

# SOUTH WEST WALES CORPORATE JOINT COMMITTEE

6th June 2023

## Report of the Chief Finance Officer

Report Title: Forecast Outturn and Pre-Audit Annual Return 2022/23

<b>Purpose of Report</b>	To provide the Joint Committee with the Forecast Outturn and Pre-Audit Annual Return for year ended 2022/23.
<b>Recommendation</b>	That the Joint Committee receive the Forecast Outturn and Pre-Audit Annual Return for year ended 2022/23.
<b>Report Author</b>	Chris Moore
<b>Finance Officer</b>	Chris Moore
<b>Legal Officer</b>	Craig Griffiths

### 1.0 Background:

- 1.1 The SWWCJC was formally constituted on 13<sup>th</sup> January 2022. Carmarthenshire County Council is acting as the Accountable Body responsible for discharging the councils' obligations in relation to the South-West Wales Corporate Joint Committee (SWWCJC).
- 1.2 On 25<sup>th</sup> January 2022 the SWWCJC approved the 2022/23 budget which was set at £575,411 with a levy from each of the constituent authorities.

### 2.0 Forecast Outturn 2022/23:

- 2.1 The forecast outturn in **Appendix A** shows an underspend of £384,824 against the budget.
- 2.2 The main variances are:
- 2.2.1 The Accountable Body is underspent by £18,236 in respect of audit costs, due to minimal activity hence there is no requirement for an audit of a statement of accounts.
- 2.2.2 Governance and Internal Audit is underspent by £26,250 again due to minimal activity hence less Internal Audit work and Sub-Committee Support Costs & Expenses from Pembrokeshire County Council.
- 2.2.3 Support Services is underspent by £59,180 as the Senior Accountant post has not been filled due to the requirement not being needed yet.

2.2.4 The Regional Management Office is underspent by £125,158 mainly due to the Business Manager post not been filled until June 2022, Consultancy and Specialist Adviser work has not been commissioned and Translation Services were used minimally.

2.2.5 The Provision for Contingency/Reserves was therefore not needed.

2.3 A reserve has been set up for the £384,824.

### **3.0 Pre-Audit Annual Return 2022/23:**

3.1 For joint committees with income and expenditure below £2.5 million, the requirement is that accounts are prepared in the form of an annual return. The Joint Committee expenditure of the SWWCJC for 2022/23 is £190,587.

3.2 The Annual Return, in **Appendix B**, is split into the following sections:

- Accounting Statement 2022/23 – including a statement of income and expenditure / receipts and payments and a statement of balances.
- Annual Governance Statement
- Committee approval and certification
- Annual Internal Audit report

3.3 The Annual Return will be audited during June/July 2023.

### **4.0 Financial Impact:**

4.1 The Forecast Outturn for 2022/23 shows an underspend against budget of £384,824. This amount has been moved to a earmarked reserve. The Pre-Audit Annual Return for 2022/23 shows expenditure of £190,587.

### **5.0 Integrated Impact Assessment:**

5.1 The CJC is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language

- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

5.2 In recognition of the above duties, the CJC has adopted an Integrated Impact Assessment (IIA) Tool which allows for a 2 stage approach to be undertaken to measure any potential impact of its decisions. It is not considered that an Integrated Impact Assessment (IIA) is required for this report as it does not seek a substantive policy decision from Members but merely provides an update as to the financial position in accordance with procedural requirements.

5.3 The CJC approved its Corporate Plan 2023-2028 in March 2023. The Corporate Plan includes the CJC’s Equality Objective which is set out below for ease of reference:

*“To deliver a more equal South West Wales by 2035 by contributing towards:*

*(a) The achievement of the Welsh Government’s long-term equality aim of eliminating inequality caused by poverty;*

*(b) The achievement of the Equality statement set out in Llwybr Newydd which is to make our transport services and infrastructure accessible and inclusive by aiming to remove the physical, attitudinal, environmental, systemic, linguistic and economic barriers that prevent people from using sustainable transport, and*

*(c) The achievement of the Welsh Government’s long-term equality aims of cohesive communities that are resilient, fair and equal and where everyone is able to participate in political, public and everyday life. There will be no room for racism and / or discrimination of any kind.”*

## **6.0 Well-being of Future Generations (Wales) Act 2015**

Alignment with CJC Corporate Plan 2023-2028 and the identified CJC Well-being objectives:

6.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the ‘well-being goals’.

6.2 The CJC approved its Corporate Plan 2023-2028 in March 2023. The Corporate Plan contains the CJC’s well-being objectives and frames the corporate direction of travel. It is considered that whilst the recommendation contained within this report aligns to the corporate policy framework of the CJC as set out within its Corporate Plan, the primary focus is on matters of governance and accountability. The 3 well-being objectives are set out below for ease of reference:

*Well-being Objective 1*

*“To collaboratively deliver the Regional Economic Delivery Plan and Regional Energy Strategy thereby improving the decarbonised economic well-being of South West Wales for our future generations.”*

### *Well-Being Objective 2*

*“To produce a Regional Transport Plan for South West Wales that is founded on collaboration and enables the delivery of a transport system which is good for our current and future generations of people and communities, good for our environment and good for our economy and places (rural and urban).”*

### *Well-Being Objective 3*

*“To produce a sound, deliverable, co-ordinated and locally distinctive Strategic Development Plan for South West Wales which is founded on stakeholder engagement and collaboration and which clearly sets out the scale and location of future growth for our future generations.”*

## **7.0 Workforce Impacts:**

7.1 There are no workforce impacts for this report.

## **8.0 Legal Impacts:**

8.1 The SWWCJC is responsible for preparing the Annual Return, on this occasion, in accordance with legislation and failure to do so would render the SWWCJC in breach of its obligations.

## **9.0 Risk Management Impacts:**

9.1 The SWWCJC is responsible for putting appropriate Governance arrangements in place for the management of risk and portfolio delivery. Failure to prepare Annual Return, on this occasion, would result in a breach of legal obligation.

## **10.0 Consultation:**

10.1 There is no requirement for formal consultation.

## **11.0 Reasons for Proposed Decision:**

11.1 To receive the Forecast Outturn and Pre-Audit Annual Return for financial year 2022/23.

## **12.0 Implementation of Decision:**

12.1 This decision is proposed for implementation following a three-day call in period.


## **Appendices:**

Appendix A – Forecast Outturn 2022/23

Appendix B – Annual Return 2022/23

**List of Background Papers:** None

## Appendix A

		South West Wales Corporate Joint Committee Forecast Outturn Financial Year 2022/23		
Description	Budget (£)	Forecast Outturn 2022/23 (£)	Variance (£)	Notes
<b>Expenditure</b>				
<b>Joint Committee</b>				
<b>Democratic Services</b>				
Democratic, Scrutiny and Legal Support Costs	67,000	67,000	-	Provided by NPT
<b>Democratic Services Total</b>	<b>67,000</b>	<b>67,000</b>	-	
<b>Legal and Governance</b>				
Monitoring Officer and Service Support	17,000	17,000	-	Provided by NPT
<b>Legal and Governance Total</b>	<b>17,000</b>	<b>17,000</b>	-	
<b>Accountable Body</b>				
Audit Wales Financial Audit	20,000	1,764	18,236	Based on audit costs of SBCD
Section 151 Officer Recharge	18,812	18,812	-	Provided by CCC
<b>Accountable Body Total</b>	<b>38,812</b>	<b>20,576</b>	<b>18,236</b>	
<b>Governance &amp; Internal Audit</b>				
Internal Audit	20,000	5,000	15,000	Provided by Pembs - reduced activity
Sub-Committee Support Costs & Expenses	15,000	3,750	11,250	Provided by Pembs - reduced activity
<b>Governance &amp; Internal Audit Total</b>	<b>35,000</b>	<b>8,750</b>	<b>26,250</b>	
<b>Support Services</b>				
ICT & Data Protection Services	20,000	20,000	-	Provided by NPT
Financial Services	54,374	5,194	49,180	Included a Senior Accountant (CCC Grade J) post not filled
Standards Services	-	-	-	Included within Democratic Service costs.
HR Services	10,000	-	10,000	Provided by NPT - no costs incurred
<b>Support Services Total</b>	<b>84,374</b>	<b>25,194</b>	<b>59,180</b>	
<b>Joint Committee Total</b>	<b>242,186</b>	<b>138,520</b>	<b>103,666</b>	
<b>Joint Scrutiny Committee</b>				
Room Hire	-	-	-	Included within Democratic Service costs.
Subsistence & Meeting Expenses	-	-	-	Included within Democratic Service costs.
Travel	-	-	-	Included within Democratic Service costs.
Democratic, Scrutiny and Legal Support Costs	-	-	-	Included within Democratic Service costs.
<b>Joint Scrutiny Committee Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>SWWCJC - Sub Committees</b>				
Economic Development SC	20,000	-	20,000	
Planning SC	20,000	-	20,000	
Transport SC	20,000	-	20,000	
Energy SC	20,000	-	20,000	
Governance & Audit SC	-	-	-	Included in Governance and Audit
<b>SWWCJC - Sub Committees Total</b>	<b>80,000</b>	<b>-</b>	<b>80,000</b>	
<b>SWWCJC - Regional Management Office</b>				
Salary (Inc. On-costs)	59,915	48,240	11,675	Business Manager ( CCC Grade K) - started June 2022
Training of Staff	1,000	-	1,000	Estimated budget
Public Transport - Staff	250	-	250	Estimated budget
Staff Travelling Expenses	810	-	810	Estimated budget
Admin, Office & Operational Consumables	1,000	50	950	Estimated budget
Consultancy and Specialist Adviser Fees	100,000	742	99,258	Estimated budget
ICTs & Computer Hardware	1,250	121	1,129	Estimated budget
Subsistence & Meetings Expenses	500	-	500	Estimated budget
Conferences, Marketing & Advertising	-	1,374	- 1,374	
Projects & Activities Expenditure	-	-	-	Estimated budget
Translation/Interpret Services	10,000	1,540	8,460	Estimated budget
Printing & Copying	2,500	-	2,500	Estimated budget
<b>Regional Management Office Total</b>	<b>177,225</b>	<b>52,067</b>	<b>125,158</b>	
<b>Contingency/Reserves</b>				
Provision for Contingency/Reserves	76,000	-	76,000	Estimated budget
<b>Contingency/Reserves Total</b>	<b>76,000</b>	<b>-</b>	<b>76,000</b>	
<b>Total SWWCJC Expenditure</b>	<b>575,411</b>	<b>190,587</b>	<b>384,824</b>	
<b>Funding Contributions</b>				
<b>Partner &amp; Other Contribution</b>				
Brecon Beacons NPA	-	-	-	
Pembrokeshire Coast NPA	-	-	-	
Co-Opt Partners	-	-	-	
Welsh Government Revenue Grant	-	-	-	
ERF Grant	-	-	-	
<b>Local Authority Levy</b>				
City and County of Swansea Council (Levy)	200,453	200,453	-	Based on Population Size
Carmarthenshire County Council (Levy)	154,527	154,527	-	Based on Population Size
Neath Port Talbot CBC (Levy)	117,384	117,384	-	Based on Population Size
Pembrokeshire County Council (Levy)	103,047	103,047	-	Based on Population Size
	<b>575,411</b>	<b>575,411</b>	<b>-</b>	
<b>Total SWWCJC Income</b>	<b>575,411</b>	<b>575,411</b>	<b>-</b>	
<b>Provision of Service - Surplus / (Deficit)</b>	<b>-</b>	<b>384,824</b>	<b>(384,824)</b>	
<b>Movement to Reserves</b>				
<b>Description</b>				
Balance Brought Forward from previous year	-	-	-	
Net Provision of Service - Surplus / (Deficit)	-	384,824	<b>(384,824)</b>	
<b>Balance Carry Forward</b>	<b>-</b>	<b>384,824</b>	<b>(384,824)</b>	

## Minor Joint Committees in Wales Annual Return for the Year Ended 31 March 2023

### Accounting statements 2022-23 for:

Name of body: SWWCJC: South West Wales Corporate Joint Committee

	Year ending		Notes and guidance for compilers
	31 March 2022 (£)	31 March 2023 (£)	
<b>Statement of income and expenditure/receipts and payments</b>			
1. Balances brought forward	0	0	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	0	575,411	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	0	0	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	0	72,246	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg termination costs.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	0	118,341	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	0	384,824	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
<b>Statement of balances</b>			
8. (+) Debtors	0	0	<b>Income and expenditure accounts only:</b> Enter the value of debts owed to the body.
9. (+) Total cash and investments	0	366,530	<b>All accounts:</b> The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	0	-18,294	<b>Income and expenditure accounts only:</b> Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	0	384,824	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	0	0	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

## Annual Governance Statement

We acknowledge as the members of the Committee, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2023, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref
	Yes	No*		
1. We have put in place arrangements for: <ul style="list-style-type: none"> <li>• effective financial management during the year; and</li> <li>• the preparation and approval of the accounting statements.</li> </ul>	<input checked="" type="radio"/>	<input type="radio"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.	<input checked="" type="radio"/>	<input type="radio"/>	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Committee to conduct its business or on its finances.	<input checked="" type="radio"/>	<input type="radio"/>	Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.	<input checked="" type="radio"/>	<input type="radio"/>	Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23
5. We have carried out an assessment of the risks facing the Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="radio"/>	<input type="radio"/>	Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9
6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.	<input checked="" type="radio"/>	<input type="radio"/>	Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8
7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Committee and, where appropriate, have included them on the accounting statements.	<input checked="" type="radio"/>	<input type="radio"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	<input checked="" type="radio"/>	<input type="radio"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23

\* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

## Additional disclosure notes\*

The following information is provided to assist the reader to understand the accounting statements and/or the Annual Governance Statement

1.


2.

3.

\* Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statements and/or the annual governance statement.

## Committee approval and certification

The Committee is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

<p><b>Certification by the RFO</b></p> <p>I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Committee, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2023.</p>	<p><b>Approval by the Council/Board/Committee</b></p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference:</p>
<p>RFO signature: </p>	<p>Minute ref:</p>
<p>Name: C. MOORE.</p>	<p>Chair of meeting signature:</p>
<p>Date: 24/5/23.</p>	<p>Name:</p>
	<p>Date:</p>



## Annual internal audit report to:

Name of body: **SWWCJC: South West Wales Corporate Joint Committee**

The Committee's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2023.

The internal audit has been carried out in accordance with the Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
8. Asset and investment registers were complete, accurate, and properly maintained.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text

For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
11. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
12. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
13. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text

\* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\* If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

[My detailed findings and recommendations which I draw to the attention of the Committee are included in my detailed report to the Committee dated \_\_\_\_\_.] \* Delete if no report prepared.

### Internal audit confirmation

I/we confirm that as the Committee's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2021-22 and 2022-23. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:
Signature of person who carried out the internal audit:
Date: