

Agenda Item 1



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

To: Councillor Eryl Williams

CS/NG

Councillors: Aaron Shotton, Kevin Jones, Dave Cowans, Michael Priestley, David Smith, W. G. Roberts, John Wynn Jones, Richard Drew and J. Arwel Roberts

27 Awst 2013

Nicola Gittins 01352 702345
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Annwyl Syr / Fadam

Cynhelir **CYFARFOD CYD-BWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU YN SIAMBR Y CYNGOR, BODLONDEB, CONWY AR MAWRTH 3 MEDI 2013 AM 18.30 YP** i drafod y materion canlynol.

****Gwahoddir Aelodau a Swyddogion y Cyd-Bwyllgor i fynychu sesiwn briffio cyfrinachol o 5:30pm - 6:30pm**

Yr eiddoch yn gywir

A handwritten signature in black ink, appearing to be 'Gareth Owens'.

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**

**DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985 - I
GYSIDRO EITHRIO'R WASG A'R CYHOEDD**

Mae'r eitemau 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)

Mae'r proses cytundeb yn fyw a byddai'n rhagfarnllyd i'w wneud yn gyhoeddus ar hyn o bryd.

6 **DIWEDDARIAD PWRCASU**

7 **UNRHYW FATER ARALL**



CYD-BWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU

Cofnodion cyfarfod y Cyd-Bwyllgor a gynhaliwyd yn Swyddfeydd y Cyngor, Ynys Môn ar ddydd Iau 11eg Gorffennaf 2013.

YN BRESENNOL:

Y Cyngorydd Eryl Williams (Cadeirydd) - Cyngor Sir Ddinbych

Y Cyngorydd Mike Priestley (Is-gadeirydd) - Cyngor Bwrdeistref Sirol Conwy

Y Cyngorydd Aaron Shotton - Cyngor Sir y Fflint

Y Cyngorydd David Smith - Cyngor Sir Ddinbych

Cyngorydd William Gareth Roberts - Cyngor Sir Gwynedd

Y Cyngorydd Richard Dew - Cyngor Sir Ynys Môn

HEFYD YN BRESENNOL:

Cyngor Sir y Fflint

Colin Everett, Carl Longland, Kerry Feather, Chris Cohen, Louise Pedreschi a David Webster.

Cyngor Sir Ddinbych

Steve Parker

Cyngor Bwrdeistref Sirol Conwy

Andrew Kirkham

Cyngor Sir Gwynedd

Dilwyn Williams

Cyngor Sir Ynys Môn

Dewi Williams

John Eastwood

Partneriaeth Trin Gwastraff Gweddilliol Gogledd Cymru

Stephen Penny, Steffan Owen a Karen Powell



Partneriaethau UK

Hazel Nickless

Grant Thornton

Saeefar Rehman

1. YMDDIHEURIADAU

Derbyniwyd ymddiheuriadau am absenoldeb oddi wrth Arthur Owen, Meirion Edwards a'r Cynghorydd John Arwel Roberts, (Cyngor Sir Ynys Môn), Y Cynghorydd Kevin Jones, (Cyngor Sir y Fflint), y Cynghorydd Dave Cowans, (Cyngor Bwrdeistref Sirol Conwy), y Cynghorydd John Wyn Jones, (Cyngor Sir Gwynedd), Huw Roberts, (Partnerships UK).

2. DATGANIADAU O DDIDDORDEB

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

3. ETHOL CADEIRYDD AC IS-GADEIRYDD I'R CYDBWYLLGOR

Cyflwynwyd enwebiad, y Cynghorydd Eryl Williams, Cyngor Sir Ddinbych i gael ei ethol yn Gadeirydd.

PENDERFYNWYD:

Y Cynghorydd Eryl Williams i gael ei ethol yn Gadeirydd..

Cyflwynwyd enwebiad, y Cynghorydd Mike Priestley, Cyngor Bwrdeistref Sirol Conwy, i'w ethol fel Is-Gadeirydd.



PENDERFYNWYD:

Y Cynghorydd Mike Priestley i gael ei ethol yn Is-Gadeirydd.

4. CYMERADWYO COFNODION BLAENOROL

Cyflwynwyd cofnodion cyfarfod Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru a gynhaliwyd ar 20^{fed} Chwefror, 2013 i'w cymeradwyo.

PENDERFYNWYD:

Bod y cofnodion yn cael eu cymeradwyo fel cofnod cywir.

5. MATERION YN CODI O'R CYFARFOD BLAENOROL

Nid oedd unrhyw faterion yn codi..

6. ADRODDIAD CYNNYDD (ADRODDIAD SO)

Cyflwynodd y Rheolwr Prosiect adroddiad cynnydd a dywedodd y byddai sesiynau deialog pellach yn cael eu cynnal gyda WTI a nododd y byddai'r holl gamau eraill yn cael eu cynnwys yn yr eitemau agenda.

PENDERFYNWYD:

Nodi'r adroddiad.

7. RIR - DIWEDDARIAD STATWS RISG (ADRODDIAD SP))

Cyflwynodd y Cyfarwyddwr Prosiect adroddiad Cofrestr Risg sy'n tynnu sylw at rai o'r diwygiadau i'r gofrestr risg a wnaed i adlewyrchu'r ddealltwriaeth bresennol o risgiau a mesurau lliniaru a oedd ar waith.



Dyweddodd y Cyfarwyddwr y Prosiect nad oedd unrhyw risgiau newydd wedi'u nodi y cyfnod adrodd hwn.

Hefyd adroddodd y Cyfarwyddwr Prosiect fân gywiriad i'r disgrifiad o risg CO5.

Gofynnodd Andrew Kirkham os oedd y newidiadau i CO5 wedi cael eu nodi yn yr adroddiad

Nododd Cyfarwyddwr y Prosiect amlygu'r testun ar dudalen 20 yr adroddiad mewn testun coch.

PENDERFYNWYD:

Nodi'r Gofrestr Risg wedi'i diweddarau ar gyfer y prosiect.

8. DIWEDDARIAD CYFATHREBU (ADRODDIAD SO)

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

Sylw yn y Cyfryngau

Adroddodd y Rheolwr Prosiect na fu unrhyw sylw yn y cyfryngau ar wahân i'r sesiynau galw heibio a gynhaliwyd ym mis Mawrth.

Sylw / Gweithgaredd Arall

Dyweddodd y Rheolwr Prosiect fod yr ymateb i Gyfeillion y Ddaear Môn a Gwynedd (CyDd) wedi cael ei anfon a bod y prosiect wedi'i drafod yng nghyfarfod CyDd y mis diwethaf.



Hefyd cododd y Rheolwr Prosiect ymwybyddiaeth bod Cymdeithas Trigolion Burton (BRA) yn ddiweddar wedi diweddarau eu gwefan am y prosiect.

Gofynnodd y Cynghorydd Aaron Shotton os bydd y prosiect yn ymgysylltu â BRA.

Nododd y Rheolwr Prosiect y bydd cyswllt â BRA a rhanddeiliaid ar draws y bwrdd.

Dywedodd y Cynghorydd Mike Priestley bod arafwch mewn ymateb i CyDd, gallai fod yn gliriach yn y dyfodol a rhoi ymateb dal i Aelodau.

Colin Everett yn cytuno ar yr angen i ymateb yn gyflym.

Sesiynau Galw Heibio Cyhoeddus yng Nghei Connah

Rhoddodd y Rheolwr Prosiect drosolwg byr fel yr adroddwyd eisoes i'r CB.

PENDERFYNWYD:

Bod y Diweddariad Cyfathrebu yn cael ei nodi.

9. ADRODDIAD ARCHWILIO MEWNOL CSFf (ADRODDIAD PENNAETH CYLLID CSFf)

Cyflwynodd David Webster (CSFf) adroddiad Archwilio Mewnol i'r grŵp a rhoi gwybodaeth gefndir am yr adroddiad, a chynghorodd fel a ganlyn:

- Bod fframwaith llywodraethu effeithiol wedi cael ei sefydlu ar gyfer rheoli risgiau
- Arfer gorau cofrestr risg wedi'i gynnal, adnabod risgiau, asesu, lliniaru ac adrodd yn gadarn
- Protocol clir wedi'i sefydlu o ran gwneud penderfyniadau
- Y broses gaffael wedi'i strwythuro i gael y gwerth gorau am arian



Dyweddod David Webster ei fod yn adroddiad da yn gyffredinol.

Nododd Colin Everett yr adborth cadarnhaol a gafwyd, ac nad oedd unrhyw faterion o bryder.

PENDERFYNWYD:

Bod y Cyd-bwyllgor yn derbyn yr adroddiad..

10. ADRODDIAD DATGANIAD O GYFRIFON 2012-13 (ADRODDIAD PENNAETH CYLLID CSFf)

Cyflwynodd Chris Cohen yr adroddiad Datganiad o Gyfrifon i'r grŵp a rhoi gwybodaeth gefndir ynghylch yr adroddiad, a dywedodd fod rhaid i'r archwiliad gael ei gwblhau a'r Datganiad o Gyfrifon gael ei gymeradwyo a'i gyhoeddi heb fod yn hwyrach na 30^{ain} Medi 2013.

Hysbysodd Chris Cohen fod Archwilio ar hyn o bryd yn archwilio cyfrifon y prosiect a gofynnodd i'r Pwyllgor nodi cynnwys yr adroddiad hyd nes bod y Datganiadau Cyfrifon yn barod i'w llofnodi.

PENDERFYNWYD:

Bod y Cyd Pwyllgor yn nodi'r Datganiad o Gyfrifon 2012/13 drafft (gan gynnwys y Datganiad Llywodraethu Blynyddol).

11. ADRODDIAD DATGANIAD LLYWODRAETHU BLYNYDDOL (PENNAETH CYLLID CSFF & PHENNAETH GWASANAETHAU CYFREITHIOL A DEMOCRATAIDD CSFf)



Cyflwynodd David Webster (CSFf) yr adroddiad Datganiad Llywodraethu Blynyddol i'r grŵp a rhoi gwybodaeth gefndir am yr adroddiad a dywedodd nad oes unrhyw faterion llywodraethu arwyddocaol ar gyfer y prosiect y tro hwn.

PENDERFYNWYD:

Bod y Cyd-bwyllgor yn nodi cynnwys yr adroddiad ac y bydd gofyn iddynt gymeradwyo'r Datganiad Llywodraethu Blynyddol yn ffurfiol yn y cyfarfod CB nesaf.

12. ADRODDIAD ADNODDAU PROSIECT – ALLDRO 2012/13 A CHYLLIDEB 2013/14 (ADRODDIAD SP)

Cyflwynodd y Rheolwr Prosiect yr Adroddiad Adnoddau Prosiect Alldro 2012/13 a Chyllideb 2013/14 i'r grŵp.

Aeth y Rheolwr Prosiect drwy'r ystyriaethau a restrir yn 3.1 - 3.6 o'r adroddiad. Amlinellodd y Rheolwr Prosiect 2 opsiwn yn 3.7 yn mynd â'r prosiect hyd at ddyfarnu'r contract neu fel yn Atodiad 2 penodi'r cynigydd a ffefrir.

Dywedodd y Cyfarwyddwr Prosiect mai £2.83m oedd y gyllideb y cytunwyd arni i fynd drwodd at ddyfarnu'r contract a gofynnodd am arweiniad gan y CB.

Awgrymodd Colin Everett ddau gam.

Holodd y Cynghorydd Mike Priestley ynglŷn ag amcanestyniadau'r prosiect, cyfanswm costau'r ymgynghorwyr ac arolwg o'r safle.

Nododd y Cyfarwyddwr Prosiect yr archwiliadau safle Glannau Dyfrdwy ychwanegol, wedi'u cynnwys fel wrth gefn os na ddyfernir y contract i WTI, byddai'r Bartneriaeth yn ad-dalu costau i WTI.

Gofynnodd y Cynghorydd David Smith os y derbyniwyd pris gan WTI.



Dyweddodd Colin Everett y bydd hyn yn cael ei gynnwys yn yr eitem nesaf ar yr agenda sydd i'w thrafod.

PENDERFYNWYD:

- a) Aelodau'r Cyd-bwyllgor yn nodi'r alldro terfynol ar gyfer 2012/3 (yn amodol ar archwiliad) ar y cam hwn, a bod hyn yn cael ei ystyried yng nghyfarfod nesaf y CB.
- b) Aelodau'r CB yn cymeradwyo'r gyllideb arfaethedig 2013/14 (yn seiliedig ar y rhagdybiaethau fel y nodir yn yr adroddiad).
- c) Cytuno ar ddau gam (3,000,000 1^{af} yna yn ddiweddarach - dyfarnu CaFf)

DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985 - I **YSTYRIED CAU ALLAN Y WASG A'R CYHOEDD**

Mae'r eitem ganlynol yn cael ei hystyried yn eithriedig yn rhinwedd paragraff(au) 14 Rhan 1 o Atodlen 12A o Ddeddf Llywodraeth Leol 1972 (fel y'i diwygiwyd).

Mae'r broses contract yn dal i fod ar y gweill ac y byddai'n cael ei niweidio trwy ei gwneud yn gyhoeddus ar y cam hwn.

13. ADRODDIAD DIWEDDARU CAFFAEL (Adroddiad Rhan 2 - SP)

Rhoddodd Colin Everett wybodaeth gefndir a chrynodeb cyn y cyflwyniad.

Atgoffodd y Cyfarwyddwr Prosiect y grŵp ynghylch y gyrwyr y tu ôl i'r prosiect.

Rhoddodd y Cyfarwyddwr Prosiect gyflwyniad i'r grŵp gan dynnu sylw at y meysydd canlynol:

- Camau caffael
- Crynodeb o brosesau a datblygiadau diweddar
- Ffeithiau allweddol sy'n deillio o'r drafft CFT yn cynnwys penawdau



PENDERFYNWYD:

Nodi'r adroddiad.

Pawb o blaid.

11. UNRHYW FATER ARALL

Dyweddodd SO fod cyfarfod nesaf y CB wedi'i amserlennu ar gyfer 15^{fed} Awst, byddai'n ceisio trefnu dyddiad yn gynnar ym mis Medi.

DRAFT



AGENDA ITEM NO : 5

CYNGOR SIR Y FFLINT

ADRODDIAD I'R: CYDBWYLLGOR

DYDDIAD: 25 MEDI 2013

ADRODDIAD GAN: PENNAETH CYLLID

PWNC: DATGANIAD O GYFRIFON 2012/13

1.00 PWRPAS YR ADRODDIAD

- 1.01 I gyflwyno i Aelodau'r Cyd-Bwyllgor y Datganiad o Gyfrifon 2012/13 ar gyfer y Bartneriaeth Gwastraff Gweddilliol Gogledd Cymru (NWRWP), gan ymgorffori'r newidiadau hynny y cytunwyd arnynt gyda Swyddfa Archwilio Cymru (SAC) yn ystod y cwrs yr archwiliad.
- 1.02 I gyflwyno i Aelodau'r Cyd-bwyllgor, adroddiad SAC mewn cysylltiad ag archwiliad o ddatganiadau ariannol 2012/13.
- 1.03 I gyflwyno i Aelodau'r Cyd-Bwyllgor y Llythyr Cynrychiolaeth.

2.00 CEFNDIR

- 2.01 Derbyniodd y Cyd-bwyllgor y Datganiad o Gyfrifon 2012/13 drafft drwy e-bost ar 25 Mehefin, 2013 - er gwybodaeth yn unig yn y cyfnod hwnnw; mae Rheoliadau Cyfrifon ac Archwilio(Cymru)(Diwygio) 2010 yn pennu'r terfyn amser statudol ar gyfer cymeradwyo'r cyfrifon, sef 30 Medi.

3.00 YSTYRIAETHAU

- 3.01 Mae'r Datganiad o Gyfrifon ar gyfer 2012/13 yn cynnwys y newidiadau hynny y cytunwyd arnynt â SAC yn ystod yr archwiliad ynghlwm yn Atodiad A.
- 3.02 O dan y Safonau Rhyngwladol ar Archwilio (ISA) 260, mae'n ofynnol i SAC gyfathrebu materion perthnasol sy'n ymwneud â'r archwiliad o'r datganiadau terfynol i'r rhai sy'n gyfrifol am lywodraethu, sef y Cydbwyllgor i'r Bartneriaeth.



- 3.03 Mae Adroddiad ISA 260 SAC o'r 'Archwilio o Ddatganiadau Ariannol - Cyd-Bwyllgor Gwastraff Gweddilliol Gogledd Cymru, ynghlwm yn Atodiad B.
- 3.04 Mae adroddiad SAC yn cynnwys manylion am faterion sylweddol sy'n codi o'r archwiliad, a chrynodeb o gywiriadau a wnaed i'r datganiadau ariannol drafft.
- 3.05 Mae'n arferol, o fewn ystod archwiliad o unrhyw sefydliad, y bydd eitemau yn cael eu dwyn i sylw'r corff sy'n cael ei archwilio (yn yr achos hwn y Cydbwyllgor). Mae'r canfyddiadau archwilio wedi cael eu trafod yn fanwl â SAC, ac mae'r addasiadau a wnaed wedi cael eu hadlewyrchu yn y Datganiad o Gyfrifon.
- 3.06 Mae'r Llythyr o Gynrychiolaeth yn ei gwneud yn ofynnol i'r Cydbwyllgor gadarnhau cywirdeb yr archwiliad. Yn y llythyr hwn, 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. Mae'r Llythyr o Gynrychiolaeth arfaethedig ynghlwm yn Atodiad C.

4.00 ARGYMHELLION

- 4.01 Gofynnir i Aelodau gymeradwyo'r fersiwn derfynol o'r Datganiad o Gyfrifon 2012/13.
- 4.02 Gofynnir i Aelodau ystyried adroddiad SAC; Archwiliad o'r Datganiadau Ariannol - Partneriaeth Trin Gwastraff Gweddilliol Gogledd Cymru.
- 4.03 Gofynnir i Aelodau gymeradwyo'r Llythyr o Gynrychiolaeth.

5.00 GOBLYGIADAU ARIANNOL

- 5.01 Dim.

6.00 EFFAITH GWRTH DLODI

- 6.01 Dim.

7.00 EFFAITH AMGYLCHEDDOL

- 7.01 Dim.

8.00 EFFAITH CYDRADDOLDEB

- 8.01 Dim.



NWRWTP

North Wales Residual Waste Treatment Project

9.00 GOBLYGIADAU PERSONÉL

9.01 Dim.

10.00 YMGYNGHORI ANGEN

10.01 Nid oedd angen dim.

11.00 YMGYNGHORI A WNAED

11.01 Nid oedd angen dim.

12.00 ATODIADAU

12.01 Atodiad A - Datganiad o Gyfrifon NWRWP 2012/13
Atodiad B - Adroddiad SAC, Archwiliad o'r Datganiadau Ariannol -
Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru.
Atodiad C - Llythyr o Gynrychiolaeth NWRWP 2012/13

DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985

DOGFENNAU CEFNDIR

Amrywiol Bapurau Gwaith Cyfrifon Terfynol 2012/13

Swyddog Cyswllt: Liz Thomas
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NORTH WALES RESIDUAL WASTE PARTNERSHIP

NORTH WALES RESIDUAL WASTE TREATMENT PROJECT

STATEMENT OF ACCOUNTS

2012-13

C O N T E N T S

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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. Cabinet/Executive and Full Council). The project is at present in dialogue with the one remaining bidder (Wheelabrator) with dialogue expected to be closed June 2013. The Preferred Bidder approvals process within each partner authority is expected to take place in late 2013 with a planning application to follow after that. The facility is currently expected to be operational in 2017.

The Financial Statements

The Statement of Accounts 2012/13 provide details of the NWRWTP's financial position for the year ended 31st March 2013, 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 :-

- **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.
- **comprehensive 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.

The Statement of Accounts is available on the internet (www.nwrwtp.org); further information is available from the Head of Finance, Flintshire County Council, County Hall, Mold, CH7 6NA.

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

THE JOINT COMMITTEE'S RESPONSIBILITIES

The Joint Committee 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 Joint Committee, this is the Head of Finance;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the accounts.

Signature: _____

Date: _____

Chair of North Wales Residual Waste Treatment Partnership Joint Committee

**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 2013 and its income and expenditure for the year then ended.

Signed: _____

Date: _____

**Kerry Feather CPFA
Head of Finance**

Treasurer of the Joint Committee

MOVEMENT IN RESERVES STATEMENT
for the year ended 31st March 2013

Movements 2012/13

	Capital Receipts Reserve £	Capital Grants Unapplied £	General Balance £	Earmarked Reserves £	Total Usable Reserves £	Unusable Reserves £	Total Reserves £
At 31st March 2012	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
Total comprehensive income and expenditure	0	0	0	0	0	0	0
Adjustments between accounting and funding basis under regulations	0	0	0	0	0	0	0
Net increase/(decrease) before transfer to earmarked reserves	0	0	0	0	0	0	0
Transfers to/(from) earmarked reserves	0	0	0	0	0	0	0
Increase/(decrease) in year	0	0	0	0	0	0	0
At 31st March 2013	0	0	0	0	0	0	0

Movements 2011/12

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

Note: There are no recorded entries in the Movement in Reserves Statements, reflecting the opening and closing balance sheet position of nil reserves

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

for the year ended 31st March 2013

	2013 £	2012 £
Expenditure		
Note 2		
(a) Employees	207,994	244,959
Transport	998	1,357
(b) Supplies & Services	518,826	613,235
(c) Support Services	114,979	138,373
	<u>842,797</u>	<u>997,924</u>
Gross Expenditure	<u>842,797</u>	<u>997,924</u>
Income		
(d) Grants and Contributions	<u>(842,797)</u>	<u>(997,924)</u>
Total Income	<u>(842,797)</u>	<u>(997,924)</u>
Net (Surplus)/Deficit	<u>0</u>	<u>0</u>

BALANCE SHEET
as at 31st March 2013

	Note	2013 £	2012 £
NON-CURRENT ASSETS		0	0
CURRENT ASSETS			
Short term debtors	3	417,599	864,784
CURRENT LIABILITIES			
Short term creditors	4	<u>417,599</u>	<u>864,784</u>
NET CURRENT ASSETS		0	0
NET ASSETS		<u>0</u>	<u>0</u>
TOTAL RESERVES		<u>0</u>	<u>0</u>

CASH FLOW STATEMENT
for the year ended 31st March 2013

	2013	2012
	£	£
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>
Net increase or decrease in cash and cash equivalents	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 2013

1. STATEMENT OF ACCOUNTING POLICIES

The accounts have been prepared in accordance with the requirements of the 2012/13 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 2013.

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).

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 STATEMENT

	2013	2012
	£	£
(a) Employees		
Contractor payments - Project Director *	123,263	161,490
Salaries	64,933	64,038
Social Security costs	5,188	5,010
Other Pension costs	14,610	14,409
Agency Staff	0	12
	<u>207,994</u>	<u>244,959</u>

* see note 5 on page 10.

NOTES TO THE CORE FINANCIAL STATEMENTS

continued

	2013	2012
	£	£
(b) Supplies and Services		
Advisor costs		
Technical and Communications	273,171	245,313
Legal	146,201	235,664
Financial	82,243	108,021
Insurance	9,500	1,121
Other	1,190	12,950
	<u>512,305</u>	<u>603,069</u>
Advertising/Publicity	<u>3,997</u>	<u>6,261</u>
Audit Fee *	<u>2,524</u>	<u>3,905</u>
Total Supplies and Services	<u>518,826</u>	<u>613,235</u>
	2013	2012
	£	£
(c) Support Services -		
Finance, Technical, Legal & Procurement Support		
Lead Authority Personnel		
Finance	42,544	35,735
Legal	29,466	28,984
	<u>72,010</u>	<u>64,719</u>
Isle of Anglesey County Council Personnel	26,998	37,000
	<u>99,008</u>	<u>101,719</u>
Office services		
IT/ Telephones	738	1,630
Software	2,440	4,020
Stationery/Printing	2,048	2,622
Translation	2,977	2,511
	<u>8,203</u>	<u>10,783</u>
Accommodation	<u>7,768</u>	<u>25,871</u>
Total Support Services	<u>114,979</u>	<u>138,373</u>
	2013	2012
	£	£
(d) Income -		
Contribution from participating Local Authorities		
Conwy County Borough Council	(100,629)	(199,584)
Denbighshire County Council	(100,628)	(199,585)
Flintshire County Council	(100,628)	(199,585)
Gwynedd County Council	(100,628)	(199,585)
Isle of Anglesey County Council	(100,628)	(199,585)
	<u>(503,141)</u>	<u>(997,924)</u>
Grants		
Welsh Government	(339,656)	0
Total Income	<u>(842,797)</u>	<u>(997,924)</u>

* see note 6 on page 10.

NOTES TO THE CORE FINANCIAL STATEMENTS

continued

3. DEBTORS

	2013 £	2012 £
Local authorities	411,582	783,223
Other entities and individuals	6,017	81,561
	<u>417,599</u>	<u>864,784</u>

4. CREDITORS

	2013 £	2012 £
Local authorities	298,863	804,330
Other entities and individuals	118,736	60,454
	<u>417,599</u>	<u>864,784</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	2013	2012
	No.	No.
£120,000 - £124,999	1	0
£125,000 - £129,999	0	0
£130,000 - £134,999	0	0
£135,000 - £139,999	0	0
£140,000 - £144,999	0	0
£145,000 - £149,999	0	0
£150,000 - £154,999	0	0
£155,000 - £159,999	0	0
£160,000 - £164,999	0	1
	<u>1</u>	<u>1</u>

6. EXTERNAL AUDIT COSTS

The 2012/13 audit fee charges in relation to the Statement of Accounts amounted to £4,000 (£3,905 in 2011/12), a figure which is netted down to £2,524 by way of a prior year accounting adjustment. 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 2012/13 (as was the position in 2011/12).

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 March 2013 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 2012-13 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, 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 March 2013 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 2012-13.

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 2013

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 Treatment Project 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 Treatment Project should maintain proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and the management of risk.

Each of the Authorities taking part in the Project 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 Project'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 Treatment Project 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 Project is managed and controlled and the activities through which it accounts to, engages with and leads the community. The framework enables the Project to monitor achievement against its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

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 Project'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 Treatment Project for the year ended 31st March 2013 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 Authority'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 Relationship

The whole Project is based on the joint working of all five North Wales Authorities with a common aim of securing a Residual Waste Treatment contract. The relationship is made legally binding by the Inter Authority Agreements (the 1st one signed by the Authorities on the 24th June 2010 takes matters up to the conclusion of the Procurement and the 2nd one will take matters through the long-term Project Agreement with approved final bidder). The Inter Authority Agreement is supported financially and in terms of policy by the Welsh Government (who also carry out a commercial review of the final Project Agreement to be signed prior to close of Dialogue with the Bidder).

Inter Authority Agreement

The key elements of the Project's governance arrangements are reflected in the Inter-Authority Agreement, 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, 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 Legal and Democratic Services.

Project 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.

ANNUAL GOVERNANCE STATEMENT

continued

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 Project 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.

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 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 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 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 Authority.

ANNUAL GOVERNANCE STATEMENT

continued

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
- 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 Project's Monitoring Officer.

Finance

Flintshire County Council's Head of Finance as lead council is the Project's Responsible Finance Officer and takes responsibility for the proper administration of the North Wales Residual Waste Treatment Project'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 Project applies the lead council's Contract Procedure Rules and Financial Procedure Rules. Flintshire County Council treats the Project'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 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.

ANNUAL GOVERNANCE STATEMENT

continued

Flintshire County Council as lead council has adopted the Chartered Institute of Public Finance Accountants (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 Project 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 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 authorities.

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 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.

Communications

Communicating, consulting and engaging with the public and stakeholders is a key aspect of the NWRWTP. Since its inception, the partnership has created and regularly updated a communications plan. Communication and Engagement is a regular item on the agenda of every Project Board and Joint Committee meeting and there is a communication officer group that meet on an as and when basis with each partner authority's press office / communications officers present.

The above governance arrangements have ensured that there has been consultation, communication and engagement with stakeholders at all levels from partner authority Members to interest groups to residents throughout the process.

Risk Management

The Project 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.

ANNUAL GOVERNANCE STATEMENT

continued

Regulation and Assurance

Regulation and accountability provides assurance for the effectiveness of the Project'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. 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.

Audit 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 Project's funds are controlled. It also monitors the performance and effectiveness of Flintshire's internal audit function.

Internal Audit

Flintshire County Council's Internal Audit service is provided in accordance with CIPFA's Code of Practice for Internal Audit for Local Government in the United Kingdom and in accordance with the CIPFA Statement on the Role of the Head of Internal Audit. The Code of Practice states that Internal Audit is an assurance function that provides an independent and objective opinion to the organization on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports 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.

External Regulation

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 Project'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.

4. REVIEW OF EFFECTIVENESS

The North Wales Residual Waste Treatment Project 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 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.

Internal Audit Review

During the year Internal Audit completed an overall governance review which concluded that

- An effective governance framework has been established for managing risk, ensuring transparency and demonstrating accountability
- A clear decision making protocol has been established and the Joint Committee is provided with information which is fit for purpose, relevant, timely and gives clear explanations of technical and financial issues and their implications
- A best practice risk register is maintained and risk identification, assessment, mitigation and reporting is robust.
- Officers and members have a good understanding of their roles, responsibilities and involvement in the overall governance framework.

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

Flintshire County Council's Internal Audit

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. Although this evaluation is not carried out to provide assurance to FCC about the internal audit function, in their latest review they concluded that internal audit complied with nine of the eleven standards and partially complied with the other two.

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

Flintshire County Council's Audit Committee

The committee received specific training after the May elections to enable the members to fulfil their role. Members completed a self-assessment against CIPFA Toolkit for Local Authority Audit Committees in late 2012. 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 will be maintained in 2013/14.

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 authorities.

No significant issues have been identified when completing the above statement

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

Signed.....Chief Executive of the Lead Authority



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

Audit of Financial Statements Report

North Wales Residual Waste Joint Committee

Audit year: 2012-13

Issued: September 2013

Document reference: 459A2013

Status of report

This document has been prepared for the internal use of North Wales Residual Waste Joint Committee as part of work performed in accordance with statutory functions, the Code of Audit Practice and the Statement of Responsibilities issued by the Auditor General for Wales.

No responsibility is taken by the Wales Audit Office (the Auditor General and his staff) and, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales (and, where applicable, his appointed auditor) is a relevant third party. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@wao.gov.uk.

The team who delivered the work was John Hermiman, Amanda Hughes, Ron Parker and Diane Jones.

Contents

The Appointed Auditor intends to issue an unqualified audit report on your financial statements for the year 2012-13. There are some matters to report to you prior to their approval.

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Summary report

Introduction

1. The Appointed Auditor is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of the North Wales Residual Waste Joint Committee (the Joint Committee) at 31 March 2013 and its income and expenditure for the year then ended.
2. We received the draft financial statements by the statutory deadline (30 June 2013) and have now substantially completed the audit work. We are reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. The audit team has already discussed these issues with the responsible finance officer for the Joint Committee (Kerry Feather).
3. We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and political sensitivity. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.

Proposed audit report

4. It is the Appointed Auditor's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#).

Significant issues arising from the audit

5. In the course of the audit we consider a number of matters both qualitative and quantitative relating to the accounts and report any significant issues arising to you.

Uncorrected misstatements

6. There are no misstatements identified in the financial statements, which remain uncorrected.

Corrected misstatements

7. There were a small number of narrative amendments to the draft financial statements which have been corrected by management.

We have one concern about the qualitative aspects of your accounting practices and financial reporting

8. Whilst the constituent authorities of the Joint Committee obtained related party declarations in respect of its members, the Joint Committee did not carry out an explicit exercise to ensure that the declarations related to the activities of the Joint Committee. In future this exercise needs to be performed.

We did not encounter any difficulties during the audit

9. In response to our recommendation last year, it is pleasing to note that the lead Council addressed a number of issues in relation to the availability of working papers and points of contact for audit queries. As a result we did not encounter any difficulties in conducting the audit.

There are no other matters that we need to report to you

10. There are no other matters to report to you. In particular:
- there were no significant matters discussed and corresponded upon with management that we need to report;
 - there are no other matters significant to the oversight of the financial reporting process that we need to report; and
 - we did not identify any material weaknesses in your internal controls that we have not reported to you already.

Independence and objectivity

11. As part of the finalisation process, we are required to provide you with representations concerning our independence.
12. We have complied with ethical standards and in our professional judgment, we are independent and our objectivity is not compromised. There are no relationships between the Wales Audit Office and the North Wales Residual Waste Joint Committee that we consider to bear on our objectivity and independence.

Appendix 1

Final Letter of Representation

(Audited body's letterhead)

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

Date

Representations regarding the 2012-13 financial statements

This letter is provided in connection with your audit of the financial statements of North Wales Residual Waste Joint Committee for the year ended 31 March 2013 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom; in particular the financial statements give a true and fair view in accordance therewith.

We acknowledge our responsibility for the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:

-
- all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
 - our knowledge of fraud or suspected fraud that we are aware of and that affects the North Wales Residual Waste Joint Committee and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
 - our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
 - our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
 - the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by the North Wales Residual Waste Joint Committee

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the North Wales Residual Waste Joint Committee on 3 September 2013.

Signed by:

Kerry Feather
Responsible Financial Officer

Date: 3 September 2013

Signed by:

Chair of North Wales Residual Waste
Joint Committee

Date: 3 September 2013



WALES AUDIT OFFICE

SWYDDFA ARCHWILIO CYMRU

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APPENDIX C, AGENDA ITEM NO: 5

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

Date 3rd September 2013

Representations regarding the 2012-13 financial statements

This letter is provided in connection with your audit of the financial statements of North Wales Residual Waste Joint Committee for the year ended 31 March 2013 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom; in particular the financial statements give a true and fair view in accordance therewith.

We acknowledge our responsibility for the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the North Wales Residual Waste Joint Committee and involves:
 - management;



NWRWTP

North Wales Residual Waste Treatment Project

- employees who have significant roles in internal control; or
- others where the fraud could have a material effect on the financial statements.
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.



NWRWTP

North Wales Residual Waste Treatment Project

Representations by the North Wales Residual Waste Joint Committee



NWRWTP

North Wales Residual Waste Treatment Project

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the North Wales Residual Waste Joint Committee on 3 September 2013.

Signed by:
Kerry Feather
Responsible Financial Officer
Date: 3 September 2013

Signed by:
Chair of North Wales Residual Waste
Joint Committee
Date: 3 September 201