

# Agenda Item 1



**Gareth Owens LL.B Barrister/Bargyfreithiwr**  
*Head of Legal and Democratic Services*  
Pennaeth Gwasanaethau Cyfreithiol a  
Democratiaid

I: Cynghorwyr: Aaron Shotton, Kevin Jones, Dave Cowans,  
Michael Priestley, David Smith, Eryl Williams, John Wynn  
Jones, William Gareth Roberts, John Chorlton  
and R.G. Parry

DS/CO

13 Chwefror 2013

Ceri Owen

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Annwyl Syr / Fadam

Cynhelir **CYFARFOD CYD-BWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU yn SIAMBR Y CYNGOR, LLANGFNI, YNYS MON, LL77 7TW ar DYDD MERCHER 20 CHWFROR 2013 am 2.00 yp** i drafod y materion canlynol.

Yr eiddoch yn gywir

A handwritten signature in black ink, appearing to be 'Ceri Owen', written over a horizontal line.

Rheolwr Democratiaeth a Rheolaeth

## **AGENDA**

1. **YMDDIHEURIADAU**
2. **DATGAN DIDDORDEB**
3. **CYMERADWYO COFNODION BLAENOROL**

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The Council welcomes correspondence in Welsh or English  
Mae'r Cyngor yn croesawau gohebiaeth yn y Cymraeg neu'r Saesneg

4. **MATERION YN CODI O'R CYFARFOD BLAENOROL**
  
5. **ADRODDIAD DATGANIAD O GYFRIFON PTGGGC (ADRODDIAD ADRAN CYLLID CSYFF A SWYDDFA ARCHWILIO CYMRU)**
  
6. **ADRODDIAD ARCHWYLIO MEWNOL CSYFF (ARCHWYLIO MEWNOL CSYFF)**
  
7. **ADRODDIAD CYNNYDD (ADRODDIAD SO)**
  
8. **RIR – DIWEDDARIAD STATWS RISG (ADRODDIAD SP)**
  
9. **DIWEDDARIAD CYFATHREBU (ADRODDIAD SO)**  
  
**DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985 – I GYSIDRO EITHRIO'R WASG A'R CYHOEDD**  
Mae'r eitem isod yn cael ei gysdrio fel eitem i'w eithrio dan paragraff(au) 14 o Rhan 1 o Atodlen 12A o Ddeddf Llywodraeth Lleol 1972 (fel a ddiwygwyd)
  
10. **DIWEDDARIAD PWRCASU (ADRODDIAD SP)**
  
11. **UNRHYW FATER ARALL**



**NWRWTP**

North Wales Residual Waste Treatment Project

## **CYD BWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU**

Cofnodion cyfarfod y Cyd Bwyllgor a gynhaliwyd yn Neuadd y Sir, yr Wyddgrug ar Ddydd Iau 13 Rhagfyr, 2012.

### **PRESENNOL: Cyngorydd Eryl Williams (Cadeirydd) – Cyngor Sir Ddinbych**

Cyngorydd Aaron Shotton – Cyngor Sir y Fflint

Cyngorydd Kevin Jones – Cyngor Sir y Fflint

Cyngorydd John Chorlton – Cyngor Sir Ynys Môn

Cyngorydd Mike Priestley – Cyngor Bwrdeistref Sirol Conwy

Cyngorydd David Smith – Cyngor Sir Ddinbych

Cyngorydd William Gareth Roberts – Cyngor Gwynedd

### **HEFYD YN BRESENNOL:**

#### **Cyngor Sir y Fflint**

Colin Everett, Carl Longland, Kerry Feather a Louise Pedreschi

#### **Cyngor Sir Ddinbych**

Mr. Steve Parker

#### **Cyngor Gwynedd**

Mr. Dilwyn Williams

#### **Cyngor Sir Ynys Môn**

Mr. Jonathan Eastwood

#### **Prosiect Triniaeth Gwastraff Gweddilliol Gogledd Cymru**

Mr. Steffan Owen a Ms. Karen Powell

#### **Partnerships UK**

Mr. Huw Roberts



## **Cofely District Energy**

Dr. Nick Regan

Mr. Mike Smith

Mr. Talal Khan

## **YMDDIHEURIADAU**

Derbyniwyd ymddiheuriadau am absenoldeb oddi wrth y Cynghorydd Dave Cowans (Cyngor Bwrdeistref Sirol Conwy), Andrew Kirkham (Cyngor Bwrdeistref Sirol Conwy), Arthur Owen (Cyngor Sir Ynys Môn) a Stephen Penny (Cyfarwyddwr y Prosiect).

### **1. DATGAN DIDDORDEB**

Datganodd y Cynghorydd Aaron Shotton ddiddordeb oherwydd codi pryderon trigolion, ond cytunwyd nad oedd hynny'n fater rhagfarnu.

### **2. CYMERADWYO COFNODION BLAENOROL**

Cyflwynwyd cofnodion y cyfarfod o'r Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru a gynhaliwyd ar y 1 Awst 2012, i'w cymeradwyo.

Eglurodd y Rheolwr Prosiect fod y wybodaeth yng nghofnod rhif 9 o natur sensitif yn fasnachol, ac felly nid oedd wedi'i gynnwys yn yr agenda a gyhoeddwyd ar wefan bob Awdurdod Lleol.

### **PENDERFYNWYD:**

Bod y cofnodion yn cael eu cymeradwyo fel cofnod cywir.

### **3. MATERION YN CODI O'R CYFARFOD BLAENOROL**

Nid oedd unrhyw faterion yn codi.



## 4. ADRODDIAD CYNNYDD

Cyflwynodd y Rheolwr Prosiect yr adroddiad cynnydd a dywedodd bod y prosiect yn mynd yn ei flaen yn dda a'i fod o fewn y gyllideb gyffredinol.

Yn dilyn penderfyniad y Cydbwyllgor ar 1 Awst, 2012 i ddewis SITA UK a Wheelabrator i barhau â'r broses gaffael, cafwyd datganiad cyhoeddus ar 22 Awst, 2012 yn hysbysu'r cyhoedd bod y ddau gynigydd wedi cynnig cyfleuster ynni o wastraff ym Mharc Diwydiannol Glannau Dyfrdwy. Roedd deialog wedi aildechrau gyda'r ddau gynigydd a oedd yn weddill ar agweddau cyfreithiol, technegol ac ariannol, a darperir rhagor o fanylion fel rhan o'r adroddiad diweddariad caffael yn ddiweddarach yn y cyfarfod.

Nododd y Rheolwr Prosiect nad oedd unrhyw faterion o bwys a chafwyd diweddariad mewn perthynas â mân faterion sy'n gysylltiedig â gweithgaredd y prosiect fel a ganlyn:-

- ID 98 – Adroddiad drafft parodrwydd i gau deialog. Roedd gwaith wedi cychwyn ar yr adroddiad drafft.
- ID 99 – Sesiwn Tîm Prosiect i adolygu cofrestr risg y prosiect, yn barod i'w gyflwyno i Lywodraeth Cymru (LIC) fel rhan o adolygiad parodrwydd i gau deialog LIC. Roedd y sesiwn eto i'w chynnal, a byddai manylion pellach yn cael eu darparu fel rhan o'r adroddiad diweddariad caffael yn ddiweddarach yn y cyfarfod.
- ID 103 – Trefnu adolygiad parodrwydd i gau gyda LIC. Byddai hyn yn cael ei weithredu yn y Flwyddyn Newydd.

## PENDERFYNWYD:

Nodi'r adroddiad.

## 5. RIR - DIWEDDARIAD STATWS RISG



Cyflwynodd y Rheolwr Prosiect adroddiad Cofrestr Risg a oedd yn amlygu rhai o'r diwygiadau i'r gofrestr risg a wnaethpwyd i adlewyrchu'r ddealltwriaeth gyfredol o risgiau a'r mesurau lliniaru a oedd ar waith.

Yn dilyn trafodaeth, dywedodd Rheolwr y Prosiect y byddai'n adolygu sut mae'r adroddiad Cofrestr Risg yn cael ei gyhoeddi a'i gyflwyno mewn cyfarfodydd yn y dyfodol er hwylustod cyfeirio'r aelodau.

### **PENDERFYNWYD:**

Bod y Gofrestr Risg wedi'i diweddarau ar gyfer y prosiect yn cael ei nodi.

## **6. DIWEDDARIAD CYFATHREBU**

Diweddarodd y Rheolwr Prosiect yr Aelodau ar faterion cyfathrebu a oedd yn ymwneud â Phrosiect Trin Gwastraff Gweddilliol Gogledd Cymru (NWRWTP).

### **Cyfarfod Llywodraeth Cymru gydag Aelodau Cyngor Sir y Fflint**

Rhoddodd y Cynghorydd Kevin Jones ddiweddariad yn dilyn cyfarfod Llywodraeth Cymru (LIC) gydag Aelodau Cyngor Sir y Fflint. Roedd Jasper Roberts (Dirprwy Gyfarwyddwr Effeithlonrwydd Gwastraff ac Adnoddau) yn bresennol yn y cyfarfod i siarad â'r Aelodau am strategaeth a pholisïau gwastraff LIC, gan roi sylw arbennig i wastraff gweddilliol. Cafwyd presenoldeb da yn y cyfarfod a bydd copïau o'r cwestiynau a godwyd a'r atebion a gafwyd yn cael eu dosbarthu i bob Aelod o Gyngor Sir y Fflint.

Dywedodd y Rheolwr Prosiect fod Jasper Roberts wedi datgan ei barodrwydd i fynychu cyfarfodydd yn y dyfodol gydag unrhyw un o'r awdurdodau partner, yn ogystal â chynghorau tref a chymuned lleol.



## Seminar aelodau gyda'r Asiantaeth Diogelu Iechyd ar gyfleusterau Ynni o Wastraff

Dywedodd y Rheolwr Prosiect fod dyddiadau wedi'u gosod ar gyfer seminar i'r holl Aelodau awdurdodau partner ar y pwnc o effeithiau iechyd o gyfleusterau Ynni o Wastraff, lle byddai Yr Athro David Russell o'r Asiantaeth Diogelu Iechyd yn bresennol. Cynigiodd y Cynghorydd Kevin Jones fod pob Aelod o'r awdurdodau partner yn cael eu gwahodd i'r seminarau. Gofynnodd y Cadeirydd am i nodyn atgoffa gael ei anfon at yr holl Aelodau bythefnos cyn y seminarau.

Gofynnodd y Cynghorydd Mike Priestley os byddai'n bosibl i daflen ffeithiau yn amlinellu'r wybodaeth benodol am effeithiau iechyd o gyfleusterau Ynni o Wastraff gael ei darparu i holl Aelodau'r Cydbwyllgor cyn y seminarau er mwyn iddynt allu ateb unrhyw gwestiynau gan y cyhoedd.

## Strategaeth Gyfathrebu ac Ymgysylltu

Nododd y Rheolwr Prosiect fod y Tîm Prosiect wedi paratoi strategaeth gyfathrebu ac ymgysylltu wedi'i diweddarau ar gyfer 2013 i fynd â'r prosiect i fyny at benodiad y cynigydd a ffefrir. Mae copi o'r strategaeth gyfathrebu ac ymgysylltu ynghlwm yn Atodiad 3 yr adroddiad.

Gofynnodd y Cynghorydd Kevin Jones a fu unrhyw ymgysylltiad â busnesau lleol sy'n gweithredu ar hyn o bryd ym Mharc Diwydiannol Glannau Dyfrdwy. Dywedodd y Rheolwr Prosiect bod y Tîm Prosiect wedi ymgysylltu â busnesau lleol o fewn Parth Menter Glannau Dyfrdwy a Pharc Diwydiannol Glannau Dyfrdwy, ac y byddai hyn yn parhau.

Awgrymodd y Cynghorydd Mike Priestley ymgysylltu Aelodau Seneddol Lleol ac Aelodau'r Cynulliad fel rhan o'r broses. Eglurodd y Rheolwr Prosiect y byddai hyn yn cael ei arwain gan y Prif Weithredwr Arweiniol, Colin Everett.

Mewn ymateb i gwestiwn ynglŷn ag ymgysylltu Cynghorau Tref a Chymuned, cadarnhaodd y Rheolwr Prosiect, yn dilyn penodi cynigydd a ffefrir, y



byddai disgwyl iddynt gymryd rhan weithredol mewn ymgysylltu ac ymgynghori â'r gymuned, gan gynnwys y Cynghorau Tref a Chymuned priodol.

## **PENDERFYNWYD:**

Nodi'r diweddariad Cyfathrebu.

### **7. ADRODDIAD DIWEDDARIAD CAFFAEL**

Croesawodd y Cadeirydd Dr Nick Regan a Mr Mike Smith o Cofely District Energy a oedd yn bresennol i roi cyflwyniad ar yr Astudiaeth Gwres a gynhaliwyd yng Nglannau Dyfrdwy. Roedd y cyflwyniad yn ymdrin â'r meysydd canlynol:-

- Amcanion yr Astudiaeth
- Cynhyrchu ynni canolog
- Gwres a phŵer cyfunedig
- Ynni o wastraff
- Rhwydweithiau gwres Ardal
- Opsiynau a ystyriwyd
- Meysydd allweddol
- Argymhellion

Cafwyd nifer o sylwadau ynghylch ymgysylltu â busnesau mawr ar Barc Diwydiannol Glannau Dyfrdwy ac amlinellodd Colin Everett ei siom y teimlir na fyddai Opsiwn 1 yn ddichonadwy.

\* Cyrhaeddodd y Cynghorydd Aaron Shotton y cyfarfod am 3.00pm a datgan diddordeb oherwydd iddo godi pryderon trigolion, cyn i'r drafodaeth barhau \*

Yn dilyn y cyflwyniad, cyflwynodd y Rheolwr Prosiect ddiweddariad ar y cynnydd yn ymwneud ag agweddau caffael. Rhoddodd y wybodaeth ddiweddaraf am y meysydd canlynol, fel y manylir yn yr adroddiad:-





- Rhaglen gaffael
- Cynnydd o ran archwilio opsiynau ar gyfer Cynllun Budd Cymunedol
- Gofynion Monitro Gronynnol (PM 2.5)

Nododd Colin Everett ei farn nad oedd y swm o budd cymunedol nodir fel safon y diwydiant yn cwrdd a gofynion hapddalwyr lleol.

Yn dilyn trafodaeth, cadarnhaodd Rheolwr y Prosiect y byddai'n holi p'un a oedd mwy o wybodaeth ddiweddar am berfformiad allyriadau cyfartalog safleoedd Ynni o Wastraff y DU.

Cafwyd nifer o gwestiynau ynghylch gofynion monitro gronynnau a chytunwyd y dylai'r Rheolwr Prosiect gyflwyno adroddiad pellach i gyfarfod yn y dyfodol yn amlinellu'r costau o fonitro gronynnau cynyddol.

Gofynnodd y Cyngorydd Shotton pa gamau fyddai'n cael eu cymryd pe gwelid bod allyriadau ar lefel annerbyniol. Cadarnhaodd y Rheolwr Prosiect y byddai Asiantaeth yr Amgylchedd fel rheoleiddwyr yn gosod camau gweithredu adferol i'w gwneud pe bai'r allyriadau'n uwch na'r hyn a ganiateir. Pe na fyddai'r camau priodol yn cael eu cymryd, yna gallai Asiantaeth yr Amgylchedd gau'r cyfleuster i lawr a diddymu ei drwydded.

## **PENDERFYNWYD:**

- (a) Nodi'r adroddiad; a
- (b) Bod adroddiad pellach yn cael ei gyflwyno i gyfarfod yn y dyfodol yn amlinellu costau monitro gronynnau cynyddol.

## **8. UNRHYW FATER ARALL**

Dim.



**Dyddiad y cyfarfod nesaf - 20 Chwefror, 2013 (Ynys Môn)**

DRAFT



## Eitem Agenda: 5

**ADRODDIAD I'R:** CYD-BWYLLGOR PTGGGC

**DYDDIAD:** DYDD MERCHER 20 CHWEFROR, 2013

**ADRODDIAD GAN:** PENNAETH CYLLID (CYNGOR SIR Y FFLINT) FEL TRYSORYDD Y CYDBWYLLGOR

**PWNC:** DATGANIAD O GYFRIFON PROSIECT TRIN GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU 2011/12, 2010/11, 2009/10 A 2008/09.

### **1.00 PWRPAS YR ADRODDIAD**

- 1.01 I hysbysu'r Aelodau am ofynion cyfrifo ac adrodd archwiliad statudol y Cydbwyllgor.
- 1.02 I amlinellu'r broses a gymerwyd yn ystod y misoedd diwethaf i gwblhau'r gofynion adrodd cyfrifo ac archwilio'r Cydbwyllgor ar gyfer 2011/12 a (drwy edrych yn ôl), 2010/11, 2009/10 a 2008/09. Gan gynnwys yr archwiliad ariannol a wnaed gan Swyddfa Archwilio Cymru (SAC).
- 1.03 I gyflwyno adroddiad SAC mewn perthynas â'r archwiliad ariannol.
- 1.04 I gyflwyno datganiadau ariannol ar gyfer blynyddoedd ariannol 2008/09 i 2011/12, gan gynnwys y newidiadau hynny a gytunwyd gyda SAC yn ystod y cwrs yr archwiliad, er mwyn i'r Cydbwyllgor eu cymeradwyo.

### **2.00 CEFNDIR**

- 2.01 Ar adeg hwyr iawn yn y gwaith o baratoi cyfrifon Cyngor Sir y Fflint 2011/12, daeth yn amlwg bod gofynion adrodd cyfrifo ac archwilio Cydbwyllgor y Prosiect tu hwnt i'r hyn yr oedd wedi ei gynllunio.
- 2.02 Mae Rheoliadau Cyfrifon ac Archwilio (Cymru) (Diwygio) 2010 yn mynnu bod pob Cydbwyllgor yn paratoi cyfrifon diwedd blwyddyn h.y. cyfrif incwm a gwariant a mantolen. I gynorthwyo gyda hyn, mae Swyddfa Archwilio Cymru (SAC) wedi cynhyrchu templed gwag ar gyfer ei gwblhau, sy'n bodloni gofynion adrodd cydbwyllgor bach, a elwir yn 'Ffurflen Flynyddol Cydbwyllgorau Bach yng Nghymru'.
- 2.03 Fodd bynnag, os yw incwm neu wariant gros Cydbwyllgor (p'un bynnag yw'r uchaf) ar gyfer y flwyddyn yn fwy na £1,000,000, mae angen cynhyrchu set fwy cynhwysfawr o gyfrifon yn unol â chanllawiau cyfrifyddu penodol. Mae cyfrifon y Cydbwyllgor yn cael eu trin yn yr un ffordd â chyfrifon endid sengl Cyngor; yn destun i



archwiliad ei hun ar wahân. Mae gofyn i'r archwilwyr penodedig gyfathrebu materion perthnasol sy'n ymwneud â'r archwiliad o'r datganiadau ariannol i'r rhai sy'n gyfrifol am lywodraethu drwy adroddiad ISA 260 (Safonau Rhyngwladol ar Archwilio).

### 3.00 YSTYRIAETHAU

#### **Gofynion cyfrifyddu ac archwilio'r Cydbwyllgor**

- 3.01 Golygodd gwariant gros y Cydbwyllgor yn 2010/11 a 2011/12 fod y trothwy o £1,000,000 wedi ei dorri o ychydig; felly roedd rhaid cynhyrchu Datganiad llawn o Gyfrifon gyfer 2011/12 a 2010/11, ac maent yn cael eu cynnwys fel Atodiad 1 a 2 yn y drefn honno. Roedd y gwariant gros yn 2009/10 a 2008/09 yn llai na £1,000,000; o'r herwydd rhaid i dempledi Swyddfa Archwilio Cymru ar gyfer cydbwyllgorau bach fel y'u disgrifiwyd yn 2.02 gael eu cwblhau ac maent yn cael eu cynnwys fel Atodiad 3 a 4 yn y drefn honno.
- 3.02 Mae Archwilydd Cyffredinol Cymru wedi penodi Swyddfa Archwilio Cymru fel yr archwilydd ar gyfer y Cydbwyllgor.
- 3.03 Yn unol â Rheoliadau 2010 fel y cyfeirir atynt yn 2.02, mae terfyn amser statudol o 30<sup>ain</sup> Medi ar gyfer cyhoeddi cyfrifon diwedd blwyddyn ar ôl cwblhau gwaith yr archwilydd penodedig. Gan fod y dyddiad cau wedi mynd heibio roedd angen cyhoeddi hysbysiad statudol o ddiffyg cydymffurfio â'r terfyn amser o 30<sup>ain</sup> Medi. Rhoddwyd yr hysbysiad ar wefan Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru.

#### **Proses a gymerwyd i gynhyrchu cyfrifon y Cydbwyllgor**

- 3.04 Pan ddaeth gofynion adrodd y Bartneriaeth i'r amlwg fel y nodir ym mharagraff 2.01, ceisiodd swyddogion cyllid gwblhau peth o'r gwaith yr oedd ei angen ar gyfer blwyddyn ariannol 2011/12 erbyn y terfyn amser statudol, sef 30<sup>ain</sup> Mehefin, a llwyddasant i wneud hynny. Yn ystod cwrs yr archwiliad, daeth yn amlwg bod angen gwaith pellach mewn perthynas â Chyfrifon 2011/12 a bod gofyniad i baratoi cyfrifon ar gyfer y blynyddoedd ariannol 2010/11, 2009/10 a 2008/09. Unwaith eto aeth y swyddogion cyllid ati'n brydlon i gwblhau'r gwaith yr oedd ei angen ar y cyfle cyntaf.
- 3.05 Dyma'r prosiect cydweithredol ar raddfa fawr cyntaf i gael ei sefydlu yn rhanbarth Gogledd Cymru. O fyfyrto ar hynny, mae'n deg dod i gasgliad nad oedd yr un swyddog yn y rhanbarth wedi gwerthfawrogi'n llawn faint o waith oedd ynghlwm â bodloni'r gofynion adrodd ariannol. Mae'r archwiliad wedi bod yn brofiad dysgu; fodd bynnag, gall y rhanbarth gyfan elwa o'r profiad o ddefnyddio'r gwersi a ddysgwyd ar gyfer trefniadau eraill ar y cyd sydd yn y broses o gael eu sefydlu.



- 3.06 Mae effaith gyfunol y ffactorau a nodir ym mharagraffau 3.04 a 3.05 wedi golygu bod yr archwiliad wedi bod braidd yn anodd, oherwydd mewn gwirionedd roedd y cyfrifon yn cael eu cynhyrchu tra'r oedd yr archwiliad yn cael ei gynnal, gan arwain at i SAC ddod o hyd i faterion y mae'n rhaid adrodd arnynt i'r Cydbwyllgor.

### **Canfyddiadau'r Archwiliad**

- 3.07 Bydd SAC yn bresennol i adrodd am faterion perthnasol sy'n ymwneud â'r archwiliad o'r datganiadau ariannol. Gweler adroddiad ISA 260 SAC fel y cyfeirir ato yn 2.03 ynghlwm fel Atodiad 5.
- 3.08 Yn gynwysedig o fewn adroddiad ISA 260 SAC, mae'r llythyr o gynrychiolaeth ble mae'r Cydbwyllgor yn cadarnhau i SAC bod yr holl wybodaeth a gynhwysir yn y datganiadau ariannol yn wir ac yn gywir a bod yr holl wybodaeth wedi cael ei datgelu.

### **Ymateb i ganfyddiadau'r archwiliad**

- 3.09 Tra'n cydnabod arwyddocâd y materion a nodwyd gan SAC yn eu hadroddiad, mae'n bwysig tynnu sylw at y ffaith fod newidiadau priodol wedi'u gwneud i ymdrin â'r pryderon ac i weithredu pob un o'r argymhellion a wnaed gan SAC.
- 3.10 Mae paratoi datganiad o gyfrifon y Cydbwyllgor wedi cael ei ymgorffori i mewn i raglen cau cyfrifon terfynol Sir y Fflint 2012/13 er mwyn sicrhau yn y dyfodol y bydd gofynion cyfrifyddu'n cael eu trin yn unol â'r terfynau amser statudol.
- 3.11 Bydd trefniadau'n cael eu gwneud i weithio gyda SAC i gytuno ar ddogfen Cyflenwadau Archwilio sy'n gosod allan y papurau gwaith angenrheidiol ynghyd â'r swyddog a enwir sy'n gyfrifol am gynhyrchu'r rhain.

## **4.00 ARGYMHELLION**

- 4.01 Gofynnir i aelodau'r Cydbwyllgor gymeradwyo:
- a) Datganiad o Gyfrifon 2011/12
  - b) Datganiad o Gyfrifon 2010/11
  - c) Ffurflen Flynyddol 2009/10
  - d) Ffurflen Flynyddol 2008/09
  - e) Llythyr o gynrychiolaeth

## **5.00 GOBLYGIADAU ARIANNOL**

Dim



## 6.00 EFFAITH GWRTH-DLODI

Dim

## 7.00 EFFAITH AMGYLCHEDDOL

Dim

## 8.00 EFFAITH CYDRADDOLDEB

Dim

## 9.00 GOBLYGIADAU PERSONÉL

Dim

## 10.00 ANGEN YMGYNGHORI

Dim angen

## 11.00 YMGYNGHORI A WNAED

Dim angen

## 12.00 ATODIADAU

Atodiad 1 – Datganiad o Gyfrifon 2011/12

Atodiad 2 – Datganiad o Gyfrifon 2010/11

Atodiad 3 – Ffurflen Flynyddol 2009/10

Atodiad 4 – Ffurflen Flynyddol 2008/09

Atodiad 5 – Adroddiad SAC, Archwiliad o Ddatganiadau Ariannol  
NWRWJC

## DOGFENNAU CEFNDIR DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985

Amryw Bapurau Gwaith Cyfrifon Terfynol

**Swyddog Cyswllt:** Liz Thomas

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# **NORTH WALES RESIDUAL WASTE PARTNERSHIP**

## **NORTH WALES RESIDUAL WASTE TREATMENT PROJECT**

### **STATEMENT OF ACCOUNTS**

**2010-11**





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## EXPLANATORY FOREWORD

### Introduction

The North Wales Residual Waste Treatment Project (NWRWTP) is a partnership of Flintshire County Council (Lead Authority), the Isle of Anglesey County Council, Conwy County Borough Council, Denbighshire County Council, and Gwynedd County Council created in order to seek a solution for residual waste on behalf of the five partner authorities, for a 25 year period.

The partnership is underpinned by a legally binding Inter-Authority Agreement (IAA) that all five partner authorities have signed. This commits the partner authorities to working together throughout the procurement process up until contract award. The North Wales Residual Waste Joint Committee manages the project on behalf of all five partner authorities, and has delegated authority to do so (including de-selection of bidders) up until the Preferred Bidder stage of the procurement process. The North Wales Residual Waste Joint Committee consists of two members from each partner authority, with one member from each partner authority having voting rights at Joint Committee meetings.

The decision to award Preferred Bidder will need to be agreed by all five partner authorities individually and therefore a full approval process will be required within each one (e.g. Scrutiny Committee, Cabinet/Executive and Full Council). The project is at present in dialogue with the two remaining bidders (Sita UK and Wheelabrator) with dialogue expected to be closed at the end of 2012. The Preferred Bidder approvals process within each partner authority is expected to be between April - June 2013 with a planning application to follow after that. The facility is currently expected to be operational in mid 2017.

### The Financial Statements

The Statement of Accounts 2010/11 provide details of the NWRWTP's financial position for the year ended 31st March 2011, and reflects the wholly revenue nature of the activities undertaken. The information presented on pages 4 to 11 is in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2005.

The statements included are :-

- **the 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' (i.e. those that can be applied to fund expenditure) and other reserves. Nil balances are recorded throughout the statement, linked with the equivalent nil values recorded within those statements referred to below.
- **the income and expenditure statement** – this statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. All income and expenditure is shared equally between the five partner authorities.
- **balance sheet** - the Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Joint Committee. The net assets (assets less liabilities) of the Joint Committee are matched by the reserves held.
- **cash flow statement** - the Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents.

**STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS –  
NORTH WALES RESIDUAL WASTE TREATMENT PROJECT**

**THE AUTHORITY'S RESPONSIBILITIES**

The Authority is required to :-

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, this is the Head of Finance;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;

**The Joint Committee's Responsibilities**

- To approve the accounts.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Lead Officer of North Wales Residual Waste Treatment Project**

**Address -**

**STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS –  
NORTH WALES RESIDUAL WASTE TREATMENT PROJECT**

continued

**THE HEAD OF FINANCE'S RESPONSIBILITIES**

The Head of Finance is responsible for the preparation of the statement of accounts in accordance with the proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code").

In preparing this statement of accounts, the Head of Finance has :-

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

The Head of Finance has also :-

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

**Certificate of the Head of Finance as Treasurer of the Joint Committee**

I certify that the statement of accounts give a true and fair view of the financial position of the Joint Committee at 31st March 2011 and its income and expenditure for the year then ended.

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Kerry Feather CPFA  
Head of Finance**

**Treasurer of the Joint Committee**

**Address -**

## MOVEMENT IN RESERVES STATEMENT

for the year ended 31st March 2011

### Movements 2010/11

	Capital Receipts Reserve £	Capital Grants Unapplied £	General Balance £	Earmarked Reserves £	Total Usable Reserves £	Unusable Reserves £	Total Reserves £
<b>At 31st March 2010</b>	0	0	0	0	0	0	0
Surplus/(deficit) on the provision of services	0	0	0	0	0	0	0
Other comprehensive income and expenditure	0	0	0	0	0	0	0
<b>Total comprehensive income and expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Adjustments between accounting and funding basis under regulations	0	0	0	0	0	0	0
<b>Net increase/(decrease) before transfer to earmarked reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfers to/(from) earmarked reserves	0	0	0	0	0	0	0
<b>Increase/(decrease) in year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 31st March 2011</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Movements 2009/10

	Capital Receipts Reserve £	Capital Grants Unapplied £	General Balance £	Earmarked Reserves £	Total Usable Reserves £	Unusable Reserves £	Total Reserves £
<b>At 31st March 2009</b>	0	0	0	0	0	0	0
Surplus/(deficit) on the provision of services	0	0	0	0	0	0	0
Other comprehensive income and expenditure	0	0	0	0	0	0	0
<b>Total comprehensive income and expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Adjustments between accounting and funding basis under regulations	0	0	0	0	0	0	0
<b>Net increase/(decrease) before transfer to earmarked reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfers to/(from) earmarked reserves	0	0	0	0	0	0	0
<b>Increase/(decrease) in year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 31st March 2010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**  
for the year ended 31st March 2011

	2011	2010
	£	£
<b>Expenditure</b>		
<b>Note 2</b>		
(a) Employees	229,796	141,673
Transport	3,343	8
(b) Supplies & Services	761,488	241,878
(c) Support Services	134,202	47,872
	<hr/>	<hr/>
Gross Expenditure	<b><u>1,128,829</u></b>	<b><u>431,431</u></b>
<b>Income</b>		
(d) Grants and Contributions	<u>(1,128,829)</u>	<u>(431,431)</u>
Total Income	<b><u>(1,128,829)</u></b>	<b><u>(431,431)</u></b>
<b>Net (Surplus)/Deficit</b>	<hr/> <b>0</b>	<hr/> <b>0</b>

# BALANCE SHEET

as at 31st March 2011

	Note	2011 £	2010 £
<b>NON-CURRENT ASSETS</b>		0	0
<b>CURRENT ASSETS</b>			
Short term debtors	3	779,374	432,101
<b>CURRENT LIABILITIES</b>			
Short term creditors	4	<u>779,374</u>	<u>432,101</u>
<b>NET CURRENT ASSETS</b>		0	0
		<hr/>	<hr/>
<b>NET ASSETS</b>		<u>0</u>	<u>0</u>
		<hr/>	<hr/>
<b>TOTAL RESERVES</b>		<u>0</u>	<u>0</u>

**CASH FLOW STATEMENT**  
for the year ended 31st March 2011

	2011 £	2010 £
Net surplus or (deficit) on the provision of services	0	0
Net cash (outflow)/inflow from returns on investments and servicing of finance	0	0
Net cash outflow from capital expenditure	<u>0</u>	<u>0</u>
<b>Net increase or decrease in cash and cash equivalents</b>	0	0
Cash and cash equivalents at start of year	<u>0</u>	<u>0</u>
Cash and cash equivalents at end of year	<u>0</u>	<u>0</u>

Note: There are no individual entries in the summary cash flow statement as entries at the more detailed level sum to zero.



# NOTES TO THE CORE FINANCIAL STATEMENTS

for the year ended 31st March 2011

## 1. STATEMENT OF ACCOUNTING POLICIES

The accounts have been prepared in accordance with the requirements of the 2010/11 Code of Practice on Local Authority Accounting in the United Kingdom (the Code) - based on International Financial Reporting Standards (IFRSs) - issued by CIPFA, supported by guidance notes on the application of accounting standards.

### Debtors and Creditors

The revenue accounts of the Joint Committee are prepared on an accruals basis. Sums are included in the final accounts to cover income or expenditure attributable to the year of account for goods received or work done, but for which payment has not been received/made by 31st March 2011.

### Government Grants and Contributions

Grant receipts in support of revenue expenditure are accounted for on an accruals basis.

### Overheads

The costs of centrally provided support services and administrative buildings have been charged to services in line with the Best Value Accounting Code of Practice (BVACOP).

### Value Added Tax

The Council receives reimbursement for the net cost of value added tax incurred. The accounts have been prepared exclusive of tax, in accordance with SSAP 5.

## 2. INCOME AND EXPENDITURE ACCOUNT

	2011	2010
	£	£
(a) <b>Employees</b>		
Contractor payments - Project Director *	142,000	106,622
Salaries	67,598	26,942
Social Security costs	5,124	2,101
Other Pension costs	15,074	6,008
	<u>229,796</u>	<u>141,673</u>

\* see note 5 on page 10.

## NOTES TO THE CORE FINANCIAL STATEMENTS

continued

	2011	2010
	£	£
<b>(b) Supplies and Services</b>		
<b>Advisor costs</b>		
Technical and Communications	406,172	158,314
Legal	151,792	33,850
Financial	110,872	48,238
Insurance	1,984	0
Other	83,786	0
	<u>754,606</u>	<u>240,402</u>
<b>Advertising/Publicity</b>	<u>3,000</u>	<u>0</u>
<b>Audit Fee</b>	<u>3,882</u>	<u>1,476</u>
<b>Total Supplies and Services</b>	<u>761,488</u>	<u>241,878</u>
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>(c) Support Services -</b>		
<b>Finance, Technical, Legal &amp; Procurement Support</b>		
Lead Authority Personnel		
Finance	38,000	0
Legal	23,472	29,797
Procurement	405	0
	<u>61,877</u>	<u>29,797</u>
Isle of Anglesey County Council Personnel	30,432	0
	<u>92,309</u>	<u>29,797</u>
<b>Office services</b>		
IT/ Telephones	1,290	1,077
Software	0	6,671
Stationery/Printing	161	630
Translation	2,686	3,928
Status enquiries	127	101
Remote document managements system	11,511	0
Joint Working	4,000	0
	<u>19,775</u>	<u>12,407</u>
<b>Accommodation</b>	<u>22,118</u>	<u>5,668</u>
<b>Total Support Services</b>	<u>134,202</u>	<u>47,872</u>
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>(d) Income -</b>		
<b>Contribution from participating Local Authorities</b>		
Conwy County Borough Council	(185,766)	(17,287)
Denbighshire County Council	(185,766)	(17,286)
Flintshire County Council	(185,766)	(17,286)
Gwynedd Council	(185,766)	(17,286)
Isle of Anglesey County Council	(185,765)	(17,286)
	<u>(928,829)</u>	<u>(86,431)</u>
<b>Grants</b>		
Welsh Government RCAF Grant	(200,000)	(345,000)
<b>Total Income</b>	<u>(1,128,829)</u>	<u>(431,431)</u>

## NOTES TO THE CORE FINANCIAL STATEMENTS

continued

### 3. DEBTORS

	2011 £	2010 £
Welsh Government	24,028	370,504
Local authorities	755,346	61,597
	<u>779,374</u>	<u>432,101</u>

### 4. CREDITORS

	2011 £	2010 £
Local authorities	691,719	397,312
Other entities and individuals	87,655	34,789
	<u>779,374</u>	<u>432,101</u>

### 5. OFFICERS' REMUNERATION

Regulation 7A of the Accounts and Audit (Wales) Amendment Regulations 2010 requires disclosure (in £5,000 bandings) of the number of employees whose remuneration – all sums paid to or receivable by the employee, expense allowances chargeable to tax, and the money value of benefits - exceeded £60,000.

One employee meets the disclosure requirement – the Project Director, a contracted employee :-

Remuneration Band	2011	2010
	No.	No.
£105,000 - £109,999	0	1
£110,000 - £114,999	0	0
£115,000 - £119,999	0	0
£120,000 - £124,999	0	0
£125,000 - £129,999	0	0
£130,000 - £134,999	0	0
£135,000 - £139,999	0	0
£140,000 - £144,999	1	0
	<u>1</u>	<u>1</u>

Part year only during 2009/10

### 6. EXTERNAL AUDIT COSTS

The 2010/11 audit fees in relation to the Statement of Accounts amounted to £3,882 (£1,476 2009/10). External audit services were provided by Wales Audit Office.

## NOTES TO THE CORE FINANCIAL STATEMENTS

continued

### 7. RELATED PARTIES

The Joint Committee is required to disclose material transactions with related parties i.e. bodies or individuals that have the potential to control or influence the Committee or to be controlled or influenced by the Committee; there were no such transactions during 2010/11 (as was the position in 2009/10).

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTH WALES RESIDUAL WASTE JOINT COMMITTEE**

I have audited the accounting statements and related notes of the North Wales Residual Waste Joint Committee for the year ended 31<sup>st</sup> March 2011 under the Public Audit (Wales) Act 2004. The North Wales Residual Waste Joint Committee's 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 2011/12 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 pages 2 to 3, the responsible financial officer is responsible for the preparation of 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 North Wales Residual Waste 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 Explanatory Foreword to identify material inconsistencies with the audited accounting statements and related notes. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTH WALES  
RESIDUAL WASTE JOINT COMMITTEE**

continued

**Opinion on the accounting statements of the North Wales Residual Waste Joint Committee**

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of the North Wales Residual Waste Joint Committee as at 31<sup>st</sup> March 2011 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 2011/12.

**Opinion on other matters**

In my opinion, the information contained in the Explanatory 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 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 completed the audit of the accounts of the North Wales Residual Waste 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.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Anthony Barrett**  
**Wales Audit Office**  
24 Cathedral Road  
Cardiff  
CF11 9LJ

# ANNUAL GOVERNANCE STATEMENT

for the year ended 31st March 2011

This statement has the following five sections:-

1. Scope of Responsibilities.
2. The Purpose of the Governance Framework.
3. The Governance Framework.
4. Review of Effectiveness
5. Significant Governance Issues.

## 1. SCOPE OF RESPONSIBILITY

The North Wales Residual Waste Partnership is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used appropriately and effectively.

In discharging this overall responsibility, the North Wales Residual Waste Partnership should maintain proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and the management of risk.

Each Partner Authority has approved and adopted a Code of Corporate Governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / the Society of Local Authority Chief Executives and Senior Managers (SOLACE) Delivering Good Governance in Local Government: A Framework.

Flintshire County Council is the Partnership's lead council and its Code of Corporate Governance is included in Flintshire County Council's Constitution and a copy is also available from Flintshire's Democracy & Governance Manager in Legal and Democratic Services.

This Statement explains how the North Wales Residual Waste Partnership has complied with the Code and also meets the requirements of the Accounts and Audit (Wales) (Amendment) Regulations 2010.

## 2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework brings together the systems and processes, staff, other resources, culture and values by which the Partnership is managed and controlled and the activities through which it accounts to, engages with and leads the community. The framework enables the Partnership to monitor achievement against its strategic objectives and to be assured whether public services are well-designed, provided and resourced in pursuit of those objectives.

The system of internal control is a significant part of that framework and is designed to manage risks and challenges to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore provide proportionate 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 Partnership's policies, priorities, aims and objectives, to evaluate the likelihood of those risks and challenges occurring and to evaluate the impact if they do; to manage risks efficiently, effectively and economically.

# ANNUAL GOVERNANCE STATEMENT

continued

The governance framework has been in place at the North Wales Residual Waste Partnership for the year ended 31st March 2011 and up to the date of approval of the annual statement of accounts.

## 3. THE GOVERNANCE FRAMEWORK

### Code of Corporate Governance

The key elements of each Partner's governance arrangements are reflected in their individual Codes of Corporate Governance. Codes apply to all aspects of each Authority's business. Members and employees are required to conduct themselves in accordance with the high standards expected by the citizens of North Wales and the six core principles set out within the revised CIPFA / SOLACE Framework:-

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability

### Inter Authority Agreement

The key elements of the Partnership's governance arrangements are reflected in the Inter-Authority Agreement. The Inter-Authority Agreement is a legally binding document signed by all Partners on 24<sup>th</sup> June 2010, which outlines the Joint Committee's terms of reference, formalises the respective roles and responsibilities in relation to the joint working arrangements for the procurement of the Project for the Partners, and appoints Flintshire County Council as the lead council.

Copies of the Inter-Authority Agreement are available by contacting Flintshire County Council's Head of Finance.

### Partnership Structure

Section 6 of the Inter-Authority Agreement sets out the procedures for making decisions during the procurement phase of the Project. The Councils have approved 3 categories together with the means by which decisions will be taken; 'Project Board Matter', 'Joint Committee Matter' and a 'Matter Reserves to the Councils'. A list of procurement stages called 'Procurement Milestones' along with the decision making category allocated to each milestone is included in Schedule 1 of the Inter-Authority Agreement.

### Project Board

The Project Board consists of the Chief Executive of the lead council, one director or senior office representative from each of the other four Councils, the Project Director, the Project Section 151 Officer (of the lead council), the Monitoring Officer (of the lead council) and other external parties as appropriate. The quorum necessary for Project Board Meeting is a Senior Officer Representative from each Council. The Chair of the Project Board is appointed by the Project Board from time to time. The Project Board strives to reach a consensus but decisions at meetings are taken by a simple majority vote with each Council having one vote only.



# ANNUAL GOVERNANCE STATEMENT

continued

The purpose of the Project Board is to implement the Procurement Milestones and the day-to-day management and monitoring of the procurement process. The Project Board has the powers to make decisions and make recommendations as set out in Schedule 3 of the Inter-Authority Agreement.

## Joint Committee

Each Council appoints two elected members of their executive or cabinet, one of whom is a voting member, as their representatives to the Joint Committee. The Chair and Vice Chair of the Joint Committee are elected executive members of a Council who are elected by the Joint Committee at the annual general meeting. Appointments take effect until the next annual general meeting. The quorum necessary for a Joint Committee Meeting is five members of the Joint Committee comprising at least one member from each of the Councils. Decisions at meeting of the Joint Committee are taken by simple majority vote with each elected voting member or appropriate deputy from each Council having one vote.

The Joint Committee has the powers to make decisions and recommendations within its terms of reference as set out in Schedule 2 of the Inter-Authority Agreement.

## Matters Reserved to the Councils

Each Partner Authority has its own Constitution which sets out responsibility for making decisions which can be found on each Council's website.

## Members

On taking office all elected Members are required to sign a Declaration of Acceptance of Office whereby they undertake to be guided by the National Code of Local Government Conduct in the performance of their functions as a Councillor. Each Partner Authority has an individual Members' Code that complies with the National Code and all Members are given a copy of it when taking up office. Any complaints that a Member has not complied with the Code are considered by the Public Services Ombudsman for Wales who may refer any apparent breaches to either the relevant Council's Standards Committee or to the Adjudication Panel for Wales which may apply sanctions if a breach of the Code is found.

## Officers

Officers are subject to a separate Code of Conduct, each Partner Authority has an individual Officers' Code of Conduct. Breach of the Officers' Code can lead to disciplinary action.

Copies of both the Members and Officers Codes of Conduct are available from each Partner Authority.

## Lead Council

The Councils have agreed that Flintshire County Council shall be the lead council. Responsibilities include:

- Acting on behalf of the Project in the management and supervision of the procurement exercise
- Act as the employing authority for any staff engaged in the discharge of the Project's functions
- Being the legal point of contact for the purposes of managing the procurement
- Providing such additional administrative resources and office facilities that may be necessary for the purpose of discharging the Project and hold all central funds
- Provide senior officers who will act as Secretary, Monitoring Officer, and Treasurer (who will also be the Section 151 Officer) for the Project and who will therefore act as the primary legal and financial advisers to the Project

## ANNUAL GOVERNANCE STATEMENT

continued

- Responsibility for liaison and communication with Welsh Government and co-ordination of communication and public relations
- Power to enter into contracts for Consultants as required for the purposes of the Project

### **Monitoring Officer**

Article 15 of Flintshire County Council's Constitution designates the Head of Legal and Democratic Services as the Council's Monitoring Officer under Section 5 of the Local Government & Housing Act 1989 and therefore is the Partnership's Monitoring Officer.

### **Finance**

Flintshire County Council's Head of Finance as lead council is the Partnership's Responsible Finance Officer and takes responsibility for the proper administration of the North Wales Residual Waste Partnership's financial affairs under Section 151 of the Local Government Act 1972 and in accordance with the CIPFA Statement on the role of the Chief Financial Officer.

Flintshire County Council as lead council holds all central funds, and the Partnership applies the lead council's Contract Procedure Rules and Financial Procedure Rules. Flintshire County Council treats the Partnership's funds with the same stewardship to that of its own funds and there are robust arrangements for effective financial management and control through the Council's accounting procedures, key financial systems, Financial Procedure Rules and Contract Procedure Rules as set out in Flintshire County Council's Constitution. Both the Financial Procedure Rules and Contract Procedure Rules are regularly reviewed and are available on Flintshire County Council's intranet called the infonet.

Section 9 of the Inter-Authority Agreement sets out the financial commitments each Council has agreed to make to the Project, together with arrangements for agreeing and reimbursing Project costs incurred by each Partner Council. The Joint Committee has overall responsibility for monitoring the budget, which it does by receiving regular budget status reports as part of the overall project update as a regular agenda item. The Project Board also receives a budget status report as part of the overall project update as a regular agenda item. There is a section within the Inter-Authority Agreement that sets out procedures for any expenditure not within the agreed expenditure profile; the Project Board must agree any such expenditure in advance.

Flintshire County Council as lead council has adopted the Chartered Institute of Public Finance (CIPFA) Treasury Management in the Public Services: Code of Practice. Treasury Management is conducted in accordance with Flintshire County Council's Treasury Management Policy and Strategy Statement and Treasury Management Practices which are both reviewed annually. All borrowing and long term financing is made in accordance with CIPFA's Prudential Code. Treasury Management update reports are made to Flintshire County Council's Audit Committee and Cabinet on a quarterly basis.

### **Business Planning**

The Partnership has established a robust approach to business planning. The project is not a continuous project, but rather a specific one off process with a set outcome – the procurement of a residual waste treatment contract. The justification for the project, its outline description and indicative costs, project timetable, project governance and management arrangements and the project budget was set out in a Project Initiation Document (PID – final version dated 1 October 2008) and was agreed by all partner authorities. This allowed a dedicated project team to be employed, which allowed an Outline Business Case and Inter-Authority Agreement to be developed, and ultimately agreed by all partner authorities.

# ANNUAL GOVERNANCE STATEMENT

continued

The Outline Business Case (OBC) set out the strategic, economic, commercial, financial and management case for the Project, all prepared in accordance with good industry practice. It also served as a bid document to the Welsh Government (WG) for financial support for the project. The OBC was approved by WG, which led to WG committing to supporting the cost of the contract up to a value of £142.7m. There are also various stages where WG have carried out and will carry out “gateway reviews” to ensure that the project is progressing satisfactorily and that the project agreement (contract) represents value for money and does not pose unacceptable risk to the authorities,

All the partner authorities report the project’s progress to their Members that are not on the Joint Committee. WG carry out “gateway reviews” at various key stages in the project to ensure that the project is progressing satisfactorily and that the project agreement (contract) represents value for money and does not pose unacceptable risk to the authorities.

## **Risk Management**

The Partnership has a detailed risk register that is a regular item on the Project Board and Joint Committee agendas. Any new risks, any changes to existing risks and the highest level risks are highlighted to both groups at all of their meetings.

## **Regulation and Assurance**

Regulation and accountability provides assurance for the effectiveness of the Partnership’s arrangements for the services it is responsible for and the achievement of its objectives. It is undertaken both internally through governance arrangements, practices and procedures and externally by various organisations such as the Wales Audit Office (WAO) which has an independent statutory role. Responsibility for procuring necessary audit and assurance checks resides with the Joint Committee.

Internally, Flintshire County Council’s Audit Committee’s role and function, as lead council, provides assurance of the systems of internal control through reviewing the effectiveness of Flintshire’s systems through which the Partnership’s funds are controlled. It also monitors the performance and effectiveness of Flintshire’s internal audit function. The Joint Committee oversees the financial reporting process to ensure the balance, transparency and integrity of published financial information, and, monitors the performance and effectiveness of the external audit functions within the wider regulatory context.

**External arrangements** for regulation and assurance are provided principally the Wales Audit Office (WAO).

Their role is independent of government and they examine and challenge the performance and effectiveness of Welsh public bodies work and produce either periodic or annual local and national reports on their findings. All formal reports are presented to the Joint Committee.

The whole project is closely supported, monitored and reviewed by WG to ensure the project is delivering part of their waste strategy as it set out to do.

## **Whistle blowing**

Each Council is committed to the highest possible standards of openness, probity and accountability. To support that commitment employees and others with serious concerns about any aspect of the Partnership’s work are encouraged to come forward and voice those concerns. It is recognised that sensitive cases have to proceed on a confidential basis. Each individual Council’s policy makes it clear that employees can do so without fear of reprisal. Policies are available from each Partner Council.

# ANNUAL GOVERNANCE STATEMENT

continued

## **Complaints**

Each Council has adopted a formal complaints procedure and these are periodically updated.

## **Partnerships**

The whole project is based on a partnership with a common aim of securing a residual waste treatment contract. This partnership is backed by the legally binding legal agreement (Inter-Authority Agreement), and is supported financially and in terms of policy terms by the Welsh Government.

## **4. REVIEW OF EFFECTIVENESS**

The North Wales Residual Waste Partnership has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the Senior Managers within the Partner Councils who have responsibility for the development and maintenance of the governance environment, and by comments made by the external auditors and other review agencies and inspectorates.

## **Member Training**

The partnership carried out a number briefing sessions and consultation sessions with Members of all five partner authorities at key stages in the procurement process. The intention is to continue, and indeed increase this direct engagement with Members across the partnership area leading up to key decisions such as appointment of preferred bidder and contract award.

## **Flintshire County Council's Internal Audit**

Flintshire County Council's Internal Audit service is provided in accordance with CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom. It will objectively examine, evaluate and report on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

In accordance with the requirements of the CIPFA Code of Practice the Internal Audit Manager reports to Flintshire County Council's Audit Committee, as the lead Council, a summary of audit findings and prepares an annual report that summarises the results of internal audit work during the year on the overall system of internal control at Flintshire County Council, through which the Partnership's funds are controlled.

The Wales Audit Office undertake an annual review of the Council's Internal Audit service against the CIPFA Code of Practice for Internal Audit in Local Government. They were content to rely on the work produced by Internal Audit.

In his annual report, based on the results of internal audits undertaken during the year, the Internal Audit Manager has concluded that Flintshire's arrangements for governance, risk management and internal control are adequate and effective.

# ANNUAL GOVERNANCE STATEMENT

continued

## 5. SIGNIFICANT GOVERNANCE ISSUES

The governance of the project is very clearly set out in the PID and the Inter Authority Agreement which defines key decisions throughout the project and at which level those decisions are required. This has given clarity and certainty to the governance arrangements which protect all the partner authorities, with the exception of the items listed below.

### **Statutory Financial Reporting**

The North Wales Residual Waste Partnership recognises the importance of statutory financial reporting and the requirement to produce accurate and timely financial statements. Flintshire County Council's Head of Finance as lead council will prepare the Partnership's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain in accordance with statutory deadlines.

### **Internal Audit**

The North Wales Residual Waste Partnership recognises the need for an assurance function, internal audit, which provides an independent and objective opinion to the Partnership on the control environment, by evaluating its effectiveness in achieving the Partnership's objectives. Arrangements have been made for Flintshire County Council's Internal Audit department, as lead council, to undertake a broad review of the Partnership in the 2012/13 audit plan with a view to planning more detailed reviews in specific areas as necessary from 2013/14 onwards.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed.....Chair of the North Wales Residual Waste Partnership  
Joint Committee

Signed.....Lead Project Officer

# **NORTH WALES RESIDUAL WASTE PARTNERSHIP**

## **NORTH WALES RESIDUAL WASTE TREATMENT PROJECT**

### **STATEMENT OF ACCOUNTS**

**2011-12**



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## EXPLANATORY FOREWORD

### Introduction

The North Wales Residual Waste Treatment Project (NWRWTP) is a partnership of Flintshire County Council (Lead Authority), the Isle of Anglesey County Council, Conwy County Borough Council, Denbighshire County Council, and Gwynedd County Council created in order to seek a solution for residual waste on behalf of the five partner authorities, for a 25 year period.

The partnership is underpinned by a legally binding Inter-Authority Agreement (IAA) that all five partner authorities have signed. This commits the partner authorities to working together throughout the procurement process up until contract award. The North Wales Residual Waste Joint Committee manages the project on behalf of all five partner authorities, and has delegated authority to do so (including de-selection of bidders) up until the Preferred Bidder stage of the procurement process. The North Wales Residual Waste Joint Committee consists of two members from each partner authority, with one member from each partner authority having voting rights at Joint Committee meetings.

The decision to award Preferred Bidder will need to be agreed by all five partner authorities individually and therefore a full approval process will be required within each one (e.g. Scrutiny Committee, Cabinet/Executive and Full Council). The project is at present in dialogue with the two remaining bidders (Sita UK and Wheelabrator) with dialogue expected to be closed at the end of 2012. The Preferred Bidder approvals process within each partner authority is expected to be between April - June 2013 with a planning application to follow after that. The facility is currently expected to be operational in mid 2017.

### The Financial Statements

The Statement of Accounts 2011/12 provide details of the NWRWTP's financial position for the year ended 31st March 2012, and reflects the wholly revenue nature of the activities undertaken. The information presented on pages 4 to 11 is in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2005.

The statements included are :-

- **the 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' (i.e. those that can be applied to fund expenditure) and other reserves. Nil balances are recorded throughout the statement, linked with the equivalent nil values recorded within those statements referred to below.
- **the income and expenditure statement** – this statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. All income and expenditure is shared equally between the five partner authorities.
- **balance sheet** - the Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Joint Committee. The net assets (assets less liabilities) of the Joint Committee are matched by the reserves held.
- **cash flow statement** - the Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents.

**STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS –  
NORTH WALES RESIDUAL WASTE TREATMENT PROJECT**

**THE AUTHORITY'S RESPONSIBILITIES**

The Authority is required to :-

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, this is the Head of Finance;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;

**The Joint Committee's Responsibilities**

- To approve the accounts.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Lead Officer of North Wales Residual Waste Treatment Project**

**Address -**

**STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS –  
NORTH WALES RESIDUAL WASTE TREATMENT PROJECT**

continued

**THE HEAD OF FINANCE'S RESPONSIBILITIES**

The Head of Finance is responsible for the preparation of the statement of accounts in accordance with the proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code").

In preparing this statement of accounts, the Head of Finance has :-

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

The Head of Finance has also :-

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

**Certificate of the Head of Finance as Treasurer of the Joint Committee**

I certify that the statement of accounts give a true and fair view of the financial position of the Joint Committee at 31st March 2012 and its income and expenditure for the year then ended.

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Kerry Feather CPFA  
Head of Finance**

**Treasurer of the Joint Committee**

**Address -**

## MOVEMENT IN RESERVES STATEMENT

for the year ended 31st March 2012

### Movements 2011/12

	Capital Receipts Reserve £	Capital Grants Unapplied £	General Balance £	Earmarked Reserves £	Total Usable Reserves £	Unusable Reserves £	Total Reserves £
<b>At 31st March 2011</b>	0	0	0	0	0	0	0
Surplus/(deficit) on the provision of services	0	0	0	0	0	0	0
Other comprehensive income and expenditure	0	0	0	0	0	0	0
<b>Total comprehensive income and expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Adjustments between accounting and funding basis under regulations	0	0	0	0	0	0	0
<b>Net increase/(decrease) before transfer to earmarked reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfers to/(from) earmarked reserves	0	0	0	0	0	0	0
<b>Increase/(decrease) in year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 31st March 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Movements 2010/11

	Capital Receipts Reserve £	Capital Grants Unapplied £	General Balance £	Earmarked Reserves £	Total Usable Reserves £	Unusable Reserves £	Total Reserves £
<b>At 31st March 2010</b>	0	0	0	0	0	0	0
Surplus/(deficit) on the provision of services	0	0	0	0	0	0	0
Other comprehensive income and expenditure	0	0	0	0	0	0	0
<b>Total comprehensive income and expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Adjustments between accounting and funding basis under regulations	0	0	0	0	0	0	0
<b>Net increase/(decrease) before transfer to earmarked reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfers to/(from) earmarked reserves	0	0	0	0	0	0	0
<b>Increase/(decrease) in year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 31st March 2011</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**  
for the year ended 31st March 2012

	<b>2012</b>	<b>2011</b>
	£	£
<b>Expenditure</b>		
<b>Note 2</b>		
(a) Employees	244,959	229,796
Transport	1,357	3,343
(b) Supplies & Services	613,235	761,488
(c) Support Services	138,373	134,202
	<hr/>	<hr/>
Gross Expenditure	<b><u>997,924</u></b>	<b><u>1,128,829</u></b>
<b>Income</b>		
(d) Grants and Contributions	<u>(997,924)</u>	<u>(1,128,829)</u>
Total Income	<b><u>(997,924)</u></b>	<b><u>(1,128,829)</u></b>
<b>Net (Surplus)/Deficit</b>	<b><u>0</u></b>	<b><u>0</u></b>

**BALANCE SHEET**  
as at 31st March 2012

	Note	2012 £	2011 £
<b>NON-CURRENT ASSETS</b>		0	0
<b>CURRENT ASSETS</b>			
Short term debtors	3	864,784	779,374
<b>CURRENT LIABILITIES</b>			
Short term creditors	4	<u>864,784</u>	<u>779,374</u>
<b>NET CURRENT ASSETS</b>		0	0
<b>NET ASSETS</b>		<u>0</u>	<u>0</u>
<b>TOTAL RESERVES</b>		<u>0</u>	<u>0</u>

**CASH FLOW STATEMENT**  
for the year ended 31st March 2012

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Net surplus or (deficit) on the provision of services	0	0
Net cash (outflow)/inflow from returns on investments and servicing of finance	0	0
Net cash outflow from capital expenditure	<u>0</u>	<u>0</u>
<b>Net increase or decrease in cash and cash equivalents</b>	0	0
Cash and cash equivalents at start of year	<u>0</u>	<u>0</u>
Cash and cash equivalents at end of year	<u>0</u>	<u>0</u>

Note: There are no individual entries in the summary cash flow statement as entries at the more detailed level sum to zero.

# NOTES TO THE CORE FINANCIAL STATEMENTS

for the year ended 31st March 2012

## 1. STATEMENT OF ACCOUNTING POLICIES

The accounts have been prepared in accordance with the requirements of the 2011/12 Code of Practice on Local Authority Accounting in the United Kingdom (the Code) - based on International Financial Reporting Standards (IFRSs) - issued by CIPFA, supported by guidance notes on the application of accounting standards.

### Debtors and Creditors

The revenue accounts of the Joint Committee are prepared on an accruals basis. Sums are included in the final accounts to cover income or expenditure attributable to the year of account for goods received or work done, but for which payment has not been received/made by 31st March 2012.

### Government Grants and Contributions

Grant receipts in support of revenue expenditure are accounted for on an accruals basis.

### Overheads

The costs of centrally provided support services and administrative buildings have been charged to services in line with the Service Reporting Code of Practice (SeRCOP), which replaced the previous Best Value Accounting Code of Practice with effect from 1st April 2011.

### Value Added Tax

The Council receives reimbursement for the net cost of value added tax incurred. The accounts have been prepared exclusive of tax, in accordance with SSAP 5.

## 2. INCOME AND EXPENDITURE ACCOUNT

	2012	2011
	£	£
(a) <b>Employees</b>		
Contractor payments - Project Director *	161,490	142,000
Salaries	64,038	67,598
Social Security costs	5,010	5,124
Other Pension costs	14,409	15,074
Agency Staff	12	0
	<u>244,959</u>	<u>229,796</u>

\* see note 5 on page 10.



## NOTES TO THE CORE FINANCIAL STATEMENTS

continued

	2012	2011
	£	£
<b>(b) Supplies and Services</b>		
<b>Advisor costs</b>		
Technical and Communications	245,313	406,172
Legal	235,664	151,792
Financial	108,021	110,872
Insurance	1,121	1,984
Other	12,950	83,786
	<u>603,069</u>	<u>754,606</u>
<b>Advertising/Publicity</b>	<u>6,261</u>	<u>3,000</u>
<b>Audit Fee</b>	<u>3,905</u>	<u>3,882</u>
<b>Total Supplies and Services</b>	<u><b>613,235</b></u>	<u><b>761,488</b></u>
	<b>2012</b>	<b>2011</b>
	£	£
<b>(c) Support Services -</b>		
<b>Finance, Technical, Legal &amp; Procurement Support</b>		
Lead Authority Personnel		
Finance	35,735	38,000
Legal	28,984	23,472
Procurement	0	405
	<u>64,719</u>	<u>61,877</u>
Isle of Anglesey County Council Personnel	37,000	30,432
	<u>101,719</u>	<u>92,309</u>
<b>Office services</b>		
IT/ Telephones	1,630	1,290
Software	4,020	0
Stationery/Printing	2,622	161
Translation	2,511	2,686
Status enquiries	0	127
Remote document managements system	0	11,511
Joint Working	0	4,000
	<u>10,783</u>	<u>19,775</u>
<b>Accommodation</b>	<u>25,871</u>	<u>22,118</u>
<b>Total Support Services</b>	<u><b>138,373</b></u>	<u><b>134,202</b></u>
	<b>2012</b>	<b>2011</b>
	£	£
<b>(d) Income -</b>		
<b>Contribution from participating Local Authorities</b>		
Conwy County Borough Council	(199,584)	(185,766)
Denbighshire County Council	(199,585)	(185,766)
Flintshire County Council	(199,585)	(185,766)
Gwynedd Council	(199,585)	(185,766)
Isle of Anglesey County Council	(199,585)	(185,765)
	<u>(997,924)</u>	<u>(928,829)</u>
<b>Grants</b>		
Welsh Government RCAF Grant	0	(200,000)
<b>Total Income</b>	<u><b>(997,924)</b></u>	<u><b>(1,128,829)</b></u>

## NOTES TO THE CORE FINANCIAL STATEMENTS

continued

### 3. DEBTORS

	2012 £	2011 £
Local authorities	783,223	755,346
Other entities and individuals	81,561	24,028
	<u>864,784</u>	<u>779,374</u>

### 4. CREDITORS

	2012 £	2011 £
Local authorities	804,330	691,719
Other entities and individuals	60,454	87,655
	<u>864,784</u>	<u>779,374</u>

### 5. OFFICERS' REMUNERATION

Regulation 7A of the Accounts and Audit (Wales) Amendment Regulations 2010 requires disclosure (in £5,000 bandings) of the number of employees whose remuneration – all sums paid to or receivable by the employee, expense allowances chargeable to tax, and the money value of benefits - exceeded £60,000.

One employee meets the disclosure requirement – the Project Director, a contracted employee :-

Remuneration Band	2012	2011
	No.	No.
£140,000 - £144,999	0	1
£145,000 - £149,999	0	0
£150,000 - £154,999	0	0
£155,000 - £159,999	0	0
£160,000 - £164,999	1	0
	<u>1</u>	<u>1</u>

### 6. EXTERNAL AUDIT COSTS

The 2011/12 audit fee charges in relation to the Statement of Accounts amounted to £3,905 (£3,882 2010/11). External audit services were provided by Wales Audit Office.

## NOTES TO THE CORE FINANCIAL STATEMENTS

continued

### 7. RELATED PARTIES

The Joint Committee is required to disclose material transactions with related parties i.e. bodies or individuals that have the potential to control or influence the Committee or to be controlled or influenced by the Committee; there were no such transactions during 2011/12 (as was the position in 2010/11).

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTH WALES RESIDUAL WASTE JOINT COMMITTEE**

I have audited the accounting statements and related notes of the North Wales Residual Waste Joint Committee for the year ended 31<sup>st</sup> March 2012 under the Public Audit (Wales) Act 2004. The North Wales Residual Waste Joint Committee's 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 2011/12 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 pages 2 to 3, the responsible financial officer is responsible for the preparation of 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 North Wales Residual Waste 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 Explanatory Foreword to identify material inconsistencies with the audited accounting statements and related notes. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTH WALES  
RESIDUAL WASTE JOINT COMMITTEE**

continued

**Opinion on the accounting statements of the North Wales Residual Waste Joint Committee**

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of the North Wales Residual Waste Joint Committee as at 31<sup>st</sup> March 2012 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 2011/12.

**Opinion on other matters**

In my opinion, the information contained in the Explanatory 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 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 completed the audit of the accounts of the North Wales Residual Waste 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.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Anthony Barrett**  
**Wales Audit Office**  
24 Cathedral Road  
Cardiff  
CF11 9LJ

# ANNUAL GOVERNANCE STATEMENT

for the year ended 31st March 2012

This statement has the following five sections:-

1. Scope of Responsibilities.
2. The Purpose of the Governance Framework.
3. The Governance Framework.
4. Review of Effectiveness
5. Significant Governance Issues.

## 1. SCOPE OF RESPONSIBILITY

The North Wales Residual Waste Partnership is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used appropriately and effectively.

In discharging this overall responsibility, the North Wales Residual Waste Partnership should maintain proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and the management of risk.

Each Partner Authority has approved and adopted a Code of Corporate Governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / the Society of Local Authority Chief Executives and Senior Managers (SOLACE) Delivering Good Governance in Local Government : A Framework.

Flintshire County Council is the Partnership's lead council and its Code of Corporate Governance is included in Flintshire County Council's Constitution and a copy is also available from Flintshire's Democracy & Governance Manager in Legal and Democratic Services.

This Statement explains how the North Wales Residual Waste Partnership has complied with the Code and also meets the requirements of the Accounts and Audit (Wales) (Amendment) Regulations 2010.

## 2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework brings together the systems and processes, staff, other resources, culture and values by which the Partnership is managed and controlled and the activities through which it accounts to, engages with and leads the community. The framework enables the Partnership to monitor achievement against its strategic objectives and to be assured whether public services are well-designed, provided and resourced in pursuit of those objectives.

The system of internal control is a significant part of that framework and is designed to manage risks and challenges to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore provide proportionate 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 Partnership's policies, priorities, aims and objectives, to evaluate the likelihood of those risks and challenges occurring and to evaluate the impact if they do; to manage risks efficiently, effectively and economically.

## ANNUAL GOVERNANCE STATEMENT

continued

The governance framework has been in place at the North Wales Residual Waste Partnership for the year ended 31st March 2012 and up to the date of approval of the annual statement of accounts.

### 3. THE GOVERNANCE FRAMEWORK

#### Code of Corporate Governance

The key elements of each Partner's governance arrangements are reflected in their individual Codes of Corporate Governance. Codes apply to all aspects of each Authority's business. Members and employees are required to conduct themselves in accordance with the high standards expected by the citizens of North Wales and the six core principles set out within the revised CIPFA / SOLACE Framework:-

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability

#### Inter Authority Agreement

The key elements of the Partnership's governance arrangements are reflected in the Inter-Authority Agreement. The Inter-Authority Agreement is a legally binding document signed by all Partners on 24<sup>th</sup> June 2010, which outlines the Joint Committee's terms of reference, formalises the respective roles and responsibilities in relation to the joint working arrangements for the procurement of the Project for the Partners, and appoints Flintshire County Council as the lead council.

Copies of the Inter-Authority Agreement are available by contacting Flintshire County Council's Head of Finance.

#### Partnership Structure

Section 6 of the Inter-Authority Agreement sets out the procedures for making decisions during the procurement phase of the Project. The Councils have approved 3 categories together with the means by which decisions will be taken; 'Project Board Matter', 'Joint Committee Matter' and a 'Matter Reserves to the Councils'. A list of procurement stages called 'Procurement Milestones' along with the decision making category allocated to each milestone is included in Schedule 1 of the Inter-Authority Agreement.

#### Project Board

The Project Board consists of the Chief Executive of the lead council, one director or senior office representative from each of the other four Councils, the Project Director, the Project Section 151 Officer (of the lead council), the Monitoring Officer (of the lead council) and other external parties as appropriate. The quorum necessary for Project Board Meeting is a Senior Officer Representative from each Council. The Chair of the Project Board is appointed by the Project Board from time to time. The Project Board strives to reach a consensus but decisions at meetings are taken by a simple majority vote with each Council having one vote only.

# ANNUAL GOVERNANCE STATEMENT

continued

The purpose of the Project Board is to implement the Procurement Milestones and the day-to-day management and monitoring of the procurement process. The Project Board has the powers to make decisions and make recommendations as set out in Schedule 3 of the Inter-Authority Agreement.

## Joint Committee

Each Council appoints two elected members of their executive or cabinet, one of whom is a voting member, as their representatives to the Joint Committee. The Chair and Vice Chair of the Joint Committee are elected executive members of a Council who are elected by the Joint Committee at the annual general meeting. Appointments take effect until the next annual general meeting. The quorum necessary for a Joint Committee Meeting is five members of the Joint Committee comprising at least one member from each of the Councils. Decisions at meeting of the Joint Committee are taken by simple majority vote with each elected voting member or appropriate deputy from each Council having one vote.

The Joint Committee has the powers to make decisions and recommendations within its terms of reference as set out in Schedule 2 of the Inter-Authority Agreement.

## Matters Reserved to the Councils

Each Partner Authority has its own Constitution which sets out responsibility for making decisions which can be found on each Council's website.

## Members

On taking office all elected Members are required to sign a Declaration of Acceptance of Office whereby they undertake to be guided by the National Code of Local Government Conduct in the performance of their functions as a Councillor. Each Partner Authority has an individual Members' Code that complies with the National Code and all Members are given a copy of it when taking up office. Any complaints that a Member has not complied with the Code are considered by the Public Services Ombudsman for Wales who may refer any apparent breaches to either the relevant Council's Standards Committee or to the Adjudication Panel for Wales which may apply sanctions if a breach of the Code is found.

## Officers

Officers are subject to a separate Code of Conduct, each Partner Authority has an individual Officers' Code of Conduct. Breach of the Officers' Code can lead to disciplinary action.

Copies of both the Members and Officers Codes of Conduct are available from each Partner Authority.

## Lead Council

The Councils have agreed that Flintshire County Council shall be the lead council. Responsibilities include:

- Acting on behalf of the Project in the management and supervision of the procurement exercise
- Act as the employing authority for any staff engaged in the discharge of the Project's functions
- Being the legal point of contact for the purposes of managing the procurement
- Providing such additional administrative resources and office facilities that may be necessary for the purpose of discharging the Project and hold all central funds
- Provide senior officers who will act as Secretary, Monitoring Officer, and Treasurer (who will also be the Section 151 Officer) for the Project and who will therefore act as the primary legal and financial advisers to the Project



## ANNUAL GOVERNANCE STATEMENT

continued

- Responsibility for liaison and communication with Welsh Government and co-ordination of communication and public relations
- Power to enter into contracts for Consultants as required for the purposes of the Project

### **Monitoring Officer**

Article 15 of Flintshire County Council's Constitution designates the Head of Legal and Democratic Services as the Council's Monitoring Officer under Section 5 of the Local Government & Housing Act 1989 and therefore is the Partnership's Monitoring Officer.

### **Finance**

Flintshire County Council's Head of Finance as lead council is the Partnership's Responsible Finance Officer and takes responsibility for the proper administration of the North Wales Residual Waste Partnership's financial affairs under Section 151 of the Local Government Act 1972 and in accordance with the CIPFA Statement on the role of the Chief Financial Officer.

Flintshire County Council as lead council holds all central funds, and the Partnership applies the lead council's Contract Procedure Rules and Financial Procedure Rules. Flintshire County Council treats the Partnership's funds with the same stewardship to that of its own funds and there are robust arrangements for effective financial management and control through the Council's accounting procedures, key financial systems, Financial Procedure Rules and Contract Procedure Rules as set out in Flintshire County Council's Constitution. Both the Financial Procedure Rules and Contract Procedure Rules are regularly reviewed and are available on Flintshire County Council's intranet called the infonet.

Section 9 of the Inter-Authority Agreement sets out the financial commitments each Council has agreed to make to the Project, together with arrangements for agreeing and reimbursing Project costs incurred by each Partner Council. The Joint Committee has overall responsibility for monitoring the budget, which it does by receiving regular budget status reports as part of the overall project update as a regular agenda item. The Project Board also receives a budget status report as part of the overall project update as a regular agenda item. There is a section within the Inter-Authority Agreement that sets out procedures for any expenditure not within the agreed expenditure profile; the Project Board must agree any such expenditure in advance.

Flintshire County Council as lead council has adopted the Chartered Institute of Public Finance (CIPFA) Treasury Management in the Public Services: Code of Practice. Treasury Management is conducted in accordance with Flintshire County Council's Treasury Management Policy and Strategy Statement and Treasury Management Practices which are both reviewed annually. All borrowing and long term financing is made in accordance with CIPFA's Prudential Code. Treasury Management update reports are made to Flintshire County Council's Audit Committee and Cabinet on a quarterly basis.

### **Business Planning**

The Partnership has established a robust approach to business planning. The project is not a continuous project, but rather a specific one off process with a set outcome – the procurement of a residual waste treatment contract. The justification for the project, its outline description and indicative costs, project timetable, project governance and management arrangements and the project budget was set out in a Project Initiation Document (PID – final version dated 1 October 2008) and was agreed by all partner authorities. This allowed a dedicated project team to be employed, which allowed an Outline Business Case and Inter-Authority Agreement to be developed, and ultimately agreed by all partner authorities.

# ANNUAL GOVERNANCE STATEMENT

continued

The Outline Business Case (OBC) set out the strategic, economic, commercial, financial and management case for the Project, all prepared in accordance with good industry practice. It also served as a bid document to the Welsh Government (WG) for financial support for the project. The OBC was approved by WG, which led to WG committing to supporting the cost of the contract up to a value of £142.7m. There are also various stages where WG have carried out and will carry out “gateway reviews” to ensure that the project is progressing satisfactorily and that the project agreement (contract) represents value for money and does not pose unacceptable risk to the authorities,

All the partner authorities report the project’s progress to their Members that are not on the Joint Committee. WG carry out “gateway reviews” at various key stages in the project to ensure that the project is progressing satisfactorily and that the project agreement (contract) represents value for money and does not pose unacceptable risk to the authorities.

## **Risk Management**

The Partnership has a detailed risk register that is a regular item on the Project Board and Joint Committee agendas. Any new risks, any changes to existing risks and the highest level risks are highlighted to both groups at all of their meetings.

## **Regulation and Assurance**

Regulation and accountability provides assurance for the effectiveness of the Partnership’s arrangements for the services it is responsible for and the achievement of its objectives. It is undertaken both internally through governance arrangements, practices and procedures and externally by various organisations such as the Wales Audit Office (WAO) which has an independent statutory role. Responsibility for procuring necessary audit and assurance checks resides with the Joint Committee.

Internally, Flintshire County Council’s Audit Committee’s role and function, as lead council, provides assurance of the systems of internal control through reviewing the effectiveness of Flintshire’s systems through which the Partnership’s funds are controlled. It also monitors the performance and effectiveness of Flintshire’s internal audit function. The Joint Committee oversees the financial reporting process to ensure the balance, transparency and integrity of published financial information, and, monitors the performance and effectiveness of the external audit functions within the wider regulatory context.

**External arrangements** for regulation and assurance are provided principally the Wales Audit Office (WAO).

Their role is independent of government and they examine and challenge the performance and effectiveness of Welsh public bodies work and produce either periodic or annual local and national reports on their findings. All formal reports are presented to the Joint Committee.

The whole project is closely supported, monitored and reviewed by WG to ensure the project is delivering part of their waste strategy as it set out to do.

## **Whistle blowing**

Each Council is committed to the highest possible standards of openness, probity and accountability. To support that commitment employees and others with serious concerns about any aspect of the Partnership’s work are encouraged to come forward and voice those concerns. It is recognised that sensitive cases have to proceed on a confidential basis. Each individual Council’s policy makes it clear that employees can do so without fear of reprisal. Policies are available from each Partner Council.

# ANNUAL GOVERNANCE STATEMENT

continued

## **Complaints**

Each Council has adopted a formal complaints procedure and these are periodically updated.

## **Partnerships**

The whole project is based on a partnership with a common aim of securing a residual waste treatment contract. This partnership is backed by the legally binding legal agreement (Inter-Authority Agreement), and is supported financially and in terms of policy terms by the Welsh Government,

## **4. REVIEW OF EFFECTIVENESS**

The North Wales Residual Waste Partnership has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the Senior Managers within the Partner Councils who have responsibility for the development and maintenance of the governance environment, and by comments made by the external auditors and other review agencies and inspectorates.

## **Member Training**

During the latter part of the year a programme of induction was prepared ready for new Members of the Joint Committee following the County Council elections on 3rd May 2012. An induction / briefing was held for Joint Committee Members in August prior to the first Joint Committee since the May 2012 County Council elections to ensure any new Joint Committee Members were fully informed on the project.

The partnership has also carried out a number of briefing sessions and consultation sessions with Members of all five partner authorities at key stages in the procurement process. The intention is to continue, and indeed increase this direct engagement with Members across the partnership area leading up to key decisions such as appointment of preferred bidder and contract award.

## **Flintshire County Council's Internal Audit**

Flintshire County Council's Internal Audit service is provided in accordance with CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom. It will objectively examine, evaluate and report on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

In accordance with the requirements of the CIPFA Code of Practice the Internal Audit Manager reports to Flintshire County Council's Audit Committee, as the lead Council, a summary of audit findings and prepares an annual report that summarises the results of internal audit work during the year on the overall system of internal control at Flintshire County Council, through which the Partnership's funds are controlled.

The department undertook a self-assessment against the CIPFA guidelines for Internal Audit in Local Government and found a high level of compliance.

The Wales Audit Office undertake an annual review of the Council's Internal Audit service against the CIPFA Code of Practice for Internal Audit in Local Government. In its latest review they concluded that Internal Audit fully comply with eight of the eleven standards and partially comply with two. The area of non-compliance was in employee levels and did not reflect on the standard of work produced. They were content to rely on the work produced by Internal Audit.

# ANNUAL GOVERNANCE STATEMENT

continued

In his annual report, based on the results of internal audits undertaken during the year, the Internal Audit Manager has concluded that Flintshire's arrangements for governance, risk management and internal control are adequate and effective.

The Internal Audit Manager reviewed the role of the Flintshire Head of Finance and concluded that it meets the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government with a few minor exceptions that have no impact which will be addressed in 2012/13.

## **Flintshire County Council's Audit Committee**

The committee completed a self-assessment against CIPFA Toolkit for Local Authority Audit Committees. The results showed that in the main the Committee meets the guidelines. Some areas were highlighted where existing arrangements can be strengthened. Training for the new Audit Committee after the Council elections took place in June 2012. Further training is planned for early 2013.

## **5. SIGNIFICANT GOVERNANCE ISSUES**

The governance of the project is very clearly set out in the PID and the Inter Authority Agreement which defines key decisions throughout the project and at which level those decisions are required. This has given clarity and certainty to the governance arrangements which protect all the partner authorities, with the exception of the items listed below.

### **Statutory Financial Reporting**

The North Wales Residual Waste Partnership recognises the importance of statutory financial reporting and the requirement to produce accurate and timely financial statements. Flintshire County Council's Head of Finance as lead council will prepare the Partnership's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain in accordance with statutory deadlines.

### **Internal Audit**

The North Wales Residual Waste Partnership recognises the need for an assurance function, internal audit, which provides an independent and objective opinion to the Partnership on the control environment, by evaluating its effectiveness in achieving the Partnership's objectives. Arrangements have been made for Flintshire County Council's Internal Audit department, as lead council, to undertake a broad review of the Partnership in the 2012/13 audit plan with a view to planning more detailed reviews in specific areas as necessary from 2013/14 onwards.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed.....Chair of the North Wales Residual Waste Partnership  
Joint Committee

Signed.....Lead Project Officer

# Minor joint committees in Wales

## Annual Return for the year ended

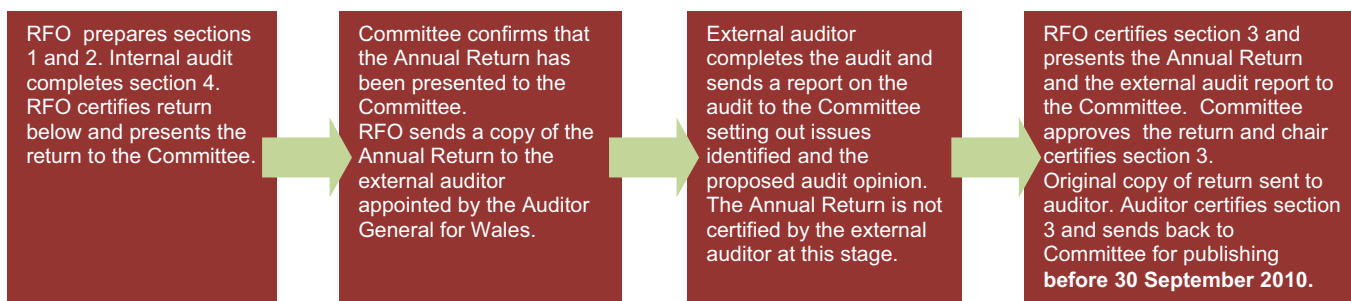
### 31 March 2010



Minor joint committees in Wales with income and expenditure below £1 million per annum may complete an annual return summarising their annual activities at the completion of each financial year. Please complete all sections highlighted in green. Incomplete or incorrect returns may require additional external audit work and incur additional costs.

Further guidance is included in section 5 and in the One Voice Wales/SLCC Guidance publication Governance and Accountability for Local Committees in Wales – A Practitioners’ Guide 2011 (the Practitioners’ Guide). Section 2 includes references to where the Guide has further information.

The accounts and audit arrangements follow the process as set out below. **The Responsible Financial Officer (RFO) MUST sign the certificate on this page before sending to the auditor.** Committees are requested to complete the confirmation below before submitting a copy of the Annual Return to the auditor. The RFO will certify and the Committee will approve the Annual Return and sign section 3 at the conclusion of the audit following receipt of the external auditor’s report.



## Responsible Financial Officer Certificate

### Certificate under Regulation 8B (1) and 8B(2) Accounts and Audit (Wales) Regulations 2005 (as amended)

I certify that the accounting statements contained in section 1 of this Annual Return presents fairly the financial position of the Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2010.

### Certification prior to audit:

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Committee confirmation prior to audit

The Annual Return for North Wales Residual Waste Partnership for the year ended 31 March 2010 was presented to the Committee on:

Section 1: Following certification by the Responsible Financial Officer, the accounting statements in section 1 were presented to the Committee.

Section 2: the Annual Governance Statement has been presented to the Committee. To the best of our knowledge and belief and subject to your audit findings, the responses to each statement of assurance in Section 2 are accurate, complete and represent the Committee’s final responses.

Signed by Chair: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Please send a copy of the Annual Return, together with any additional information requested, to your appointed external auditor. Unless requested, please **do not** send any original financial records to the external auditor.

Audited and certified returns are sent back to the committee for publication or display of sections 1, 2 and 3.

## Section 1 – Accounting statements for

### North Wales Residual Waste Partnership

	Year ending		Notes and guidance for compilers
	31 March 2009 £	31 March 2010 £	
			<b>Please round all figures to nearest £.</b> <b>Do not leave any boxes blank and report £0 or Nil balances.</b> <b>All figures must agree to the Committee's underlying financial records for the relevant year.</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 levy/principal body	0	86,431	Total amount of levy received or receivable in the year including funding from a sponsoring principal body
3. (+) Total other receipts	79,316	345,000	Total income or receipts recorded in the cashbook minus the income recorded in line 2. Include any grants received here.
4. (-) Staff costs	-77,124	-141,673	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.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the body's borrowing (if any).
6. (-) Total other payments	-2,192	-289,758	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	0	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
8. (+) Debtors and stock balances	79,604	432,101	<b>Income and expenditure accounts only:</b> enter the value of debts owed to and stock balances held at the year-end.
9. (+) Total cash and investments	0	0	<b>All accounts:</b> The sum of all current and deposit bank accounts, cash holdings and short term investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	-79,604	-432,101	<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	0	<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 recorded current book value at 31 March of all fixed assets owned by the body and any other long-term assets – eg, loans to third parties, other investments to be held for the long term ie, more than 12 months.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

## Section 2 – 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 Committee's accounting statements for the year ended 31 March 2010, that:

	Agreed – Yes or No*	'YES' means that the Committee:	PG Chap.
1. We have approved the accounting statements which have been prepared in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2005 (as amended) and proper practices.	YES	Prepared its accounting statements in the way 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.	YES	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.	YES	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 2005 (as amended).	YES	Has given all persons interested the opportunity to inspect and ask questions about the Committee's accounts.	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.	YES	Considered the financial and other risks it faces in the operation of the Committee and has dealt with them properly.	6, 9
6. We have maintained an adequate and effective system of internal audit of the Committee's accounting records and control systems throughout the year and have received a report from the internal auditor.	YES	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 Committee.	6, 8
7. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	N/A	Has responded to matters brought to its attention by internal and external audit.	6, 8, 23
8. 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.	YES	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6

\* 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.

## Section 3 – Certification and approval

### Committee approval and certification

The Committee is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2005 (as amended) and for the preparation of an annual return which:

- summarises the Committee’s accounting records for the year ended 31 March 2010; and
- confirms and provides assurance on those matters that are important to the external auditor’s responsibilities.

<b>Certification by the Responsible Financial Officer</b>	<b>Certificate under Regulation 8 Accounts and Audit (Wales) Regulations 2005 (Regulation 8B (1), 8B (2) and 8B(3))</b>  I certify that the accounting statements contained in this annual return presents fairly the financial position of the Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2010.	<b>RFO certification following the audit:</b>  <b>Signature:</b> _____ <b>Name:</b> <b>Kerry Feather</b> <b>Date:</b> _____
<b>Approval by the Committee</b>	<b>Approval of accounting statements under Regulation 9 (3) Accounts and Audit (Wales) Regulations 2005 (as amended) and the Annual Governance Statement</b>  I confirm that these accounting statements and annual governance statement were approved by the Committee under minute reference:	<b>Committee approval following the audit:</b>  <b>Signature:</b> _____ <b>Name:</b> _____ <b>Date:</b> _____

### External Audit Certificate

The external auditor conducts the audit in accordance with guidance issued by the Auditor General for Wales. On the basis of their review of the annual return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met.

We certify that we have completed the audit of the annual return for the year ended 31 March 2010 of:

**North Wales Residual Waste Partnership**

### External auditor’s report

[Except for the matters reported below]\* On the basis of our review, in our opinion, the information contained in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

[These matters along with other matters not affecting our opinion which we draw to the attention of the Committee/meeting are included in our report to the Committee dated \_\_\_\_\_] \* (\* delete as appropriate).

External auditor’s signature:

External auditor’s name:  | Date:



## Section 4 – Annual internal audit report to

### North Wales Residual Waste Partnership

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 2010.

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? Yes/No*/Not covered**
A Appropriate books of account have been properly kept throughout the year.	YES
B The Committee's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	YES
C The Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	NOT COVERED
D The annual precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	N/A
E Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	N/A
F Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	N/A
G Salaries to employees and allowances to members were paid in accordance with Committee approvals, and PAYE and NI requirements were properly applied.	YES
H Asset and investment registers were complete and accurate, and properly maintained.	N/A
I Periodic and year-end bank account reconciliations were properly carried out.	YES
J 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.	YES
K Trust funds (including charitable trusts) The Committee has met its responsibilities as a trustee.	N/A

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

See note attached.

Name of person who carried out the internal audit:

David Webster

Signature of person who carried out the internal audit:

Date:

\* 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.

## Section 5 – Guidance notes on completing the 2011 annual return

1. For guidance please read the *Practitioners' Guide* (Governance and Accountability for Local Committees: A Practitioners' Guide 2011 (Wales) - available from One Voice Wales and SLCC. It contains everything you need for the financial year-end and the statutory audit.
2. Please make sure that sections 1, 2 and 4 are completed (i.e, no empty green boxes) by the appropriate person and the certificates on page 1 are properly signed and dated. Avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are properly initialled and an explanation for them is provided to the auditor. **Please do not use correction fluid.** Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited.
3. Use the checklist provided below. Use a second pair of eyes, perhaps your internal auditor or the Chair, to review your annual return for completeness before sending a copy to the auditor.
4. Make sure that the copy of the bank reconciliation you send to your auditor with the copy annual return covers **all** your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your Committee holds any investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to Line 9 in Section 1. More help on bank reconciliation is available in the *Practitioners' Guide*\*.
5. Please **explain fully** any significant variances in the accounting statements. The auditor wants to know that **you** understand the reasons for the change. Please include a relevant and quantified analysis as shown in the Practitioners' Guide examples and not just a copy of your detailed accounts.
6. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful. Please ensure that you enclose all the information that the auditor has asked for. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances this may incur additional costs for which the auditor is entitled to charge additional fees.
7. Please make sure that Section 1 adds up! Also please ensure that the balance carried forward from the previous year (Line 7 of 2010) equals the balance brought forward in the current year (Line 1 of 2011).
8. **Do not complete the External Audit Certificate in Section 3.** The external auditor completes this after the Committee approves the annual return after receiving the external auditor's matters arising report.
9. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit to the Committee.

Completion checklist – 'No' answers mean that you may not have met requirements		Done?
<b>Initial submission to the external auditor</b>		
Accounts	Has the RFO certified the front page (Regulation 8B (1) and 8B (2)(a)) before submission to the external auditor?	YES/NO
	Do the papers to be sent to the external auditor include an explanation of significant variations from last year to this year?	YES/NO
	Does the bank reconciliation as at 31 March 2010 agree to Line 9?	YES/NO
All sections	Have all green boxes in sections 1 and 2 been completed and explanations provided where needed?	YES/NO
	Has all the information requested by the external auditor been sent with this annual return? Please refer to your notice of audit and any additional schedules provided by your external auditor.	YES/NO
<b>Final submission to the external auditor after receipt of external auditor's report on matters arising</b>		
Accounts	Has the RFO certified section 3 (Regulation 8B (2)(b)) before the Committee approves the annual return?	YES/NO
Audit report	Has the Committee received and considered the external audit report before approving the Annual Return?	YES/NO
Approval	Has the Chair signed and dated section 3 in time to allow the auditor to certify section 3 and return to the Committee no later than 30 September 2010?	YES/NO

#### Note on Section 4 - Internal Audit

During the time covered the NWRWP did not have its own separate books of account, bank accounts, payroll etc. They were all part of the Flintshire accounts.

As such they were subject to the Flintshire Finance Procedure Rules and the same level of control as the rest of the Flintshire financial systems.

During 2009/10 the Flintshire financial systems, risk management and payroll were audited by Internal Audit, however the NWRWP risk register was not covered.

The Annual Internal Audit report relies on the overall work completed at that time.

# Minor joint committees in Wales

## Annual Return for the year ended

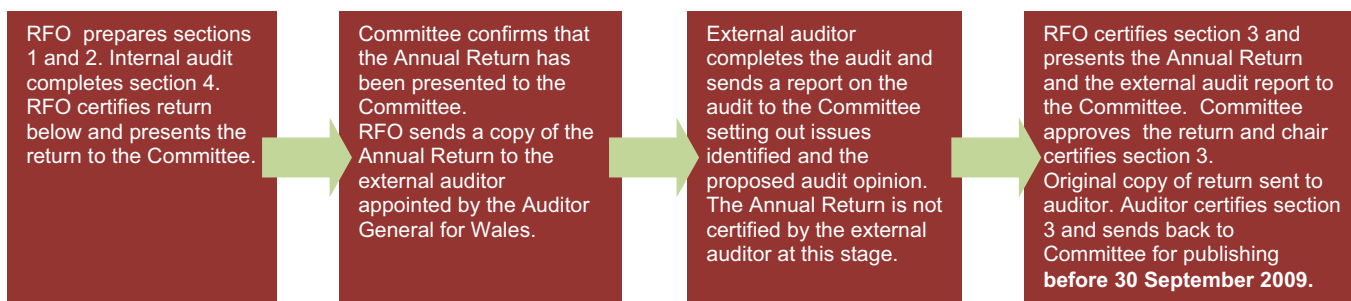
### 31 March 2009



Minor joint committees in Wales with income and expenditure below £1 million per annum may complete an annual return summarising their annual activities at the completion of each financial year. Please complete all sections highlighted in green. Incomplete or incorrect returns may require additional external audit work and incur additional costs.

Further guidance is included in section 5 and in the One Voice Wales/SLCC Guidance publication Governance and Accountability for Local Committees in Wales – A Practitioners’ Guide 2011 (the Practitioners’ Guide). Section 2 includes references to where the Guide has further information.

The accounts and audit arrangements follow the process as set out below. **The Responsible Financial Officer (RFO) MUST sign the certificate on this page before sending to the auditor.** Committees are requested to complete the confirmation below before submitting a copy of the Annual Return to the auditor. The RFO will certify and the Committee will approve the Annual Return and sign section 3 at the conclusion of the audit following receipt of the external auditor’s report.



## Responsible Financial Officer Certificate

<p><b>Certificate under Regulation 8B (1) and 8B(2) Accounts and Audit (Wales) Regulations 2005 (as amended)</b></p> <p>I certify that the accounting statements contained in section 1 of this Annual Return presents fairly the financial position of the Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2009.</p>	<p><b>Certification prior to audit:</b></p> <p><b>Signature:</b> _____</p> <p><b>Date:</b> _____</p>
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## Committee confirmation prior to audit

The Annual Return for North Wales Residual Waste Partnership for the year ended 31 March 2009 was presented to the Committee on:

Section 1: Following certification by the Responsible Financial Officer, the accounting statements in section 1 were presented to the Committee.

Section 2: the Annual Governance Statement has been presented to the Committee. To the best of our knowledge and belief and subject to your audit findings, the responses to each statement of assurance in Section 2 are accurate, complete and represent the Committee’s final responses.

**Signed by Chair:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Please send a copy of the Annual Return, together with any additional information requested, to your appointed external auditor. Unless requested, please **do not** send any original financial records to the external auditor.

Audited and certified returns are sent back to the committee for publication or display of sections 1, 2 and 3.

## Section 1 – Accounting statements for

### North Wales Residual Waste Partnership

	Year ending		Notes and guidance for compilers
	31 March 2008 £	31 March 2009 £	
			<b>Please round all figures to nearest £.</b> <b>Do not leave any boxes blank and report £0 or Nil balances.</b> <b>All figures must agree to the Committee's underlying financial records for the relevant year.</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 levy/principal body	0	0	Total amount of levy received or receivable in the year including funding from a sponsoring principal body
3. (+) Total other receipts	0	79,316	Total income or receipts recorded in the cashbook minus the income recorded in line 2. Include any grants received here.
4. (-) Staff costs	0	-77,124	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.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the body's borrowing (if any).
6. (-) Total other payments	0	-2,192	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	0	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
8. (+) Debtors and stock balances	0	79,604	<b>Income and expenditure accounts only:</b> enter the value of debts owed to and stock balances held at the year-end.
9. (+) Total cash and investments	0	0	<b>All accounts:</b> The sum of all current and deposit bank accounts, cash holdings and short term investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	0	-79,604	<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	0	<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 recorded current book value at 31 March of all fixed assets owned by the body and any other long-term assets – eg, loans to third parties, other investments to be held for the long term ie, more than 12 months.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

## Section 2 – 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 Committee's accounting statements for the year ended 31 March 2009, that:

	Agreed – Yes or No*	'YES' means that the Committee:	PG Chap.
1. We have approved the accounting statements which have been prepared in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2005 (as amended) and proper practices.	YES	Prepared its accounting statements in the way 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.	YES	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.	YES	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 2005 (as amended).	YES	Has given all persons interested the opportunity to inspect and ask questions about the Committee's accounts.	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.	YES	Considered the financial and other risks it faces in the operation of the Committee and has dealt with them properly.	6, 9
6. We have maintained an adequate and effective system of internal audit of the Committee's accounting records and control systems throughout the year and have received a report from the internal auditor.	YES	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 Committee.	6, 8
7. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	N/A	Has responded to matters brought to its attention by internal and external audit.	6, 8, 23
8. 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.	YES	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6

\* 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.

## Section 3 – Certification and approval

### Committee approval and certification

The Committee is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2005 (as amended) and for the preparation of an annual return which:

- summarises the Committee’s accounting records for the year ended 31 March 2009; and
- confirms and provides assurance on those matters that are important to the external auditor’s responsibilities.

<b>Certification by the Responsible Financial Officer</b>	<b>Certificate under Regulation 8 Accounts and Audit (Wales) Regulations 2005 (Regulation 8B (1), 8B (2) and 8B(3))</b>  I certify that the accounting statements contained in this annual return presents fairly the financial position of the Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2009.	<b>RFO certification following the audit:</b>  <b>Signature:</b> _____ <b>Name:</b> <b>Kerry Feather</b> <b>Date:</b> _____
<b>Approval by the Committee</b>	<b>Approval of accounting statements under Regulation 9 (3) Accounts and Audit (Wales) Regulations 2005 (as amended) and the Annual Governance Statement</b>  I confirm that these accounting statements and annual governance statement were approved by the Committee under minute reference:  _____	<b>Committee approval following the audit:</b>  <b>Signature:</b> _____ <b>Name:</b> _____ <b>Date:</b> _____

### External Audit Certificate

The external auditor conducts the audit in accordance with guidance issued by the Auditor General for Wales. On the basis of their review of the annual return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met.

We certify that we have completed the audit of the annual return for the year ended 31 March 2009 of:

<b>North Wales Residual Waste Partnership</b>
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### External auditor’s report

[Except for the matters reported below]\* On the basis of our review, in our opinion, the information contained in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

[These matters along with other matters not affecting our opinion which we draw to the attention of the Committee/meeting are included in our report to the Committee dated \_\_\_\_\_] \* (\* delete as appropriate).

External auditor’s signature:	<input style="width: 100%;" type="text"/>		
External auditor’s name:	<input style="width: 50%;" type="text"/>	Date:	<input style="width: 50%;" type="text"/>

## Section 4 – Annual internal audit report to

### North Wales Residual Waste Partnership

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 2009.

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? Yes/No*/Not covered**
A Appropriate books of account have been properly kept throughout the year.	YES
B The Committee's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	YES
C The Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	NOT COVERED
D The annual precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	N/A
E Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	N/A
F Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	N/A
G Salaries to employees and allowances to members were paid in accordance with Committee approvals, and PAYE and NI requirements were properly applied.	YES
H Asset and investment registers were complete and accurate, and properly maintained.	N/A
I Periodic and year-end bank account reconciliations were properly carried out.	YES
J 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.	YES
K Trust funds (including charitable trusts) The Committee has met its responsibilities as a trustee.	N/A

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

See Note attached.

Name of person who carried out the internal audit:

David Webster

Signature of person who carried out the internal audit:

Date:

\* 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.



## Section 5 – Guidance notes on completing the 2011 annual return

1. For guidance please read the *Practitioners' Guide* (Governance and Accountability for Local Committees: A Practitioners' Guide 2011 (Wales) - available from One Voice Wales and SLCC. It contains everything you need for the financial year-end and the statutory audit.
2. Please make sure that sections 1, 2 and 4 are completed (i.e, no empty green boxes) by the appropriate person and the certificates on page 1 are properly signed and dated. Avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are properly initialled and an explanation for them is provided to the auditor. **Please do not use correction fluid.** Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited.
3. Use the checklist provided below. Use a second pair of eyes, perhaps your internal auditor or the Chair, to review your annual return for completeness before sending a copy to the auditor.
4. Make sure that the copy of the bank reconciliation you send to your auditor with the copy annual return covers **all** your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your Committee holds any investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to Line 9 in Section 1. More help on bank reconciliation is available in the *Practitioners' Guide*\*.
5. Please **explain fully** any significant variances in the accounting statements. The auditor wants to know that **you** understand the reasons for the change. Please include a relevant and quantified analysis as shown in the Practitioners' Guide examples and not just a copy of your detailed accounts.
6. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful. Please ensure that you enclose all the information that the auditor has asked for. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances this may incur additional costs for which the auditor is entitled to charge additional fees.
7. Please make sure that Section 1 adds up! Also please ensure that the balance carried forward from the previous year (Line 7 of 2010) equals the balance brought forward in the current year (Line 1 of 2011).
8. **Do not complete the External Audit Certificate in Section 3.** The external auditor completes this after the Committee approves the annual return after receiving the external auditor's matters arising report.
9. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit to the Committee.

Completion checklist – 'No' answers mean that you may not have met requirements		Done?
<b>Initial submission to the external auditor</b>		
Accounts	Has the RFO certified the front page (Regulation 8B (1) and 8B (2)(a)) before submission to the external auditor?	YES/NO
	Do the papers to be sent to the external auditor include an explanation of significant variations from last year to this year?	YES/NO
	Does the bank reconciliation as at 31 March 2009 agree to Line 9?	YES/NO
All sections	Have all green boxes in sections 1 and 2 been completed and explanations provided where needed?	YES/NO
	Has all the information requested by the external auditor been sent with this annual return? Please refer to your notice of audit and any additional schedules provided by your external auditor.	YES/NO
<b>Final submission to the external auditor after receipt of external auditor's report on matters arising</b>		
Accounts	Has the RFO certified section 3 (Regulation 8B (2)(b)) before the Committee approves the annual return?	YES/NO
Audit report	Has the Committee received and considered the external audit report before approving the Annual Return?	YES/NO
Approval	Has the Chair signed and dated section 3 in time to allow the auditor to certify section 3 and return to the Committee no later than 30 September 2009?	YES/NO

#### Note on Section 4 - Internal Audit

During the time covered the NWRWP did not have its own separate books of account, bank accounts, payroll etc. They were all part of the Flintshire accounts.

As such they were subject to the Flintshire Finance Procedure Rules and the same level of control as the rest of the Flintshire financial systems.

During 2008/09 the Flintshire financial systems, risk management and payroll were audited by Internal Audit, however the NWRWP risk register was not covered.

The Annual Internal Audit report relies on the overall work completed at that time.



WALES **AUDIT** OFFICE  
SWYDDFA **ARCHWILIO** CYMRU

## Adroddiad ar yr Archwiliad o Ddatganiadau Ariannol

# Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru

**Blwyddyn archwilio:** 2008-09, 2009-10, 2010-11 a 2011-12

**Cyhoeddwyd:** Chwefror 2013

**Cyfeirnod y ddogfen:** 126A2013

# Statws yr adroddiad

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Paratowyd y ddogfen hon at ddefnydd mewnol Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru fel rhan o'r gwaith a gyflawnir yn unol â swyddogaethau statudol, y Cod Ymarfer Archwilio a'r Datganiad o Gyfrifoldebau a gyhoeddwyd gan Archwilydd Cyffredinol Cymru.

Nid oes unrhyw gyfrifoldeb ar Swyddfa Archwilio Cymru (yr Archwilydd Cyffredinol a'i staff) na'r archwilydd penodedig, lle y bo'n gymwys, mewn perthynas ag unrhyw aelod, cyfarwyddwr, swyddog na chyflogai arall yn unigol, nac i unrhyw drydydd parti.

Os gwneir cais am wybodaeth y gallai'r ddogfen hon fod yn berthnasol iddi, tynnir sylw at y Cod Ymarfer a gyhoeddwyd o dan adran 45 o Ddeddf Rhyddid Gwybodaeth 2000. Mae Cod adran 45 yn nodi'r arfer a ddisgwylir gan awdurdodau cyhoeddus wrth ymdrin â cheisiadau, yn cynnwys ymgynghori â thrydydd parti'n berthnasol. Mewn perthynas â'r ddogfen hon, mae Archwilydd Cyffredinol Cymru (a lle y bo'n berthnasol, ei archwilydd penodedig) yn drydydd parti'n berthnasol. Dylid anfon unrhyw ymholiadau ynglŷn â datgelu neu aildefnyddio'r ddogfen hon i Swyddfa Archwilio Cymru yn [infoofficer@wao.gov.uk](mailto:infoofficer@wao.gov.uk).

Roedd y tîm a gyflawnodd y gwaith yn cynnwys John Herniman, Amanda Hughes a Ron Parker.

# Cynnwys

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Mae'r Archwilydd Penodedig yn bwriadu cyhoeddi adroddiadau archwilio diamed ar eich datganiadau ariannol ar gyfer y blynyddoedd 2008-09 i 2011-12. Mae rhai materion i'ch hysbysu amdanynt cyn eu cymeradwyo.

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## Adroddiad cryno

Cyflwyniad	4
Adroddiad archwilio arfaethedig	4
Materion sylweddol sy'n deillio o'r archwiliad	4

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## Atodiadau

Llythyr Sylwadau Terfynol	7
Crynodeb o'r cywiriadau a wnaed i'r datganiadau ariannol drafft y dylid tynnu sylw Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru atynt	10

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# Adroddiad cryno

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## Cyflwyniad

1. Mae'r Archwilydd Penodedig yn gyfrifol am roi barn ynghylch pa un a yw'r datganiadau ariannol yn rhoi darlun cywir a theg o sefyllfa ariannol Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru (y Cydbwyllgor) ar 31 Mawrth 2009, 2010, 2011 a 2012 yn y drefn honno a'i incwm a'i wariant ar gyfer y blynyddoedd a ddaeth i ben bryd hynny.
2. Gwnaethom dderbyn y datganiadau ariannol drafft ar gyfer y pedair blynedd a ddaeth i ben 31 Mawrth 2009-2012 rhwng mis Mehefin a mis Tachwedd 2012 ac rydym erbyn hyn wedi cwblhau'r gwaith archwilio fwy neu lai. Rydym yn cyflwyno adroddiad i chi ar y materion mwyaf arwyddocaol sy'n deillio o'r archwiliad, y credwn y dylech eu hystyried cyn cymeradwyo'r datganiadau ariannol. Mae tîm yr archwiliad eisoes wedi trafod y materion hyn gyda swyddog cyllid cyfrifol y Cydbwyllgor (Kerry Feather).
3. Nid ydym yn ceisio cael sicrwydd llwyr bod y datganiadau ariannol wedi'u datgan yn gywir, ond rydym yn mabwysiadu'r cysyniad o berthnasedd. Gall materion ansoddol penodol megis gofynion cyfreithiol a rheoliadol a sensitifrwydd gwleidyddol hefyd bennu p'un a fernir bod eitem yn berthnasol ai peidio. Wrth gynllunio a chynnal yr archwiliad, rydym yn ceisio nodi camddatganiadau perthnasol yn eich datganiadau ariannol, hynny yw, y rhai hynny a allai gamarwain rhywun sy'n darllen y cyfrifon.

## Adroddiad archwilio arfaethedig

4. Bwriad yr Archwilydd Penodedig yw cyhoeddi adroddiadau archwilio diamod ar y pedair set o ddatganiadau ariannol unwaith y byddwch wedi darparu Llythyr Sylwadau i ni yn seiliedig ar yr hyn a nodir yn [Atodiad 1](#).

## Materion sylweddol sy'n deillio o'r archwiliad

### Camddatganiadau nas cywirwyd

5. Ni nodwyd unrhyw gamddatganiadau yn y datganiadau ariannol, sy'n parhau heb eu cywiro.

### Camddatganiadau a gywirwyd

6. Mae yna gamddatganiadau a gywirwyd gan y rheolwyr, ond yr ystyriwn y dylid tynnu eich sylw atynt gan eu bod yn berthnasol i'ch cyfrifoldebau mewn perthynas â'r broses o gyflwyno adroddiadau ariannol. Fe'u nodir gydag esboniadau yn [Atodiad 2](#).

## Materion sylweddol eraill sy'n deillio o'r archwiliad

7. Fel rhan o'r archwiliad, rydym yn ystyried nifer o faterion ansoddol a meintiol sy'n berthnasol i'r cyfrifon ac yn cyflwyno adroddiad i chi ar unrhyw faterion sylweddol sy'n codi. Nodaf isod y materion sy'n codi a'r flwyddyn ariannol y maent yn ymwneud â hi:

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## Mae gennym bryderon ynglŷn ag agweddau ansoddol ar eich arferion cyfrifyddu a'ch proses o gyflwyno adroddiadau ariannol

8. Mae gennym y pryderon canlynol ynglŷn ag agweddau ansoddol ar eich arferion cyfrifyddu a'ch proses o gyflwyno adroddiadau ariannol:

Methodd y Cydbwyllgor â chydymffurfio â'r gofynion i lunio ei ddatganiadau ariannol erbyn y terfynau amser statudol yn y pedair blwyddyn ariannol 2008-09 i 2011-12.

9. Noda Adran 12 o Ddeddf Archwilio Cyhoeddus (Cymru) 2004 fod cydbwyllgor sy'n cynnwys dau neu fwy o awdurdodau (lleol) yn gorff llywodraeth leol. Mae Adran 13 o'r Ddeddf yn ei gwneud yn ofynnol i gyrff llywodraeth leol yng Nghymru gadw cyfrifon a gaiff eu harchwilio'n flynyddol.
10. Mae'n rhaid i gyrff llywodraeth leol baratoi datganiadau ariannol erbyn 30 Mehefin ar ôl diwedd y flwyddyn, y mae'n rhaid iddynt wedyn gael eu harchwilio a'u cymeradwyo erbyn 30 Medi.
11. Mae Rheoliadau Cyfrifon ac Archwilio (Cymru) a wneir o dan adrannau 39 a 58 o Ddeddf Archwilio Cyhoeddus (Cymru) 2004, yn gosod trothwyon i bennu'r math o gyfrifon y mae'n rhaid i gynghorau lleol eu cadw. Mae'r rhain yn seiliedig ar incwm a gwariant y cyngor (pa un bynnag sydd uchaf).
12. Pan fydd yr incwm neu wariant uchaf yn llai nag £1 filiwn, ystyrir bod y cydbwyllgor yn gydbwyllgor bach a gall baratoi ffurflen flynyddol. Roedd hyn yn wir ar gyfer 2008-09 a 2009-10.
13. Fodd bynnag, unwaith y bydd yr incwm neu wariant uchaf yn fwy nag £1 filiwn, mae'n ofynnol paratoi datganiadau ariannol sy'n cydymffurfio â'r Cod Ymarfer ar Gyfrifyddu Llywodraeth Leol. Roedd hyn yn wir ar gyfer 2010-11 a 2011-12.
14. Methodd y Cydbwyllgor â chyflwyno ei ffurflenni blynyddol ar gyfer 2008-09 a 2009-10 na'i ddatganiadau ariannol llawn ar gyfer 2010-11 a 2011-12 yn unol â'r terfynau amser statudol.
15. Hefyd, ac o ganlyniad i hyn, ni ddarparwyd y wybodaeth angenrheidiol i'r awdurdodau cyfansoddol i sicrhau eu bod yn rhoi cyfrif cywir am eu priod gyfrannau o'r Cydbwyllgor. Fodd bynnag, mae'n annhebygol bod hyn wedi cael effaith berthnasol ar eu cyfrifon.

Ar gyfer 2010-11 a 2011-12, nid oedd y datganiadau ariannol yn cynnwys yr holl ddatganiadau a gofynion datgelu perthnasol

16. Mae'n rhaid i ddatganiadau ariannol gynnwys nifer o ddatganiadau sylfaenol, nodiadau manwl i'r cyfrifon a datganiad llywodraethu blynyddol.
17. Yn y datganiadau a gyflwynwyd i'w harchwilio, roedd rhai hepgoriadau allweddol, yn bennaf y datganiad llif arian parod, datgeliadau taliadau cydnabyddiaeth a'r datganiad llywodraethu blynyddol. Mae'r rhain bellach wedi'u darparu er mwyn sicrhau bod y datganiadau ariannol yn cydymffurfio â'r gofynion.

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Yn 2010-11 a 2011-12 rhoddwyd cyfrif am drafodion yn y flwyddyn ariannol anghywir a arweiniodd at gywiriadau perthnasol i'r cyfrifon

18. Nodwyd gennym nifer o drafodion tua diwedd y flwyddyn y rhoddwyd cyfrif amdanynt yn y cyfnod pan gawsant eu talu yn hytrach na'r cyfnod roeddent yn berthnasol iddo. O ganlyniad, gwnaed cywiriadau perthnasol i'r datganiadau ariannol yn 2009-10 a 2010-11.

### Daethom ar draws anawsterau sylweddol yn ystod yr archwiliad

19. Nid oedd y datganiadau ariannol a gyflwynwyd i'w harchwilio wedi'u hategu gan bapurau gwaith a thystiolaeth archwilio briodol. At hynny, nid oedd yn glir pa swyddogion a allai ddarparu'r wybodaeth angenrheidiol i ni a chawsom ein trosglwyddo o swyddog i swyddog wrth geisio cael gafael arni.
20. Mae'n hanfodol ar gyfer y dyfodol y caiff y datganiadau ariannol eu hategu gan bapurau gwaith o ansawdd da a byddwn yn gweithio gyda swyddogion i ddatblygu dogfen yn nodi'r papurau i'w cyflwyno ar gyfer archwiliad er mwyn sicrhau y caiff hyn ei weithredu. Byddem yn argymhell hefyd y dylai un swyddog gymryd cyfrifoldeb dros ofynion y Cydbwyllgor o ran cyflwyno adroddiadau.
21. O ganlyniad i'n trafodaethau â swyddogion, rydym yn hyderus yr eir i'r afael â'r materion hyn ar gyfer 2012-13 a thu hwnt.

### Nid oes unrhyw faterion eraill y mae angen i ni eich hysbysu amdanynt

22. Nid oes unrhyw faterion eraill i'ch hysbysu amdanynt. Yn benodol:
- ni wnaethom drafod na gohebu â rheolwyr am unrhyw faterion sylweddol y mae angen i ni eich hysbysu amdanynt;
  - nid oes unrhyw faterion eraill sy'n arwyddocaol i'r gwaith o oruchwylio'r broses o gyflwyno adroddiadau ariannol y mae angen i ni eich hysbysu amdanynt;
  - ni nodwyd gwendidau perthnasol yn eich rheolaethau mewnol nad ydym wedi eich hysbysu amdanynt eisoes.



# Atodiad 1

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## Llythyr Sylwadau Terfynol

(Pennawd llythyr y corff a archwilir)

Anthony Barrett  
Archwilydd Penodedig  
Swyddfa Archwilio Cymru  
24 Heol y Gadeirlan  
Caerdydd  
CF11 9LJ

20 Chwefror 2013

## Sylwadau ar ddatganiadau ariannol 2008-09, 2009-10, 2010-11 a 2011-12

Cyflwynir y llythyr hwn mewn perthynas â'ch archwiliad o ddatganiadau ariannol Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru ar gyfer y pedair blynedd a ddaeth i ben 31 Mawrth 2009, 2010, 2011 a 2012.

Rydym yn cadarnhau hyd eithaf ein gwybodaeth a'n cred, ar ôl cynnal ymchwiliadau a oedd yn ddigonol yn ein barn ni, y gallwn wneud y sylwadau canlynol i chi.

## Sylwadau rheolwyr

### Cyfrifoldebau

Rydym wedi cyflawni ein cyfrifoldebau am baratoi'r datganiadau ariannol yn unol â gofynion deddfwriaethol a'r Cod Ymarfer ar Gyfrifyddu Awdurdodau Lleol yn y Deyrnas Unedig; yn arbennig, mae'r datganiadau ariannol yn rhoi darlun cywir a theg yn unol â hynny.

Rydym yn cydnabod ein cyfrifoldeb am gynllunio, gweithredu, cynnal ac adolygu trefniadau rheolaeth fewnol er mwyn atal a chanfod twyll a gwallau.

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## Gwybodaeth a roddir

Rydym wedi rhoi'r canlynol i chi:

- Mynediad llawn i'r canlynol:
  - yr holl wybodaeth rydym yn ymwybodol ohoni sy'n berthnasol i'r broses o baratoi'r datganiadau ariannol megis llyfrau cyfrifon a dogfennaeth ategol, cofnodion cyfarfodydd a materion eraill;
  - gwybodaeth ychwanegol y gwnaethoch ofyn amdani gennym at ddiben yr archwiliad;
  - mynediad anghyfyngedig i staff yr oedd yn angenrheidiol i chi, yn eich barn chi, gael tystiolaeth archwilio ganddynt.
- Canlyniadau ein hasesiad o'r risg y gall y datganiadau ariannol fod wedi eu cam-ddatgan mewn modd perthnasol o ganlyniad i dwyll.
- Ein gwybodaeth am dwyll neu dwyll a amheuir rydym yn ymwybodol ohono ac sy'n effeithio ar Gydbwyllgor Gwastraff Gweddilliol Gogledd Cymru ac yn ymwneud â:
  - rheolwyr;
  - cyflogeion sydd â rolau pwysig yng nghyd-destun rheolaeth fewnol; neu
  - eraill lle gallai'r twyll gael effaith berthnasol ar y datganiadau ariannol.
- Yr hyn a wyddom am unrhyw honiadau o dwyll, neu dwyll a amheuir, sy'n effeithio ar y datganiadau ariannol y rhoddwyd gwybod amdanynt gan gyflogeion, cyn-gyflogeion, rheoleiddwyr neu eraill.
- Yr hyn a wyddom am bob achos hysbys neu achos a amheuir o ddiffyg cydymffurfio â deddfau a rheoliadau y dylid ystyried eu heffeithiau wrth baratoi'r datganiadau ariannol.
- Manylion yr holl bartïon cysylltiedig a holl gydberthnasau a thrafodion y partïon cysylltiedig rydym yn ymwybodol ohonynt.

## Sylwadau ar y datganiad ariannol

Cofnodwyd pob trafodyn, ased a rhwymedigaeth yn y cofnodion cyfrifyddu ac fe'u hadlewyrchir yn y datganiadau ariannol.

Mae'r rhagdybiaethau arwyddocaol a ddefnyddiwyd i wneud amcangyfrifon cyfrifyddu, gan gynnwys y rheini a fesurwyd ar werth teg, yn rhesymol.

Cyfrifwyd yn briodol am gydberthnasau a thrafodion partïon cysylltiedig ac fe'u datgelwyd yn briodol.

Addaswyd ar gyfer pob digwyddiad neu datgelwyd pob digwyddiad a ddigwyddodd ar ôl y dyddiad adrodd y mae angen ei addasu neu ei ddatgelu.

Datgelwyd pob achos gwirioneddol neu bosibl hysbys o ymgyfreitha a honiadau y dylid ystyried eu heffeithiau wrth baratoi'r datganiadau ariannol i'r archwilydd, a chyfrifwyd amdanynt ac fe'u datgelwyd yn unol â'r fframwaith cyflwyno adroddiadau ariannol perthnasol.

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Nid oes yn y datganiadau ariannol gamddatganiadau perthnasol, gan gynnwys hepgoriadau. Mae effeithiau'r camddatganiadau nas cywirwyd a nodwyd yn ystod yr archwiliad yn amherthnasol, yn unigol a chyda'i gilydd, i'r datganiadau ariannol cyfan.

## Sylwadau gan Aelodau Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru

Cydnabyddwn fod y sylwadau a wnaed gan y rheolwyr, uchod, wedi eu trafod â ni. Cydnabyddwn ein cyfrifoldeb am baratoi datganiadau ariannol cywir a theg yn unol â'r fframwaith cyflwyno adroddiadau ariannol perthnasol. Cymeradwywyd y datganiadau ariannol gan Gydbwyllgor Gwastraff Gweddilliol Gogledd Cymru ar 20 Chwefror 2013.

Llofnodwyd gan:

Kerry Feather

Swyddog Cyllid Cyfrifol

Dyddiad: 20 Chwefror 2013

Llofnodwyd gan:

Cadeirydd Cydbwyllgor Gwastraff

Gweddilliol Gogledd Cymru

Dyddiad: 20 Chwefror 2013

## Atodiad 2

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### Crynodeb o'r cywiriadau a wnaed i'r datganiadau ariannol drafft y dylid tynnu sylw Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru atynt

Yn ystod ein harchwiliad, gwnaethom nodi'r camddatganiadau canlynol a gywirwyd gan y rheolwyr, ond yr ystyriwn y dylid tynnu eich sylw atynt gan eu bod yn berthnasol i'ch cyfrifoldebau mewn perthynas â'r broses o gyflwyno adroddiadau ariannol.

O ran datganiadau ariannol 2008-09:

Gwerth y cywiriad	Natur y cywiriad	Rheswm dros y cywiriad
£288.00	Er mwyn cydymffurfio â'r canllawiau	Er mwyn cynnwys ffioedd archwilio

O ran datganiadau ariannol 2009-10:

Gwerth y cywiriad	Natur y cywiriad	Rheswm dros y cywiriad
£1,476.00	Er mwyn cydymffurfio â'r canllawiau	Er mwyn cynnwys ffioedd archwilio
£24,027.92	Gwariant wedi'i gynnwys yn 2010-11	Gwariant wedi'i gynnwys yn y flwyddyn anghywir

O ran datganiadau ariannol 2010-11:

Gwerth y cywiriad	Natur y cywiriad	Rheswm dros y cywiriad
£3,882.00	Er mwyn cydymffurfio â'r canllawiau	Er mwyn cynnwys ffioedd archwilio
-£24,027.92	Wedi'i gynnwys yn anghywir	Gwariant wedi'i gynnwys yn y flwyddyn anghywir
£81,560.33	Gwariant wedi'i gynnwys yn 2011-12	Gwariant wedi'i gynnwys yn y flwyddyn anghywir
Datgeliad	Datganiad symud cronfeydd wrth gefn	Er mwyn cydymffurfio â'r canllawiau
Datgeliad	Datganiad llywodraethu blynyddol	Er mwyn cydymffurfio â'r canllawiau
Datgeliad	Nodiadau ar gyfer dyledwyr, credydwyr, taliadau cydnabyddiaeth swyddogion, costau archwilio allanol a phartïon cysylltiedig	Er mwyn cydymffurfio â'r canllawiau

O ran datganiadau ariannol 2011-12:

Gwerth y cywiriad	Natur y cywiriad	Rheswm dros y cywiriad
£3,905.00	Er mwyn cydymffurfio â'r canllawiau	Er mwyn cynnwys ffioedd archwilio
-£81,560.33	Wedi'i gynnwys yn anghywir	Gwariant wedi'i gynnwys yn y flwyddyn anghywir
£2,073.60	Gwariant wedi'i gynnwys yn 2012-13	Gwariant wedi'i gynnwys yn y flwyddyn anghywir
Datgeliad	Datganiad symud cronfeydd wrth gefn	Er mwyn cydymffurfio â'r canllawiau
Datgeliad	Datganiad symud cronfeydd wrth gefn	Er mwyn cydymffurfio â'r canllawiau
Datgeliad	Nodiadau ar gyfer dyledwyr, credydwyr, taliadau cydnabyddiaeth swyddogion, costau archwilio allanol a phartïon cysylltiedig	Er mwyn cydymffurfio â'r canllawiau



WALES **AUDIT** OFFICE  

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SWYDDFA **ARCHWILIO** CYMRU

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## Eitem Agenda: 6

**ADRODDIAD I:** CYD-BWYLLGOR PTGGGC

**DYDDIAD:** DYDD MAWRTH, CHWEFROR 12, 2013

**ADRODDIAD** PENNAETH CYLLID (CYNGOR SIR Y FFLINT)  
**GAN:**

**PWNC:** ADOLYGIAD ARCHWILIO MEWNOL

### **1.00 PWRPAS YR ADRODDIAD**

1.01 Rhoi gwybod i'r pwyllgor am y gwaith archwilio mewnol sy'n cael ei wneud er mwyn bodloni'r gofynion statudol ar gyfer Cydbwyllgorau.

### **2.00 CEFNDIR**

2.01 Mae'r papur hwn yn dilyn ymlaen o'r papur ar y Datganiadau o Gyfrifon ar gyfer y pedair blynedd ariannol ddiwethaf. Mae'r papur hwnnw yn ei gwneud yn glir bod angen i NWRWTP baratoi cyfrifon diwedd blwyddyn. Mae maint y prosiect yn golygu ei fod yn uwch na'r trothwy lle mae angen cynhyrchu set lawn o gyfrifon blynyddol. Rhaid i'r cyfrifon gynnwys Datganiad Llywodraethu Blynyddol (AGS).

2.02 O ran gofynion archwilio, mae Swyddfa Archwilio Cymru wedi datgan bod y Cydbwyllgor yn Gyngor yn ei rinwedd ei hun, a bod yr holl reolau a rheoliadau arferol yn berthnasol. Mae hynny'n golygu bod angen i'r prosiect fod yn destun adolygiad archwilio mewnol.

2.03 Mae'r Prif Weithredwyr rhanbarthol a Phenaethiaid Cyllid wedi cytuno ar yr egwyddor y dylai'r cyfrifoldeb am archwilio mewnol prosiectau cydweithredol rhanbarthol aros gyda'r awdurdod lletyol / arweiniol. Roedd cytundeb anffurfiol i'r perwyl hwnnw yn bodoli eisoes rhwng y Penaethiaid Archwilio, ond mae hyn yn ffurfioli'r trefniant. Mae'r cyfrifoldeb am archwiliad mewnol NWRWTP felly'n aros gydag adran Archwilio Mewnol Cyngor Sir y Fflint.

2.04 Ar gyfer cyfrifon blynyddoedd blaenorol, mae'r adran Archwilio Mewnol wedi darparu gwybodaeth am y gwaith a gwblhawyd o fewn Cyngor Sir y Fflint, ac mae wedi cyfrannu at gynhyrchu'r AGS ar gyfer 2011/12.

2.05 Ar gyfer y flwyddyn gyfredol, 2012/13, mae angen i Archwilio Mewnol roi barn ar ddigonolrwydd ac effeithiolrwydd llywodraethu, rheoli risg a rheolaethau mewnol yn ystod y flwyddyn.

### **3.00 YSTYRIAETHAU**



- 3.01 Bydd yr adolygiad o reolaethau mewnol yn ffurfio rhan o'r adolygiad blynyddol o systemau cyfrifyddu Cyngor Sir y Fflint. Mae adolygiad o lywodraethu a rheoli risg felly'n angenrheidiol i roi sicrwydd i'r Cydbwyllgor ar gyfer 2012/13. Bydd gan hyn hefyd y fantais o alluogi Archwilio Mewnol i gael golwg gyffredinol ar y rhaglen, fel y bydd hi'n bosibl i'n gwaith ganolbwyntio ar feysydd penodol yn y dyfodol, petai hynny'n angenrheidiol.
- 3.02 Gan fod amser yn brin mae'r adolygiad eisoes wedi dechrau. Mae'r cwmpas wedi cael ei gytuno gyda Colin Everett fel swyddog arweiniol ond dylai hefyd gael ei ystyried gan y pwyllgor. Petai gan y pwyllgor unrhyw sylwadau neu ofynion ychwanegol, gellir eu cynnwys yn yr adolygiad.
- 3.03 Bwriedir dod â'r adroddiad terfynol ar yr adolygiad archwilio i'r Cydbwyllgor nesaf. Bydd y canlyniadau yn bwydo i mewn i'r AGS ar gyfer 2012/13, a fydd yn cael ei gyflwyno i'r pwyllgor ynghyd â'r Cyfrifon Blynyddol.

#### **4.00 ARGYMHELLION**

- 4.01 Bod y pwyllgor yn ystyried cwmpas y gwaith a wneir ac yn cymeradwyo / diwygio yn ôl yr angen.

#### **5.00 GOBLYGIADAU ARIANNOL**

- 5.01 Dim o ganlyniad i'r adroddiad hwn.

#### **6.00 EFFAITH GWRTH-DLODI**

- 6.01 Dim o ganlyniad i'r adroddiad hwn.

#### **7.00 EFFAITH AMGYLCHEDDOL**

- 7.01 Dim o ganlyniad i'r adroddiad hwn.

#### **8.00 EFFAITH AR GYDRADDOLDEB**

- 8.01 Dim o ganlyniad i'r adroddiad hwn.

#### **9.00 GOBLYGIADAU PERSONÉL**

- 9.01 Dim o ganlyniad i'r adroddiad hwn.

#### **10.00 ANGEN YMGYNGHORIAD**

- 10.01 Dim o ganlyniad i'r adroddiad hwn.

#### **11.00 YMGYNGHORIAD WEDI EI WNEUD**

- 11.01 Dim o ganlyniad i'r adroddiad hwn.





**PTGGGC**

Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

## 12.00 ATODIADAU

Atodiad A - Taflen Cynllunio Aseiniad Archwilio Mewnol (cwmpas)

### DOGFENNAU CEFNDIR DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985

Swyddog Cyswllt: **David Webster**  
Ffôn **01352 702248**  
E-bost: [david.webster@flintshire.gov.uk](mailto:david.webster@flintshire.gov.uk)

## TAFLEN GYNLLUNIO ASEINIAD ARCHWILIO MEWNOL

<b>Enw'r Sefydliad:</b>	Cydbwyllgor Gwastraff Gweddillol Gogledd Cymru
<b>Blwyddyn Archwilio:</b>	2012/13
<b>Maes archwiliadwy:</b>	Sefydliad cyfan

### AMCANION

<b>Amcan Archwilio:</b>	Er mwyn sicrhau sicrwydd tystiolaeth resymol, yn seiliedig ar effeithiolrwydd rheoli risg, rheolaeth ac amgylchedd llywodraethu'r Cydbwyllgor
<b>Amcan y maes o dan adolygiad:</b>	Digonolrwydd a maint y cydymffurfiad y Cydbwyllgor â fframwaith llywodraethu corfforaethol a deddfwriaeth berthnasol
<b>Amcan y maes o dan adolygiad:</b>	Digonolrwydd adnabod risg, asesu a lliniaru
<b>Amcan y maes o dan adolygiad:</b>	Ansawdd a chywirdeb gwybodaeth rheoli ariannol ac arall a ddefnyddiwyd gan neu a adroddwyd gan y Cydbwyllgor
<b>Amcan y maes o dan adolygiad:</b>	I ba raddau y mae adnoddau'r Cydbwyllgor yn cael eu diogelu rhag colled o bob math gan gynnwys twyll, gwastraff, gweinyddu aneffeithlon a gwerth gwael am arian.

## PRYDERON RHEOLI YCHWANEGOL

Ni chodwyd unrhyw faterion rheoli yn ystod trafodaethau cynllunio

## CWMPAS YR ADOLYGIAD

Meysydd i'w hystyried:	Bydd yr archwiliad yn adolygu rheoli risg, llywodraethu, gwybodaeth reoli a diogelu adnoddau.
Cyfyngiadau'r cwmpas:	Mae'r archwiliad yn cynnwys adolygiad gwiriad iechyd yn unig. Bydd unrhyw faterion a nodir ar gyfer adolygiad manwl pellach o ganlyniad i'r gwiriad iechyd yn cael eu rhaglennu ar gyfer archwiliad gwaith mewnol 2013/14.
Dull Archwilio:	Trwy gyfarfodydd yn ymwneud â'r tîm prosiect a'r cydbwyllgor, ac adolygiad o ddogfennau allweddol, cynnal adolygiad lefel uchel o reolaeth risg, gan gynnwys y broses asesu y tu ôl i benderfyniadau allweddol, fframwaith llywodraethu, gwybodaeth reoli ariannol a heb fod yn ariannol, a diogelu adnoddau. Bydd yr adroddiad terfynol yn cynnwys argymhellion wedi'u categorio.

## DOGFENNAU ANGENRHEIDIOL

**Er mwyn ein galluogi i ddechrau ein gwaith maes ar y dyddiad dechrau y cytunwyd arno, byddwn yn gofyn am fynediad at yr wybodaeth neu'r cofnodion canlynol ar ddechrau diwrnod cyntaf yr archwiliad:**

Gwybodaeth gefndir a drafodwyd eisoes gyda'r cleient. Gofynnir am dystiolaeth a gwybodaeth bellach ar sail barhaus drwy gydol cyfnod yr archwiliad.

## ADNODDAU

Noddwr y sefydliad:	Colin Everett
Archwilwyr:	John Henry
Dyddiad dechrau'r Archwilio:	Ionawr 8fed
Dyddiad cwblhau gwaith maes:	
Adroddiad drafft i fod ar:	
Adroddiad terfynol i fod ar:	

## CYTUNO AR GWMPAS YR ARCHWILIAD

Paratowyd gan:	John Henry
Dyddiad:	Ionawr 8fed

Adolygwyd gan:	David Webster
Dyddiad:	Ionawr 15fed
Cytunwyd gan (noddwr y cleient):	
Dyddiad:	



## EITEM AGENDA RHIF 7

### ADRODDIAD CYNNYDD CYDBWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU

#### CYDBWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU

**Dyddiad: 20 Chwefror 2013**

**Cyfnod: 5 Rhagfyr 2012 i 13 Chwefror 2013**

#### CRYNODEB Y PROSIECT

I gaffael datrysiad rheoli gwastraff cynaliadwy i'r 5 awdurdod lleol yng Ngogledd Cymru (Conwy, Sir Ddinbych, Sir y Fflint, Gwynedd ac Ynys Môn) a fydd yn cynorthwyo â lleihau allyriadau nwyon tŷ gwydr o dirilenwi ac yn lleihau'r tunelledd o weddillion gwastraff a anfonir i dirilenwi a thrwy hynny sicrhau fod yr awdurdodau'n osgoi'r cosbau tordyletswydd Cynllun Lwfans Tirlenwi (LAS) a chwrdd â thargedau'r Strategaeth Wastraff Genedlaethol.

#### STATWS Y PROSIECT

Statws Cyffredinol y Prosiect	
Ambr	<p>Bu i un o'r ddau ymgeiswyr yn weddill yn y broses caffael, Sita UK, hysbysu'r Tîm Prosiect eu bod yn ymadael a'r broses. Mae eitem 10 ar yr agenda hon yn trafod goblygiadau'r penderfyniad hon (eitem rhan 2).</p> <p>Mae'r gwybodaeth wedi'i nodi yn yr wasg a'r cyfryngau arbennigol.</p> <p>Mae deialog wedi parhau gyda'r Dialogue has continued with the remaining bidder.</p>

Statws Cyllideb	
Gwyrdd	<p>Fe wnaaethpwyd y Tîm Prosiect cais i Lywodraeth Cymru tuag at ddiwedd 2012 fod yr oedi yn y broses caffael a'r gwariant o ganlyniady safle yng Nghaergybi ddim ar gael bellach wedi golygu gwariant o £310,000 yn ychwanegol nad oedd wedi ei gyfrifo amdano yng nghyllideb gwreiddiol</p>



	<p>y prosiect. Er mwyn nad yw'r proses caffael yn cael ei gyfaddawdu, fe gytunwyd LIC i ddarparu'r arian ychwanegol i'r prosiect.</p> <p>Hefyd, fe roeddwyd y Cynllun Craff am Wastraff grant ychwanegol o £15,000 ar gael cyn diwedd 2012 i prosiectau gwastraff gweddilliol a phrosiectau gwastraff bwyd ar gyfer gweithredau cyfathrebu a ymgynghori. Fe roddwyd y Tîm Prosiect cais i mewn i ariannu cyfres o sesiynau galw heibio yng Nghei Connah (gweler eitem agenda rhif 9), gyda rhan fwyaf o'r arian yn mynd tuag at hysbysebion yb y wasg, amser ymgynghorwyr allannol i ateb cwestiynau gan y cyhoedd ac argraffu pecynnau gwybodaeth i'r cyhoedd. Fe hysbyswyd y Tîm Prosiect eu bod yn llwyddiannus ym mis Ionawr.</p> <p>Mae'r Cynllun Craff am Wastraff wedi cysylltu a'r prosiect yn ddiweddar i hysbysu bod bosiblwydd o £10,000 yn ychwanegol ar gael. Fe fydd hyn yn cael i adrodd i'r Bwrdd Prosiect yn ei gyfarfod nesaf.</p> <p>Nodir y bod LIC yn ymwybodol o'r amserlen i'r prosiect i gau deialog ar gyfer yr taliad "cam" olaf o £200,000 fel gytunwyd gan LIC.</p> <p>Mae'r Tîm Prosiect wedi gweithio gyda'r swyddog arweiniol ar gyfer materion ariannol i ail-osod y cyllideb ar gyfer gweddill y prosiect i adlewyrchu'r uchod. Mae hwn wedi'i adrodd i'r Bwrdd Prosiect i'w gymeradwyo.</p>
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Statws	Ystyr
Gwyrdd	Nid oes unrhyw broblemau; popeth yn mynd ymlaen yn dda ac i'r cynllun
Ambr	Mae rhai problemau bach / llai. Mae angen gweithredu mewn rhai meysydd ond mae rhannau eraill yn bwrw ymlaen yn foddhaol
Coch	Mae problemau sylweddol a rhai brys ac mae angen gweithredu pendant.

**DIWEDDARIAD PROSIECT** – Gweithgareddau sydd i'w cwblhau o 23 Gorffennaf 2012 i 5 Rhagfyr 2012 (a gweithredoedd tymor hirach sydd wedi'u lliwleuo).

ID	Gweithgaredd	Statws RAG	Sylwadau	Rhagolwg	Gwirioneddol
78	Yr ail IAA (IAA2) i'w ddechrau	Ambr	Hyn i ddechrau unwaith y bydd datrysiadau ISDS	Gwanwyn 2013	



			yn wybyddus (a'r strwythurau contract tebygol yn fwy pendant).		
94	Paratoi a threfnu deigwyddiadau / cyfarfodydd / sesiynau galw heibio angenrheidiol ar gyfer cyhoeddiad penderfyniad y cyd bwyllgor	Ambr	Gweler eitem 9 ar yr agenda.	Mawrth 2013	
95	Drafftio dogfennau cyn CFT	Ambr	Tim Prosiect a'r ymgynghorwyr yn ddrafftio'r ddogfennau i gyrraedd yr amserlen	Tachwedd 2012	
96	Sesiynau deialog ôl ISDS gyda'r ddau ymgeiswyr sydd yn weddill	Ambr	Sesiynau wedi'i gynnal gyda'r ymgeisiwr (gweler eitem agenda 10 am ddiweddariad (eitem rhan 2)).	Ionawr - Ebrill 2013	
98	Drafftio adroddiad parodwydd i gau deialog	Ambr	Amserlen wedi'i newid i adlewyrchu newid yn amserlen y caffael (gweler eitem agenda 10 (eitem rhan 2))	Ionawr 2013	
99	Tîm Prosiect i ddrafftio adroddiad i BP a CB yn ymwneud â pharodrwydd i gau deialog. Medi 2012	Ambr	Amserlen wedi'i newid i adlewyrchu newid yn amserlen y caffael (gweler eitem agenda 10 (eitem rhan 2))	Chwefror 2013	
100	Ymgynghorwyr arbennigol i gwblhau astudiaeth rhwydwaith gwrs yn ardal Glannau'r Dyfrdwy	Ambr	Adroddiad drafft wedi'i dderbyn a fydd ar gael i'r Bwrdd Prosiect ym mis Mawrth i'w gysidro	Hydref / Tachwedd 2012	



# PTGGGC

Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

101	Strategaeth cyfathrebu ar gyfer 2013	Gwyrdd	Wedi gymeradwyo yng Nghyd Bwyllgor 13 Rhagfyr 2013	Rhagfyr 2012	Wedi'i cwblhau
102	Sesiynau Aelodau gyda'r Awdurdod Diogelu Iechyd (Health Protection Agency)	Gwyrdd	Sesiynau wedi'i gynnal – gweler eitem agenda rhif 9.	6 & 7 Chwefror 2013	Wedi'i cwblhau
103	Trefnu arolwg parodrwydd i gau deialog gyda Llywodraeth Cymru.	Gwyrdd	Gosod dyddiadau ar gyfer cyfarfod arolwg, i gynnwys ddigon o amser i'w gymeradwyo cyn diwedd y flwyddyn ariannol.	Chwefror 2013	
104	Tîm Prosiect i adrodd i'r Bwrdd Prosiect ar y gwerth am arian wedi'i ennill drwy'r broses deialog cystadleuol hyd yn hyn	Gwyrdd	Gweler eitem agenda 10	Mawrth 2013	
105	Adrodd i'r Bwrdd Prosiect ar drefniadau is-gytundebau	Gwyrdd	Gweler eitem agenda 10	Mawrth 2013	
106	Trefnu a sesiynau galw heibio	Gwyrdd	Dyddiadau a ymgynghorwyr allannol weidi'i drefnu	8/9 Mawrth & 15/16 Mawrth 2013	
107	Paratoi Archwyllo Mewnol CSYFf gyda'r wybodaeth angenrheidiol	Gwyrdd	Gwaith eisioes wedi dechrau, Tim Prosiect yn gweithio gyda Archwyllo Mewnol CSYFf fel yr angen (gweler eitem agenda 6)	Cwefror / Mawrth 2013	

**RISGIAU ALLWEDDOL** – Gweler eitem 6 ar yr agenda hon.





**PTGGGC**

Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

**EITEM AGENDA RHIF: 8**

**ADRODDIAD I: CYD BWYLLGOR NWRWTP**

**DYDDIAD: 20 CHWEFROR 2013**

**ADRODDIAD GAN: Y CYFARWYDDWR PROSIECT**

**TESTUN: ADRODDIAD COFRESTR RISG**

**1. PWRPAS YR ADRODDIAD**

- 1.1. Mae aelodau Cyd-bwyllgor NWRWTP wedi gofyn am gael diweddariad ar y gofrestr risg ym mhob cyfarfod o'r Cyd-bwyllgor.
- 1.2. Bydd yr adroddiad hwn yn tynnu sylw at rai o'r newidiadau i'r gofrestr risg sydd wedi eu gwneud i adlewyrchu'r ddealltwriaeth gyfredol o risgiau a mesurau lliniaru sydd ar waith.

**2. CEFNDIR**

- 2.1. Bydd y Gofrestr Risg angen ei diweddaru drwy gydol y prosiect.

**3. YSTYRIAETHAU**

- 3.1. Nid oes unrhyw risgiau newydd wedi'u nodi yn ystod y cyfnod adrodd hwn.
- 3.2. Cafwyd y newidiadau canlynol i risgiau presennol yn y cyfnod adrodd hwn:-
  - PD8 (Un o'r ymgeiswyr yn gadael y broses) wedi'i newid i adlewyrchu un o'r ymgeiswyr yn gadael y broses cyn tendr olaf. Lliniaru – Yn dilyn penderfyniad SITA UK i adael y broses fydd y tim prosiect yn dilyn cyfarwyddyd gan Trysorlydd y DU i sicrhau gwerth am arian i'r bartneriaeth. Tebygolrwydd wedi codi o 2 i 5.
  - PD19 (Dim diddordeb yn y farchnad oherwydd diffyg capasiti ofewn y farchnad). Fel PD8 wedi'i newid i adlewyrchu un o'r ymgeiswyr yn gadael y broses cyn tendr olaf. Risg wedi codi o 1 i 3 i adlewyrchu colled o un ymgeisiwr.
  - F7 (Cyllid), PD1, PD6 & PD7 (Gweithredu Prosiect) sylwebaeth wedi newid newid i adlewyrchu un o'r ymgeiswyr yn gadael y broses cyn tendr olaf, ond dim newid i lefelau risg
- 3.3. Gweler y 10 Risg Uchaf (ar ôl i reolaethau gael eu rhoi yn eu lle) yn atodiad 1.
- 3.4. Mae'r newidiadau yn ystod y cyfnod hwn yn cael eu dangos yn atodiad 2.



- 3.5. Bydd y gofrestr risg yn parhau i gael eu hadolygu gan y Cyfarwyddwr Prosiect a'i hadrodd i'r Cyd-bwyllgor yng nghyfarfodydd y dyfodol.
- 3.6. Yn y Bwrdd Prosiect o 12 Chwefror 2013, fe adnabyddwyd risgiau ychwanegol yn ymwneud â budd i'r gymuned nad ydynt wedi'i gynnwys ar y cofrestr risg. Fe fydd yn rhain yn cael ei gynnwys yng nghyfarfod nesaf y Bwrdd Prosiect.

## **4. ARGYMHELLION**

- 4.1. Bod aelodau'n nodi'r gofrestr risg wedi'i diweddarau ar gyfer y prosiect

## **5. GOBLYGIADAU ARIANNOL**

- 5.1. Amherthnasol

## **6. EFFAITH GWRTH DLODI**

- 6.1. Dim

## **7. EFFAITH AMGYLCHEDDOL**

- 7.1. Amherthnasol

## **8. EFFAITH CYDRADDOLDEB**

- 8.1. Amherthnasol

## **9. GOBLYGIADAU PERSONÉL**

- 9.1. Amherthnasol

## **10. ANGEN YMGYNGHORIAD**

- 10.1. Amherthnasol

## **11. YMGYNGHORIAD WEDI'I GYNNAL**

- 11.1. Amherthnasol

## **DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985**

### **Dogfennau Cefndir:**



Dim

**Swyddog Cyswllt:** Stephen Penny NWRWTP



Appendix 1 Top (Red) risks and issues

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Residual risk after management			Impln Date	ReviewDate	Closure Date	
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall				
<b>Policy &amp; regulatory Risk – Change in WG objectives / regulations</b>																
PO1	WG changes financial support available for residual waste treatment projects due to WG affordability / budgetary constraints in the current economic climate	Residual waste treatment projects become less affordable for partnership and each partner authority	5	4	20	Project Team to monitor WG positions in terms of budget availability and lobby at ministerial level if there are indications that proposed funding is to be reduced	PD			5	3	15	Ongoing	May-12		
PO2	WG Environmental policy and objectives change	Project is now inappropriate	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early. The Project team have developed and submitted a partnership consultation response (approved by the PB and Joint Committee) highlighting the potential impact of such a target on the project and to ensure WG addresses how any such target is related to potential household numbers of population growth rates that authorities may be subject to in future.	PD			4	3	12	Ongoing	Sep-12		WG's Municipal Sector Plan (MSP) adopted a waste minimisation target for MSW with a negative growth rate (reduction) of -1.2% pa. The WG MSP does not take any account of individual or partner authority HH or population growth rates. The Partnership has however received guidance from WG that the Partnership is free to make its own assessments about future waste arisings as the waste reduction target is aspirational. WG has now published guidance on the Waste Hierarchy. This is viewed by the project team as helpful and will enable the Partnership to demonstrate how any solution that comes forward ranks in the waste hierarchy.
PO4	Change in legislation or guidance either at European, National or Regional/Local level	Could require revisit of preferred solution, possible termination of project, excessive LAS compliance costs	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early.	PD	Lobby WG and liaise with WLGA on this issue.	PD	4	3	12	Ongoing	Sep-12		WG have now clarified the position on use of IBA (Bottom ash) so the likelihood of policy change in relation to this has reduced. The initial draft of the CIM (collections, markets and infrastructure plan contained a passing reference to changing the tax regime for recovery operations such as waste to energy as part of many options open to WG. The final publication of the Collections and Infrastructure Plan has removed any reference to this and therefore any uncertainties in this area have reduced.

**Appendix 1 Top (Red) risks and issues (continued)**

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Residual risk after management			Impln Date	Review Date	Closure Date	
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall				
<b>Strategy risk – change in any participating council's waste strategy or technology / solution preference</b>																
SR 1	A change in any participating council's waste strategy or technology / solution preference by any of the partner authorities		4	4	16	Existing MWMS in place. Impartial options appraisal process carried out to identify reference solution (based on WG national evaluation framework). Multi partner authority officer input to this process. Ongoing communications and information to partner authorities on need for the project, technologies, benefits of adopted approach and a technology neutral procurement process.	PM & partner authorities			4	3	12	Ongoing	Jan-13		Elections in 2012 have brought about changes in administrations and make up of the NWRWTP Joint Committee. Suitable information to be provided to authorities and their members (for instance an information pack) and briefings by external agencies such as EAW and HPA together with visits to existing operational facilities to be organised during 2012 and 2013 as required to ensure full understanding of technologies being proposed (EMW)
<b>Finance &amp; Affordability</b>																
F15	Partner authorities fail to make financial plans to support additional recycling and composting services to meet "front end" increased recycling levels that are required	Failure to meet WG "front end" recycling and composting targets with increased residual waste arisings as a result.	4	4	16	Partner authorities to develop long term funding plans to support enhanced front end recycling and composting services.	Partner Authorities			4	3	12	Ongoing	Sep-12		WG are encouraging authorities in Wales to enter into a "change programme" where WG will offer assistance to Las to work together and improve "front end" recycling and collections services.
<b>Project Delivery</b>																
PD8	One of the two final bidders drops out	Threat to VFM, price escalation, possible exceedance of affordability envelope, delay to	4	5	20	Procurement process designed to ensure ability and for appetite for contract closure is understood pre final tender appointment. Will seek agreement with all bidders at this stage in relation to price issues.		Procurement process to ensure compliance with Treasury issued guidance that relates to	PD	4	5	20	Ongoing	Jan-13		Following SITA UK's decision to withdraw from the procurement process pre CFT the project team will be applying the guidance as set out by the UK treasury to ensure Value for money is obtained for the partnership.
PD19	There is no market interest due to limited capacity within the industry	Delay to project programme, excessive LAS compliance costs, excessive costs	5	2	10	Good level of market interest demonstrated.	PD			5	3	15	Ongoing	Jan-13		Low-Medium risk - however risk cannot be closed until PB appointed. See PD8



Appendix 1 Top (Red) risks and issues (continued)

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled					Residual risk after management					Additional explanatory notes
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Impln Date	Review Date	Closure Date	
<b>Communication &amp; stakeholders – failure to proactively engage with key stake holders leading to delays and lack of public support for the proposed solution.</b>																
CO4	Pressure from lobby groups/public against the preferred solution and location.	Alternative solution/site has to be sought, increased project development costs, delays to project delivery programme, excessive LAS costs, impact on Partner Councils reputation	4	5	20	Communication and Engagement Strategy drafted and agreed in draft form by Communication Officer group. To be "live" document and therefore updated when necessary.	PM	Ensure fact based information produced to counter mis-information or alarmist claims often put forward by lobbyists and campaign groups.	PD	4	4	16	Ongoing	Jan-13	National campaigners' engaging with local community councils and local communities in attempt to build opposition to potential solutions.	
<b>Planning and permitting –ability to secure successful planning and permitting outcome for solution</b>																
PSS	Suitable sites are not in council ownership to support development of the solution	Project delayed whilst suitable sites are secured	5	3	15	Project team identified sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s). Extensive negotiations with land owners of (further) additional sites carried with the aim of securing option(s) for site(s).	PD		PD	5	3	15	Ongoing	Jan-13	Anglesey Aluminium site identified as a potential site for the location of a facility, but despite extensive negotiations and engagement with AAM, AAM decided not to make the site available to the Partnership as they had other uses for the site.	
PS14	The recent issue of the draft Collections, Infrastructure and Markets Sector Plan (CIM) by WG has led to uncertainty as to the status of the existing Regional Waste Plan (RWP). Thus the RWP may be given reduced weight in determination of a planning application for waste facilities. A policy vacuum may therefore exist if this is not addressed by WG.	Unsuccessful planning application	4	4	16	Project team and north wales regional waste planning team engaging with VWG on this issue to ensure that the final issued version of Collections, Infrastructure and Markets Sector Plan (CIM) does not leave a planning "policy vacuum". Regional Planning team and VWG planing teams engaged with VWG Waste Policy section to seek required amendments to draft CIM			PD	4	3	12	Ongoing	Jan-13	WG's published draft Collections, Infrastructure and Markets Sector Plan (CIM) now issued. See risk PS1	
<b>Wastes</b>																
W3	Composition of waste is different from that anticipated (poor data, policy changes, changes in collection practices)	Performance is below required level, excessive LAS compliance costs	3	5	15	Waste composition to be monitored during procurement and data shared at Competitive Dialogue to inform solution. All Wales Waste composition analysis has been carried out by WG through WRAP study has provided a good data set. Performance of technology solution will be tested and understood as part of the procurement process to identify the ability of each solution to process wastes with changed			PD	3	4	12	Ongoing	Jan-13	Waste composition risk not being accepted by partnership - risk lies with contractor	
<b>Performance</b>																
PE1	Market/outlet is not available for outputs from the facility(s)	Increased project operational costs, increase in demand for landfill void	4	4	16	Ensure market deliverability demonstrated as part of procurement evaluation process.			PD	4	3	12	Ongoing	Jan-13		



Appendix 2 Headline Changes this Period

ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled					Residual risk after management		Impln Date	Review Date	Additional explanatory notes
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage		Overall				
PD8	One of the two final bidders drops out	Threat to VFM, price escalation, possible exceedance of affordability envelope, delay to procurement programme	4	5	20	Procurement process designed to ensure ability and /or appetite for contract closure is understood pre final tender appointment. Will seek agreement with all bidders at this stage in relation to major issues.		Procurement process to ensure compliance with Treasury issued guidance that relates to premature withdrawal of bidders.	PD	4	5	20	Ongoing	Jan-13	Following SITA UK's decision to withdraw from the procurement process pre CFT the project team will be applying the guidance as set out by the UK treasury to ensure Value for money is obtained for the partnership.
PD19	There is no market interest due to limited capacity within the industry	Delay to project programme, excessive LAS compliance costs, excessive costs associated with inflation and need to revisit market to secure an acceptable solution. Partnership reputation damaged.	5	2	10	Good level of market interest demonstrated.	PD			5	3	15	Ongoing	Jan-13	Low-Medium risk - however risk cannot be closed until PB appointed. See PD8



F7	Inappropriate funding structure adopted	Failure, delay, and cost	4	3	12		Procurement process to be designed to ensure that only those solutions capable of delivery (e.g. including finance structure ) are capable of being awarded the contract	PD	4	2	8	Ongoing	Jan-13	Appropriate funding structures proposed by all 3 bidders at ISDS. Funding structure proposed by WTI appropriate
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**PTGGGC**

Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

**EITEM AGENDA RHIF: 9**

**ADRODDIAD I: CYD-BWYLLGOR PROSIECT PTGGGC**

**DYDDIAD: 20 CHWFROR 2013**

**ADRODDIAD GAN: Y RHEOLWR PROSIECT**

**PWNC: DIWEDDARIAD CYFATHREBU**

**1. PWRPAS YR ADRODDIAD**

1.1. I ddiweddarau'r Cyd-Bwyllgor am faterion cyfathrebu ynglŷn â Phrosiect Trin Gwastraff Gweddilliol Gogledd Cymru. (PTGGGC).

**2. CEFNDIR**

2.1. Mae'r Cyd-Bwyllgor wedi gofyn am ddiweddariadau rheolaidd ar faterion cyfathrebu sy'n ymwneud â PTGGGC. Mae'r adroddiad hwn yn darparu diweddariad ar gynnydd hyn yma.

**3. YSTYRIAETHAU**

3.1. Sylw gan y cyfryngau

Nid oedd unrhyw ymholiadau gan y wasg yn ystod Rhagfor 2012, ond yn Ionawr 2013, fe gyhoeddwyd Sita UK ei benderfyniad i adael y prosiect, dyma'n arwain at nifer o ymholiadau gan safleoedd we arbennigol fel Letsrecycle.com a Materials Recycling Weekly. Fe roddwyd ymateb a safonol iddynt. Gweler linc isod:-

<http://www.letsrecycle.com/news/latest-news/councils/sita-withdraws-from-north-wales-procurement>

Cysylltodd y BBC â'r Tîm Prosiect ar 29 Ionawr yn gofyn am diweddariad cyffredinol ar y prosiect fel rhan o'i baratodau ar gyfer cyhoeddiad Prosiect Gwyrdd a ddisgwylwyd ar 1 Chwefror. Roedd y newyddiadurwr mewn cwestiwn yn ymwybodol o benderfyniad Sita, a fe roddwyd yr ymateb safonol iddynt. Mae Atodiad 1 (dogfen ar wahan) yw Cylchlythyr Prosiect Gwyrdd yn cyhoeddi ei benderfyniad.

Ni does unrhyw ymholiadau pellach wedi'i dderbyn hyd yn hyn.

3.2. Seminar i Aelodau gyda'r Asiantaeth Diogelu Iechyd (Health Protection Agency) ar gyfleusterau Ynni o Wastraff

Fe gynhaliwyd ddau sesiwn i Aelodau o bob Awdurdod partner ar y 6ed a 7ed o Chwefror 2013 (un sesiwn "dwyrain" yn Yr Wyddgrug ac un sesiwn



“gorllewin” ym Mangor). Pwrpas y sesiynau oedd i Lywodraeth Cymru (LIC) amlinellu eu strategaeth wastraff yn ymwneud â gwastraff gweddilliol er mwyn rhoi'r prosiect mewn cyd-destyn Cenedlaethol, ac i gynrychiolydd o'r Asiantaeth Diogelu Iechyd i fod yn bresennol i gyflwyno eu barn ar y risg i iechyd o gylyfeusterau Ynni o Wastraff.

Bu i Jasper Roberts o LIC rhoi gyflwyniad ac ateb cwestiynau o safbwynt LIC, a bu i'r Athro David Russell o'r Asiantaeth Diogelu Iechyd rhoi cyflwyniad ac ateb cwestiynau gan Aeolodau.

Mae'r adborth a dderbynwyd wedi'r sesiynau yn dynodi bod yr Aelodau reoedd wedi mynychu yn teimlo fod y sesiynau wedi bod yn addysgiadol a ddefnyddiol. Fe ailadroddodd Jasper Roberts ei gynnig blaenorol i Aelodau i fynychu cyfarfodydd yn y dyfodol nid yn unig yn yr aurdurdodau partner, ond cynghorau cymuned / tref hefyd, a fe nodwyd Yr Athro Russell ei fod yn fodlon mynychu yn ogystal.

Fe fydd “pdf” o'r cyflwyniadau yn cael ei ddsbarthu i'r Aelodau o'r awudrudau partner i gyd.

### 3.3. Gweithgareddau Cyfathrebu

Bu i'r Cyd-Bwyllgor gymeradwyo cynllun cyfathrebu ar gyfer 2013 yn eu cyfarfod ar y 13eg o Rhagfyr 2012, roedd y cynnwys sesiynau galw heibio yng Nghai Connah yn ystod Chwefror / Mawrth 2013.

Mae'r Tîm Prosiect wedi trefnu'r lleoliad (y prif ystafell yn adeilad Cyngor Tref Cei Connah), ac yngynghorwyr allanol i rhoi cymorth i'r Tîm Prosiect i ateb cwestiynau gan y cyhoedd.

Nodir y dyddiadau isod:-

- Dydd Gwener, 8<sup>ed</sup> Mawrth 2013, 2pm – 8pm
- Dydd Sadwrn, 9<sup>ed</sup> Mawrth 2013, 10am – 4pm
- Dydd Gwener, 15<sup>eg</sup> Mawrth 2013, 2pm – 8pm
- Dydd Sadwrn, 16<sup>eg</sup> Mawrth 2013, 10am – 4pm

Bwriedir i hysbysu'r sesiynau trwy datganiad i'r wasg ac i roi hysbyseb yn y wasg lleol yn Sir y Fflint cyn y sesiynau.

Fe fydd copïau o'r pecyn gwybodaeth yn cael ei argraffu i rhoi i bobl os ydynt eisiau copi.

Nodir y bydd sesiynau yn cael ei ariannu gan grant ychwanegol gan Cynllun Craff am Wastraff (gweler eitem 7 ar yr agenda).

## 4. ARGYMHELLION

### 4.1. I nodi cynnwys yr adroddiad diweddar hwn.



**5. GOBLYGIADAU ARIANNOL**

5.1 Amherthnasol

**6. EFFAITH GWRTH DLODI**

6.1 Amherthnasol

**7. EFFAITH AMGYLCHEDDOL**

7.1. Amherthnasol

**8. EFFAITH CYDRADDOLDEB**

8.1 Amherthnasol

**9. GOBLYGIADAU PERSONÉL**

9.1 Amherthnasol

**10. ANGEN YMGYNGHORIAD**

10.1 Gweler uchod

**11. YMGYNGHORIAD WEDI'I GYNNAL**

11.1 Amherthnasol

**DEDDF LLYWODRAETH LEOL MYNEDIAD AT WYBODAETH 1985**

**Dogfennau cefndir:**

Dim

**Swyddog Cyswllt:** Steffan Owen – Rheolwr Prosiect NWRWTP

Annwyl Randdeiliad,

Mae'n bleser gan Fwrdd Prosiect Prosiect Gwyrdd gyhoeddi, yn dilyn cyfnod o werthuso tendrau yn fanwl, y bydd yn argymhell i'r Cydbwyllgor y dylid enwi Viridor fel y ceisydd a ffefrir i ddarparu datrysiad rheoli gwastraff eco-gynaliadwy ar gyfer y Bartneriaeth, Ni ellir dyfarnu statws Ceisydd a Ffefrir i Viridor nes i'r Cydbwyllgor gymeradwyo'r penderfyniad ar 7 Chwefror, a nes i bob Cyngor sy'n rhan o'r Bartneriaeth gymeradwyo'r penderfyniad mewn cyfarfodydd a gynhelir rhwng 26 Chwefror a 6 Mawrth.

Gweler y datganiad atodedig i'r wasg sy'n sôn am y broses o ddod o hyd i'r Ceisydd a Ffefrir.

Cynhelir digwyddiadau cyhoeddus i gefnogi'r cyhoeddiad hwn. Cynhelir pedair sesiwn galw heibio yng Nghaerdydd, a chynhelir sioe deithiol ym mhob un o'r awdurdodau partner eraill i roi gwybodaeth am y cynllun i breswylwyr yr ardaloedd hyn.

Gan fod y Ceisydd a Ffefrir wedi'i enwi erbyn hyn, caiff y wybodaeth gyhoeddus am y cynnig hwn ei hargraffu, a bydd preswylwyr sy'n byw yn agos i gyfleuster Ynni o Wastraff Parc Trident yn cael llyfryn gwybodaeth wedi'i anfon i'w cartrefi yn ddiweddarach yn y mis. Gosodir posteri hysbysebu mewn ardaloedd o Fae Caerdydd a Sblot lle ceir nifer fawr o ymwelwyr, yn ogystal ag ymgysylltu â'r cyfryngau.

Anfonir cylchlythyr arall i'r holl randdeiliaid sy'n nodi dyddiadau ac amseroedd y digwyddiadau cyhoeddus a gynhelir dros y misoedd i ddod, ac mae'r holl wybodaeth a gyflwynir yn y sesiynau galw heibio bellach ar gael ar-lein yn [http://prosiectgwyrdd.co.uk/cymraeg/ceisydd\\_ffefrir.html](http://prosiectgwyrdd.co.uk/cymraeg/ceisydd_ffefrir.html)

I gael rhagor o wybodaeth ar y caffael, mae'r Prosiect ar gael ar e-bost drwy [info@prosiectgwyrdd.co.uk](mailto:info@prosiectgwyrdd.co.uk) neu ar y ffôn ar 02920 717 523.

I gael rhagor o wybodaeth am y datblygiad cysylltwch â Viridor ar e-bost drwy [cardiff@viridor.co.uk](mailto:cardiff@viridor.co.uk) neu ar y ffôn drwy 0800 4334 800.

Prosiect Gwyrdd,

[www.prosiectgwyrdd.co.uk](http://www.prosiectgwyrdd.co.uk)

FLINTSHIRE COUNTY COUNCIL

EXEMPT INFORMATION SHEET

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COMMITTEE: NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

DATE: 20 FEBRUARY 2013

AGENDA ITEM NO: 10

REPORT OF: PROJECT DIRECTOR

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SUBJECT: PROCUREMENT UPDATE REPORT

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The Report on this item is NOT FOR PUBLICATION because of exempt information in accordance with the following section(s) or paragraph(s) of Schedule 12A of the Local Government Act 1972:

	<u>Para</u>	
Information relating to a particular individual *	12	[ ]
Information likely to reveal the identity of an individual *	13	[ ]
Information relating to financial/business affairs of a particular person * See Note 1	14	[✓]
Information relating to consultations/negotiations on labour relations matter *	15	[ ]
Legal professional privilege	16	[ ]
Information revealing the authority proposes to:		
(a) give a statutory notice or		
(b) make a statutory order/direction *	17	[ ]
Information on prevention/investigation/prosecution of crime *	18	[ ]
<u>For Standards Committee meetings only:</u>	<u>Sec</u>	
Information subject to obligations of confidentiality	18A	[ ]
Information relating to national security	18B	[ ]
The deliberations of a Standards Committee in reaching a finding	18C	[ ]
Confidential information which the Council is not permitted to disclose	100A	[ ]
	(3)	

**PLEASE TICK APPROPRIATE BOX**

\* Means exempt only if the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Note 1: Information is not exempt under paragraph 14 if such information is required to be registered under Companies Act 1985, the Friendly Societies Acts of 1974 and 1992, the Industrial and Provident Societies Act 1965 to 1978, the Building Societies Act 1986 or the Charities Act 1993.

**SCHEDULE 12A LOCAL GOVERNMENT ACT 1972  
EXEMPTION FROM DISCLOSURE OF DOCUMENTS**

**REPORT:** PROCUREMENT UPDATE REPORT

**AUTHOR:** PROJECT DIRECTOR

**MEETING AND DATE OF MEETING:** NORTH WALES RESIDUAL  
WASTE JOINT COMMITTEE – 20 FEBRUARY 2013

I have considered grounds for exemption of information contained in the report referred to above and make the following recommendation to the Proper Officer:-

**Exemptions applying to the report:**

Paragraph 14 – The report would reveal details of proposed bids for the contract, i.e. business details

**Factors in favour of disclosure:**

The bids are for a public contract of local significance.

**Prejudice which would result if the information were disclosed:**

The contract process is still underway and would be prejudiced by making public at this stage.

**My view on the public interest test is as follows:**

Do not disclose until after contract awarded.

**Recommended decision on exemption from disclosure:**

See above.

**Date:** 13 February, 2013

**Signed:** 

**Post:** Head of Legal and Democratic Services

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I accept the recommendation made above.



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Proper Officer  
Date: 13 February 2013



## AGENDA ITEM NO: 10

### PART 2 ITEM

**REPORT TO:** NWRWTP JOINT COMMITTEE

**DATE:** 20<sup>th</sup> FEBRUARY 2013

**REPORT BY:** PROJECT DIRECTOR

**SUBJECT:** PROCUREMENT UPDATE REPORT

#### 1. PURPOSE OF REPORT

- 1.1. To update the Joint Committee on the progress of the procurement process and developments within it.

#### 2. BACKGROUND

- 2.1. The NWRWTP project team have been in extensive dialogue with the two remaining participants since the NWRWTP Joint Committee de-selection decision in August 2012. The project team have received formal notification from SITA UK Ltd of its decision to withdraw from the procurement process. This was an unexpected decision by SITA UK Ltd and had not been anticipated by the project team. Following notification by SITA UK Ltd guidance was sought from the Partnership's external legal advisors Pinsent Masons to identify any guidance that should apply to procuring authorities in this event. Sections 3.1 to 3.11 of this report set out the issue and factors for the Joint Committee's consideration.
- 2.2. The Joint Committee of 13 December 2012 considered an update on the programme for the remainder of the procurement process. A further update is contained within this report in section 3.15 of this report.
- 2.3. PM2.5. Sections 3.12 to 3.14 of this report provides an update in relation to this aspect.
- 2.4. Section 3.16 of this report provides the Joint Committee with an update on Community Benefits.

#### 3. CONSIDERATIONS

##### **Impact on the procurement process of withdrawal of SITA UK Ltd.**

- 3.1. Following notification by SITA UK of its decision to withdraw from the Partnership's procurement process, the Project Team and the Lead Chief Executive for the project agreed a risk assessment and management approach to managing the implications of the withdrawal. The first consideration was a thorough assessment of the procurement process itself



(see sections 3.2 to 3.11 below). Secondly, the Lead Chief Executive for the project contacted Sita UK at a high level to review the decision to withdraw and to ensure consistency in any public announcements made. Finally, a co-ordinated process was agreed to ensure that key project stakeholders (key Project Board and Joint Committee members) were informed swiftly and within the same few hours. This team approach ensured that the process was managed sensitively, swiftly and ensured a thorough and co-ordinated response.

- 3.2. Guidance has been sought from the partnership's external legal advisors Pinsent Masons to identify any relevant procurement guidance that would apply in these circumstances. Pinsent Masons will be attending the Joint Committee to answer any questions Joint Committee members may have. The key guidance is set out in Appendix 1.
- 3.3. In summary, UK guidance states that any procuring authority needs to consider whether it should invite bids at all in a situation where a single bidder remains. The guidance advises that other steps should be taken to secure value for money, but that a procurement process should not automatically be stopped as a result. Some general principles that procuring authorities in the Partnership's position should consider are:
  - reviewing the strength and quality of the remaining single bidder, and
  - ensuring that there is transparent competition in the remaining bidder's supply chain
- 3.4. The Project Board's view is that the partnership is still in a good position to secure the value for money. This is based on the following grounds:-
  1. Both bidders that progressed past the Detailed Solutions stage of the procurement were proposing the same waste treatment technology on the same site, indicating that Wheelabrator's bid represents what the waste market have identified as best suiting the needs of North Wales.
  2. The procurement process had reached an advanced stage with both remaining bidders prior to Sita's decision to withdraw. This included having the benefit of an extremely competitive process throughout each procurement stage.
  3. This competitive process has meant that the partnership also has the benefit of receiving detailed prices at the Invitation to Submit Detailed Solutions (ISDS) stage. The Partnership therefore has a very clear indication of what a competitive and value for money tender should be.
  4. Wheelabrator Technologies Inc (WTI) has already proposed that a significant proportion of sub contracted services would be subject to market testing to ensure value for money obtained for the Partnership...
- 3.5. The position the NWRWTP is in with one remaining bidder is not unique, and indeed there are a number of examples in the UK where contracts have





been secured with a single bidder at a late stage in the procurement process that demonstrated value for money. Continuation of the procurement process in no way commits the Partnership to an automatic Preferred Bidder award (as would also have been the case if two bidders had remained to submit final tenders). The Partnership would consider a final tender submission from WTI on its own merits and decide at that point if it wished to recommend award of Preferred Bidder status or to recommend termination of the procurement at that stage.

### Receipt of confirmation of commitment from WTI.

3.6. The Partnership has received written confirmation from WTI that it remains committed to the procurement process. The Project team understand that the lead Chief executive will also be meeting with senior representatives from WTI for both parties to reaffirm their commitment to the procurement process.

### Confirmation of continued support from WG

3.7. The Lead Chief Executive received a letter from Jasper Roberts at WG. A copy is included at Appendix 2. The letter confirms that WG are content for the NWRWTP procurement to continue with a single bidder.

### FCC's Section 151 Officer (Chief Financial Officer) and Monitoring Officer opinion

3.8. FCC's Section 151 Officer (Chief Financial Officer) and the Monitoring Officer were asked to give an opinion in their statutory roles about proceeding with only one bidder. Both confirmed that they did not think that the best interests of the Partnership would be served by running a fresh process because bidders that have already dropped out or been rejected would be unlikely to submit more competitive bids knowing that this initial process had failed.

3.9. Specific advice provided is "before preceding the Board should receive evidence to show the savings and value that had already been generated by the competitive process to date. The Board should also examine the extent to which it would be possible to require elements of the contract to be subcontracted through a competitive process. This would involve assessing the feasibility of competitively procuring every element of the contract that is not currently going to be treated in that way. Needless to say, any element that can be competitively procured without harming the project should be subject to competition in order to increase levels of transparency around value for money."

### Project Board recommendation

3.10. The Project Board met on the 12 February 2013 to review the implication of SITA UK's withdrawal from the procurement process. Following careful consideration, the Project Board agreed the following position:



- The Procurement had progressed to an advanced stage where the project board were confident to continue with the procurement process with a single bidder.
  - The Project Board were confident that value for money was being obtained from the competitive dialogue process at the point of Sita UK's decision and confident there is scope to increase further value for money with the remaining bidder.
  - A report will be brought forward to the next Joint Committee to evidence how value for money has progressed during the procurement process to date, and how proposed sub contracting arrangements will also ensure value for money, in accordance with UK Treasury Guidelines.
- 3.11. The Joint Committee are asked to note that in accordance with the advice provided by the lead authority's monitoring Officer, the Project Board would not seek to request agreement to close dialogue or call for final tender, it had full opportunity to consider the report(s) as described. The Project team intends to continue dialogue with WTI during this period so that the procurement timetable is not delayed.

## **Procurement programme**

- 3.12. The Joint Committee received a procurement programme update at its meeting of 13 December 2012. Call for final tender was programmed to be issued in April 2013. WTI has indicated that it is still refining its solution with the aim of reducing costs within its solution, and as a result has requested that the Partnership consent to moving the CFT from April 2013 to June 2013. The Project Board has considered WTI's request and recommends that WTI be given additional time to further value engineer their solution in order to seek to further reduce the costs of the solution and to further improve value for money to the Partnership. An amended programme is shown at Appendix 3.

## **PM2.5 Monitoring**

- 3.13. Following feedback provided by member at the NWRWTP Joint Committee meeting of 13 December 2012 WTI has been requested to provide further information on costs and practicability of potential additional PM2.5 monitoring (additional to the twice yearly monitoring already reported to the Project Board and Joint Committee). WTI has provided information on the costs of additional PM2.5 stack monitoring over and above the twice yearly PM2.5 monitoring already required.
- 3.14. PM 2.5 sampling would be carried out once a week with an annual cost of £106k pa.
- 3.15. The Joint Committee is advised to progress with the additional PM2.5 monitoring to be provided over and above the twice yearly tests already proposed.



## **Community Benefit Scheme**

3.16. Members of the Joint Committee are asked to note that the project team are intending to report to the next meeting of the Project Board in March on a community benefit package that could form part of the NWRWTP project. The Intention is then to bring this forward for consideration at the next meeting of this Joint Committee.

## **4. RECOMMENDATIONS**

- 4.1. To note the content of this report.
- 4.2. That the Joint Committee confirm its agreement that the procurement process continue to progress with the remaining participant Wheelabrator Technologies Inc. and to note the intention to bring a further report to the next meeting of this Joint Committee.
- 4.3. To note and agree the updated procurement programme
- 4.4. To provide guidance to the project team in relation to PM 2.5 monitoring
- 4.5. To note the intention to bring forward proposals relating to a community benefit scheme to the next meeting of this Joint Committee.

## **5. FINANCIAL IMPLICATIONS**

- 5.1. As set out within the report

## **6. ANTI-POVERTY IMPACT**

- 6.1. Not applicable

## **7. ENVIRONMENTAL IMPACT**

- 7.1. Not applicable

## **8. EQUALITIES IMPACT**

- 8.1. Not applicable.

## **9. PERSONNEL IMPLICATIONS**

- 9.1. Not applicable.

## **10. CONSULTATION REQUIRED**

- 10.1. See above.



# NWRWTP

North Wales Residual Waste Treatment Project

## 11. CONSULTATION UNDERTAKEN

11.1. The Lead Authority's Monitoring Officer and Section 151 officers have been consulted and their views reported. Welsh Government has been consulted and views reported also. See section 3 of this report. The Lead Chief Executive has met with the remaining bidder Wheelabrator, and members of the Project Board have discussed the issues within this report.

## LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

### Background Documents:

None

**Contact Officer:** Stephen Penny - NWRWTP Project Director



## Appendix 1 NWRWTP - Procurement Process Legal Advice

As Supplied by the Partnerships external legal advisors by email 18/01/13

### Legal Summary

The Authority is at an advanced stage of dialogue with WTI in respect of the Project Agreement and Schedules and the majority of the Authority's proposed commercial positions have now been accepted. There remains a requirement for some dialogue before any call for final tender (in line with what would be expected at this point) but there are only a limited number of commercial issues that remain. The majority of the remainder of the dialogue will involve work to ensure that the terms of the Project Agreement accurately reflect the final proposed WTI technical solution, including the final position in relation to property matters, site conditions and the extent of any hand back obligations upon expiry or early termination. The main outstanding issues relates to the effect on the Project of the Authority (or any Partner Authority) altering its current collection process. The Authority continue to resist any attempt to restrict their ability to alter such process. Discussions are also continuing in relation to Welsh Government's continued energy efficiency requirements in respect of the Project (although it should be noted that this issue has been driven by Welsh Government and not WTI).

As was always the case, the final WTI derogations from the Authority's base Project Agreement will require sign-off from Welsh Government.

### Sole Bidder Situation

Although the Regulations don't deal expressly with the issue of single tenders arising under a competitive dialogue, they do state that at the final tender stage the authority "shall ensure that the number of economic operators ... is sufficient to ensure genuine competition to the extent that there is a sufficient number of economic operators to do so". Guidance from the European Commission says that "reduction [of bidders/solutions] by application of the award criteria might ... show that there is only one appropriate candidate or solution, which does not prevent the contracting authorities from continuing with the procedure".

The Council should proceed with the procurement within the confines of the terms of the procurement. This is to avoid the risk of another bidder complaining that the Council has changed the terms of the procurement in a way that might have impacted on its decision to withdraw.

UK guidance says that in the absence of two acceptable bids, the authority needs to stop and consider whether it should invite bids at all, as a single bidder is "not appropriately incentivised to offer its best price terms and conditions". The guidance advises that other steps be taken to secure value for money, but that a procurement should not automatically be stopped as a result of market failure. Some general principles that the Council might consider:

- reviewing the strength and quality of the remaining single bidder and the extent to which the competition so far has been able to drive out and demonstrate value for money; and



- ensuring that there is transparent competition in the bidder's supply chain – "if the bidder will not agree to market testing its subcontracts, the procurement is unlikely to deliver value for money and should be halted".

Finally, as discussed, notwithstanding anything in the guidance or regulations, it is important that the Authority ensure that Welsh Government continue to support the Project and, to the extent they do, confirm whether WG themselves expect any additional safeguards or processes to be included within the procurement.

**Set out below is and extract from guidance issued by HM Treasury relevant to procuring authorities left with a sole bidder following the premature and voluntary withdrawal of a bidder**

Value for Money Assessment Guidance November 2006 HM Treasury

Section 5.10

It would be difficult, and inappropriate, to provide a set of definitive rules to follow in the event of market failure. It is inevitable, and appropriate, that each case should be considered on its merits. It is however possible to identify some general principles that should be adopted:

- if the market failure occurs early on in the procurement process (i.e. before bids have been received), the procurement should be halted unless there are systemic market failures which would equally affect any alternative procurement route;
- where failure occurs after bids have been received, the procuring authority will wish to consider the strength and quality of the remaining or only credible bid, and will need to consider the extent to which the competition has been able to drive out and demonstrate VfM; and
- in any circumstance where a procuring authority considers it is appropriate to continue with a single bidder it should ensure there is transparent competition in the bidder's supply chain. Benchmarking is not an adequate alternative to market testing. If the bidder will not agree to market testing of its subcontracts, the procurement is unlikely to deliver VfM and should be halted.



# NWRWTP

North Wales Residual Waste Treatment Project

## Appendix 2 Copy of letter received from WG

Amgylchedd a Datblygu Cynaliadwy  
Environment and Sustainable Development



Llywodraeth Cymru  
Welsh Government

Colin Everett  
Lead Chief Executive -  
North Wales Residual Waste Treatment Project  
Flintshire County Council  
County Hall  
Mold CH7 6NB

31 January 2013

Dear Colin

### WG Confirmation of Continued Support for NWRWTP

The Welsh Government is disappointed that Sita has withdrawn from the North Wales Residual Waste Treatment Project (NWRWTP). However, we understand that wider factors contributed to their decision, and we are aware that Sita has withdrawn from other projects at a similar late stage. It is clear that given the cost of bidding for such projects, and pressures on the availability of funding, bidders are being increasingly selective regarding the projects they continue to participate in. This is something that all parties need to be mindful of.

I can confirm that the Welsh Government remains committed to the project and remains satisfied that the procurement, if properly managed to reflect single bidder status, can still provide a demonstrable value for money solution for the five partner authorities. The Welsh Government is keen to continue to support the hub to achieve this outcome.

We are aware that dialogue is at a very advanced stage and most of the key issues have already been resolved. NWRWTP has received priced detailed solutions from the remaining bidder, and sector benchmarks are available against which the final tender can be assessed. In addition, the project has the benefit of a standard form solution (i.e. a largely dedicated facility, located on the reference site and which will revert to the authority on expiry) to which the market accepted contractual standard form drafting applies. We refer you to the OGC and other guidance that exists regarding "sole-tender" situations, though much of this relates to situations where projects are faced by a sole tender situation at a far earlier stage than that faced by NWRWTP.

I look forward to participating in the forthcoming Member workshops, which will provide an opportunity to discuss whether the partner authorities have now agreed a mutually



BUDDSODDWYR | INVESTORS  
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Jasper.Roberts@wales.gsi.gov.uk  
Gwefan • website: [www.cymru.gov.uk](http://www.cymru.gov.uk)



# NWRWTP

North Wales Residual Waste Treatment Project

acceptable approach to the quantum of community benefits, thus allowing the project to progress to final tender in a timely manner.

Yours sincerely

*best wishes,*

*Jasper*

**JASPER ROBERTS**  
DEPUTY DIRECTOR  
WASTE AND RESOURCE EFFICIENCY DIVISION

cc: Stephen Penny, Project Director, North Wales Residual Waste Treatment Project.





## Appendix 3 Programme

	Item	Start	End
	Project Board meet to confirm OK to close dialogue		02/04/2013
	Informal WG readiness checks	25 days	28/02/2013
	WAG Readiness review (readiness to close dialogue)	20 days	10/04/2013
	Project board to review any WG recommendations/ issues		07/05/2013
	Joint committee report prep close of dialogue and rail deliverability	15 days	08/05/2013
	<b>Joint committee to confirm close of dialogue and rail deliverability</b>		<b>28/05/2013</b>
	Issue Call For Final Tender + Close CD	5 days	29/05/2013
	Final Tender preparation Period	3 wks	05/06/2013
	<b>Final tender submission</b>		<b>25/06/2013</b>
	Final Evaluation / Fine Tuning	4 wks	26/06/2013
	Prep Final Tender Evaluation Report	2 wks	24/07/2013
	Project Board Approval Period	18 days	21/08/2013
	Project Board Meeting to approve PB Appointment, FBC & IAA2		13/09/2013
	JC approve preferred bidder, FBC and IAA2		11/10/2013
	Individual authority approved bidder & FBC & Contract award approvals	80 days	11/10/2013
	<b>All partner authority approvals in place</b>		<b>31/01/2014</b>
	WG FBC approval	20 days	03/02/2014
	Gateway review 3 – Investment Decision (WAG approval of FBC)	20 days	03/02/2014
	<b>All FBC &amp; PB approvals complete</b>		<b>28/02/2014</b>
	Final PB Clarifications, Due Diligence and Approvals	106 days	03/02/2014
	<b>Financial close</b>		<b>30/06/2014</b>
	JC approval of Contract award	10 days	01/07/2014
	Notification of award Contract		14/07/2014
	Alcatel	10 days	15/07/2014
	<b>Contract Award</b>		<b>28/07/2014</b>
	Planning Application (Treatment)	340 days	03/02/2014
	Final Prep of Detailed Application	5 months	03/02/2014
	Determination	9 months	23/06/2014
	<b>Planning Consent achieved</b>		<b>27/02/2015</b>
	Agreements made	3 months	02/03/2015
	Mobilisation	2 months	25/05/2015
	Construction period	29 months	20/07/2015
	Commissioning	3 months	09/10/2017
	<b>Facility fully available</b>		<b>29/12/2017</b>