



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

Y Cynghorydd Eryl Williams (Cadeirydd)

CS/NG

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

24 Gorffennaf 2014

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Annwyl Syr / Fadam

Cynhelir Cyfarfod Blynyddol **CYD-BWYLLGOR GWASTRAFF GWEDDILLIOL
GOGLEDD CYMRU yn SIAMBR Y CYNGOR, NEUADD Y SIR, FFORDD
WYNNSTAY, RHUTHUN, LL15 1YN ar DYDD IAU, 31 GORFFENAF 2014 am
10.30 y.b** i drafod y materion canlynol.

Yr eiddoch yn gywir

Rheolwr Democratiaeth a Rheolaeth

AGENDA

- 1 **YMDDIHEURIADAU**
- 2 **DATGAN DIDDORDEB**
- 3 **ETHOL CADEIRYDD AG IS-GADEIRYDD I'R CYD-BWYLLGOR**
- 4 **CYMERADWYO COFNODION BLAENOROL**

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Mae'r Cyngor yn croesawau gohebiaeth yn y Cymraeg neu'r Saesneg

5 **MATERION YN CODI O'R CYFARFOD BLAENOROL**

6 **TROSOLWG:**

6.1) ADRODDIAD CYNNYDD (ADRODDIAD)

7 **MATERION RHEOLI PROSIECT:**

7.1) RIR – DIWEDDARIAD STATWS RISG - (ADRODDIAD)

7.2) DIWEDDARIAD CYFATHREBU - (ADRODDIAD)

7.3) DATGANIAD O GYFRIF (ADRODDIAD)

7.4) DATGANIAD LLYWODRAETHU BLYNYDDOL (ADRODDIAD)

8 **CYNNYDD:**

8.1) ADRODDIAD 2^{IL} GYTUNDEB RHYNG-AWDURDOD (ADRODDIAD)

8.2) ACHOS FUSNES TERFYNNOL (DIWEDDARIAD AR LAFAR)

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.

8.3) ADRODDIAD DIWEDDARU CAFFAEL A CAU'N ARIANNOL GYDA WTI (ADRODDIAD)

9 **UNRHYW FATER ARALL**



PTGGGC

Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

CYD-BWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU

Cofnodion cyfarfod y Cyd-Bwyllgor a gynhaliwyd yn Neuadd y Sir, Yr Wyddgrug,
Cyngor Sir y Fflint ar Dydd Mercher, 29 Ionawr, 2014

YN BRESENNOL:

Y Cyngorydd Eryl Williams (Cadeirydd) - Cyngor Sir Ddinbych

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

Y Cyngorydd Dave Cowans - Cyngor Bwrdeistref Sirol Conwy

Y Cyngorydd Richard Dew - Cyngor Sir Ynys Môn

Y Cyngorydd Kevin Jones - Cyngor Sir y Fflint

Y Cyngorydd William G. Roberts - Cyngor Sir Gwynedd

Y Cyngorydd David Smith - Cyngor Sir Ddinbych

HEFYD YN BRESENNOL:

Cyngor Sir y Fflint

Chris Cohen (Swyddog Cyllid Arweiniol), Colin Everett (Prif Weithredwr Arweiniol), Kerry Feather (Swyddog Adran 151), Carl Longland (Cyfarwyddwr Amgylchedd), Gareth Owens (Swyddog Monitro) a David Webster (Rheolwr Archwilio Mewnol).

Cyngor Sir Ddinbych

Steve Parker (Pennaeth yr Amgylchedd)

Cyngor Bwrdeistref Sirol Conwy

Andrew Kirkham (Cyfarwyddwr Strategol - Cyllid ac Effeithlonrwydd), Andrew Wilkinson (Pennaeth Gwasanaethau Cymdogaeth)

Cyngor Gwynedd

Dilwyn Williams (Cyfarwyddwr Corfforaethol)



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Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

Cyngor Sir Ynys Môn

Meirion Edwards (Swyddog Technegol Arweiniol) a Dewi Williams (Pennaeth Gwasanaeth - Priffyrdd a Rheoli Gwastraff).

Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

Stephen Penny (Cyfarwyddwr y Prosiect) a Steffan Owen (Rheolwr Prosiect).

Partneriaethau Lleol y DU

Huw Roberts (Ymgynghorydd)

Grant Thornton

Saeefar Rehman

Amec

Alex Green

Pinsent Masons

John Bruce

Gemma Helliwell

1. YMDDIHEURIADAU

Derbyniwyd ymddiheuriadau am absenoldeb oddi wrth y Cynghorydd Aaron Shotton (Cyngor Sir y Fflint), y Cynghorydd John Wynn Jones a Medwyn Williams (Cyngor Sir Gwynedd) a'r Cynghorydd J. Arwel Roberts (Cyngor Sir Ynys Môn).

2. DATGANIADAU O DDIDDORDEB

Dim.



3. CYMERADWYO COFNODION BLAENOROL

Cyflwynwyd i'w cymeradwyo cofnodion cyfarfod y Cyd-Bwyllgor Gwastraff Gweddilliol Gogledd Cymru a gynhaliwyd ar 3ydd Medi 2013.

PENDERFYNWYD:

Y dylid cymeradwyo cofnodion cyfarfod y Cyd-Bwyllgor Gwastraff Gweddilliol Gogledd Cymru a gynhaliwyd ar 3 Medi, 2013 fel cofnod cywir.

4. MATERION YN CODI O'R CYFARFOD BLAENOROL

Nid oedd unrhyw faterion yn codi.

5. ADRODDIAD CYNNYDD (ADRODDIAD AR SO)

Cyflwynodd y Rheolwr Prosiect adroddiad cynnydd a dywedodd y byddai'r holl gamau gweithredu yn cael eu cynnwys yn yr eitemau agenda sy'n weddill.

PENDERFYNWYD:

Nodi yr adroddiad

6 RIR -. STATWS RISG DIWEDDARAF (ADRODDIAD SP)

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



Adroddodd y Cyfarwyddwr Prosiect bod 5 risg newydd wedi eu hadnabod, gyda phedwar risg blaenorol yn cael eu cau gan nad oeddynt yn berthnasol bellach. Dangosir manylion y risgiau newydd yn yr adroddiad.

Cynghorodd Colin Everett, Prif Weithredwr (Cyngor Sir y Fflint), y bu newid i risg PO4 yn deillio o gyhoeddiad gan Lywodraeth Cymru (LIC) o'r Papur Gwyn Ymgynghorol ar y Bil Amgylchedd a oedd yn cynnwys cynnig i roi pwerau i Weinidogion i wahardd deunyddiau penodol nas halogwyd rhag cael eu prosesu yn Egni o wastraff. Mae LIC wedi cadarnhau ers hynny nad oedd yn fwrriad i'r gwaharddiad gael ei ystyried ar gyfer gwastraff a oedd eisoes wedi'i wahanu ar gyfer ailgylchu.

PENDERFYNWYD:

Nod bod y Gofrestr Risg wedi'i diweddaru ar gyfer y prosiect.

7. DIWEDDARIAD CYFATHREBU (LLAFAR DIWEDDARIAD)

Rhoddodd y Rheolwr Prosiect ddiweddariad i'r Aelodau ar faterion cyfathrebu sy'n ymwneud â'r Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru (PTGGGC). Cafwyd un erthygl yn y wasg yn adrodd ar y cyfarfod PTGGGC heddiw. Dywedodd y gallai copïau o'r erthygl yn y wasg fod ar gael i Aelodau ar gais.

PENDERFYNWYD:

Bod y Diweddariad Cyfathrebu yn cael ei nodi.

8. CYLLIDEB GWYBODAETH DDIWEDDARAF (ADRODDIAD KF)

Cyflwynodd Chris Cohen, Prif Swyddog Cyllid (Cyngor Sir y Fflint) i'r Aelodau, y gyllideb diwygiedig ar gyfer 2013/14 ynghyd â'r gyllideb i'r cam caffael Cau Ariannol ar gyfer 2014/15 i'w gymeradwyo gan bob Cyngor Partneriaeth.



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Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

Cymeradwyodd y Cyd-bwyllgor gyllideb prosiect i'r cam o ddethol Cynigydd a Ffefrir yn ei gyfarfod ym mis Gorffennaf, 2013. Yn mis Medi, 2013'roedd y Rheolwr Prosiect wedi cyngori Aelodau, o

ganlyniad i'r gwaith ychwanegol a wnaed byddai cynnydd mewn gwariant ac y byddai'n rhaid ail-ymweld a chyllideb y prosiect.

Dywedwyd wrth yr aelodau bod cyllideb 2013/14 a gymeradwywyd wedi cael ei adolygu yng ngoleuni gwariant gwirioneddol a gafwyd hyd yn hyn (Rhagfyr 2013). Mae tîm y prosiect hefyd wedi asesu mewnbwn sydd ei angen gan ymgynghorwyr i gyrraedd y pwynt Cau Ariannol fel y dangosir yn yr adroddiad.

Mewn ymateb i gwestiwn ar amserlen y prosiect, dywedodd y Rheolwr Prosiect wrth yr Aelodau fod y rhaglen prosiect caffael wedi cael eu diwygio gyda Cau Ariannol wedi ei raglennu i'w gwblhau yn ystod mis Mehefin, 2014.

PENDERFYNWYD:

(a) Bod cyllideb ddiwygiedig arfaethedig 2013/14 o £595,558 yn cael ei gymeradwyo;

(b) Argymhell i bob Cyngor Partneriaeth i gymeradwyo gwariant o £ 321,066 i fynd â'r broses gaffael i'r cam terfynol o Cau Ariannol.

(c) Bod gofynion parhaus cyllideb y prosiect fel a osodir yn adran 3.5 o'r adroddiad yn cael ei nodi.

9. EITEMAU CYTUNDEB PARTNERIAETH

a – Ail Gytundeb Rhyng Awdurdod



Cyflwynodd Gareth Owens, Swyddog Monitro (Cyngor Sir y Fflint) adroddiad oedd yn ymgeisio am gymeradwyaeth ar gyfer yr egwyddorion allweddol ar gyfer yr ail Gytundeb Rhyng Awdurdod (IAA2) i'w argymhell i'r pum Awdurdod Bartneriaeth. 'Roedd yr adroddiad hefyd yn gofyn am gymeradwyaeth awdurdod dirprwyedig gael ei roi i'r Prif Weithredwr Arweiniol i gwblhau'r Cytundeb yn barod ar gyfer argymhelliad i'r Partneriaeth Awdurdodau.

Hysbyswyd yr Aelodau fod crynodeb o'r egwyddorion Ail Gytundeb Rhyng Awdurdod (IAA2) a gynhyrchwyd gan ymgynghorwyr cyfreithiol y prosiect, Pinsent Masons, ynghlwm yn Atodiad 2 yr adroddiad. Y bwriad oedd bod y rhain yn adlewyrchu termau allweddol y Cytundeb Prosiect y byddai Sir y Fflint fel Awdurdod Arweiniol yn mynd i mewn iddo gyda'r Cynigydd a Ffefrir ar Dyfarnu Cytundeb.

Cododd y Cynghorydd Kevin Jones (Cyngor Sir y Fflint) bryderon am y diffyg manylion ar y trothwy ariannol blynyddol y byddai'r Rheolwr Contract gydag awdurdod dros, a gofynnodd i hyn gael ei adrodd yn ôl i'r Cyd-bwyllgor. Cadarnhaodd Colin Everett na fyddai y Cyd bwyllgor yn rhoi awdurdod dirprwyedig ar gyfer unrhyw newidiadau mawr sydd i'w gwneud i'r Cytundeb fel y rhain trwy gefnogi yr argymhelliad, oherwydd buasai rhain yn gorfod cael eu hadrodd yn ol i'r Cyd Bwyllgor am gymeradwyaeth.

Mewn ymateb i gwestiynau pellach ar Isafswm Tunelli gwarantedig, dywedwyd wrth yr Aelodau y byddai pob Awdurdod yn cael ei rhwymo gan Isafswm Tunelli Gwarantedig eu hunan a'r bandiau prisiau fel a godir gan y cytundebwr

b – Gorsaf Drosglwyddo Rhwydwaith

Cyflwynodd Colin Everett adroddiad i argymhell i'r Cyd-Bwyllgor ddull o rannu costau ar gyfer y rhwydwaith trosglwyddo gwastraff ar draws y bartneriaeth.

Yng nghyfarfod y Bwrdd Prosiect ar 12 Rhagfyr 2013, gofynnodd Cyngor Sir y Fflint i gostau y rhwydwaith orsaf drosglwyddo gael eu hadolygu a comisiynu y Grŵp Swyddogion Technegol 'i adolygu'r opsiynau. Roedd dau senario fel penderfyniad, a oedd yn manylu ar 3.2.1 a 3.2.2 yr adroddiad.



Dywedwyd wrth yr aelodau bod yr ail opsiwn a ddangosir yn 3.2.2 yn cael ei argymhell fel yr opsiwn a ffefrir. Yr egwyddor cyffredinol oedd bod Awdurdodau yn gyfrifol am gostau gweithredu eu hunain ar gyfer eu rheoli gwastraff gweddilliol, cyn y contractau cludiant a thriniaeth.

Diolchodd y Cynghorydd Mike Priestley (Cyngor Bwrdeistref Sirol Conwy) i'r swyddogion am sicrhau yn llwyddiannus, mewn egwyddor, y grant gan Lywodraeth Cymru fel rhan o gyfanswm cost cynllun o fewn yr 'amlen fforddiadwy'.

PENDERFYNWYD:

(a) Bod y Cyd Bwyllgor yn cymeradwyo'r egwyddorion a nodir yn 3.4 o'r adroddiad a mabwysiadu'r ail opsiynau fel a nodir yn 3.2.2 o'r adroddiad ar gyfer ariannu'r Orsaf drosglwyddo rhwydwaith; a

(b) Bod costau cyfalaf y gwaith o adeiladu gorsaf drosglwyddo newydd posibl yn gwasanaethu Conwy yn cael eu ddiwallu gan y bartneriaeth drwy ddull i'w gytuno.

c - Budd Cymunedol

Cyflwynodd y Rheolwr Prosiect adroddiad i gwblhau'r cynigion ar gyfer darparu Cronfa Budd Cymunedol.

Gofynnodd y Cynghorydd Kevin Jones os oedd enghreifftiau ledled Cymru a Lloegr o Gronfeydd Budd Cymunedol. Esboniodd Colin Everett iddo gael ei nodi yn ystod cyfarfod blaenorol o'r Cyd-Bwyllgor na fyddai lefel y Budd Cymunedol a welwyd yn hanesyddol yn y DU ar gyfer prosiectau o'r fath yn debygol o fod yn ddigonol ar gyfer cymeradwyaeth leol ar gyfer y prosiect hwn.



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PENDERFYNWYD:

Bod y Cyd-Bwyllgor yn cytuno bod y Gronfa Budd Cymunedol fel yr amlinellir yn adran 3.02.2 o'r adroddiad i'w hargymell i'r Awdurdodau Partner cyfansoddol.

10 DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985 -.

I YSTYRIED CAU ALLAN Y WASG A'R CYHOEDD

Mae'r eitem ganlynol yn cael ei ystyried fel ei ei bod wedi'u hesgusodi 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 fynd rhagddo ac y byddai'n cael ei niweidio trwy ei gwneud yn gyhoeddus ar hyn o bryd.

11. ADRODDIAD CYNIGYDD A FFEFRIR (ADRODDIAD SP)

a – Drafft Gweithio Achos Busnes Terfynol

Cyflwynodd y Cyfarwyddwr Prosiect adroddiad i argymell penodi'r cynigydd a ffefrir ac i nodi'r camau sy'n arwain at Gau'r Cyllideb a dyfarniad o'r gytundeb.

Gwahoddodd y Cyfarwyddwr Prosiect, Alex Green (Amec), Saeefar Rehman (Grant Thornton) a John Bruce (Pinsent Masons) i ddarparu y Cyd-bwyllgor gydag adolygiad manwl o'r risgiau technegol, ariannol a chyfreithiol, ac yng ngoleuni eu cyngor, 'roedd y cydbwysedd risg yn ffafrio symud ymlaen gyda'r broses gaffael.



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Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

Gofynnodd y Cyngorydd Kevin Jones am sicrwydd na fyddai gostyngiad mewn profion allyriadau aer yn y dyfodol. Rhoddodd y Cyfarwyddwr Prosiect y sicrwydd hwn, ac esboniodd bod cyfeiriad at brofi allyriadau aer yn yr adroddiad yn cyfeirio at uwchraddio systemau profi yn y dyfodol.

Gofynnodd aelodau y Cyd-bwyllgor i'r ymgynghorwyr technegol, ariannol a chyfreithiol fod yn bresennol yn eu cyfarfodydd Partneriaeth Awdurdod unigol er mwyn darparu'r esboniadau angenrheidiol i Aelodau.

Mewn ymateb i gwestiynau ar y risgiau cyfreithiol, cytunodd y Rheolwr Prosiect i gylchredeg gwybodaeth bellach ar y risgiau cyfreithiol 'roedd Pinsent Masons Pinsent wedi herio WTI arno 'Roedd y risgiau posibl wedi'u datrys cyn cyfarfod y Cyd-Bwyllgor.

PENDERFYNWYD:

- (a) Nodi'r adroddiad a'r cyngor gan y Bwrdd Prosiect NRRWTP;
- (b) Buasai mireinio ac eglurhad gyda WTI yn cael ei wneud cyn gofyn i'r Cyd-Bwyllgor NRRWTP i ystyried symud i Gau Ariannol ar y prosiect;
- (c) Y dylid argymhell i'r Partneriaeth Awdurdodau y dylid dyfarnu Wheelabator Technologies Inc (WTI) fel y Cynigydd a Ffefrir; a
- (d) Bod y drafft gweithio o'r Achos Busnes Terfynol yn cael ei argymhell i'r Awdurdodau Partneriaeth cyfansoddol; a
- (e) Bod awdurdod dirprwyedig yn cael ei roi i'r Prif Weithredwr Arweiniol i gwblhau'r Achos Busnes Terfynol i'w gymeradwyo gan y Cyd-bwyllgor a'u cyflwyno i Lywodraeth Cymru yn arwain at gau y deialog ariannol a dyfarnu contract i WTI.



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Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

b - Papur Risg Cynllunio (Adroddiad CL)

Cyflwynodd y Rheolwr Prosiect adroddiad i ddangos sut mae risgiau'n cynllunio'r Ynni rhanbarthol arfaethedig Gwastraff (EfW) gyfleuster yn cael eu rheoli. Mae crynodeb o farn y Cyfarwyddwr Prosiect ar faterion cynllunio ynghyd â manylion am sut y byddai risgiau'n cael eu rheoli os buasai'r cynigydd a ffefrir yn cael eu cyhoeddi wedi eu gosod allan yn yr adroddiad.

PENDERFYNWYD:

Bod y Cyd-Bwyllgor yn cael ei sicrhau gan y trefniadau i reoli'r risgiau cynllunio fel yr amlinellir yn yr adroddiad.

11. UNRHYW FATER ARALL

Amlinellodd Colin Everett yr amserlen ar gyfer pob Partner Awdurdod cyfansoddol i gyflwyno argymhellion y Cyd-bwyllgor i gyfarfodydd Cyngor yn y dyfodol. Eglurodd y byddai adroddiad templed yn cael ei baratoi i alluogi pob Partner Awdurdod i gyflwyno'r wybodaeth mewn ffurf gyffredin gydag aelodau o'r Tîm Prosiect ac ymgynghorwyr cyfreithiol, ariannol a thechnegol ar gael i fynychu'r cyfarfodydd i roi eglurder.



AGENDA ITEM: 6.1

NORTH WALES RESIDUAL WASTE TREATMENT PROJECT PROGRESS REPORT

NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Date : 31st July 2014

Period: 21st January 2014 to 31st July 2014

PROJECT SUMMARY

To procure a sustainable waste management solution for the 5 local authorities in North Wales (Conwy, Denbighshire, Flintshire, Gwynedd and Isle of Anglesey) that will assist with the reduction in greenhouse gas emissions from landfill and will minimise the tonnage of waste residue sent to landfill thus ensuring that the authorities avoid Landfill Allowance Scheme (LAS) infraction penalties and meet National Waste Strategy targets.

PROJECT STATUS

Overall Project Status	
Amber	<p>Following the Joint Committee on 29 January 2014, all partner authorities went through their internal approval processes as outlined.</p> <p>WTI were announced publicly as Preferred Bidder in April after all approvals were complete.</p> <p>The Partnership have held regular meetings with WTI to fine tune, clarify and finalise the contractual arrangements (see agenda item 8.3 (part 2 item)).</p> <p>Various discussions have been held with Finance, Legal and Technical Officer Groups and the Project Board to complete the final version of the IAA2. There were no material changes to the IAA2 from that considered by the Joint Committee in January or the partner authorities as part of their approvals process (see agenda item 8.1), therefore a final draft is now complete.</p> <p>The project's Final Business Case was completed and issued to WG, and a review panel was held with WG at</p>



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North Wales Residual Waste Treatment Project

	the end of June. Ministerial approval is now awaited (Verbal Update on agenda item 8.2).
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Budget status	
Amber	<p>The partner authorities approved a budget of in £321,066 2014/15 to take the procurement process to the final stage of Financial Close.</p> <p>Provisional expenditure for Quarter 1 of 2014/15 (Apr – Jun) shows expenditure of £195,877, leaving £125,189 remaining to take the project up to Financial Close. This will be monitored closely by the Project Team and reported to the Project Board.</p>

Status	Meaning
Green	There are no problems; all is progressing well and to plan
Amber	There are some minor/ less significant problems. Action is needed in some areas but other parts are progressing satisfactory.
Red	There are significant problems and urgent and decisive action is needed.

PROJECT UPDATE – Activities due for completion 21st January 2014 to 31st July 2014 (and highlighted longer term actions).

ID	Activity	RAG status	Comments	Forecast	Actual
110	Prepare for press / media announcement after Joint Committee on 29 January noting the Joint Committee's decision	Amber	Announcement made of WTI's appointment as Preferred Bidder in early April after the partner authority approvals process was complete.	30 January 2014	Complete
111	Discuss any communication / engagement requirement during the approvals process	Amber	See 110 above.	30 January 2014	Complete



NWRWTP

North Wales Residual Waste Treatment Project

112	Provide support for partner authority approvals process	Green	Partner authority approvals process now complete	February – March 2014	Complete
113	Site visit to Energy from Waste facility by partner authority Members	Green	WTI willing to offer site visits to Ferrybridge facility (nearing completion of construction) if requested.	Summer / Autumn 2014	
114	Draft Final Business Case (FBC)	Green	The FBC was completed and issued to WG. A review panel was held with WG at the end of June. Verbal update on agenda item 7.2.	May 2014	Complete
115	Completion of fine tuning and clarification with WTI	Amber	See item 8.3 (part 2 item) on agenda	End of August 2014	
116	Develop contract management structure for post financial close	Amber	Project Director in discussions with lead Chief Executive. Project Manager to assist in the process.	August / September 2014	
117	IAA2 to be completed	Green	See agenda item 8.1.	June 2014	
118	Finalise Community Benefit Fund (CBF) governance arrangements	Green	Annual CBF sum of £180k agreed by all partner authorities as part of approvals process. WTI have since voluntarily added a further £50k per annum to the CBF. FCC now to work on governance arrangements to build on agreement by all partner authorities. CBF included as a commitment within IAA2.	September 2014	
119	Consider options for further partnership working	Green	The Project Board has considered a paper by the Project Director on possible areas for future collaborative working that may provide savings or additional income to the partner authorities. Such areas include markets for recyclates etc to be investigated further by the	On going	



NWRWTP

North Wales Residual Waste Treatment Project

			technical officers and additional income from electricity and / or heat sales to be investigated further by the Project Board.		
120	Planning Application to be submitted by WTI	Green	WTI have carried out their pre-application public consultation (see agenda item 7.2). The application will be submitted soon after reaching Financial Close. Note: - this is not an action for the partnership, the application is the responsibility of WTI.	September 2014	
121	Further discussions with WG over capital funding options for the required new transfer station in the Conwy / Denbighshire area.	Green	As agreed in the IAA2, all partner authorities will contribute towards a new waste transfer station to service Conwy and part of Denbighshire. The partnership will discuss funding options for the waste transfer station with WG.	October / November 2014	

KEY RISKS – See item 7.1 on this agenda.

Recommendation – Note the content of this report and the positive progress made in project management and delivery.



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North Wales Residual Waste Treatment Project

Appendix 1 – Project Timetable

Stage	Date	Comments
Final Preferred Bidder Clarifications, Due Diligence and Approvals	March – end August 2014	
Joint Committee Approval of Contract Award (subject to finalisation of agreed actions)	July 2014	
Notification of Contract Award	Early September 2014	
Alcatel	Early September 2014	
Contract Award	Early September 2014	
Planning Application submission	September 2014	
Planning determination	May 2015	
Planning Consent achieved	August 2015	
Construction begins	September 2015	
Commissioning begins	May 2018	
Facility fully available	October 2018	



NWRWTP

North Wales Residual Waste Treatment Project

AGENDA ITEM NO: 7.1

REPORT TO: NWRWTP JOINT COMMITTEE

DATE: 31st JULY 2014

REPORT BY: PROJECT MANAGER

SUBJECT: RISK REGISTER REPORT

1. PURPOSE OF REPORT

- 1.1. The members of the NWRWTP Joint Committee have requested that they are provided with an update of the risk register at each meeting of the Project Board.
- 1.2. This report will highlight some (if any) of the amendments to the risk register that have been made to reflect the current understanding of risks and mitigation measures that are in place.

2. BACKGROUND

- 2.1. The Risk Register will require continual update throughout the project.

3. CONSIDERATIONS

- 3.1. The new Project Director has sought to review and simplify the Risk Register.
- 3.2. The top (red) risks are highlighted in the table in Appendix 1 below.

4. RECOMMENDATIONS

- 4.1. That the Joint Committee note the updated risk register.

5. FINANCIAL IMPLICATIONS

- 5.1. Not applicable

6. ANTI-POVERTY IMPACT

- 6.1. None

7. ENVIRONMENTAL IMPACT



NWRWTP

North Wales Residual Waste Treatment Project

7.1. Not applicable

8. EQUALITIES IMPACT

8.1. Not applicable

9. PERSONNEL IMPLICATIONS

9.1. Not applicable

10. CONSULTATION REQUIRED

10.1. Not applicable

11. CONSULTATION UNDERTAKEN

11.1. Not applicable

LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

Background Documents:

None

Contact Officer: Steffan Owen NWRWTP



Appendix 1 Red Risks

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	Additional explanatory notes
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall					
PS3	Planning determination period process delays build programme	Delay and costs.	4	4	16	Partnership working with planning colleagues to anticipate and mitigate risks.	PD			PD	4	4	16	Ongoing	May-14		Need to consider the financial impact for each Council of delay in order to consider a possible contingency plan - renegotiate landfill etc.
PS5	Planning decision goes to Inquiry/Judicial Review.	Delay, possible procurement challenge if material change to contract period. cost, stakeholder perceptions.	3	4	12	Partnership is working on cost effective interim arrangements.	PD			PD	3	4	12	Ongoing	May-14		Monitor planning process
PS6	Obtaining licensing / PPC	Delay start of operations.	3	4	12	Bidder risk within Risk matrix.	PD			PD	3	4	12	Ongoing	May-14		Monitor planning process



PTGGGC

Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

EITEM AGENDA RHIF:7.2

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

DYDDIAD: **31 GORFFENAF 2014**

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. Diweddariad

Bu i Wheelabrator Technologies Inc (WTI) ei enwi'n gyhoeddus fel y Cynigydd a Ffefrir yn nechrau Ebrill yn dilyn y proses cymeradwyo ofewn yr awdurdodau partner.

3.2. Sylw gan y cyfryngau

Fydd pecyn yn cael ei baratoi i Aelodau gyda'r sylw allweddol o fewn y cyfryngau / wasg ers y Cyd-Bwyllgor diwethaf i ddsbarthu yn y cyfarfod.

3.3. Sylw / gweithgaredd arall

3.3.1. Unwaith bu i WTI ei enwi fel Cynigydd a Ffefrir, bu i WTI a'r prosiect weithio'n agos gyda'l gilydd i ddod yn fwy "weithgar" yn nhermau chysylltu â hapddalwyr allweddol ac yna i ymgynghori â'r cyhoedd. Yn dilyn broses ar y cyd o gysylltu â hapddalwyr allweddol megis Aelodau Seneddol, Aelodau Cynulliad ayb, fe lawnswyd WTI ymgynghoriad cyhoeddus fel rhan o'i paratodau cais cynllunio.

3.3.2. Fel rhan o'i ymgynghoriad cyhoeddus, fel drefnodd WTI cyfres o sesiynau galw heibio cyhoeddus. Roedd pum ohonynt yn Sir Fflint ac un yn Burton dros y ffin. Bu i'r sesiynau a'r proses ymgynghori ei hysbysebu fel a ganlyniad:-



- Fe yrwyd cylchlythyr i 13,000 o breswylwyr ger y safle
- Cyfarfod gyda'r wasg / cyfryngau lleol
- Cyfarfod gyda nifer o hapddalwyr allweddol (AS, AC, Cynghorwyr Sir, Cynghorwyr Cymunedol eyc)
- Gwahodd hapddalwyr allweddol (gweler uchod)
- Creu safle we cynhwysfawr (www.parcadfer.com)
- Cyhoeddi nifer o ddatganiadau i'r wasg a hysbysebion
- Gosod poster i siopau ar hyd Cei Connah / Glannau'r Dyfrdwy

3.3.3. Fe fynychwyd tua 200 o bobl y chwe sesiwn, gyda nifer o farnau gwahanol yn cael ei dderbyn, a mae WTI ar hyn o bryd yn adolygu'r adborth a dderbyniwyd i mewnbynnu i'w gais cynllunio.

3.3.4. Mae WTI yn parhau i gysylltu â hapddalwyr allweddol megis cynghorau cymunedol, fforymau busnes ayb.

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



AGENDA ITEM NO: 7.3

<u>REPORT TO:</u>	<u>NWRWTP JOINT COMMITTEE</u>
<u>DATE:</u>	<u>31 JULY 2014</u>
<u>REPORT BY:</u>	<u>CORPORATE FINANCE MANAGER</u>
<u>SUBJECT:</u>	<u>STATEMENT OF ACCOUNTS 2013/14</u>

1.00	<u>PURPOSE OF REPORT</u>
1.01	To present to Members of the Joint Committee the Statement of Accounts 2013/14 for the North Wales Residual Waste Treatment Project (NWRWTP), incorporating those changes agreed with the Wales Audit Office (WAO) during the course of the audit.
1.02	To present to Members of the Joint Committee, the WAO's report in connection with the audit of the 2013/14 financial statements.
1.03	To present to Members of the Joint Committee the Letter of Representation.
2.00	<u>BACKGROUND</u>
2.01	The Accounts and Audit (Wales) (Amendment) Regulations 2010 specify the statutory deadline for the approval of the accounts, being 30th September.
3.00	<u>CONSIDERATIONS</u>
3.01	The Statement of Accounts for 2013/14 incorporating those changes agreed with the WAO during the course of the audit is attached at Appendix A.
3.02	Under the International Standards on Auditing (ISA) 260, the WAO is required to communicate relevant matters relating to the audit of the final statements to those charged with governance, which for the Partnership is the Joint Committee.
3.03	The WAO's ISA 260 report 'Audit of the Financial Statements – North Wales Residual Waste Joint Committee, is attached at Appendix B.



3.04	The WAO's report includes details of significant issues arising from the audit, and a summary of corrections made to the draft financial statements.
3.05	It is usual, within the course of the audit of any organisation, that items will be brought to the attention of the body being audited (in this case the Joint Committee). The audit findings have been discussed in detail with the WAO, and those adjustments made have been reflected in the Statement of Accounts. The lead authority will make arrangements to ensure any issues identified will be addressed in future.
3.06	The Letter of Representation requires the Joint Committee to confirm the accuracy of the audit. In this letter, the Joint Committee confirms to the WAO that all the information contained within the financial statements is true and accurate and that all information has been disclosed. The proposed Letter of Representation is attached at Appendix C.
4.00	<u>RECOMMENDATIONS</u>
4.01	Members are requested to approve the final version of the Statement of Accounts 2013/14 (subject to the public inspection period as noted within the WAO report).
4.02	Members are requested to consider the WAO's report; Audit of the Financial Statements – North Wales Residual Waste Treatment Partnership.
4.03	Members are requested to approve the Letter of Representation (subject to the public inspection period as noted within the WAO report).
5.00	<u>FINANCIAL IMPLICATIONS</u>
5.01	None.
6.00	<u>ANTI POVERTY IMPACT</u>
6.01	None.
7.00	<u>ENVIRONMENTAL IMPACT</u>
7.01	None.
8.00	<u>EQUALITIES IMPACT</u>
8.01	None.



NWRWTP

North Wales Residual Waste Treatment Project

9.00	<u>PERSONNEL IMPLICATIONS</u>
9.01	None.
10.00	<u>CONSULTATION REQUIRED</u>
10.01	None required.
11.00	<u>CONSULTATION UNDERTAKEN</u>
11.01	None required.
12.00	<u>APPENDICES</u>
12.01	Appendix A – Statement of Accounts NWRWP 2013/134 Appendix B – WAO report, Audit of the Financial Statements – North Wales Residual Waste Joint Committee. Appendix C – Letter of Representation NWRWP 2013/14
	<u>LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS</u>
	Various 2013/14 Final Accounts Working Papers
	Contact Officer: Liz Thomas Telephone: 01352 702289 Email: liz.thomas@flintshire.gov.uk

NORTH WALES RESIDUAL WASTE PARTNERSHIP

NORTH WALES RESIDUAL WASTE TREATMENT PROJECT

STATEMENT OF ACCOUNTS

2013-14

C O N T E N T S

	Page
North Wales Residual Waste Treatment Project	
Explanatory Foreword	1-2
Statement of Responsibilities for the Statement of Accounts	3-4
Financial Statements -	
Movement in Reserves Statement	5
Comprehensive Income and Expenditure Statement	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Core Financial Statements (Including Statement of Accounting Policies)	9-12
Independent Auditor's Report to the Joint Committee	13-14
Annual Governance Statement	15-23

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 has been agreed by all five partner authorities individually, and Wheelabrator Technologies Inc (WTI) was formally announced as Preferred Bidder in April 2014. The partnership is at present in discussions with WTI to fine tune / clarify and finalise the contract details, with financial close expected sometime during the summer months of 2014. WTI are expected to submit their planning application immediately after, with the facility expected to be operational in late 2018.

The joint Committee approved a budget for the project to the point of financial close of £3.437m on 29 January 2014 as shown in the table below. Actual net expenditure for the year 2013/14 reported in these financial statements is £0.590m being gross expenditure of £0.790m less Welsh Government grant of £0.200m bringing actual total net project expenditure to £3.111m as at 31 March 2014, which is £0.005m less than the budgeted amount.

Time Period	Budget £	Actual £	Variance £
2008/09 - 2012/13	2,521,000	2,521,000	0
2013/14	595,000	590,000	(5,000)
Total	<u>3,116,000</u>	<u>3,111,000</u>	<u>(5,000)</u>
2014/15 (April - June)	321,000		
Projection to financial close	<u>3,437,000</u>		

EXPLANATORY FOREWORD

The Financial Statements

The Statement of Accounts 2013/14 provide details of the NWRWTP's financial position for the year ended 31st March 2014, and reflects the wholly revenue nature of the activities undertaken. The information presented on pages 5 to 12 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 Corporate Finance Manager as Chief Finance Officer;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the statement of 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

THE CHIEF FINANCE OFFICER'S RESPONSIBILITIES

The Chief Finance Officer 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 Chief Finance Officer has :-

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

The Chief Finance Officer has also :-

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

Certificate of the Chief Finance Officer as Treasurer of the Joint Committee

The following statement of accounts has been prepared in accordance with the Accounts and Audit (Wales) (Amendment) Regulations 2010. The statement of accounts presents a true and fair view of the financial position of the Joint Committee at 31st March 2014, and its income and expenditure for the year then ended.

Signed: _____

Date: _____

**Gary Ferguson CPFA
Corporate Finance Manager**

Treasurer of the Joint Committee

MOVEMENT IN RESERVES STATEMENT

for the year ended 31st March 2014

Movements 2013/14

	Capital Receipts Reserve £	Capital Grants Unapplied £	General Balance £	Earmarked Reserves £	Total Usable Reserves £	Unusable Reserves £	Total Reserves £
At 31st March 2013	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 2014	0	0	0	0	0	0	0

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

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 2014

	2014 £	2013 £
Expenditure		
Note 2		
(a) Employees	189,821	207,994
Transport	1,886	998
(b) Supplies & Services	510,765	518,826
(c) Support Services	87,688	114,979
	<hr/>	<hr/>
Gross Expenditure	<u>790,160</u>	<u>842,797</u>
Income		
(d) Grants and Contributions	<u>(790,160)</u>	<u>(842,797)</u>
Total Income	<u>(790,160)</u>	<u>(842,797)</u>
Net (Surplus)/Deficit	<u>0</u>	<u>0</u>

BALANCE SHEET

as at 31st March 2014

	Note	2014 £	2013 £
NON-CURRENT ASSETS		0	0
CURRENT ASSETS			
Short term debtors	3	472,128	417,599
CURRENT LIABILITIES			
Short term creditors	4	<u>(472,128)</u>	<u>(417,599)</u>
NET CURRENT ASSETS		0	0
		<hr/>	<hr/>
NET ASSETS		<u>0</u>	<u>0</u>
		<hr/>	<hr/>
TOTAL RESERVES		<u>0</u>	<u>0</u>

CASH FLOW STATEMENT
for the year ended 31st March 2014

	2014	2013
	£	£
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 2014

1. STATEMENT OF ACCOUNTING POLICIES

The accounts have been prepared in accordance with the requirements of the 2013/14 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 2014.

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

	2014 £	2013 £
(a) Employees		
Contractor payments - Project Director	104,264	123,263
Salaries	65,582	64,933
Social Security costs	5,219	5,188
Other Pension costs	14,756	14,610
	<u>189,821</u>	<u>207,994</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

	2014 £	2013 £
(b) Supplies and Services		
Advisor costs		
Technical and Communications	174,560	273,171
Legal	236,751	146,201
Financial	89,325	82,243
Insurance	0	9,500
Other	0	1,190
	<u>500,636</u>	<u>512,305</u>
Advertising/Publicity	<u>221</u>	<u>3,997</u>
Audit Fee	<u>9,908</u>	<u>2,524</u>
Total Supplies and Services	<u>510,765</u>	<u>518,826</u>
	2014	2013
	£	£
(c) Support Services -		
Finance, Technical, Legal & Procurement Support		
Lead Authority Personnel		
Finance	43,406	42,543
Legal	14,760	29,466
	<u>58,166</u>	<u>72,009</u>
Isle of Anglesey County Council Personnel	12,152	26,999
	<u>70,318</u>	<u>99,008</u>
Office services		
IT/ Telephones	1,114	738
Software	2,080	2,440
Stationery/Printing	975	2,048
Translation	6,147	2,977
	<u>10,316</u>	<u>8,203</u>
Accommodation	<u>7,054</u>	<u>7,768</u>
Total Support Services	<u>87,688</u>	<u>114,979</u>
	2014	2013
	£	£
(d) Income -		
Contribution from participating Local Authorities		
Conwy County Borough Council	(118,032)	(100,629)
Denbighshire County Council	(118,032)	(100,628)
Flintshire County Council	(118,032)	(100,628)
Gwynedd County Council	(118,032)	(100,628)
Isle of Anglesey County Council	(118,032)	(100,628)
	<u>(590,160)</u>	<u>(503,141)</u>
Grants		
Welsh Government	(200,000)	(339,656)
Total Income	<u>(790,160)</u>	<u>(842,797)</u>

* includes Internal Audit charges £3,600 (2012/13 £Nil) for external fees see note 6 on page 11.

NOTES TO THE CORE FINANCIAL STATEMENTS

3. DEBTORS

	2014 £	2013 £
Local authorities	472,128	411,582
Other entities and individuals	0	6,017
	472,128	417,599

4. CREDITORS

	2014 £	2013 £
Local authorities	396,587	298,863
Other entities and individuals	75,541	118,736
	472,128	417,599

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 in post from April 2013 to November 2013. A new Project Director was appointed in January 2014, his remuneration for January 2014 to March 2014 is below the £60,000 limit :-

	2014	2013
Remuneration Band	No.	No.
£80,000 - £84,999	1	0
£85,000 - £89,999	0	0
£90,000 - £94,999	0	0
£95,000 - £99,999	0	0
£100,000 - £104,999	0	0
£105,000 - £109,999	0	0
£110,000 - £114,999	0	0
£115,000 - £119,999	0	0
£120,000 - £124,999	0	1
	1	1

6. EXTERNAL AUDIT COSTS

The 2013/14 audit fee charges in relation to the Statement of Accounts amounted to £5,856. The provision for audit fees in 2012/13 was under estimated by £452 bringing the current year charge to £6,308. (£4,452 in 2012/13 a figure which was 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

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 2013/14 (as was the position in 2012/13).

PROPOSED 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 Regional Waste Joint Committee

for the year ended 31 March 2014 under the Public Audit (Wales) Act 2004.

North Wales Regional 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 2013-14 based on International Financial Reporting Standards (IFRSs).

Respective responsibilities of the responsible financial officer and the independent auditor

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for the preparation of the statement of accounts, North Wales Regional Waste Joint Committee's accounting statements, 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 Regional 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the accounting statements of North Wales Regional Waste Joint Committee

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of North Wales Regional Waste Joint Committee as at 31 March 2014 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14.

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

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 Annual Governance Statement on which I report to you if, in my opinion, it does not reflect compliance with 'Delivering Good Governance in Local Government: Framework' published by CIPFA/SOLACE in June 2007, or if the statement is misleading or inconsistent with other information I am aware of from my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of North Wales Regional 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.

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

Signature

xx September 2014

ANNUAL GOVERNANCE STATEMENT

for the year ended 31st March 2014

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

The governance framework has been in place at the North Wales Residual Waste Treatment Project for the year ended 31st March 2014 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 facility. 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 the 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 first Inter-Authority Agreement are available by contacting Flintshire County Council's Head of Legal and Democratic Services.

During the last year, the contents and the core set of principles of the second Inter Authority Agreement (IAA2) have been progressed at several meetings of the legal, technical and financial officers from all five authorities.

ANNUAL GOVERNANCE STATEMENT

The governance arrangements in the IAA2 very much mirror those in the 1st Inter Authority Agreement. The constitutional and governance arrangements of the IAA2 are intended to reflect those of the first IAA:- that the Project Board and Joint Committee decisions are to be by majority vote and the matters reserved to the individual Councils are to be unanimous decision; the quorum for the Project Board would be a senior officer from each participating Council in person (or if in an emergency by telephone) and for the Joint Committee, the quorum would be attendance by one member (voting or non-voting member) from each participating Council. The new agreement develops those principles as they will apply to the construction, operation and decommissioning phases of the project and so make appropriate arrangements for such matters as partner councils making contributions to Flintshire County Council so that it may make contract payments, what will happen to the facility at the end of the contract etc.

Project Structure

Section 6 of the first 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 Reserved 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 first Inter-Authority Agreement. The second Inter Authority Agreement will similarly lay out the remit for each of the decision making bodies.

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 first Inter-Authority Agreement.

The Project Board has responsibility for managing the progress and implementation of the Project including identifying all project activities necessary to be carried out and instructing the internal and external financial, legal, procurement and technical advisors. It monitors the Project to ensure that it remains within budget and deploys those resources in line with those functions. The Project Board also has responsibility for risk management for the project, which it carries out through a best practice Risk Register that is reported to the Project Board at each meeting.

External Advisors

External legal, technical and financial advisors are required for large and complex project's such as the NWRWTP, and have played a crucial role in advising the partnership through the procurement process, including areas such as scrutiny and evaluation of bids received, advice on markets norms, risk positions and negotiations with the bidders.

ANNUAL GOVERNANCE STATEMENT

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 first 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.

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

ANNUAL GOVERNANCE STATEMENT

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. Following an internal restructure within FCC from 1st June 2014 this role will be undertaken by the Corporate Finance Manager.

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 first 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. There is a section within the first 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.

The second Inter-Authority Agreement sets out the financial responsibilities and liabilities of the authorities, reflecting where appropriate those contained in the project agreement.

Budget Monitoring

In both Inter Authority Agreements 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.

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. It is anticipated that the Final Business Case will be submitted in early June 2014.

ANNUAL GOVERNANCE STATEMENT

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.

Welsh Government

As well as the gateway reviews noted above, the partnership has maintained a close relationship with the WG throughout the project’s life, both through the project’s transactor who acts as a communication bridge between WG and the partnership, and also directly at a senior level as and when required.

Communications

Communicating, consulting and engaging with the public and stakeholders are key aspects 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.

The communications strategy (both within and outside the partnership structure) has been led by the Lead Chief Executive with the Project Board and Joint Committee support and approval where necessary. This reflects the location of the site within the lead authority’s boundaries.

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.

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.

ANNUAL GOVERNANCE STATEMENT

Internal Audit

Flintshire County Council's Internal Audit service is provided in accordance with the Public Sector Internal Audit Standards (PSIAS) and in accordance with the CIPFA Statement on the Role of the Head of Internal Audit. The Standards state that Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal Audit 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 PSIAS 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 by 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.

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.

ANNUAL GOVERNANCE STATEMENT

Member Review and Approval

During the year the project moved to the appointment of the Preferred Bidder. This appointment, the contents and the core set of principles to be included in the IAA2 have all been agreed through a programme of approvals at Project Board (16th January 2014), the Joint Committee (29th January 2014) and each Individual Council in February/March 2014. There is some fine tuning now being conducted by all of the legal, technical and financial officer groups to finalise the IAA2, which will then be disseminated to all Authorities for a final check prior to financial close of the procurement process, followed by approval by the Chief Executive under delegated authority.

Welsh Government Review

During the year the main governance issue was the need to complete the procurement phase with a single bidder. This was managed by the Joint Committee, the Project Board and officers of the lead council.

WG gave approval to proceed with one bidder with acceptances received from the Joint Committee that the contract represented value for money.

The latest WG Gateway review was conducted in November 2013 with an approval being given to close dialogue at that stage.

Internal Audit Review

During the year Internal Audit tracked the implementation of recommendations from the overall governance review completed in the previous year, which had concluded that an effective governance framework was in place.

As the project moved towards the completion of the procurement phase governance was monitored by attendance at Project Board and Joint Committee meetings. This showed that the high standards of governance were maintained throughout the year.

Member Training

The project has 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 this direct engagement with Members across the Councils leading up to the implementation of the second IAA.

Flintshire County Council's Internal Audit

The department undertook an internal self-assessment against the PSIAS guidelines for Internal Audit in Local Government and found that it generally conforms with the standards.

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.

Flintshire County Council's Audit Committee

Members completed a self-assessment against CIPFA Audit Committees – Practical Guidance for Local Authorities and Police in early 2014. The results showed that the Committee is effective in complying with the guidance.

ANNUAL GOVERNANCE STATEMENT

5. SIGNIFICANT GOVERNANCE ISSUES

The governance of the project is very clearly set out in 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



Adroddiad ar yr Archwiliad o Ddatganiadau Ariannol

Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru

Blwyddyn archwilio: 2013-14

Cyhoeddwyd: Medi 2014

Cyfeirnod y ddogfen: 441A2014

Statws yr adroddiad

Paratowyd y ddogfen hon at ddefnydd mewnol Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru fel rhan o'r gwaith a gyflawnir yn unol â'r swyddogaethau statudol.

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

Os ceir 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 partiön perthnasol. Mewn perthynas â'r ddogfen hon, mae Archwilydd Cyffredinol Cymru, Swyddfa Archwilio Cymru a, lle y bo'n gymwys, yr archwilydd penodedig, yn drydydd partiön perthnasol. Dylid anfon unrhyw ymholiadau ynglŷn â datgelu neu aildefnyddio'r ddogfen hon at Swyddfa Archwilio Cymru ar infoofficer@wao.gov.uk.

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

Cynnwys

Mae'r Archwilydd Cyffredinol yn bwriadu cyhoeddi adroddiad archwilio diamed ar eich datganiadau ariannol. Mae rhai materion i'w dwyn i'ch sylw cyn iddynt gael eu cymeradwyo.

Adroddiad cryno

Cyflwyniad	4
Statws yr archwiliad	4
Adroddiad archwilio arfaethedig	4
Materion sylweddol sy'n deillio o'r archwiliad	5
Annibyniaeth a gwrthrychedd	6

Atodiadau

Llythyr Sylwadau Terfynol	7
Adroddiad archwilio arfaethedig yr Archwilydd Penodedig i Gydbwyllgor Gwastraff Gweddilliol Gogledd Cymru	10
Crynodeb o'r cywiriadau a wnaed i'r datganiadau ariannol drafft y dylid tynnu sylw Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru atynt	12

Adroddiad cryno

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 North Wales Regional Waste Joint Committee ar 31 Mawrth 2014 a'i incwm a'i wariant ar gyfer y flwyddyn a ddaeth i ben bryd hynny.
2. Nid ydym yn ceisio cael sicrwydd llwyr bod y datganiadau ariannol wedi'u datgan yn gywir, ond rydym yn mabwysiadu'r cysyniad o berthnasedd. 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.
3. Y symiau meintiol a ddefnyddiwn i farnu bod camddatganiadau o'r fath yn berthnasol i Gydbwyllgor Gwastraff Gweddilliol Gogledd Cymru yw £7,800. Gall materion ansoddol penodol megis gofynion cyfreithiol a rheoliadol a sensitifrwydd gwleidyddol hefyd bennu p'un a fernir bod eitem yn berthnasol ai peidio.
4. Mae Safon Archwilio Ryngwladol (ISA) 260 yn ei gwneud yn ofynnol i ni gofnodi rhai materion sy'n deillio o'r archwiliad o'r datganiadau ariannol i'r sawl sy'n gyfrifol am lywodraethu corff mewn da bryd i gymryd camau priodol.
5. Mae'r adroddiad hwn yn nodi, er mwyn eu hystyried, y materion hynny sy'n codi o'r archwiliad o ddatganiadau ariannol Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru, ar gyfer 2013-14, y mae angen cyflwyno adroddiad amynt o dan ISA 260.

Statws yr archwiliad

6. Gwnaethom dderbyn y datganiadau ariannol drafft ar gyfer y flwyddyn a ddaeth i ben 31 Mawrth ar 16 Mehefin 2014, cyn y terfyn amser y cytunwyd arno, sef 30 Mehefin 2014, ac rydym erbyn hyn wedi cwblhau'r gwaith archwilio fwy neu lai.
7. 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 Gary Ferguson, Rheolwr Cyllid Corfforaethol.

Adroddiad archwilio arfaethedig

8. Bwriad yr Archwilydd Penodedig yw cyhoeddi adroddiad archwilio diamod ar y datganiadau ariannol unwaith y byddwch wedi darparu Llythyr Sylwadau i ni yn seiliedig ar yr hyn a nodir yn [Atodiad 1](#).
9. Nodir yr adroddiad archwilio arfaethedig yn [Atodiad 2](#). Fodd bynnag, ni chaiff y farn a'r adroddiad archwilio eu cyhoeddi nes ar ôl diwedd y cyfnod archwilio gan y cyhoedd. Rhoddir mwy o fanylion am hyn ym mharagraffau 15 i 18.

Materion sylweddol sy'n deillio o'r archwiliad

Camddatganiadau nas cywirwyd

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

Camddatganiadau a gywirwyd

11. 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. Nodir y rhain, ynghyd ag esboniadau, yn [Atodiad 3](#).

Materion sylweddol eraill sy'n deillio o'r archwiliad

12. 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. Roedd rhai materion yn codi yn y meysydd hyn eleni:

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

13. Un o'r gofynion sylfaenol wrth baratoi cyfrifon yw y cyfrifir am incwm a gwariant sy'n ymwneud â chyfnod yn y cyfnod hwnnw heb ystyried a dalwyd neu a gafwyd yr arian mewn gwirionedd.
14. Rydym wedi canfod trafodion na chyfrifwyd amdanynt yn y cyfnod cywir. Er ein bod wedi ein bodloni fod y rhain wedi cael eu cywiro erbyn hyn, mae'n bwysig, wrth baratoi cyfrifon yn y dyfodol, y cymerir mwy o ofal i sicrhau bod gwasanaethau a gafwyd hyd at 31 Mawrth yn cael eu cronni yn y cyfnod cywir.

Mae un mater sy'n arwyddocaol i'r gwaith o oruchwyllo'r broses o gyflwyno adroddiadau ariannol y mae angen i ni eich hysbysu chi amdano

15. Mae Adrannau 29 a 30 o Ddeddf Archwilio Cyhoeddus (Cymru) 2004 (ac fel y rhagnodir ymhellach yn Rheoliadau Cyfrifon ac Archwilio 2005), yn ei gwneud yn ofynnol sicrhau bod y cyfrifon a dogfennau rhagnodedig eraill ar gael i'w harchwilio gan y cyhoedd.
16. O ran cyfrifon 2013-14, mae'r cyfnod archwilio gan y cyhoedd wedi'i bennu o 31 Gorffennaf 2014 i 28 Awst 2014, ac ar ôl hynny mae gan etholwr hawl i gwestiynu'r archwilydd neu gyflwyno gwrthwynebiad mewn perthynas â'r cyfrifon.
17. Fel arfer mae'r sawl sy'n gyfrifol am lywodraethu (y Cyd-bwyllgor yn yr achos hwn) yn cyfarfod i gymeradwyo'r cyfrifon ar ôl diwedd y cyfnod archwilio gan y cyhoedd a gellir tynnu sylw at unrhyw faterion a godwyd gyda'r archwilydd, sy'n berthnasol i'r farn

archwilio neu'r dystysgrif, yn ein hadroddiad ar yr archwiliad o'r datganiadau ariannol. Gan eich bod yn cyfarfod cyn y cyfnod archwilio, nid yw hynny'n wir.

- 18.** Felly er, ar hyn o bryd, fod yr Archwilydd Penodedig yn bwriadu, ym mis Medi, cyhoeddi barn archwilio ddiamod a chyhoeddi tystysgrif i gau'r archwiliad, pe bai etholwr yn codi unrhyw beth perthnasol i'r archwiliad, yna efallai bydd angen i'r Pwyllgor ailymgynnull (dim hwyrach na 30 Medi 2014) i ystyried y materion hynny ac unrhyw effaith bosibl ar adroddiad yr archwilydd.

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

- 19.** Nid oes unrhyw faterion eraill i'ch hysbysu amdanynt. Yn benodol:
- ni ddaethom ar draws unrhyw anawsterau sylweddol yn ystod yr archwiliad;
 - ni thrafodwyd ac ni hysbyswyd y rheolwyr am unrhyw faterion sylweddol y mae angen i ni eich hysbysu amdanynt;
 - ni nodwyd unrhyw wendidau perthnasol yn eich rheolaethau mewnol nad ydym wedi eich hysbysu amdanynt eisoes; ac
 - nid oes unrhyw faterion eraill y mae'n ofynnol iddynt, yn ôl safonau archwilio, gael eu cyfleu i'r sawl sy'n gyfrifol am lywodraethu.

Annibyniaeth a gwrthrychedd

- 20.** Fel rhan o'r broses derfynol, mae'n ofynnol i ni roi sylwadau i chi ynghylch ein hannibyniaeth.
- 21.** Rydym wedi cydymffurfio â safonau moesegol ac yn ein barn broffesiynol, rydym yn annibynnol ac ni chaiff ein gwrthrychedd ei beryglu. Nid oes unrhyw gydb berthnasau rhwng Swyddfa Archwilio Cymru a Chydbwyllgor Gwastraff Gweddilliol Gogledd Cymru sy'n effeithio ar ein gwrthrychedd a'n hannibyniaeth yn ein barn ni.

Atodiad 1

Llythyr Sylwadau Terfynol

Archwilydd Penodedig
Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd
CF11 9LJ
Xx Medi 2014

Sylwadau yn ymwneud â datganiadau ariannol 2013-14

Darperir y llythyr hwn mewn perthynas â'ch archwiliad o ddatganiadau ariannol (gan gynnwys y rhan honno o'r Adroddiad Cydnabyddiaeth a archwilir) Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru ar gyfer y flwyddyn a ddaeth i ben 31 Mawrth 2014 er mwyn mynegi barn ar ba mor wir a theg ydynt ac i ba raddau y maent wedi'u paratoi'n briodol.

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 benodol, 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.

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.
 - Ein gwybodaeth am unrhyw honiadau o dwyll, neu dwyll a amheuir, sy'n effeithio ar y datganiadau ariannol a roddwyd i ni gan gyflogeion, cyn-gyflogeion, rheoleiddwyr neu eraill.
 - Ein gwybodaeth 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 partiön 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 partiön 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 hawliadau y dylid ystyried eu heffeithiau wrth baratoi'r datganiadau ariannol i'r archwilydd, a chyfrifwyd amdanynt a'u datgelu yn unol â'r fframwaith cyflwyno adroddiadau ariannol perthnasol.

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 Gydbwyllgor 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 xx Medi 2014.

Rydym yn cadarnhau ein bod wedi cymryd yr holl gamau y dylem fod wedi'u cymryd i sicrhau ein bod yn ymwybodol o unrhyw wybodaeth archwilio berthnasol ac i sicrhau bod yr wybodaeth honno wedi'i throsglwyddo i chi. Rydym yn cadarnhau, hyd y gwyddom, nad oes unrhyw wybodaeth archwilio berthnasol nad ydych yn ymwybodol ohoni.

Llofnodwyd gan:

Gary Ferguson
Rheolwr Cyllid Corfforaethol

Dyddiad:

Llofnodwyd gan:

Cynghorydd
Cadeirydd

Dyddiad:

Atodiad 2

Adroddiad archwilio arfaethedig yr Archwilydd Penodedig i Gydbwyllgor Gwastraff Gweddilliol Gogledd Cymru

Adroddiad yr archwilydd annibynnol i Aelodau Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru

Rwyf wedi archwilio datganiadau cyfrifyddu a nodiadau cysylltiedig:

- Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru

am y flwyddyn a ddaeth i ben 31 Mawrth 2014 o dan Ddeddf Archwilio Cyhoeddus (Cymru) 2004.

Mae datganiadau cyfrifyddu Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru yn cynnwys y Datganiad Symud Cronfeydd wrth Gefn, y Datganiad Incwm a Gwariant Cynhwysfawr, y Fantolen a'r Datganiad Llif Arian Parod.

Y fframwaith adrodd ariannol a gymhwyswyd wrth eu paratoi yw'r gyfraith berthnasol a'r Cod Ymarfer ar Gyfrifyddu Awdurdodau Lleol yn y Deyrnas Unedig 2013-14 yn seiliedig ar y Safonau Adrodd Ariannol Rhyngwladol (IFRS).

Priod gyfrifoldebau'r swyddog ariannol cyfrifol a'r archwilydd annibynnol

Fel yr esbonnir yn fanylach yn y Datganiad o Gyfrifoldebau ar gyfer y Datganiad, mae'r swyddog ariannol cyfrifol yn gyfrifol am baratoi'r datganiad cyfrifon, sef datganiadau cyfrifyddu Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru, sy'n rhoi darlun cywir a theg.

Fy nghyfrifoldeb i yw archwilio'r datganiadau cyfrifyddu a'r nodiadau cysylltiedig yn unol â'r gyfraith berthnasol a'r Safonau Archwilio Rhyngwladol (y DU ac Iwerddon). Mae'r safonau hynny yn ei gwneud yn ofynnol i mi gydymffurfio â Safonau Moesegol y Bwrdd Arferion Archwilio ar gyfer Archwilwyr.

Cwmpas yr archwiliad o'r datganiadau cyfrifyddu

Cynhelir archwiliad er mwyn cael tystiolaeth am y symiau a'r datgeliadau yn y datganiadau cyfrifyddu a'r nodiadau cysylltiedig i roi sicrwydd rhesymol nad oes unrhyw gamddatganiadau perthnasol yn y datganiadau cyfrifyddu na'r nodiadau cysylltiedig, boed hynny drwy dwyll neu wall. Mae hyn yn cynnwys asesu'r canlynol: pa un a yw'r polisïau cyfrifyddu yn briodol i amgylchiadau Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru a pha un a ydynt wedi'u cymhwyso'n gyson a'u datgelu'n ddigonol; rhesymoldeb amcangyfrifon cyfrifyddu arwyddocaol a wnaed gan y swyddog ariannol cyfrifol a chyflwyniad cyffredinol y datganiadau cyfrifyddu a'r nodiadau cysylltiedig.

Yn ogystal, darllenaf yr holl wybodaeth ariannol ac anariannol yn y Rhagair Esboniadol er mwyn nodi anghysondebau perthnasol â'r datganiadau cyfrifyddu a'r nodiadau cysylltiedig archwiliedig ac er mwyn canfod unrhyw wybodaeth yr ymddengys ei bod yn anghywir mewn ffordd berthnasol ar sail y wybodaeth a gefais wrth gyflawni'r archwiliad, neu ei bod yn anghyson mewn ffordd berthnasol â'r wybodaeth honno. Os dof yn ymwybodol o unrhyw

gamddatganiadau neu anghysondebau perthnasol amlwg, ystyriaf y goblygiadau i'm hadroddiad.

Barn ar ddatganiadau cyfrifyddu Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru

Yn fy marn i mae'r datganiadau cyfrifyddu a'r nodiadau cysylltiedig:

- yn rhoi darlun cywir a theg o sefyllfa ariannol Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru ar 31 Mawrth 2014 ac o'i incwm a'i wariant am y flwyddyn a ddaeth i ben bryd hynny; ac
- wedi'u paratoi'n briodol yn unol â'r Cod Ymarfer ar Gyfrifyddu Awdurdodau Lleol yn y Deyrnas Unedig 2013-14.

Barn ar faterion eraill

Yn fy marn i, mae'r wybodaeth a gynhwysir yn y Rhagair Esboniadol ar gyfer y flwyddyn ariannol y paratowyd y datganiadau cyfrifyddu a'r nodiadau cysylltiedig ar ei chyfer yn gyson â'r datganiadau cyfrifyddu a'r nodiadau cysylltiedig.

Materion y cyflwynaf adroddiad arnynt drwy eithriad

Nid oes gennyf unrhyw beth i gyflwyno adroddiad arno o ran y Datganiad Llywodraethu y cyflwynaf adroddiad i chi yn ei gylch os na fydd, yn fy marn i, yn adlewyrchu cydymffurfiaeth â 'Delivering Good Governance in Local Government: Framework' a gyhoeddwyd gan CIPFA/SOLACE ym mis Mehefin 2007, neu os yw'r datganiad yn gamarweiniol neu'n anghyson â gwybodaeth arall yr wyf yn ymwybodol ohoni o'm harchwiliad.

Tystysgrif cwblhau'r archwiliad

Ar dystiaf fy mod wedi cwblhau'r archwiliad o gyfrifon Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru yn unol â gofynion Deddf Archwilio Cyhoeddus (Cymru) 2004 a'r Cod Ymarfer Archwilio a gyhoeddwyd gan Archwilydd Cyffredinol Cymru.

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

xx Medi 2014

Atodiad 3

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.

Gwerth y cywiriad	Natur y cywiriad	Rheswm dros y cywiriad
£5,370	Ffioedd Cyfreithiol Proffesiynol wedi'u tangronni	Er mwyn adlewyrchu'n gywir costau yn ymwneud â blwyddyn ariannol 2013-14.
£1,856	Ffioedd Archwilio allanol wedi'u tangronni	Er mwyn adlewyrchu'n gywir costau yn ymwneud â blwyddyn ariannol 2013-14.
Diwygio'r naratif	Ychwanegwyd gwybodaeth ychwanegol i'r Rhagair i adlewyrchu'r gymhariaeth rhwng y gwariant ac incwm wedi'u cyllidebu a'r alldro gwirioneddol.	Er mwyn cynorthwyo'r sawl sy'n darllen y cyfrifon.
Diwygio'r naratif	Geiriad ychwanegol i Nodyn 5 Cydnabyddiaeth Swyddogion i'w gwneud yn glir mai dim ond am ran o'r flwyddyn yr oedd Cyfarwyddwr y Prosiect yn ei swydd.	Er mwyn cynorthwyo'r sawl sy'n darllen y cyfrifon.

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@wao.gov.uk

Website: www.wao.gov.uk

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
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Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

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Gwefan: www.wao.gov.uk



APPENDIX C

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

Date September 2014

Representations regarding the 2013-14 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of North Wales Residual Waste Joint Committee for the year ended 31 March 2014 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:



NWRWTP

North Wales Residual Waste Treatment Project

- 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.



NWRWTP

North Wales Residual Waste Treatment Project

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 31st July 2014.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:
Gary Ferguson
Corporate Finance Manager
Date: September 2014

Signed by:
Chair of North Wales Residual Waste
Joint Committee
Date: September 2014



NWRWTP

North Wales Residual Waste Treatment Project

AGENDA ITEM NO: 7.4

REPORT TO: **NWRWTP JOINT COMMITTEE**

DATE: **31 JULY 2014**

REPORT BY: **HEAD OF FINANCE (FCC) AND HEAD OF LEGAL & DEMOCRATIC SERVICES (FCC)**

SUBJECT: **ANNUAL GOVERNANCE STATEMENT**

1.00 PURPOSE OF REPORT

1.01 For the Joint Committee to review and approve the annual governance statement for the project for the year 2013/14.

2.00 BACKGROUND

2.01 For each financial year the project is required to produce an annual governance statement (AGS) as part of its final accounts. This statement explains the governance framework in operation throughout the year and how it has been reviewed to ensure it is effective.

2.02 The AGS is published as part of the annual statement of accounts. However, it is an important document detailing the Project's corporate governance arrangements and it is best practice for it to be reviewed and approved as a discreet agenda item.

2.03 The AGS has been prepared by the FCC Internal Audit Manager and Corporate Solicitor in compliance with "Delivering Good Governance in Local Government: A Framework" published jointly by CIPFA and SOLACE. It was then submitted to the Chief Executive, Section 151 Officer and Monitoring Officer of the lead council for their observations. It was considered by the Project Board in their meeting on 13th June. The final version after approval by the Joint Committee will be submitted to the Chief Executive of the lead council and the Chair of the Joint Committee for signing.

2.04 The AGS will be considered by the Wales Audit Office who have to report if it does not reflect compliance with the guidance in "Delivering Good Governance in Local Government: A Framework".

3.00 CONSIDERATIONS

3.01 In accordance with the guidance the governance statement is divided into five sections namely:-



NWRWTP

North Wales Residual Waste Treatment Project

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

3.02 During 2013/14 the main governance issue was the completion of the procurement phase with a single bidder. This was managed by the Joint Committee, the Project Board and officers of the lead council. All participating councils approved the appointment of the Preferred Bidder and the draft Inter Authority Agreement covering the partnership through the operational phase of the project with the intention to award the contract in the summer of 2014.

3.03 Joint Committee members are requested to consider

1. Whether the statement accurately reflects the governance framework in place in the Project
2. Whether they are satisfied with the overall review of effectiveness, and
3. Whether they agree that there are no significant governance issues facing the project

4.00 RECOMMENDATIONS

4.01 That the Joint Committee considers the draft AGS and provides any comments or amendments before it is finalised.

5.00 FINANCIAL IMPLICATIONS

5.01 None as a result of this report.

6.00 ANTI POVERTY IMPACT

6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a result of this report.



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North Wales Residual Waste Treatment Project

10.00 CONSULTATION REQUIRED

10.01 None as a result of this report.

11.00 CONSULTATION UNDERTAKEN

11.01 None as a result of this report.

12.00 APPENDICES

Appendix A – Annual Governance Statement

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

Contact Officer: David Webster
Telephone: 01352 702248
Email: david.webster@flintshire.gov.uk

ANNUAL GOVERNANCE STATEMENT

for the year ended 31st March 2014

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

The governance framework has been in place at the North Wales Residual Waste Treatment Project for the year ended 31st March 2014 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 facility. 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 the 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 first Inter-Authority Agreement are available by contacting Flintshire County Council's Head of Legal and Democratic Services.

During the last year, the contents and the core set of principles of the second Inter Authority Agreement (IAA2) have been progressed at several meetings of the legal, technical and financial officers from all five authorities.

ANNUAL GOVERNANCE STATEMENT

The governance arrangements in the IAA2 very much mirror those in the 1st Inter Authority Agreement. The constitutional and governance arrangements of the IAA2 are intended to reflect those of the first IAA:- that the Project Board and Joint Committee decisions are to be by majority vote and the matters reserved to the individual Councils are to be unanimous decision; the quorum for the Project Board would be a senior officer from each participating Council in person (or if in an emergency by telephone) and for the Joint Committee, the quorum would be attendance by one member (voting or non-voting member) from each participating Council. The new agreement develops those principles as they will apply to the construction, operation and decommissioning phases of the project and so make appropriate arrangements for such matters as partner councils making contributions to Flintshire County Council so that it may make contract payments, what will happen to the facility at the end of the contract etc.

Project Structure

Section 6 of the first 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 Reserved 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 first Inter-Authority Agreement. The second Inter Authority Agreement will similarly lay out the remit for each of the decision making bodies.

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 first Inter-Authority Agreement.

The Project Board has responsibility for managing the progress and implementation of the Project including identifying all project activities necessary to be carried out and instructing the internal and external financial, legal, procurement and technical advisors. It monitors the Project to ensure that it remains within budget and deploys those resources in line with those functions. The Project Board also has responsibility for risk management for the project, which it carries out through a best practice Risk Register that is reported to the Project Board at each meeting.

External Advisors

External legal, technical and financial advisors are required for large and complex project's such as the NWRWTP, and have played a crucial role in advising the partnership through the procurement process, including areas such as scrutiny and evaluation of bids received, advice on markets norms, risk positions and negotiations with the bidders.

ANNUAL GOVERNANCE STATEMENT

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 first 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.

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

ANNUAL GOVERNANCE STATEMENT

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. Following an internal restructure within FCC from 1st June 2014 this role will be undertaken by the Corporate Finance Manager.

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 first 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. There is a section within the first 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.

The second Inter-Authority Agreement sets out the financial responsibilities and liabilities of the authorities, reflecting where appropriate those contained in the project agreement.

Budget Monitoring

In both Inter Authority Agreements 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.

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. It is anticipated that the Final Business Case will be submitted in early June 2014.

ANNUAL GOVERNANCE STATEMENT

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.

Welsh Government

As well as the gateway reviews noted above, the partnership has maintained a close relationship with the WG throughout the project’s life, both through the project’s transactor who acts as a communication bridge between WG and the partnership, and also directly at a senior level as and when required.

Communications

Communicating, consulting and engaging with the public and stakeholders are key aspects 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.

The communications strategy (both within and outside the partnership structure) has been led by the Lead Chief Executive with the Project Board and Joint Committee support and approval where necessary. This reflects the location of the site within the lead authority’s boundaries.

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.

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.

ANNUAL GOVERNANCE STATEMENT

Internal Audit

Flintshire County Council's Internal Audit service is provided in accordance with the Public Sector Internal Audit Standards (PSIAS) and in accordance with the CIPFA Statement on the Role of the Head of Internal Audit. The Standards state that Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal Audit 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 PSIAS 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 by 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.

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.

ANNUAL GOVERNANCE STATEMENT

Member Review and Approval

During the year the project moved to the appointment of the Preferred Bidder. This appointment, the contents and the core set of principles to be included in the IAA2 have all been agreed through a programme of approvals at Project Board (16th January 2014), the Joint Committee (29th January 2014) and each Individual Council in February/March 2014. There is some fine tuning now being conducted by all of the legal, technical and financial officer groups to finalise the IAA2, which will then be disseminated to all Authorities for a final check prior to financial close of the procurement process, followed by approval by the Chief Executive under delegated authority.

Welsh Government Review

During the year the main governance issue was the need to complete the procurement phase with a single bidder. This was managed by the Joint Committee, the Project Board and officers of the lead council.

WG gave approval to proceed with one bidder with acceptances received from the Joint Committee that the contract represented value for money.

The latest WG Gateway review was conducted in November 2013 with an approval being given to close dialogue at that stage.

Internal Audit Review

During the year Internal Audit tracked the implementation of recommendations from the overall governance review completed in the previous year, which had concluded that an effective governance framework was in place.

As the project moved towards the completion of the procurement phase governance was monitored by attendance at Project Board and Joint Committee meetings. This showed that the high standards of governance were maintained throughout the year.

Member Training

The project has 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 this direct engagement with Members across the Councils leading up to the implementation of the second IAA.

Flintshire County Council's Internal Audit

The department undertook an internal self-assessment against the PSIAS guidelines for Internal Audit in Local Government and found that it generally conforms with the standards.

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.

Flintshire County Council's Audit Committee

Members completed a self-assessment against CIPFA Audit Committees – Practical Guidance for Local Authorities and Police in early 2014. The results showed that the Committee is effective in complying with the guidance.

ANNUAL GOVERNANCE STATEMENT

5. SIGNIFICANT GOVERNANCE ISSUES

The governance of the project is very clearly set out in 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



NWRWTP

North Wales Residual Waste Treatment Project

EITEM AGENDA RHIF: 8.1

ADRODDIAD I: CYD-BWYLLGOR PTGGGC

DATE: 31^{eg} GORFFENNAF 2014

ADRODDIAD GAN: RHEOLWR PROSIECT

TESTUN: 2il Gytundeb Rhyng Awdurdod

1. PWRPAS YR ADRODDIAD

- 1.1 I ddiweddarau'r Cyd-Bwyllgor ar y cynnydd mewn trafodaethau ar gwblhau'r ail Gytundeb Rhyng Awdurdod (IAA2).

2. CEFNDIR

- 2.1 Cytunwyd ar yr IAA2 drafft a set o egwyddorion craidd i'w cynnwys yn y Bwrdd Prosiect ar 16 Ionawr 2014, ac yn dilyn hynny cawsant eu hargymell i'w cymeradwyo gan y Cydbwyllgor ar 29 Ionawr 2014. Yna cymeradwyodd yr holl awdurdodau partner yr IAA2 drafft a'r egwyddorion craidd yn ystod mis Chwefror/ Mawrth 2014
- 2.2 Ers y broses gymeradwyo, mae swyddogion cyfreithiol, technegol ac ariannol wedi cyfarfod ar nifer o achlysuron i weithio drwy fanylion yr IAA2, a chafodd drafft datblygedig ei rannu gyda'r Bwrdd Prosiect ym mis Mehefin 2014.
- 2.3 Mae'n rhaid i'r IAA2 gael ei lofnodi cyn cyrraedd y cau ariannol gyda Wheelabrator (WTI), felly mae'n rhaid i'r cytundeb gael ei gymeradwyo a'i lofnodi gan yr holl awdurdodau partner cyn gynted a phosib.

3. YSTYRIAETHAU

- 3.1 Fel y nodwyd yn 2.2 uchod, mae'r IAA2 wedi bod yn destun adborth manwl gan swyddogion cyfreithiol, technegol ac ariannol, yn ogystal a'r Bwrdd Prosiect ac mae bellach ar gam lle mae'n ofynnol iddo gael ei ddiweddu a'i arwyddo gan yr awdurdodau partner.
- 3.2 Ers i'r drafft a rhanwyd gyda'r Cyd-Bwyllgor a'r awdurdodau partner yn ystod Ionawr i Fawrth 2014 nid oes unrhyw newidiadau perthnasol wedi'i gwneud i'r cytundeb. Mae'r gwaith a'r trafodaethau wedi bod yn berthnasol i'r materion canlynol:-



NWRWTP

North Wales Residual Waste Treatment Project

- 3.2.1 Datblygu a chytuno'r manylion o'r mecanwaith o'r taliadau i wneud rhwng yr awdurdodau, gan sicrhau bod yr Awdurdod Arweiniol yn cael gadw'n gyfan yn ariannol (gan ei fod yn gyfrifol am wneud taliadau i'r contractwr). Mae mecanwaith taliadau yma wedi'i drafod yn fanwl a'i gytuno gyda'r Swyddogion Ariannol.
- 3.2.2 Sicrhau cysondeb diffiniadau a drafftio trwy'r ddogfen.
- 3.2.3 Sicrhau bod y ddogfen yn adlynu i'r egwyddorion a chytunwyd gan yr awdurdodau partner.
- 3.2.4 Cytuno ar adolygiad canol term (dim pellach na 15 mlynedd i'r bywyd gweithredol y cytundeb) i gysidro:-
- Bywyd gweithredol y cytundeb (os i wneud defnydd o'r opsiwn i estynu bywyd gweithredol y cytundeb gyda WTIhyd at 5 mlynedd fel a nodwyd yn y cytundeb);
 - Opsiynau tu hwnt i chytundeb WTI (e.e. ydy'r awdurdodau eisiau aros mewn partneriaeth ac ail- gaffael cytundeb newydd i redeg y cyfleuster ar ol cytundeb WTI);
 - Cytuno ar sut i rheoli a rhannu unrhyw gwerth gweddliol o'r adeiladau a'r offer sy'n berthnasol i rhedeg y cyfleuster ar ddiwedd y cytundeb. Er osgoi unrhyw amheuaeth, mae'r gwerth gweddliol yn cyfeirio at yr adeiladau a asedau arall yn unig, nid y safle ei hun (mae hwn wedi'i ddelio o fewn cymalau arall yn yr IAA2).

4. ARGYMHELLION

- 4.1 Nodi'r adroddiad a'i gynnwys.
- 4.2. Yn dilyn diwedd gan yr Prif Weithredwr Arweiniol, i'r awdurdodau partner arwyddo'r IAA2.

5. GOBLYGIADAU ARIANNOL

- 5.1 Mae yna oblygiadau ariannol a risg i bob un o'r pum awdurdod cyfansoddol o ganlyniad i ymrwmo i Gytundeb. Crynhoir y rhain yn yr adroddiad hwn ac adroddiadau atodol.

6. EFFAITH GWRTH DLODI

- 6.1 Dim

7. EFFAITH AMGYLCHEDDOL



NWRWTP

North Wales Residual Waste Treatment Project

7.1 Dim

8. EFFAITH CYDRADDOLDEB

8.1 Dim

9. GOBLYGIADAU PERSONÉL

9.1 Dim

10. ANGEN YMGYNGHORIAD

10.1 Dim

11. YMGYNGHORIAD WEDI'I GYNNAL

11.1 Cafwyd nifer o gyfarfodydd o'r Grŵp Swyddogion Technegol , Grŵp Swyddogion Cyllid, a Grŵp Swyddogion Cyfreithiol a'r Bwrdd Prosiect i ddiwedd drafft yr IAA2.

DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985

Dogfennau Cefndir:

Dim

Swyddog Cyswllt: Louise Pedreschi (CSFf)
Gareth Owens (CSFf)
Steffan Owen (PTGGGC)



Atodiad 1 – egwyddorion craidd fel y'u cymeradwywyd

	Mater	Cytundeb yn y Bwrdd Prosiect
1.	1. Cytundeb cyffredinol ar rannu costau.	<p>a) Pan fo unrhyw gostau yn berthnasol i gyfnod pan fydd y cyfleuster yn weithredol, eu bod yn cael eu rhannu pro rata yn ôl y tunelledd a gyflenwir (h.y. gwirioneddol, nid yr hyn a ragwelwyd) a</p> <p>b) Mewn unrhyw sefyllfa arall mae'r costau i gael eu rhannu'n gyfartal rhwng y cyngorau.</p> <p>Gweler 3 isod ar ôl i'r safle fod yn weithredol a'i fod yn cael ei ddirwyn i ben.</p>
2.	Beth fydd yn digwydd i'r safle pan derfynir contract yn gynnar?	<p>Mae'r egwyddor rhannu costau uchod i'w ddefnyddio gydag unrhyw daliadau a rhwymedigaethau terfynu'n gynnar.</p> <p>O ran safle'r cyfleuster:</p> <p>a) Petai'r cyfleuster wedi ei adeiladu ac yn dal i fod â'r potensial i gael ei ddefnyddio, yna dylai fod ar gael i'r Bartneriaeth am dymor y Cytundeb Prosiect arfaethedig. Y rhesymeg ar gyfer hyn yw y byddai'r Bartneriaeth gyfan, ar derfyniad cynnar, wedi buddsoddi yng ngwariant cyfalaf a gwariant gweithredu a gafwyd hyd at y dyddiad terfynu. Petai Sir y Fflint yn unig yn cael y fantais o "gyfleuster yn gweithio", yna byddai hyn yn annheg a byddai rhaid cael rhywfaint o arian ganddynt i wneud iawn am unrhyw brisiad o'r cyfleuster, a fyddai'n debygol o fod yn gosbol i'w gwrrdd.</p> <p>b) Petai'r cyfleuster heb gael ei adeiladu h.y. oherwydd methiant cynllunio, yna ni fyddai unrhyw rwymedigaeth i glymu'r safle i'r prosiect.</p> <p>c) Petai'r cyfleuster wedi cael ei adeiladu, ond nid yn weithredol neu gyda gwerth negyddol (h.y. ar ail-dendro ar gyfer sefyllfa diffyg y Contractwr) yna dylai pob Cyngor gyfrannu/ rhannu unrhyw atebolrwydd o'r fath fel costau dadgomisiynu neu fel arall rannu unrhyw gostau ychwanegol o wneud y cyfleuster yn weithredol am oes y Cytundeb Prosiect.</p>



NWRWTP

North Wales Residual Waste Treatment Project

3.	Costau dadgomisiynu.	<p>Mae'r rhain i'w rhannu'n gyfartal ar ôl iddo ddod i ben. Fodd bynnag, petai Sir y Fflint yn dewis parhau i ddefnyddio'r cyfleuster ei hun, byddai'n cymryd arno hun y rhwymedigaeth dadgomisiynu yn llawn. Mae cyfran o'r costau hyn i gael eu cynnwys mewn unrhyw adroddiad atebolrwydd ar gyfer y Cyngor yn tynnu'n ôl neu'n cael ei derfynu yn gynnar.</p> <p>I ddiben cyfeirio, mae'r amcangyfrifon presennol a ddarparwyd gan AMEC yn awgrymu y gallai dadgomisiynu gostio tua £1.1 miliwn (gyda 10% wrth gefn i gael ei adeiladu i mewn) a gallai gymryd hyd at 6 i 12 mis i ddelio â gofynion Cynllunio ac EIA, a 12 i 18 mis posibl arall ar gyfer y dadgomisiynu ei hun (yn amodol ar unrhyw gymhlethdodau a allai godi).</p>
4.	Costau Rheoli Contract	Mae'r rhain i'w rhannu'n gyfartal hyd at weithrediad y Cyfleuster a pro rata fesul tunelledd a gyflenwir wedyn yn unol â'r egwyddor rhannu costau cyffredinol.
5.	Cronfa Budd Gymunedol	Mae pob un o'r 5 Cyngor i dalu i mewn iddi, ar sail pro rata fesul tunelledd a gyflenwir.
6.	Colli cyllid Llywodraeth Cymru	Bydd unrhyw golled o gyllid nad yw'r Contractwr yn gyfrifol amdani yn cael ei rhannu a'i thalu gan y Cyngorau pro rata yn seiliedig ar y tunelli a gyflenwir.
7.	Adeiladu Gorsaf Trosglwyddo Gwastraff newydd (os oes angen)	Hwn i'w rannu'n gyfartal fel gwariant cyfalaf. Mae'r llain o dir a gyflenwir yn dychwelyd i'r awdurdod sy'n ei roi os yw'n eiddo iddynt, neu os yr ariennir gan y bartneriaeth, yna byddai'r cyngorau ar y cyd yn penderfynu beth sy'n digwydd i'r cyfleuster hwnnw ar ddiwedd tymor y contract a sut mae ei elw/ asedau i gael eu dosbarthu.
8.	Gwneud penderfyniadau	Mae'r holl benderfyniadau sydd i'w gwneud gan y Bwrdd Prosiect a'r Cydbwyllgor i fod drwy bleidlais mwyafrif gydag unrhyw faterion sy'n cael eu cadw ar gyfer Cyngorau Unigol i gael eu gwneud yn unfrydol gan bob Cyngor (ac eithrio pan fydd un Cyngor wedi diffygio, ac yn yr achos hwnnw dim ond y pedwar nad ydynt wedi diffygio fyddai'n gorfod gwneud unrhyw benderfyniad yn unfrydol h.y. i derfynu'r Cyngor sydd wedi diffygio).



NWRWTP

North Wales Residual Waste Treatment Project

9.	Ymestyn Cytundeb Prosiect	y Mae hwn i fod yn fater y mae'n rhaid i bob un o'r pum cyngor gytuno arno (heb ganiatáu i unrhyw Gyngor dynnu'n ôl) ac os na all y penderfyniad fod yn unfrydol, yna gall unrhyw Gyngor/Cynghorau sydd yn dymuno parhau i ddefnyddio'r cyfleuster gytuno i wneud hynny y tu allan i'r Cytundeb Prosiect. Gallai'r cynghorau hynny benderfynu i gytuno ar gaffael newydd ymysg ei gilydd.
10.	Rhannu Costau yn ystod gweithrediad (trin gwastraff, cludiant / trafndiaeth a "thaliadau dros ben")	<p>a) Pob awdurdod yn cael ei rwymo gan ei Isafswm Tunelledd Gwarantedig ei hun, ac mae'r bandiau prisiau fel a godir gan y contractwr.</p> <p>b) Bydd taliadau i'r contractwr ar gyfer trin a chludo gwastraff yn cael ei seilio ar y tunelledd gwirioneddol a gyflenwir yn amodol ar nad yw'n fwy na'r tunelledd rhagamcanedig.</p> <p>c) Os yw'r tunelledd a gyflenwir gan awdurdod yn fwy na'r tunelleddau a ragwelwyd, yr awdurdod hwnnw sy'n cyflenwi'r tunelledd dros ben fydd yn unigol gyfrifol am y costau sy'n gysylltiedig â thrin a chludo tunelledd o'r fath.</p> <p>d) Os yw'r tunelleddau yn is na'r lleiafswm tunelledd gwarantedig, bydd y lleiafswm tunelledd gwarantedig fel sy'n berthnasol i bob awdurdod yn cael ei ystyried i fod y tunelledd a gyflenwyd gan yr awdurdod perthnasol.</p> <p>e) Os yw'r tunelledd a gyflenwir yn is na'r lleiafswm tunelledd gwarantedig, bydd yr awdurdod nad yw'n bodloni ei ofynion yn talu ar sail y lleiafswm tunelledd gwarantedig a bydd hyn yn arwain at 'daliad gormodol', i gael ei reoli yn unol â pharagraff 12. a) isod.</p>



11.	Cost rheoli gwastraff cyn ei gludo a'i drin (e.e. gorsafodded trosglwyddo gwastraff)	<p>a) Pan fo LIC yn darparu grant ar gyfer yr elfen hon, byddai pob awdurdod yn gyfrifol am eu costau gweithredu gorsaf drosglwyddo eu hunain, heb hawl ar awdurdodau eraill;</p> <p>b) Pan fo LIC yn darparu grant ar gyfer yr elfen hon, bydd pob awdurdod partner yn talu i mewn i'r Bartneriaeth swm a gytunwyd fesul tunnell am y gwastraff sy'n cael ei reoli o fewn pob ardal awdurdod, a phob awdurdod partner yn derbyn cyfran deg o'r taliad yn ôl, gydag ychwanegiad Grant Llywodraeth Cymru. Bydd y swm a delir "i mewn" i'r bartneriaeth fesul tunnell yn swm a gytunwyd rhwng yr awdurdodau partner (y man cychwyn ar gyfer y drafodaeth fyddai'r gyfradd a nodwyd gan yr ymarfer profi'r farchnad/caffael am orsaf drosglwyddo Conwy arfaethedig; bydd hyn yn sicrhau bod y swm yn seiliedig ar gyfradd y farchnad).</p>
12.	Rhannu Budd	<p>a) Byddai defnyddio terfynau tunelledd lefel contract cyffredinol ar lefel awdurdod yn medru arwain at ordaliad cyffredinol gan yr awdurdodau mewn cyfanswm o gymharu â'r taliad i'r contractwr, a bydd y fath ordaliad yn cael ei alw'n "daliadau gormodol" ond mewn gwirionedd mae'n codi o ganlyniad i'r buddiannau o fod mewn partneriaeth. Dylai'r fath "daliadau gormodol" gael eu rhoi mewn cronfa wrth gefn i gael eu defnyddio i ariannu costau'r prosiect, neu gael eu rhannu ar sail gyfnodol neu ar ddiwedd y prosiect gan ddefnyddio'r canrannau a ddefnyddir i ddyrannu'r bandiau tunelledd. Bydd hyn yn cael ei weinyddu gan y Cydbwyllgor yn ôl ei ddisgresiwn.</p> <p>b) Bydd y Taliadau Gormodol yn cael ei hadolygu ar ôl blwyddyn gyntaf y contract i gymryd i ystyriaeth y tebygolrwydd o symiau a allai fod yn cronni'n rheolaidd ar sail flynyddol..</p> <p>c) Ymdrin ag incwm ychwanegol ac enillion ar hap: - mae gan y prosiect y potensial i gyflawni mwy o incwm 3ydd parti, uwchlaw'r hyn a gaiff ei warantu gan y contractwr. Mae enghreifftiau yn cynnwys trydan ac incwm gwastraff 3ydd parti. Gallai hefyd fod amgylchiadau lle mae taliadau ar hap hefyd yn codi (er enghraifft, os oes cymorthdaliadau trydan neu gynhyrchu gwres na ragwelir ar hyn o bryd sydd wedyn yn dod i fodolaeth). Bydd y fath incwm yn cael ei rannu pro rata yn ôl y tunelledd a gyflenwir.</p>



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North Wales Residual Waste Treatment Project

13.	Y gallu i "fasnachu" dyraniadau tunelledd.	Bydd y prosiect yn weithredol am 25 mlynedd, ac yn ystod y cyfnod hwn, mae'n debygol y bydd cyfran y gwastraff sy'n deillio yn newid rhwng awdurdodau lleol yn ystod y cyfnod y prosiect. Mae'r IAA2 i gynnwys dull i sicrhau rhywfaint o hyblygrwydd er mwyn caniatáu ailaddasu ar y bandiau tunelledd i adlewyrchu'n agosach unrhyw newidiadau yn y cyfrannau o sgil-gynhyrchion gwastraff rhwng awdurdodau
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