

<b>MEETING</b>	Special Educational Needs Joint Committee (Isle of Anglesey County Council and Gwynedd Council)
<b>DATE</b>	5 July 2013
<b>TITLE</b>	The Joint Committee's Final Accounts for the year ended 31 March 2013
<b>PURPOSE</b>	To submit – <ul style="list-style-type: none"> <li>• The Revenue Income and Expenditure Account Report for 2012/13, and</li> <li>• The Statement of Accounts, in the 'statutory' format, duly certified, but pre-Audit.</li> </ul>
<b>RECOMMENDATION</b>	To receive and note the information
<b>AUTHOR</b>	Dafydd L Edwards, Head of Finance, Gwynedd Council

## **1. NEW FINANCIAL REPORTING REQUIREMENTS**

- 1.1 During 2012/13, it became apparent that there are specific accounting and audit reporting requirements 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**

- 2.1 **The Revenue Income and Expenditure Account for 2012/13 is submitted herewith as Appendix A(i)** as well as commentary on the major variances between the budget and actual expenditure for information “as usual”. Also submitted herewith are the equivalent accounts for 2011/12, which facilitate comparisons (Appendix A(ii)). All of these are in simple “outturn” format. The original final accounts report for 2011/12 as well as commentary on the major variances was presented to the Special Educational Needs Joint Committee on 16 October 2012.
- 2.2 **The Statement of Accounts for 2012/13 (prior to audit) is submitted herewith as Appendix B, duly completed and certified by the Responsible Financial Officer**, namely Gwynedd Council’s Head of Finance (Dafydd L Edwards) as the Statutory Finance Officer for the Joint Committee.
- 2.3 These will be subject to imminent audit by the Wales Audit Office, and the Appointed Auditor (Anthony Barrett) will produce an “ISA 260” report (detailing the Wales Audit Office’s main findings) for submission to the Joint Committee on 20 September 2013.

## **3. RECOMMENDATION**

- 3.1 **The Special Educational Needs Joint Committee is asked to receive and note the information in the appendices, i.e. –**
- Revenue Income and Expenditure Account for 2012/13 – Appendix A(i)
  - Revenue Income and Expenditure Account for 2011/12 – Appendix A(ii)
  - The Statement of Accounts for 2012/13 (pre-audit) – Appendix B

**SPECIAL EDUCATIONAL NEEDS JOINT COMMITTEE  
(GWYNEDD AND ANGLESEY COUNCILS)  
REVENUE INCOME AND EXPENDITURE ACCOUNT 2012/2013**

	<u>FTE</u> staffing structure	Budget 2012/2013 £	Final Accounts 2012/13 £	Variance Over/(Under)spend £
<b>Expenditure</b>				
Employees	April			
Salaries	2012			
- Psychologists	(8.1)	511,670	454,857	(56,813)
- Support Teachers	(7.6)	377,350	357,910	(19,440)
- Administration	(6.4)	182,890	164,208	(18,682)
- 3* Co-ordinator (to fund from balances)		0	13,055	13,055
- Supporting the Counselling Service		0	8,275	8,275
Training		9,520	8,444	(1,076)
Advertising for Staff		0	3,202	3,202
Liability Insurance		2,660	2,713	53
Building				
Rates		5,090	5,085	(5)
Rent and Services		10,770	10,873	103
Transport				
Travelling Expenses		50,780	45,747	(5,033)
Supplies and Services				
Resources / Office Supplies		17,480	10,449	(7,031)
Telephone		8,600	2,363	(6,237)
Post		1,800	4,269	2,469
Central Charges Anglesey		1,630	1,630	0
Central Charges Gwynedd		4,810	4,810	0
Audit Fee (to meet the current reporting period)		0	8,300	8,300
<b>Total Expenditure</b>		<b>1,185,050</b>	<b>1,106,190</b>	<b>(78,860)</b>
<b>Income</b>				
External Income		(8,740)	(22,647)	(13,907)
Gwynedd Council Contribution		(721,900)	(721,900)	0
Anglesey County Council Contribution		(454,410)	(454,410)	0
<b>Total Income</b>		<b>(1,185,050)</b>	<b>(1,198,957)</b>	<b>(13,907)</b>
<b>Total Net Underspend</b>		<b>0</b>	<b>(92,767)</b>	<b>(92,767)</b>

	£
SEN Joint Committee Reserve Balance 31/03/2012	(72,295)
Add net underspend 2012/13	(92,767)
<b>SEN Joint Committee Reserve Balance 31/03/2013</b>	<b>(165,062)</b>

**Final Accounts 2012/2013 – Main variances**

- The final accounts show a net underspend of (£92,767) for the year 2012/2013, and the following table summarises the main variances.

Expenditure Heading	Net Over / (Under) spend	
	(£)	(£)
<b>Employees</b>		
Psychologists (vacant posts)	(56,813)	
Support teachers (staff turnover)	(19,440)	
Administrative staff (vacant posts)	(18,682)	
3* Co-ordinator (planned expenditure from reserve)	13,055	
<b>Underspend - Employees</b>	(81,880)	<b>(81,880)</b>
<b>Transport and Supplies</b>		
Travelling Costs (due to vacant posts)	(5,033)	
Resources / office supplies	(7,031)	
Reduction in Central Recharges	(6,237)	
Audit Fee	8,300	
<b>Underspend – Transport and Supplies</b>	(10,001)	<b>(10,001)</b>
<b>Underspend - Other</b>		<b>(886)</b>
<b>Net Underspend 2012/13</b>		<b>(92,767)</b>

**SEN Joint Committee Reserve Balance**

- It was reported in the meeting in October 2012, that the Joint Committee's reserve balance was expected to increase to approximately £109,000 by 31/03/2013 due to staff turnover and vacant posts.
- It was anticipated at the time that these posts would be filled by the end of the financial year. But this was not the case, and the relevant underspend level increased, and as result, there was a balance of £165,062 in the reserve by the end of the 2012/13 financial year.

Movement in reserve	Reserve balance (£)	% of budget
SEN Joint Committee Reserve Balance 31 March 2012	(72,295)	5.9
Net Underspend 2012/2013	(92,767)	
<b>SEN Joint Committee Reserve Balance 31 March 2013</b>	<b>(165,062)</b>	<b>14.0</b>

## CYD-BWYLLGOR ANGHENION ADDYSGOL ARBENNIG

## (CYNGHORAU GWYNEDD A MÔN)

## CYFRIF INCWM A GWARIANT REFENIW 2011/2012

	<u>CLIA</u> strwythur	Cyllideb 2011/2012 £	Cyfrifon Terfynol 2011/12 £	Gwahaniaeth Gor/(Tan)wariant £
<b>Gwariant</b>	staffio			
Gweithwyr	Ebrill			
Cyflogau	2011			
- Seicolegwyr	(8.7)	529,950	512,648	(17,302)
- Athrawon Cynhaliol	(7.8)	395,170	377,857	(17,313)
- Gweinyddol	(6.0)	174,380	167,743	(6,637)
- Cydlynnu 3* (cyllido o balansau)		0	14,891	14,891
- Gwasanaeth CWNSELA		0	10,039	10,039
Hyfforddiant		9,520	4,619	(4,901)
Yswiriant Atebolrwydd		2,600	2,540	(60)
Costau Di-swyddo		0	10,334	10,334
Adeilad				
Trethi		4,820	4,815	(5)
Rhent a Gwasanaethau		10,770	12,340	1,570
Cludiant				
Costau Teithio		54,160	53,738	(422)
Cyflenwadau a Gwasanaethau				
Adnoddau / Deunydd Swyddfa		17,480	14,901	(2,579)
Ffôn		8,600	8,600	0
Post		1,800	3,944	2,144
Costau Canolog Ynys Môn		1,630	1,630	0
Costau Canolog Gwynedd		4,850	5,150	300
<b>Cyfanswm Gwariant</b>		<b>1,215,730</b>	<b>1,205,789</b>	<b>(9,941)</b>
<b>Incwm</b>				<b>(27.539)</b>

## SPECIAL EDUCATIONAL NEEDS JOINT COMMITTEE

## (GWYNEDD AND ANGLESEY COUNCILS)

## REVENUE INCOME AND EXPENDITURE ACCOUNT 2011/2012

	<u>FTE</u>	Budget	Final Accounts	Variance
	staffing	2011/2012	2011/12	Over/(Under)spend
	structure	£	£	£
<b>Expenditure</b>				
Employees	April			
Salaries	2011			
- Psychologists	(8.7)	529,950	512,648	(17,302)
- Support Teachers	(7.8)	395,170	377,857	(17,313)
- Administration	(6.0)	174,380	167,743	(6,637)
- 3* Co-ordinator (to fund from balances)		0	14,891	14,891
- Supporting the Counselling Service		0	10,039	10,039
Training		9,520	4,619	(4,901)
Liability Insurance		2,600	2,540	(60)
Termination Costs		0	10,334	10,334
Building				
Rates		4,820	4,815	(5)
Rent and Services		10,770	12,340	1,570
Transport				
Travelling Expenses		54,160	53,738	(422)
Supplies and Services				
Resources / Office Supplies		17,480	14,901	(2,579)
Telephone		8,600	8,600	0
Post		1,800	3,944	2,144
Central Charges Anglesey		1,630	1,630	0
Central Charges Gwynedd		4,850	5,150	300
<b>Total Expenditure</b>		<b>1,215,730</b>	<b>1,205,789</b>	<b>(9,941)</b>
<b>Income</b>				
External Income		(8,430)	(35,969)	(27,539)

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

**STATEMENT OF  
ACCOUNTS  
2012/13**

**SUBJECT TO AUDIT**

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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 I of the Accounts on page 9.

**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 / Sian Pugh  
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.

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**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.

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**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.



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

**27 June 2013**

<b>MOVEMENT IN RESERVES STATEMENT</b>
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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>	0	(55)	0	0	(55)	0	(55)
<b>Movement in reserves during 2011/12</b>							
(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>	(17)	0	0	0	(17)	0	(17)
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>	(17)	0	0	0	(17)	0	(17)
Transfers to/from Earmarked Reserves	2 17	(17)	0	0	0	0	0
<b>(Increase)/Decrease in 2011/12</b>	0	(17)	0	0	(17)	0	(17)
<b>Balance 31 March 2012 carried forward</b>	0	(72)	0	0	(72)	0	(72)
<b>Movement in reserves during 2012/13</b>							
(Surplus)/Deficit on provision of services	(93)	0	0	0	(93)	0	(93)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0
<b>Total Comprehensive Income and Expenditure</b>	(93)	0	0	0	(93)	0	(93)
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>	(93)	0	0	0	(93)	0	(93)
Transfers to/from Earmarked Reserves	2 93	(93)	0	0	0	0	0
<b>(Increase)/Decrease in 2012/13</b>	0	(93)	0	0	(93)	0	(93)
<b>Balance 31 March 2013 carried forward</b>	0	(165)	0	0	(165)	0	(165)

## 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.

Gross Expenditure	2011-12				2012-13		
	Gross Income	Net Expenditure			Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000			£'000	£'000	£'000
1,101	0	1,101	Employees	1,012	0	1,012	
17	0	17	Property	16	0	16	
54	0	54	Transport	46	0	46	
34	0	34	Supplies and Services	32	0	32	
0	(1,223)	(1,223)	Income	0	(1,199)	(1,199)	
<b>1,206</b>	<b>(1,223)</b>	<b>(17)</b>	<b>Cost of Services</b>	<b>1,106</b>	<b>(1,199)</b>	<b>(93)</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>1,206</b>	<b>(1,223)</b>	<b>(17)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>1,106</b>	<b>(1,199)</b>	<b>(93)</b>	

<b>BALANCE SHEET – 31 MARCH 2013</b>
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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
97	94	Short Term Debtors	3	189
<b>97</b>	<b>94</b>	<b>Current Assets</b>		<b>189</b>
(42)	(22)	Short Term Creditors	4	(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>165</b>
(55)	(72)	Usable Reserves		(165)
0	0	Unusable Reserves		0
<b>(55)</b>	<b>(72)</b>	<b>Total Reserves</b>		<b>(165)</b>

<b>CASH FLOW STATEMENT – 2012/13</b>
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The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period.

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

\* The Joint Committee does not have its own bank account and cash is administered by Gwynedd Council within its own accounts. Any cash owed to the Joint Committee at the year end is included in the short term debtors figure.

## **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 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.

### **1.10 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.

### **1.11 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.

### **1.12 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.

### **1.13 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.

### **1.14 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 – 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</b>	
<b>£'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	93
Out	0
<b>Balance 31 March 2013</b>	<b>165</b>

**NOTE 3 – SHORT-TERM DEBTORS**

	<b>1 April 2011 £'000</b>	<b>31 March 2012 £'000</b>	<b>31 March 2013 £'000</b>
Other Local Authorities	97	94	188
Other Entities and Individuals	0	0	1
<b>Total</b>	<b>97</b>	<b>94</b>	<b>189</b>

**NOTE 4 – SHORT-TERM CREDITORS**

	<b>1 April 2011 £'000</b>	<b>31 March 2012 £'000</b>	<b>31 March 2013 £'000</b>
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 5 – EXTERNAL AUDIT COSTS**

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

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

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

**NOTE 6 – 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 7 – 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) Exit package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of exit packages by cost band		(e) Total cost of exit packages in each band	
	2011/12 Number	2012/13 Number	2011/12 Number	2012/13 Number	2011/12 Number	2012/13 Number	2011/12 £'000	2012/13 £'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 8 – 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 9 – 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.