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CYNGOR SIR  
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ISLE OF ANGLESEY  
COUNTY COUNCIL

Mr Richard Parry Jones, MA.  
Prif Weithredwr/Chief Executive

CYNGOR SIR YNYS MÔN  
ISLE OF ANGLESEY COUNTY COUNCIL  
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RHYBUDD O GYFARFOD	NOTICE OF MEETING
CYD-BWYLLGOR ANGHENION ADDYSGOL ARBENNIG (MÔN A GWYNEDD)	SPECIAL EDUCATIONAL NEEDS JOINT COMMITTEE (ANGLESEY & GWYNEDD)
DYDD GWENER, 20 MEDI, 2013 am 10:30 y bore	FRIDAY, 20 SEPTEMBER, 2013 at 10.30 a.m.
YSTAFELL BWYLLGOR 1, SWYDDFEYDD Y CYNGOR, LLANGFNI	COMMITTEE ROOM 1, COUNCIL OFFICES, LLANGFNI
Swyddog Pwyllgor	Ann Holmes 01248 752518 Committee Officer

## **MEMBERS**

Cynghorwyr/Councillors:

## **CYNGOR GWYNEDD COUNCIL**

Annwen Hughes, Elin Walker Jones, Beth Lawton, Peter Read, Caerwyn Roberts (*Is-Gadeirydd/Vice-Chair*), Gareth Thomas, Eirwyn Williams

## **CYNGOR SIR YNYS MÔN/ISLE OF ANGLESEY COUNTY COUNCIL**

Jeff Evans, Derlwyn R. Hughes, Trefor Lloyd Hughes, Llinos M. Huws, G.O. Jones (*Cadeirydd/Chair*), R. Meirion Jones, R. Llewelyn Jones

## **YR EGLWYS/THE CHURCH**

Y Parch./Rev. Lloyd Jones (Yr Eglwys yng Nghymru/The Church in Wales)  
Gwag/Vacant (Yr Eglwys Babyddol Rufeinig/The Roman Catholic Church)  
Mr Rheinallt Thomas (Eglwysi Rhyddion/Free Churches)

## **AELOD DI-BLEIDLAIS/NON-VOTING MEMBER**

Cynghorydd/Councillor Ieuan Williams (Aelod Portffolio Addysg Ynys Môn/Isle of Anglesey Portfolio Member for Education)

## AGENDA

### **1 DECLARATION OF INTEREST**

To receive any declaration of interest by any Member or Officer in respect of any item of business.

### **2 MINUTES OF THE 5TH JULY, 2013 MEETING (Pages 1 - 8)**

The minutes of the previous meeting of the Joint-Committee held on 5<sup>th</sup> July, 2013 to be presented for confirmation.

### **3 THE FIVE STEPS TO ESTABLISHING A SOUND PROCEDURE FOR CARE, SUPPORT AND GUIDANCE**

The Headteacher of Ysgol Glancegin, Bangor will give a presentation on the subject of the five steps to establishing a sound procedure for Care, Support and Guidance.

### **4 JOINT-COMMITTEE'S FINAL ACCOUNTS AND ANNUAL GOVERNANCE STATEMENT 2012/13 (Pages 9 - 46)**

- To present the Joint-Committee's final accounts and Annual Governance Statement for 2012/13.
- To present the External Auditor's report on the audit of the Financial Statements 2012/13.

### **5 NEXT SCHEDULED MEETING OF THE JOINT-COMMITTEE**

Friday, 22 November, 2013 at 10:30 a.m. in Llangefni.

## Special Educational Needs Joint Committee

### Minutes of the meeting held on 5 July 2013

**PRESENT:** Councillor G.O.Jones (Isle of Anglesey County Council) (Chair)

#### **Gwynedd Council**

Councillors Beth Lawton, Gareth Thomas, Eirwyn Williams

#### **Isle of Anglesey County Council**

Councillors Jeffrey M.Evans, T LI Hughes, D R Hughes, R LI Jones, G O Jones, R.Meirion Jones and Llinos Medi Huws

Councillor Ieuan Williams (Isle of Anglesey County Council Portfolio Member for Education) (Non-Voting Member)

#### **The Church**

Mr Rheinallt Thomas (Free Churches)

**IN ATTENDANCE:** Mr Gareth Payne, Principal Educational Psychologist  
Mr Dewi Jones (Gwynedd Council Head of Education)  
Dr Gwynne Jones (Isle of Anglesey County Council Director of Lifelong Learning)  
Mr Dafydd Edwards (Gwynedd Council Head of Finance) (for item 6)  
Mr William E.Jones (Gwynedd Council Senior Finance Manager) (for item 6)  
Mrs Kathy Bell (Gwynedd Council Senior Education Accountant)  
Ann Holmes (Committee Officer)

**APOLOGIES:** Councillors Annwen Hughes, Elin Walker Jones, Caerwyn Roberts (Vice-Chair), Mrs Mair Read (Anglesey SEN Officer), Mrs Delyth Molyneux (Gwynedd Council Schools and Inclusion Manager), Mr Gwilym Elis Jones (Cynnal Chief Executive)

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## **1 CHAIRMAN**

*It was noted that the Chairperson until May, 2013 had been elected for a period of two years [in accordance with the Joint-Committee's Constitution] from among the Isle of Anglesey County Council's elected representatives on the Joint-Committee. The Vice-Chairperson was elected at the same time from among the elected representatives of Gwynedd Council on the Joint-Committee. The Constitution states that a member of one authority shall be appointed Chairperson and a member of the other authority Vice-Chairperson and vice versa the following term.*

Councillor Gwilym O. Jones was selected Chairman of the Joint Committee for the forthcoming year. Councillor Jones thanked his fellow members for their confidence in him and he extended a warm welcome to all members and officers present. He thanked his predecessor in the Chair, former Councillor Dylan Jones of Anglesey County Council for his service as Chair.

## **2 DECLARATION OF INTEREST**

No declaration of interest was received.

### **3 THE SPECIAL EDUCATIONAL NEEDS JOINT COMMITTEE – PRESENTATION FOR NEW MEMBERS**

Mr. Gareth Payne, Principal Educational Psychologist gave a presentation to the Members and specifically to those Members who were new to the Joint Committee's work regarding its functions, the work of the Special Educational Needs Provider Unit and the role of Joint Committee's Members in holding the Provider Unit to account. In his presentation the Principal Educational Psychologist referred to the matters noted below –

- The background to establishing the Joint Committee in 1996 and how its administration has been shared between Gwynedd and Anglesey.
- The main duties of both Councils in the field of Special Educational Needs –
  - Developing and implementing an inclusive SEN strategy
  - Planning provision to meet the needs of pupils who have SEN in mainstream schools or where appropriate and when parents so wish, in special schools.
  - Having regard to the SEN Code of Practice for Wales 2002.
  - Ensuring that special educational needs are identified and assessed at an early stage so that the pupil receives suitable early intervention.
  - Managing the statutory assessment procedure, and producing and monitoring statements.
- The services of the Provider Unit including the Education Psychology Service, Specialist Teachers and the Administrative Department which manage the assessment procedure and provide data.
- That arrangements are implemented through a Service Level Agreement and the day to day operational contact with the two Councils is through the client officers.
- Termly reports are given on the work of the Provider Unit to the SEN Joint Committee for scrutiny purposes and to ensure the prudent use of resources.

**It was resolved to note the information as presented and to thank the Officer for the report.**

### **4 MINUTES OF THE MEETING HELD ON 16 OCTOBER 2012.**

The minutes of the previous meetings of the Special Educational Needs Joint Committee held on 16 October 2012 and 29 January 2013 (extraordinary meeting) were presented and they were confirmed as being correct.

Matters arising from the minutes of the meeting on 29 January 2013 –

The Head of Education of Gwynedd Council reminded the Committee that the extraordinary meeting held on 29 January, 2013 had been called to consider a summary of Gwynedd Council's Education Services Self-Evaluation in preparation for Estyn's inspection of those services during March 2013. He said that Estyn's inspection report has been published and that he wanted to inform the Members of the findings of the Inspectors regarding the support given for Additional Learning Needs through the services of the Joint Committee. He referred to some of Estyn's comments in connection with the Joint Committee's work as follows –

- The Authority is working effectively with partners to identify and assess the needs of children with additional learning needs at an early stage.
- That it has clear criteria [through the Joint Committee] for access to additional support, and schools understand their responsibilities as regards giving attention to the needs of pupils who have additional learning needs. (The Officer explained the procedure for access to additional support through the moderation panels in both counties).
- That schools are required to provide strong evidence of the interventions that they have put in place, and the effect of these on pupil results.

- That the percentage of the statements completed within the statutory time scales were consistently high. (The Officer explained that the Joint-Committee's scrutiny function in connection with monitoring assessment and statement statistics is a core part of the work).
- The number of appeals to Welsh SEN Tribunals has been low during the last 3 years.
- The Authority is working well with partners to provide effective specialist support to pupils with additional learning needs, including support for children with complex needs from the established outreach services.
- Schools and parents appreciate these services greatly.
- The Authority is working well with partners to provide a comprehensive training programme for schools. (The Officer reported that training is implemented through the work of the educational psychology service and the specialist teachers service).
- The authority is using ALN data effectively to track pupil progress, to monitor the effect of interventions on pupil results and to challenge schools.
- The authority satisfies its statutory requirements well in relation to pupils with additional learning needs.

The Gwynedd Head of Education reported that Estyn had said that the support given for Additional Learning Needs is good in general. The Officer spoke about the request by the Joint-Committee in its meeting on 29 January for information on Gwynedd Council's Strategic Review of ALN and Stage 1 of that progress. He explained that Stage 1 of the Review had now been completed and that it had entailed developing options for taking the discussion forward. Stage 2 of the review involves stakeholder engagement, including the Joint Committee, and in the Joint-Committee's case, this is likely to occur during the next term. The result of the engagement process will be to develop a specific option for consulting formally thereon. One of the possible models for moving the work forward is on the basis of commissioning and providing, and if this will be the final model and with the co-operation of Anglesey, the Joint Committee will need to be a critical part of the provision and as a result, strengthen and develop its function as a provider. The Officer mentioned the engagement with teachers and classroom assistants and said that the model of delivery would require a skilful workforce with a high level of understanding of dealing with disorders and the ability to implement it locally in the schools. The intention is to consult formally with the Joint Committee regarding this matter during the next term.

The Chairman thanked the Gwynedd Head of Education for the report and welcomed especially the information about Estyn's findings regarding the provision for additional learning needs. In the discussion that followed the Members asked questions regarding the following matters –

- The nature of the training given to parents. The Gwynedd Council Head of Education explained that arrangements are made to provide whatever type of training the parents require in order to understand their children's conditions and what they can do to contribute towards the welfare of their children.
- The nature of the criteria used to decide on access to additional support. The Head of Education Gwynedd Council said that the criteria used are those that the Joint-Committee has agreed on. These criteria were tightened recently partly in order to encourage schools to take more responsibility as regards dealing with the needs of pupils who have additional needs and intervene as is appropriate, and partly for consistency.
- It was noted, in the light of increasing emphasis on providing services through collaboration that the SEN Joint-Committee has provided a model of effective collaboration since it was established and that the two counties and the schools had benefited from it.

**It was resolved to accept and note the information on Estyn's findings regarding the support for additional learning needs as part of the inspection of Gwynedd Education Services and to thank the Gwynedd Council Head of Education for the feedback.**

## **5 SPECIAL EDUCATIONAL NEEDS PROVIDER UNIT**

The Principal Educational Psychologist presented a report describing the work of the Joint Committee's Special Educational Needs Provider Unit during the Autumn Term 2012 and the Spring Term 2013. The Principal Educational Psychologist referred to the following –

- Administration of assessment and review processes and changes in arrangements and staffing of the administration team.
- The work of the Specialist Teachers Service and the consideration given by the Liaison Group to ways of extending and developing their service into the future. A plan was arrived at which entails increasing the present team as regards teachers and employing a number of assistants in addition. Although it will not be possible to fully implement the changes, it was possible to consider making some temporary additions within the budget of the Joint Committee, and it was decided in principle to do so.
- The work of the Educational Psychologist Service and the schemes and projects that psychologists had been concerned with during the period.
- The results of the school questionnaires. The response from schools to the services provided again this year was generally good. However, there was 4 indicators where the response from schools was not as good as last year and where no improvement was noted namely those in relation to the effectiveness of the service regarding pupils with behavioural difficulties; the effectiveness of the service as regards pupils who are emotionally vulnerable, children with complex difficulties and with pupils with low attainment.
- Statistics in relation to attainment against performance indicators regarding the number of final statements within 26 weeks in Gwynedd and Anglesey.
- Service delivery within the Administrative Service, the Specialist Teachers Service and the Educational Psychology Service during Spring Term 2013 as the results of absences and staff leaving for other posts. At the beginning of the Spring Term the Educational Psychology Service was working with 3 fewer psychologists and, as a result, the level of service for schools had to be adapted. Advertisements were placed for replacement psychologists and even though an appointment to the 0.4 post was made it was not possible to make an appointment to the other posts. Due to this and also due to the sickness absence of another psychologist, providing a sufficient level of service has been challenging. However, the service has succeeded in visiting every school where needed and it has responded to any problems that arose.
- Statistics regarding the statutory processes. The data showed that the number of final statements of SEN issued for the first time in Gwynedd from 2008 to 2012 were consistent other than an upward spike in 2010 with the data showing a downwards trend in Anglesey. On the other hand, the number of statutory assessments in progress has increased considerably in Gwynedd and Anglesey.

The Chairman thanked the Principal Educational Psychologist for the report and invited the members of the Joint-Committee to make observations on the information presented. The main subjects of discussion included the following –

- Whether the transfer to the GwE of the advisory service previously provided by Cynnal had impacted on the Joint Committee's work. The Principal Educational Psychologist said that the team of educational psychologists has begun to take on the duties of the previous additional learning needs advisor by providing a more general advisory service regarding special education to schools, including arranging training courses.
- What was to account for the response from schools regarding their satisfaction with the service against the 4 performance indicators mentioned above not being as good as the previous year, and what was being done to rectify the situation. The Principal Educational Psychologist said that the lack of progress with the 4 indicators would be the focus of work during the forthcoming weeks.
- There was some concern regarding the problems with recruiting staff, especially in the Educational Psychology Service and it was asked whether this created difficulties. The Principal Educational Psychologist said that the requirements in relation to educational psychologists posts are high, but efforts to recruit where necessary are continuing as regards the 3 services – the administrative service, the specialist teachers service and the educational psychology service. Employing psychologists as assistant psychologists and training them is another alternative arrangement.
- There was a desire to see more information in the report on the basis of numbers and totals so that members of the Joint-Committee could better understand and appreciate the demands on the services of the Joint-Committee.



- A question was asked whether there was an explanation for the reduction in the number of assessments that are on-going in both counties from 2010 to 2011 and then the jump in the statistics from 2012 to 2013.

The Gwynedd Council Head of Education referred to the 4 indicators in the school questionnaire where the provision was judged by the schools to be not as effective as the previous year and he reported that the cohort of children that the 4 indicators relate to were those with the most obvious difficulties – behavioural problems, complex difficulties; children who are emotionally fragile and children with the lowest attainments. These children are children that the authorities must be aware of and must deal appropriately with their needs. One needs to scrutinise the data to find out how to deal appropriately with these children with the most complex needs and this is a matter that has been addressed by the Liaison Group with a view to fostering collaboration between schools and specialists and what the specialists deem is necessary as a provision so that schools are clear about what is expected of them.

As regards statutory assessment data, the Head of Education Gwynedd Council said that it became apparent, as a result of enquiries, that the main reason for the significant increase in Gwynedd in the last two years is the number of very young children who come into the system with their needs being identified early and very often those needs are quite complex in nature. There has been an increase in the children whose needs are identified as autistic with the autism spectrum being very wide; an increase in the number of children with communication difficulties and children with behavioural problems. In addition an increase has been seen in the number of children with medical conditions who have to be assessed and appropriate provision made for them. These are some of the obvious factors in the increase in the number of statutory assessments that are on-going and which the Joint Committee must be aware of.

The Anglesey Council Director of Lifelong Learning agreed with the above comments. Regarding the situation in Anglesey he reported that there has been an increase in the number of young children with additional learning needs. Usually the service would see around 6 children coming into the education system with special needs but this year there are 15 and this reflects the patterns seen in Gwynedd regarding the nature of their needs, with communication difficulties including autism, medical conditions and behavioural difficulties. An increase on this scale creates a challenge for services.

A question was asked whether the increase was one that was indigenous to Anglesey or did inward migration contribute to it. The Director of Lifelong Learning Anglesey Council responded by saying that work is being done to collate information about the support to schools and the nature of the needs of individuals coming into the education system and that it was premature to report on any findings.

**It was resolved to accept the report and note its contents.**

## **6 JOINT COMMITTEE FINAL ACCOUNTS FOR THE YEAR THAT ENDED 31 MARCH 2013.**

- The Special Educational Needs Joint Committee final accounts for the financial year 2012/13 were presented, including an income and revenue expenditure report for 2012/13 and a statement of accounts in statutory form certified but without having been audited.

The Gwynedd Council Head of Finance reported that there were new reporting requirements regarding accounting and auditing the Joint Committee's accounts. Section 12 of the Public Audit Act (Wales) 2004 declares that a Joint Committee of two or more (local) authorities is a local government body and Section 13 of the Act requires such bodies to keep accounts which must be audited by independent auditors approved by the Welsh Audit Office.

The Officer reported that the Joint Committee, despite not being an independent legal entity, for the purposes of keeping accounts, comes under the same regulations as other local authorities. The Accounting and Auditing Regulations (Wales) (Amended) 2010 states that all Joint Committees must prepare annual accounts i.e. income and expenditure accounts and where the turnover is more than £1m, a statement of accounts must be provided in

accordance with the CIPFA code for the Joint Committee. The Statement of Accounts will be audited separately by the Welsh Audit Office.

The Senior Education Accountant then referred to the Joint Committee's financial background and the division between the two authorities as regards maintaining the provision. Last year the budget of the Joint Committee was £1.2m with staff costs being the largest expenditure. Due to staff turnover in the last year there was an underspend of around £93k which suggests a healthy budgetary situation where the provision is being provided more cheaply. However, the situation has put pressure on the present staff and has influenced the provision that schools are receiving. The officer proceeded to elaborate on some of the key areas where an underspend was seen as follows -

- Psychologists - £ 56,813
- Teacher Support - £ 19,440
- Administrative - £ 18,682
- Travelling costs - £ 5033
- Resources / stationery - £ 7031
- Phone - £ 6237

The net underspend during financial year 2012/13 was £93,767 which, added to the reserve balance of the Joint Committee on 31 March, 2012 gave total balances on 31 March 2013 of £165,062. Although the situation appears to be quite healthy it reflects staffing difficulties over the past year.

The Gwynedd Council's Senior Finance Manager reported on the Statement of Accounts and referred to the following elements of the statement -

- Statement of Movement in reserves
- Comprehensive Statement of Income and Expenditure 2012/13
- The Balance Sheet
- Cash Flow Statement
- Notes on the Accounts

Members were given the opportunity to raise questions on the accounts. It was emphasised, that in light of the underspend for 2012/13 and the main reason for it being staff, it is important to make every effort to resolve any difficulties in recruitment and to ensure that posts are filled.

**It was resolved to accept the Income Account and Revenue Expenditure Report 2012/13 together with the Joint Committee's Statement of Accounts for 2012/13 and note their contents.**

- The Annual Governance Statement of the Joint Committee for 2012/13 was presented.

Gwynedd Council's Head of Finance reported that this Declaration describes the governance arrangements of the Joint Committee and that it meets the requirement to produce an Internal Control Statement in accordance with Regulation 4 of the Accounts and Audit (Wales) Regulations 2005.

**It was resolved to accept the Annual Governance Statement for 2012/13 and note its contents**

## **7 MEETINGS OF THE JOINT COMMITTEE FOR THE COMING YEAR**

It was noted that meetings of the Joint Committee for the coming year will be held on the following dates and times -



10:30 a.m. on 20 September in Llangefni  
10:30 a.m. on 22 November in Llangefni  
10:30 a.m. on March 14, 2014 in Caernarfon

**Councillor G.O.Jones**  
**Chair**

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## Agenda Item 4

<b>MEETING</b>	Special Educational Needs Joint Committee (Isle of Anglesey County Council and Gwynedd Council)
<b>DATE</b>	20 September 2013
<b>TITLE</b>	The Joint Committee's Final Accounts for the year ended 31 March 2013 and relevant Audit
<b>PURPOSE</b>	To submit – <ul style="list-style-type: none"><li>• The Statement of Accounts post-Audit;</li><li>• The Wales Audit Office's report;</li><li>• Letter of Representation.</li></ul>
<b>RECOMMENDATION</b>	To receive and note the information before authorising the Chairman to certify the letter
<b>AUTHOR</b>	Dafydd L Edwards, Head of Finance, Gwynedd Council

### 1. FINANCIAL REPORTING REQUIREMENTS

Members will recall that it was reported as follows to the 5 July 2013 meeting of the Special Educational Needs Joint Committee:

- 1.1 During 2012/13, it became apparent that there are additional expectations for accounting and audit reporting for Joint Committees.
- 1.2 Section 12 of the Public Audit (Wales) Act 2004 states that a joint committee of two or more (local) authorities is a local government body, and Section 13 of the Act requires such bodies to maintain accounts subject to audit by an external auditor approved by the Auditor General for Wales.
- 1.3 Although they are not independent legal entities, for the purposes of keeping accounts and being audited, a joint committee is separately subject to the same regulations as other local councils.
- 1.4 Gwynedd Council is the 'lead' Council responsible for meeting the accounting and financial reporting responsibilities of Anglesey and Gwynedd's Special Educational Needs Joint Committee.
- 1.5 The Accounts and Audit (Wales)(Amendment) Regulations 2010 require all Joint Committees to prepare year-end accounts, i.e. an income and expenditure account, and where the turnover exceeds £1m, a statement of accounts must be prepared in accordance with the CIPFA code for the Joint Committee.
- 1.6 That Statement of Accounts will be subject to a separate audit by the Wales Audit Office.

## **2. ACCOUNTS FOR 2012/13**

The Revenue Income and Expenditure Account for 2012/13 was submitted to the 5 July 2013 meeting of the Special Educational Needs Joint Committee “as usual” in simple “outturn” format, together with the Statement of Accounts for 2012/13 (pre-audit).

## **3. AUDIT**

It was noted at the time that these accounts would be subject to audit by the Wales Audit Office, and the ‘ISA 260’ report is presented here by the Appointed Auditor (Anthony Barrett) detailing the Wales Audit Office’s main findings.

## **4. FINAL ACCOUNTS FOR 2012/13**

The final version (post-audit) of the Statement of Accounts for 2012/13 is also presented. The (minor) amendments since the pre-audit version have been outlined in the Wales Audit Office’s ‘ISA260’ report.

## **5. RECOMMENDATION**

**The Special Educational Needs Joint Committee is asked to receive and note the information in the appendices, i.e. –**

- ‘ISA260’ report by the Wales Audit Office
- The Statement of Accounts for 2012/13 (pre-audit)

## **6. LETTER OF REPRESENTATION**

The Chairman of the meeting, together with the Head of Finance, are asked to certify the Letter of Representation (Appendix 1 to the Wales Audit Office’s report) after the Joint Committee has considered the above.

## **7. CERTIFICATION BY THE APPOINTED AUDITOR**

After receiving the Letter of Representation duly certified by the Chairman and the Head of Finance, Anthony Barrett of the Wales Audit Office will issue the certificate on the accounts.

**Special Educational Needs Joint  
Committee  
(Gwynedd and Anglesey Councils)**

**STATEMENT OF  
ACCOUNTS  
2012/13**

Finance Department  
Gwynedd Council  
[www.gwynedd.gov.uk](http://www.gwynedd.gov.uk)

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# EXPLANATORY FOREWORD

## Introduction

The Special Educational Needs (SEN) Joint Committee is a partnership between Gwynedd Council and the Isle of Anglesey County Council. It is responsible for the statutory work in the area of Special Educational Needs on behalf of the two Local Authorities' schools and client officers. Additionally, the Educational Psychology Service and Specialist Teachers Team for both Local Authorities are within the SEN Joint Committee. They advise schools and support pupils with special educational needs due to sight, hearing, autism, communication difficulties, language and physical or medical needs.

The Special Educational Needs Joint Committee accounts for the year 2012/13 are presented here on pages 5 to 15. The Statements of Accounts are prepared in accordance with CIPFA's *Code of Practice on Local Authority Accounting in the United Kingdom 2012/13*.

The Accounts consist of:-

- **Movement in Reserves Statement** – This statement shows the movement in year on the different reserves held by the Joint Committee, analysed into 'usable reserves' and 'unusable reserves'.
- **Comprehensive Income and Expenditure Statement** - This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. The income and expenditure has been split between Gwynedd Council (61.4%) and the Isle of Anglesey County Council (38.6%).
- **The Balance Sheet** - Sets out the financial position of the Joint Committee on 31 March 2013.
- **The Cash Flow Statement** - This statement summarises the flow of cash to and from the Joint Committee during 2012/13 for revenue and capital purposes.

These accounts are supported by this Foreword, the Accounting Policies and various notes to the accounts. The accounting policies adopted by the Joint Committee comply with all relevant recommended accounting practices and are fully explained in the Accounting Policies set out in Note 1 of the Accounts on page 9.

## **Revenue Expenditure in 2012/13**

- The Comprehensive Income and Expenditure Statement on page 6 shows that the Joint Committee's gross revenue expenditure was £1,108k during 2012/13, with the net position as -£94k.
- The financial out-turn position for 2012/13 was reported to the Joint Committee at its meeting on 20 June 2013. The members of the Joint Committee approved the transfer of the £94k underspend to earmarked reserves.
- The Movement in Reserves Statement and the Comprehensive Income and Expenditure Statement on page 5 and 6 detail the actual analysis in movements for the year.

## TABLE I - Budget and Actual Comparison Summary (Net)

Table I provides a budgetary performance comparison.

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Expenditure on Operations	1,185	1,108	(77)
Income			
Gwynedd Council Contribution	(722)	(722)	0
Anglesey County Council Contribution	(454)	(454)	0
Other Income	(9)	(26)	(17)
Net (Underspend)/Overspend	0	(94)	(94)

### Accounting Policies

The accounting policies adopted by the Joint Committee comply with all relevant recommended accounting practices and are fully explained in the Accounting Policies set out in Note I of the Accounts on page 9.

### Changes in Accounting Policies and to the Statement of Accounts

There were no new policies introduced as part of the *Code of Practice on Local Authority Accounting in the United Kingdom* for 2012/13.

### Further Information

The Statement of Accounts is available on Gwynedd Council's website [www.gwynedd.gov.uk](http://www.gwynedd.gov.uk).

Further information relating to the accounts is available from:

William E Jones  
Senior Finance Manager  
01286 679406

or

Caren Rees Jones  
Central Accountancy Unit, Finance Department  
01286 679134

Finance Department  
Gwynedd Council  
Council Offices  
Caernarfon  
Gwynedd  
LL55 1SH

This is part of the Council's policy of providing full information relating to the Council and the Joint Committees' affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press at the appropriate time.



# **SPECIAL EDUCATIONAL NEEDS JOINT COMMITTEE**

## **STATEMENT OF ACCOUNTS**

### **STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

#### **THE JOINT COMMITTEE'S RESPONSIBILITIES**

Gwynedd Council bears the responsibility for the arrangements and administration of the Joint Committee's financial affairs and the Responsible Financial Officer is the Head of Finance.

It is the Joint Committee's responsibility to manage its affairs to secure economic, efficient and effective use of its resources to safeguard its assets, and to approve the Statement of Accounts.

20 September 2013

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**Councillor Gwilym O. Jones**  
**Special Educational Needs Joint Committee Chairman**

#### **THE HEAD OF FINANCE'S RESPONSIBILITIES**

The Head of Finance is responsible for the preparation of the Special Educational Needs Joint Committee Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ("the Code").

In preparing the statement of accounts, the Head of Finance has selected suitable accounting policies and then applied them consistently; has made judgements and estimates that were reasonable and prudent and complied with the Code of Practice.

The Head of Finance has also kept proper accounting records which were up to date and has taken reasonable steps for the prevention and detection of fraud and other irregularities.

#### **RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE**

I certify that the Statement of Accounts has been prepared in accordance with the arrangements set out above, and presents a true and fair view of the financial position of the Special Educational Needs Joint Committee at 31 March 2013 and its income and expenditure for the year then ended.



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**Dafydd L. Edwards B.A., C.P.F.A., I.R.R.V.**  
**Head of Finance, Gwynedd Council**

12 September 2013

## 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 'unusable reserves'. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. The Net Increase /Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Joint Committee.

Note	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Joint Committee's Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance 1 April 2011</b>	<b>0</b>	<b>(55)</b>	<b>0</b>	<b>0</b>	<b>(55)</b>	<b>0</b>	<b>(55)</b>
<u>Movement in reserves during 2011/12</u>							
(Surplus)/Deficit on provision of services	(17)	0	0	0	(17)	0	(17)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0
<b>Total Comprehensive Income and Expenditure</b>	<b>(17)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(17)</b>	<b>0</b>	<b>(17)</b>
Adjustments between accounting basis and funding basis under regulations	0	0	0	0	0	0	0
<b>Net (Increase)/Decrease before Transfers to Earmarked Reserves</b>	<b>(17)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(17)</b>	<b>0</b>	<b>(17)</b>
Transfers to/from Earmarked Reserves	3 17	(17)	0	0	0	0	0
<b>(Increase)/Decrease in 2011/12</b>	<b>0</b>	<b>(17)</b>	<b>0</b>	<b>0</b>	<b>(17)</b>	<b>0</b>	<b>(17)</b>
<b>Balance 31 March 2012 carried forward</b>	<b>0</b>	<b>(72)</b>	<b>0</b>	<b>0</b>	<b>(72)</b>	<b>0</b>	<b>(72)</b>
<u>Movement in reserves during 2012/13</u>							
(Surplus)/Deficit on provision of services	(94)	0	0	0	(94)	0	(94)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0
<b>Total Comprehensive Income and Expenditure</b>	<b>(94)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(94)</b>	<b>0</b>	<b>(94)</b>
Adjustments between accounting basis and funding basis under regulations	0	0	0	0	0	0	0
<b>Net (Increase)/Decrease before Transfers to Earmarked Reserves</b>	<b>(94)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(94)</b>	<b>0</b>	<b>(94)</b>
Transfers to/from Earmarked Reserves	3 94	(94)	0	0	0	0	0
<b>(Increase)/Decrease in 2012/13</b>	<b>0</b>	<b>(94)</b>	<b>0</b>	<b>0</b>	<b>(94)</b>	<b>0</b>	<b>(94)</b>
<b>Balance 31 March 2013 carried forward</b>	<b>0</b>	<b>(166)</b>	<b>0</b>	<b>0</b>	<b>(166)</b>	<b>0</b>	<b>(166)</b>

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – 2012/13

This statement shows the accounting cost in the year of providing the special educational needs service in accordance with generally accepted accounting practices.

2011/12			2012/13			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
1,101	0	1,101	Employees	1,012	0	1,012
17	0	17	Property	15	0	15
54	0	54	Transport	46	0	46
37	0	37	Supplies and Services	35	0	35
0	(1,226)	(1,226)	Income	0	(1,202)	(1,202)
<b>1,209</b>	<b>(1,226)</b>	<b>(17)</b>	<b>Cost of Services</b>	<b>1,108</b>	<b>(1,202)</b>	<b>(94)</b>
0	0	0	Other Operating Expenditure	0	0	0
0	0	0	Financing and Investment Income and Expenditure	0	0	0
0	0	0	Taxation and non-specific grant income	0	0	0
<b>1,209</b>	<b>(1,226)</b>	<b>(17)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>1,108</b>	<b>(1,202)</b>	<b>(94)</b>



## BALANCE SHEET – 31 MARCH 2013

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 of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee.

1 April 2011 £'000	31 March 2012 £'000		Note	31 March 2013 £'000
0	0	<b>Long Term Assets</b>		0
0	0	Short Term Debtors	4	1
97	94	Cash and Cash Equivalents		189
<b>97</b>	<b>94</b>	<b>Current Assets</b>		<b>190</b>
(42)	(22)	Short Term Creditors	5	(24)
<b>(42)</b>	<b>(22)</b>	<b>Current Liabilities</b>		<b>(24)</b>
0	0	<b>Long Term Liabilities</b>		0
<b>55</b>	<b>72</b>	<b>Net Assets</b>		<b>166</b>
(55)	(72)	Usable Reserves		(166)
0	0	Unusable Reserves		0
<b>(55)</b>	<b>(72)</b>	<b>Total Reserves</b>		<b>(166)</b>



## CASH FLOW STATEMENT – 2012/13

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period.

2011/12 £'000	Note	2012/13 £'000
(17) Net (Surplus) or Deficit on the Provision of Services		(94)
20 Adjustments to net surplus or deficit on the provision of services for non-cash movements	6	(1)
0 Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		0
3 Net cash flows from Operating Activities		(95)
0 Investing Activities		0
0 Financing Activities		0
3 Net (Increase)/Decrease in cash and cash equivalents		(95)
97 Cash and cash equivalents at the beginning of the reporting period		94
<b>94 Cash and cash equivalents at the end of the reporting period</b>		<b>189</b>

\* The Joint Committee does not have its own bank account and cash is administered by Gwynedd Council within its own accounts.

# **NOTES TO THE ACCOUNTS**

## **NOTE I – ACCOUNTING POLICIES**

### **1.1 General Principles**

The Statement of Accounts summarises the Joint Committee's transactions for the 2012/13 financial year and its position at the year-end of 31 March 2013. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2005, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2012/13* and the Service Reporting Code of Practice 2012/13, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued in the 2005 Act.

The nature of the Joint Committee's transactions is limited and only the relevant policies can be seen below.

### **1.2 Accruals of Expenditure and Income**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

- Revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- Revenue from the provision of services is recognised when the Joint Committee can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet where such balances are considered material.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### **1.3 Cash and Cash Equivalents**

The Joint Committee does not have its own bank account and cash is administered by Gwynedd Council within its own accounts.

### **1.4 Contingent Assets**

A contingent asset arises where an event has taken place that gives the Joint Committee a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Committee.

Contingent assets are not recognised in the Balance Sheet, but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential. The Joint Committee has no contingent assets.

### **1.5 Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Joint Committee a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Committee. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet, but disclosed in a note to the accounts.



## **1.6 Employee Benefits**

### **1.6.1 Benefits Payable during Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Joint Committee. Because of its materiality, the Joint Committee accounts does not include recognition regarding accumulated absences costs, however the sum is included as part of the host authority's accounts.

### **1.6.2 Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Joint Committee to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. The Comprehensive Income and Expenditure Account will include the actual costs, but all other relevant transactions are included within the host authority's accounts.

### **1.6.3 Post Employment Benefits**

Employees of the Joint Committee are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Westminster Government's Department for Education.
- The Local Government Pensions Scheme, administered by the Gwynedd Pension Fund at Gwynedd Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees when they worked for the Joint Committee. However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified to the Joint Committee. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payment of benefits is recognised in the Balance Sheet. The Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

### **1.6.4 The Local Government Pension Scheme**

All other staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme. The pension costs charged to the Joint Committee's accounts in respect of this group of employees is determined by the fund administrators and represents a fixed proportion of employees' contributions to this funded pension scheme. See paragraph 1.13 below for more information.

### **1.6.5 Discretionary Benefits**

The Joint Committee also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

## **1.7 Events after the Balance Sheet date**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect (where it is possible to estimate the cost).

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.



### **1.8 Exceptional Items and Prior Period Adjustments**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to the understanding of the Joint Committee's financial performance.

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Committee's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

### **1.9 Government Grants and Other Contributions**

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis, and recognised immediately in the relevant service line in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the Authority has not satisfied.

### **1.10 Overheads and Support Services**

Charges for services provided by the Central Support Departments within Gwynedd Council and the Isle of Anglesey County Council are derived from a combination of pre-determined fixed charges, actual recorded staff time, transaction logging and pre-determined formulae.

### **1.11 Reserves**

Specific reserves are created to set aside amounts for future spending schemes. This is done through transfers out of the General Fund Balance in the Movement in Reserves Statement.

### **1.12 Value Added Tax**

Only in a situation when VAT is irrecoverable, will VAT be included or charged as 'irrecoverable VAT'. Since the Joint Committee has not registered for VAT, the VAT is recovered through Gwynedd Council's VAT registration.

### **1.13 Debtors and Creditors**

The Joint Committee's Accounts are maintained on an accruals basis in accordance with the Code of Accounting Practice. The accounts reflect actual expenditure and income relating to the year in question irrespective of whether the payments or receipts have actually been paid or received in the year.

### **1.14 Pensions**

International Accounting Standard (IAS) 19 governs how the long term liabilities which exist in relation to pension costs should be reported. The Joint Committee's accounts includes payments that were made towards the officers' pensions during the year. It is not feasible to recognise the assets and liabilities relevant to the Joint Committee's officers, thus no liability has been included on the balance sheet for future benefit payments. The assets and liabilities relating to the Joint Committee have been included within the host authority's accounts.

### **1.15 Jointly Controlled Operations**

Jointly controlled operations are activities undertaken in conjunction with other ventures that involve the use of assets and resources of the ventures rather than the establishment of a separate entity.

The SEN Joint Committee has been categorised as a Joint Controlled Operation.

## NOTE 2 – CHANGE IN ACCOUNTING POLICY

No new policies were introduced in the *Code of Practice on Local Authority Accounting in the United Kingdom* for 2012/13.

## NOTE 3 – TRANSFERS TO/FROM EARMARKED RESERVES

The note below sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans.

### Earmarked Reserves

	<b>SEN Joint Committee Reserve £'000</b>
<b>Balance 1 April 2011</b>	<b>55</b>
<u>Transfers:</u>	
Between Reserves	0
In	17
Out	0
<b>Balance 31 March 2012</b>	<b>72</b>
<u>Transfers:</u>	
Between Reserves	0
In	94
Out	0
<b>Balance 31 March 2013</b>	<b>166</b>

## NOTE 4 – SHORT-TERM DEBTORS

	<b>1 April 2011 £'000</b>	<b>31 March 2012 £'000</b>	<b>31 March 2013 £'000</b>
Other Local Authorities	0	0	0
Other Entities and Individuals	0	0	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>



## NOTE 5 – SHORT-TERM CREDITORS

	1 April 2011 £'000	31 March 2012 £'000	31 March 2013 £'000
Other Local Authorities	0	1	0
Public Corporations and Trading	0	0	8
Other Entities and Individuals	42	21	16
<b>Total</b>	<b>42</b>	<b>22</b>	<b>24</b>

## NOTE 6 – CASH FLOW STATEMENT : ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

2011/12 £'000		2012/13 £'000
20	(Increase)/Decrease in Creditors	(2)
0	Increase/(Decrease) in Debtors	1
<b>20</b>		<b>(1)</b>

## NOTE 7 – EXTERNAL AUDIT COSTS

The Joint Committee has incurred the following costs relating to external audit.

2011/12 £'000		2012/13 £'000
0	Fees for External Audit Services *	8

\* As part of this year's audit requirements, two financial years will need to be audited.

## NOTE 8 – RELATED PARTIES

The Joint Committee is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Joint Committee or to be controlled or influenced by the Joint Committee. Disclosure of these transactions allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Committee.

### Members

Members of the Joint Committee have an influence over the Joint Committee's financial and operating policies.

Members have declared an interest or relationship (as defined) in companies or businesses which may have dealings with the Joint Committee. A breakdown of the payments and balances at 31 March 2013 made to these companies under this heading during 2012/13 is as follows:



<b>Payments made</b>	<b>Amounts owed by the Authority</b>	<b>Amounts owed to the Authority</b>
£1,128	£0	£0

The figures are based on returns received from Councillors.

## NOTE 9 – EXIT PACKAGES

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below. The cost in the table below reflects the related cost to the employer rather than the actual cost of the payments to the individuals.

(a)	(b)		(c)		(d)		(e)	
Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
£	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
	Number	Number	Number	Number	Number	Number	£'000	£'000
0 - 20,000	1	0	0	0	1	0	10	0
20,001 - 40,000	0	0	0	0	0	0	0	0
40,001 - 60,000	0	0	0	0	0	0	0	0
60,001 - 80,000	0	0	0	0	0	0	0	0
80,001 - 100,000	0	0	0	0	0	0	0	0
100,001 - 150,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>10</b>	<b>0</b>

## NOTE 10 – PENSIONS SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

Teachers employed by the Joint Committee are members of the Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Westminster Government's Department for Education. The scheme provides teachers with specified benefits upon their retirement, and the Joint Committee contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is technically a defined benefit scheme. However, the scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by joint committees and local authorities. The Joint Committee is not able to identify its share of underlying financial position and performance of the scheme with sufficient reliability for

accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2012/13 the Joint Committee paid £41,177 (£42,792 in 2011/12) in respect of teachers' pension costs, which represented 14.08% (13.91% in 2011/12) of teachers' pensionable pay.

## **NOTE 11 – PENSION COSTS**

As part of the terms and conditions of employment of its officers who are members of the Local Government Pension Scheme, the Joint Committee makes contributions towards the cost of post employment benefits.

In 2012/13 the Joint Committee paid £99,943 (£116,637 in 2011/12) representing officer pension costs to the Local Government Pension Scheme of 21.9% of each member officer's pensionable pay (21.4% in 2011/12).

Further related financial transactions regarding the Joint Committee have been included within Gwynedd Council's accounts, having a zero net effect on the Council Tax.

## **Independent auditor's report to the Members of the Special Educational Needs Joint Committee**

I have audited the accounting statements and related notes of the Special Educational Needs Joint Committee for the year ended 31 March 2013 under the Public Audit (Wales) Act 2004.

The Special Educational Needs Joint Committee's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, and the Cash Flow Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 based on International Financial Reporting Standards (IFRSs).

### **Respective responsibilities of the responsible financial officer and the independent auditor**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts the responsible financial officer is responsible for the preparation of the statement of accounts which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounting statements**

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Special Educational Needs Joint Committee's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited accounting statements and related notes. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

### **Opinion on the accounting statements of Special Educational Needs Joint Committee**

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Special Educational Needs Joint Committee as at 31 March 2013 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

### **Other Matter**

Section 12 of the Public Audit (Wales) Act 2004 states that 'a joint committee of two or more (local) authorities' is a local government body. Section 13 of the act requires local government bodies in Wales to maintain accounts that are subject to annual audit. Prior to the 2012/13 financial year, the Special Educational Needs Joint Committee has not complied with this requirement and failed to produce financial statements in accordance with statutory requirements.



### **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 the Special Educational Needs 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**  
24 Cathedral Road  
Cardiff  
CF11 9LJ  
27 September 2013

**ANNUAL GOVERNANCE STATEMENT**

This statement meets the requirement to produce a Statement of Internal Control pursuant to Regulation 4 of the Accounts and Audit (Wales) Regulations 2005.

**Part 1: SCOPE OF RESPONSIBILITY**

The Special Educational Needs Joint Committee was established by Gwynedd Council and Isle of Anglesey County Council in 1996 for the purpose of providing a special educational needs service by discharging the functions detailed in a service level agreement between the Joint Committee and the authorities.

The Special Educational Needs Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Special Educational Needs Joint Committee is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk and adequate and effective financial management.

**Part 2: THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

The governance framework comprises the systems and processes, and culture and values, by which the Special Educational Needs Joint Committee is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authorities that are part of the Special Educational Needs Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable 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 Special Educational Needs Joint Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework described above has been in place at the Special Educational Needs Joint Committee for the year ended 31 March 2013 and up to the date of approval of the statement of accounts.



## **Part 3: THE GOVERNANCE FRAMEWORK**

### **3.1 Membership**

The Special Educational Needs Joint Committee has been established in accordance with requirements set out in the Local Government Act 1972 under section 101, section 102(1) (b) (power for two or more authorities to appoint a joint committee), section 103 (expenses incurred by a joint committee defrayed between the authorities), section 104 (disqualification for membership of a joint committee as per normal local authority rules) and section 105 (disability for voting on account of interests in contracts etc.).

Membership of the Joint Committee consists of 7 elected members of Gwynedd Council and 7 elected members of Isle of Anglesey County Council. Members are appointed by the Authority in accordance with the rules of political balance relevant to that Authority. In addition, membership of the Joint Committee will include 1 member nominated by the Bangor Diocesan Board of Finance with a right to vote, 1 member nominated by the Catholic Church with a right to vote, and one member nominated by the free churches with no right to vote.

The term of Membership, as well as arrangements for the appointment of a Chair and Vice Chair, are defined within the Constitution.

The Joint Committee is a permanent arrangement, and in accordance with the Constitution, if either authority desires to withdraw from the Joint Committee twelve months' notice must be given terminating at the end of the financial year.

### **3.2 Functions**

The Special Educational Needs Joint Committee fulfils the following on behalf of Gwynedd Council and Isle of Anglesey County Council:

- Providing a special educational needs service by discharging the functions detailed in a service level agreement between the Joint Committee and the authorities.

### **3.3 Structure, Roles and Responsibilities**

A Constitution is in place for the Joint Committee, dated 30 January 2004. The Constitution outlines the following roles:

- All activities of the Joint Committee are in accordance with the Council Procedure Rules of Isle of Anglesey County Council.
- Administrative and secretarial facilities shall be provided by Director of Legal Services for Isle of Anglesey County Council; the cost being shared between the two authorities.
- Staff are jointly employed by the two authorities for the purposes of discharging the functions delegated to the Joint Committee. Staff are employed in accordance with the conditions of service of Isle of Anglesey County Council together with any additional conditions imposed by the Joint Committee. The Constitution defines the Joint Committee's power to act in relation to all matters regarding staff employment.
- A personnel service is provided for the Joint Committee by Isle of Anglesey County Council; the cost being shared between the two authorities.
- The financial rules of Gwynedd Council are relevant to all of the joint committee's financial activity. The Joint Committee must report to the two authorities annually upon its financial position.
- All financial services are provided to the Joint Committee by the Head of Finance of Gwynedd Council; the cost being shared between the two authorities.
- The Joint Committee has the right to establish one or more sub-panels and to delegate some of its functions to the Sub-panel(s) provided that that delegation does not prevent the Joint Committee's own ability to exercise those functions.



#### Part 4: EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

The Special Educational Needs Joint Committee 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 executive managers who have responsibility for the development and maintenance of the governance environment, any reference within the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

- In accordance with the Constitution of the Joint Committee, all of its activities are in accordance with the Council Procedure Rules of Isle of Anglesey County Council. As a result, therefore, reviews of the effectiveness of the Local Code of Governance, the Constitution and the system of internal control of that authority will also incorporate the basis of the Joint Committee's governance.

We have been advised on the implications of the result of the **review of the effectiveness of the governance framework** by the Special Educational Needs Joint Committee, and that the arrangements **continue to be regarded as fit for purpose in accordance with the governance framework**.

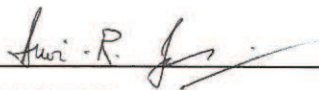
#### Part 5: SIGNIFICANT GOVERNANCE ISSUES

The processes outlined in previous sections of this statement describe the methods used by the Council to identify the most significant governance issues that need to be addressed.

The Special Educational Needs Joint Committee does not believe that any such issues have arisen during the assessment of its governance arrangements that warrant attention in this Annual Governance Statement.

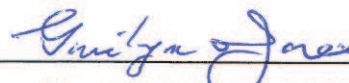
#### Part 6: OPINION

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



**DEWI R. JONES**  
Head of Education, Gwynedd Council

Date : 12 Medi 2013.



**Councillor GWILYM O. JONES**  
Special Educational Needs Joint  
Committee Chairman

Date : 12 Medi 2013



**Dr GWYNNE JONES**  
Director of Lifelong Learning, Anglesey County Council

Date : 12/4/13.

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

# Audit of Financial Statements Report

## **Special Educational Needs Joint Committee**

**Audit year:** 2012-13

**Issued:** September 2013

**Document reference:** 493A2013

# Status of report

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

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

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

# Contents

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The Appointed Auditor intends to issue an unqualified audit report on your financial statements. There are some issues to report to you prior to their approval.

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# Summary report

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## Introduction

1. The Appointed Auditor is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of Special Educational Needs Joint Committee at 31 March 2013 and its income and expenditure for the year then ended.
2. We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
3. The quantitative levels at which we judge such misstatements to be material for the Special Educational Needs Joint Committee is £11,000. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and political sensitivity.
4. International Standard on Auditing (ISA) 260 requires us to report certain matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
5. This report sets out for consideration the matters arising from the audit of the financial statements of the Special Educational Needs Joint Committee, for 2012-13, that require reporting under ISA 260.

## Status of the audit

6. We received the draft financial statements for the year ended 31 March 2013 on 28 June 2013, ahead of the 30 June 2013 statutory deadline and have now substantially completed the audit work.
7. We are reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. The audit team has already discussed these issues with the responsible finance officer for the Joint Committee (Dafydd Edwards).

## Proposed audit report

8. It is the Appointed Auditor's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#).
9. The proposed audit report is set out in [Appendix 2](#). The audit report has been modified to include an 'Other Matter' which draws the reader's attention to the Joint Committee's failure to prepare financial statements since its establishment, prior to 2012-13. This is set out in more detail in paragraphs 14 to 18.

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## Significant issues arising from the audit

### Uncorrected misstatements

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

### Corrected misstatements

11. There are misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. They are set out with explanations in [Appendix 3](#).

### Other significant issues arising from the audit

12. In the course of the audit, we consider a number of matters both qualitative and quantitative relating to the accounts and report any significant issues arising to you. There was one issue arising in these areas this year, as follows:

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

13. We have the following concern about the qualitative aspects of your accounting practices and financial reporting :

Prior to 2012-13, the Joint Committee did not comply with the requirements to produce its financial statements.

14. Section 12 of the Public Audit (Wales) Act 2004 states that 'a joint committee of two or more (local) authorities' is a local government body. Section 13 of the act requires local government bodies in Wales to maintain accounts that are subject to annual audit.
15. Local government bodies must prepare financial statements by 30 June following the year end, which must then be audited and approved by 30 September.
16. Where either income or expenditure exceeds £1 million, there is a requirement to prepare financial statements that are compliant with the Code of Practice on Local Government Accounting. This is the case for the Special Educational Needs Joint Committee.
17. The Joint Committee was established in April 1996 and until 2012-13 did not produce its financial statements.

- 
- 18.** In addition, and as a result of this, the constituent authorities were not provided with the necessary information to ensure that they accounted for their respective shares of the Joint Committee correctly. However, this is unlikely to have been material to their accounts. This issue does not relate to the payment of the respective contributions of the constituent authorities for the Joint Committee but is an accounting issue.

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

- 19.** There are no other matters to report to you. In particular:
- we did not encounter any significant difficulties during the audit;
  - there were no significant matters discussed and corresponded upon with management which we need to report to you;
  - there are no other matters significant to the oversight of the financial reporting process that we need to report to you;
  - we did not identify any material weaknesses in your internal controls; and
  - there are not any other matters specifically required by auditing standards to be communicated to those charged with governance.

### Independence and objectivity

- 20.** As part of the finalisation process, we are required to provide you with representations concerning our independence.
- 21.** We have complied with ethical standards and in our professional judgment, we are independent and our objectivity is not compromised. There are no relationships between the Wales Audit Office and the Special Educational Needs Joint Committee that we consider to bear on our objectivity and independence.

# Appendix 1

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## Final Letter of Representation

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

[Date]

## Representations regarding the 2012-13 financial statements

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

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

## Management representations

### Responsibilities

We have fulfilled our responsibilities for the preparation of the financial statements in accordance with legislative requirements and the Local Government Code of Practice; 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.

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

## Financial statement representations

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

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

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

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

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

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



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## Representations by Special Educational Needs 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 Special Educational Needs Joint Committee on 20 September 2013.

Signed by:

DAFYDD L EDWARDS  
HEAD OF FINANCE  
GWYNEDD COUNCIL

Date: 20 September 2013

Signed by:

COUNCILLOR GWILYM O JONES  
CHAIRMAN – SPECIAL EDUCATIONAL  
NEEDS JOINT COMMITTEE

Date: 20 September 2013

## Appendix 2

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### Independent auditor's report to the Members of the Special Educational Needs Joint Committee

I have audited the accounting statements and related notes of the Special Educational Needs Joint Committee for the year ended 31 March 2013 under the Public Audit (Wales) Act 2004.

The Special Educational Needs Joint Committee's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, and the Cash Flow Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2012-13 based on International Financial Reporting Standards (IFRSs).

#### **Respective responsibilities of the responsible financial officer and the independent auditor**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts the responsible financial officer is responsible for the preparation of the statement of accounts which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounting statements**

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Special Educational Needs Joint Committee's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited accounting statements and related notes. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

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## **Opinion on the accounting statements of Special Educational Needs Joint Committee**

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Special Educational Needs Joint Committee as at 31 March 2013 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012-13.

### **Other Matter**

Section 12 of the Public Audit (Wales) Act 2004 states that 'a joint committee of two or more (local) authorities' is a local government body. Section 13 of the act requires local government bodies in Wales to maintain accounts that are subject to annual audit. Prior to the 2012-13 financial year, the Special Educational Needs Joint Committee has not complied with this requirement and failed to produce financial statements in accordance with statutory requirements.

### **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 the Special Educational Needs 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**

24 Cathedral Road

Cardiff

CF11 9LJ

27 September 2013

## Appendix 3

### Summary of corrections made to the draft financial statements which should be drawn to the attention of the Members of the Special Educational Needs Joint Committee

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Value of correction	Nature of correction	Reason for correction
<b>2012-13</b>		
Narrative Amendment	Explanatory Foreword - Additional narrative disclosure added detailing service expenditure compared to budget.	To comply with the CIPFA Code of Practice guidance and inform the reader.
Narrative Amendment	Accounting policies – Additional disclosures were added in relation to: Note 1 No accounting policy in relation to Grants & Contributions (GC SoAs Note 1.12). This is relevant as both authorities pay a contribution to the JC. Note added in relation to Change in Accounting Policies.	To comply with the CIPFA Code of Practice guidance and inform the reader.
£1,289	Comprehensive Income and Expenditure Statement – A National Non-Domestic Rates refund had been incorrectly credited to Gwynedd Council rather than the Committee	To recognise the refund in the financial statements
£3,025	Comprehensive Income and Expenditure Statement - Expenditure had been miscoded to an income code in the financial ledger, therefore both income and supplies and services expenditure had been understated by £3,025.	Misstatement of income received and Supplies and Services expenditure.
£189,000	Note 4 Amount incorrectly misclassified as short term debtor rather than cash. Cashflow statement – amendments	To correct the misclassification of cash balances and to comply with the Code of Practice.



	were made to the cashflow to reflect the changes to the cash position.	
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Value of correction	Nature of correction	Reason for correction
<b>2011-12</b>		
£3,146	CIES - Expenditure had been miscoded to an income code in the financial ledger, therefore both income and supplies and services expenditure had been understated by £3,146.	Misstatement of income received and Supplies and Services expenditure.
£94,000	Note 4 Amount incorrectly misclassified as short term debtor rather than cash. Cashflow statement – amendments were made to the cashflow to reflect the changes to the cash position.	To correct the misclassification of cash balances and to comply with the Code of Practice.
<b>Balance Sheet as at 1 April 2011</b>		
£97,000	Amount incorrectly misclassified as short term debtor rather than cash.	To correct the misclassification of cash balances.



WALES **AUDIT** OFFICE  

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