



NWRWTP

North Wales Residual Waste Treatment Project

Agenda Item 5

REPORT TO: JOINT COMMITTEE

DATE: WEDNESDAY, 20 FEBRUARY 2013

REPORT BY: HEAD OF FINANCE (FCC) AS TREASURER OF THE JOINT COMMITTEE

SUBJECT: NORTH WALES RESIDUAL WASTE TREATMENT PARTNERSHIP STATEMENT OF ACCOUNTS 2011/12, 2010/11, 2009/10 AND 2008/09.

1.00 PURPOSE OF REPORT

- 1.01 To inform Members of the statutory accounting and audit reporting requirements of the Joint Committee.
- 1.02 To outline the process taken over the past few months to complete the accounting and audit reporting requirements of the Joint Committee for 2011/12 and (in retrospect), 2010/11, 2009/10 and 2008/09. Including the financial audit undertaken by the Wales Audit Office (WAO).
- 1.03 To present the WAO's report in connection with the financial audit.
- 1.04 To present financial statements for financial years 2008/09 to 2011/12, incorporating those changes agreed with the WAO during the course of the audit, to the Joint Committee for approval.

2.00 BACKGROUND

- 2.01 At a very late stage in the preparation of Flintshire County Council's 2011/12 accounts it became apparent that there were specific accounting and audit reporting requirements for the Project's Joint Committee over and above what had been planned.
- 2.02 The Accounts and Audit (Wales) (Amendment) Regulations 2010 require all Joint Committees to prepare year-end accounts i.e. an income and expenditure account and a balance sheet. To assist with this the Wales Audit Office (WAO) has produced a blank template for completion, that meets the reporting requirements of a minor joint committee called a 'Minor joint committees in Wales Annual Return'.
- 2.03 However, where a Joint Committee's gross income or expenditure (whichever is the higher) for the year is greater than £1,000,000, a more comprehensive set of accounts needs to be produced in line with specific accounting guidelines. The Joint Committee's accounts are treated in the same way as a Council's single entity accounts;



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subject to its own separate audit. The appointed auditors are required to communicate relevant matters relating to the audit of the financial statements to those charged with governance through an ISA (International Standards on Auditing) 260 report.

3.00 CONSIDERATIONS

Accounting and audit requirements of the Joint Committee

- 3.01 The Joint Committee's gross expenditure in 2010/11 and 2011/12 marginally breached the £1,000,000 threshold; therefore a full Statement of Accounts for 2011/12 and 2010/11 must be produced and are included as Appendix 1 and 2 respectively. The gross expenditure in 2009/10 and in 2008/09 was less than £1,000,000; as such the WAO template for minor joint committees as described in 2.02 must be completed and are included as Appendix 3 and 4 respectively.
- 3.02 The Auditor General for Wales has appointed the WAO as the auditor for the Joint Committee.
- 3.03 In accordance with the 2010 Regulations as referred to in 2.02 there is a statutory deadline of 30th September to publish year end accounts following completion of the appointed auditor's work. As this deadline has elapsed there was a need to publish a statutory notice of non-compliance with the 30th September deadline. The notice was placed on the North Wales Residual Waste Treatment Project's website.

Process taken to produce the Joint Committee's accounts

- 3.04 When the reporting requirements of the Partnership became apparent as set out in paragraph 2.01, finance officers endeavoured and completed some of the work required for financial year 2011/12 by the statutory deadline of 30th June. During the course of the audit it became clear that further work was needed in relation to the 2011/12 accounts and that there was a requirement to prepare accounts for financial years 2010/11, 2009/10 and 2008/09. Again finance officers proceeded to speedily complete the work required at the earliest opportunity.
- 3.05 This is the first large scale collaborative project to have been set up in the North Wales region. Upon reflection, a fair conclusion that could be drawn was that, no officer in the region had fully appreciated the extent of what was involved in satisfying the financial reporting requirements. The audit has been a learning experience; however, the region as a whole can benefit from the experience in applying lessons learnt to other collaborative arrangements that are in the process of being set up.



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- 3.06 The combined effect of the factors detailed in paragraphs 3.04 and 3.05 has meant that the audit has been somewhat difficult, as in effect the accounts were being produced whilst the audit was being conducted, resulting in the WAO finding issues that they must report to the Joint Committee.

Audit findings

- 3.07 The WAO will be in attendance to report relevant matters relating to the audit of the financial statements. The WAO's ISA 260 report as referred to in 2.03 is attached as Appendix 5.
- 3.08 Included within the WAO's ISA 260 report is the letter of representation in which the Joint Committee confirms to the WAO that all information contained within the financial statements is true and accurate and that all information has been disclosed.

Response to audit findings

- 3.09 Whilst recognising the significance of the issues identified by the WAO within their report, it is important to highlight that appropriate changes have been made to address the concerns and implement all of the recommendations made by the WAO.
- 3.10 Preparation of the Joint Committee's statement of accounts has been incorporated into Flintshire's 2012/13 final accounts closedown programme to ensure that in future, accounting requirements are dealt with in line with the statutory deadlines.
- 3.11 Arrangements will be made to work with the WAO to agree an Audit Deliverables document which sets out the required working papers along with the named officer who is responsible for producing such.

4.00 RECOMMENDATIONS

- 4.01 The Joint Committee members are requested to approve:
- a) Statement of Accounts 2011/12
 - b) Statement of Accounts 2010/11
 - c) Annual Return 2009/10
 - d) Annual Return 2008/09
 - e) Letter of representation

5.00 FINANCIAL IMPLICATIONS

None

6.00 ANTI POVERTY IMPACT



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None

7.00 ENVIRONMENTAL IMPACT

None

8.00 EQUALITIES IMPACT

None

9.00 PERSONNEL IMPLICATIONS

None

10.00 CONSULTATION REQUIRED

None required

11.00 CONSULTATION UNDERTAKEN

None required

12.00 APPENDICES

Appendix 1 – Statement of Accounts 2011/12

Appendix 2 – Statement of Accounts 2010/11

Appendix 3 – Annual Return 2009/10

Appendix 4 – Annual Return 2008/09

Appendix 5 – WAO report, Audit of Financial Statements NWRWJC

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

Various Final Accounts Working Papers

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