for the development and maintenance of the internal control environment;
- The external auditors and other review agencies and inspectorates;
- The work of Internal Audit;
- Comments made by the public in the form of questions, complaints or ombudsman matters;
- The outcome of any Scrutiny reviews;
- Views or comments from the Joint Committee or any constituent Council.

### **An Internal Control Self Assessment**

For 2013/14 the Contract Management Board has considered and completed a Senior Management Assurance Statement on internal control arrangements within the Project. The Contract Management Board is responsible for monitoring and reviewing internal controls as an integral part of the risk management process.

Significant issues and risks were considered on highlight reports presented at Contract Management Board and Project Board meetings throughout the financial year.

### **External Audit and Inspection**

External Audit is provided by the Wales Audit Office (WAO). The findings from WAO's audit of the 2012/13 Statement of Accounts include that it did not identify any material weaknesses in Prosiect Gwyrdd's internal controls and an unqualified audit report on the financial statements were issued.

### **Internal Audit**

An Internal Audit service to the Project has been provided by Cardiff Council's Internal Audit Section. For 2013/14 no Internal Audit work was programmed or completed. Any work programmed into 2014/15 will be recovered from Prosiect Gwyrdd through a time based Central Support Service charge. Previous assignments undertaken by the Internal Audit team found no areas of significant concerns regarding the adequacy of financial controls and governance arrangements.

### **Other Sources of Assurance**

As part of the Memorandum of Understanding signed between the Welsh Government and the Partnership, the project is assigned a dedicated

Transactor (seconded from Local Partnerships). In addition, the project has access to a number of other project officers from within the Waste Procurement Project Office (WPPO) in the Welsh Government. The Transactor is a member of the Contract Management Board and has a key role in terms of monitoring progress and providing assurance. In essence, the Transactor acts as a 'critical friend' ensuring that the project is progressing effectively and that decisions are consistent with the terms and condition previously agreed with the Welsh Government as part of the funding agreement. This assistance will continue for up to 2 years after the contract commences.

The Project also shares information with other projects in Wales and obtains lessons learnt from projects in England that have already delivered partnerships and residual waste contracts.

The Welsh Government confirmed, in it's letter dated 2<sup>nd</sup> May 2013, that it had completed its scrutiny of the Project's Full Business Case (FBC). Subsequent to this confirmation approval of the Welsh Government's funding support to the Project was outlined in a further letter to the project dated 31<sup>st</sup> July 2013.

## **Significant Governance Issues**

The Highlight Reports presented to Contract Management Board and Project Board during 2013/14 included an analysis of the key risks facing the Project and an assessment of the 'direction of travel' for that risk. During 2013/14 the following significant issues were identified and the action implemented to mitigate that risk:-

### **1. Maintaining Competitive Tension**

Action implemented – Commercial confidentiality of the information submitted by the two Call for Final Tender (CFT) bidders emphasised to Members, including during the fine-tuning period post the selection of Viridor as Preferred Bidder. Following the signing of the contract with Viridor on 10<sup>th</sup> December 2013 this risk has now been closed.

### **2. Commercial issues raised by Preferred Bidder during fine tuning**

Action implemented – ensure issues raised are restricted to those outlined in the Preferred Bidder letter signed by Viridor. Following the signing of the contract with Viridor on 10<sup>th</sup> December 2013 this risk has now been closed.

### 3. **Judicial Review of Planning decision leading to a Project delay**

Action implemented – maintain close contact with both Viridor and Cardiff Council planning department. There is a significant period between the planned opening of Trident Park and the commencement of the Prosiect Gwyrdd contract to implement corrective action if this risk does materialise.

The following risks were identified in the 2012/13 document and the resulting outcome from the action taken to mitigate that risk is listed below:-

1. **Potential Delays to the Procurement timetable**
2. **Maintaining competitive tension**
3. **Commercial issues raised by preferred bidder during fine tuning.**
4. **The Project both receiving and sending increasingly significant commercial information and documents as it moves through the procurement process.**

With regard to 1. regular monitoring reports to Joint Committee and Project Board during 2013-14 outlined the financial implications of the slippage in the projected financial close date. This risk has been closed following the signing of the contract on 10<sup>th</sup> December 2013.

With items 2 and 3 these have been included as on-going risks in the 2013/14 analysis but as outlined above these are now closed.

For 4 the project re-affirmed the processes for both receiving and providing information to the bidders which included its external advisors.

### **Monitoring**

The JWA2 provides for relevant matters to be reported to the Joint Committee so that these matters can be monitored and reviewed. In addition, the above significant issues will be regularly monitored and considered further by the Contract Management Board including as part of the annual assessment of the Annual Governance Statement.

The Contract Management Board was also encouraged to identify any “new” issues for inclusion in the 2013/14 assessment of Internal Control.

### **Certification by the Chair of the Joint Committee and the Senior Responsible Officer (SRO)**

The Treasurer to the Joint Committee and the Contract Management Board are content that the process followed has been robust and has ensured the

engagement of the Transition Manager, the Project Director and the Project Team.

The Contract Management Board will continue to review the effectiveness of the systems of internal control and the plans to provide improvements in review processes, address weaknesses to ensure continuous improvement of the system of internal control are in place.

On the basis of this process, the legal and financial advice of the statutory officers, and the Project's Policies and working arrangements we certify that we approve the Annual Governance Statement 2013/14.

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**Date:**

**Councillor Graham Hinchey**  
**Chair of Prosiect Gwyrdd Joint Committee**

\_\_\_\_\_

**Date:**

**Tara King**  
**Senior Responsible Officer, Prosiect Gwyrdd**

## **Independent auditor's report to the Prosiect Gwyrdd Joint Committee**

I have audited the accounting statements and related notes of the Prosiect Gwyrdd Joint Committee for the year ended 31 March 2014 under the Public Audit (Wales) Act 2004. The accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet and the Cash flow Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14 based on International Financial Reporting Standards (IFRSs).

### **Respective responsibilities of the responsible financial officer and the independent auditor**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 9, the Chief Finance Officer is responsible for preparing the statement of accounts, which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounting statements**

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Prosiect Gwyrdd Joint Committee's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the Foreword to identify material inconsistencies with the audited accounting statements and related notes and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

### **Opinion on the accounting statements of the Prosiect Gwyrdd Joint Committee**

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of the Prosiect Gwyrdd Joint

Committee as at 31 March 2014 and of its income and expenditure for the year then ended; and

- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14.

## **Opinion on other matters**

In my opinion, the information contained in the Foreword for the financial year for which the accounting statements and related notes are prepared is consistent with the accounting statements and related notes.

## **Matters on which I report by exception**

I have nothing to report in respect of the Annual Governance Statement on which I report to you if, in my opinion, it does not reflect compliance with 'Delivering Good Governance in Local Government: Framework' published by CIPFA/SOLACE in June 2007, or if the statement is misleading or inconsistent with other information I am aware of from my audit.

## **Certificate of completion of audit**

I certify that I have carried out the audit of the accounts of the Prosiect Gwyrdd Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit Practice issued by the Auditor General for Wales.

Anthony Barrett  
Appointed Auditor  
Wales Audit Office  
24 Cathedral Road  
CARDIFF  
CF11 9LJ

Date: 29<sup>th</sup> September 2014

*The maintenance and integrity of Prosiect Gwyrdd web site is the responsibility of Caerphilly County Borough Council; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the statement of accounts since it was initially presented on the web site.*

