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CYNGOR SIR  
YNYS MÔN  
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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<b>RHYBUDD O GYFARFOD</b>	<b>NOTICE OF MEETING</b>
<b>CYD-BWYLLGOR ANGHENION ADDYSGOL ARBENNIG (MÔN A GWYNEDD)</b>	<b>SPECIAL EDUCATIONAL NEEDS JOINT COMMITTEE (ANGLESEY &amp; GWYNEDD)</b>
<b>DYDD GWENER, 19 MEDI, 2014 am 2 o'r gloch y prynhawn</b>	<b>FRIDAY, 19 SEPTEMBER 2014 at 2.00 pm</b>
<b>SIAMBR HYWEL DDA, PENCADLYS Y CYNGOR, CAERNARFON</b>	<b>HYWEL DDA CHAMBER, COUNCIL HEADQUARTERS, CAERNARFON</b>
<b>Swyddog Pwyllgor</b>	<b>Ann Holmes 01248 752518 Committee Officer</b>

## **AELODAU/MEMBERS:**

Cynghorwyr/Councillors:

### **CYNGOR GWYNEDD COUNCIL**

Annwen Hughes, Elin Walker Jones, Linda Ann Jones, Beth Lawton, Caerwyn Roberts  
(*Cadeirydd/Chair*) Peter Read, Eirwyn Williams.

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

Derlwyn Hughes, Trefor Lloyd Hughes, Llinos M.Huws (*Is-Gadeirydd/Vice-Chair*), Gwilym O.Jones, R.Meirion Jones, J.Arwel Roberts, Ieuan Williams

### **YR EGLWYS/THE CHURCH**

Gwag/Vacant (Yr Eglwys yng Nghymru/The Church in Wales)

Gwag/Vacant (yr Eglwys Babyddol Rufeining/The Roman Catholic Church)

Mr Rheinallt Thomas (Eglwysi Rhyddion/Free Churches)

## 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 4 JULY, 2014 MEETING** (Pages 1 - 6)

The minutes of the previous meeting of the Special Educational Needs Joint-Committee held on 4<sup>th</sup> July, 2014 to be presented for confirmation.

### **3 SPECIAL EDUCATIONAL NEEDS JOINT-COMMITTEE'S FINAL ACCOUNTS FOR THE YEAR ENDED MARCH, 2014 AND RELEVANT AUDIT** (Pages 7 - 52)

To present the SEN Joint-Committee's final accounts for the financial year from April, 2013 to March, 2014 along with the External Auditor's report on the audit of the Financial Statements (ISA 260 Report).

### **4 WHITE PAPER ADDITIONAL LEARNING NEEDS** (Pages 53 - 58)

To present the report of the Principal Educational Psychologist.

### **5 EXCLUSION OF PRESS AND PUBLIC** (Pages 59 - 60)

To consider adopting the following:

"Under Section 100(A)(4) of the Local Government Act 1972, to exclude the press and public from meeting during discussion on the following item on the grounds that it may involve the disclosure of exempt information as defined in Schedule 12A of the said Act and in the attached Public Interest Test".

### **6 ADDITIONAL LEARNING NEEDS AND INCLUSION STRATEGIC REVIEW - GWYNEDD COUNCIL** (Pages 61 - 66)

To present a report in relation to the strategic review of Additional Learning Needs and Inclusion by Gwynedd Council.

### **7 NEXT MEETING OF THE JOINT-COMMITTEE**

The next scheduled meeting of the Joint-Committee is for 10:30 a.m. on Friday, 21<sup>st</sup> November in Llangefni.

## SPECIAL EDUCATIONAL NEEDS JOINT COMMITTEE

### Minutes of the meeting held on 4 July, 2014

- PRESENT:** Councillor Caerwyn Roberts (Gwynedd Council) (Chair)
- Gwynedd Council**
- Councillors Elin Walker Jones, Beth Lawton, Eirwyn Williams
- Isle of Anglesey County Council**
- Councillors Derlwyn Hughes, Gwilym O.Jones, R.Meirion Jones
- ALSO PRESENT:** Mr Gareth Payne (Principal Educational Psychologist)  
Mr Dewi Jones (Head of Education – Gwynedd Council)  
Mrs Delyth Molyneux (Head of Learning – Isle of Anglesey County Council)  
Mrs Mair Read (Special Educational Needs Officer - Anglesey)  
Mr William E.Jones (Senior Finance Manager Gwynedd Council)  
Mrs Kathy Bell (Senior Education Accountant Gwynedd Council)  
Ann Holmes (Committee Officer)
- APOLOGIES:** Councillors, Annwen Hughes, Peter Read (Gwynedd Council);  
Councillors Trefor Ll.Hughes, Llinos M.Huws, J.Arwel Roberts, Ieuan Williams (Isle of Anglesey County Council) Mr Rheinallt Thomas (Free Churches)
- 

#### 1. CHAIRMAN

Councillor Caerwyn Roberts, Gwynedd Council was elected Chairman of the Special Educational Needs Joint Committee for the next two years.

#### 2. VICE-CHAIR

Councillor Llinos M.Huws from the Isle of Anglesey County Council was elected Vice-Chair of the Special Educational Needs Joint Committee for the next two years.

#### 3. DECLARATION OF INTEREST

No declarations of interest were received

#### 4. MINUTES

The minutes of the previous meeting of the Joint Committee held on 14<sup>th</sup> March 2014 were submitted and confirmed as correct subject to the two references therein to Mr Darren Jackson being corrected to read Mr Garem Jackson.

#### 5. THE SPECIAL EDUCATIONAL NEEDS PROVIDER UNIT

Submitted – The report of the Principal Educational Psychologist outlining the activities of the Provider Unit during the 2014 Spring term.

The Principal Educational Psychologist referred to the main considerations as follows –

- The arrangements for administering assessment and review processes during the period. At the beginning of the term, the administrative team had a full complement of staff and advantage was taken of that to respond well to new developments including the implementation of the new version of the ONE database. In March, the Senior Administrative Officer who had been

seconded to the post left, and returned to her previous post. The office duties were reorganised in the meantime and the process of advertising the post to be filled until March 2015 was initiated.

- With regard to the Specialist Teachers Service, advertisements were placed for specialist teachers in the area of language difficulties, communication and autism; vision impairment and hearing impairment. A new teacher was appointed to join the language difficulties, communication and autism team to begin on a training course in September but external advertisement had to be placed for the posts in the other two areas. The sickness absence of one of the two specialist vision impairment teachers had an effect on the service particularly on the other teacher who had to undertake the additional work. The situation was exacerbated by the high number of visually impaired children transferring to the secondary sector in need of regular intense input as they required access to the curriculum through Braille.
- With regard to the Educational Psychology Service, the report incorporated an analysis of the financial implications of the decision made in the previous meeting to arrange for the three assistant psychologists who work at present in the service to attend a training course in order to ensure a supply of qualified psychologists in the future. Two of the assistant psychologists have secured a place on the three-year training course in Cardiff from September onwards, one without funding and the other on a funded placement. The third assistant psychologist decided not to apply for a training placement and to continue to work in her present post with the Joint Committee for another year. The report includes the cost of supporting two psychologists as trainee psychologist for the three year period. The service will need to operate with 1.4 fewer psychologists for three years but it is felt that this is a valuable investment which will bear fruit in the future. Some of the fieldwork of the two students will be carried out locally.
- In relation to the training of the educational psychologists' team, most of the psychologists, during the term, attended a course on the Person Centred Planning method of arranging meetings.
- The data for Gwynedd suggests that fewer statements than normal were completed within the statutory period for this term.

The Isle of Anglesey County Council's Special Educational Needs Officer confirmed that Anglesey's figures with regard to the number of statements completed within the 26 week period were similar to Gwynedd in that they reflected an underperformance. These results are to be attributed in part to the difficulties faced by the Administrative Unit from the beginning of the year, i.e. staff turnover with new members of staff coming into the unit meaning that it was difficult to give guidance to the team. These problems have since been resolved. One of the longstanding problems with regard to the completion of assessments is the difficulty with accessing information in a timely fashion from other agencies. Therefore, it was agreed that decisions would be made on assessments based on the information available at the time. It is hoped that this step will improve performance against the key performance indicators for the term and the next reporting period. The officer reported that an appointment was made to the post of Senior Administrative Officer for the Provider Unit until March 2015 and she stated that the previous post holder had started working on the modernisation of the Unit's administrative systems and promoting the introduction of the ONE database system. In addition, the Unit will be dealing with statutory cases only with regard to the Isle of Anglesey since the arrangements for funding schools has changed and the budget for special educational needs has been devolved to schools of Anglesey.

The information presented was considered by the members of the Joint Committee and the following comments were made in the ensuing discussion—

- With the arrangements of devolving special educational needs funding to the schools, it was asked whether they would still continue to receive support. Anglesey's Education Officer stated that the support would continue on a statutory level and that the changes would relate to the administration only with the Joint Committee dealing with statutory arrangements only.
- Whilst welcoming the training which will be undertaken by the two assistant psychologists as an innovative step, it was emphasised that the trained psychologist should commit to work for the Joint Committee for a period following the training.
- It was enquired whether it would be practical to undertake further steps to attempt to attract individuals particularly Welsh speakers to the profession by attending careers sessions and / or offering a bursary as an incentive. The officers responded by saying that the training process for qualifying as an educational psychologist is lengthy. The Joint Committee has a tradition of ensuring that educational psychologist progress through training..

Gwynedd Council's Head of Education drew the Joint Committee's attention to the following matters:

- He said that the Principal Educational Psychologist should be thanked for his work with regard to the progress made on the training programme for psychologists and to Gwynedd Council's Finance Unit for the financial assurance in that the financial support will be available to implement the plan.
- He suggested that the Principal Educational Psychologist should circulate to the head teachers of schools in both counties, a short letter of introduction incorporating information in tabular form setting out the duties of the three teams in the Provider Unit along with the steps which have been taken to strengthen the teams and to attract suitable individuals.
- He suggested that the Principal Educational Psychologist should consider how best to introduce to the Joint Committee the contents of the Welsh Government White Paper on Additional Learning Needs which is open to consultation until 25 July with regard to the impact of the proposed changes in the area of special educational needs so that the Joint Committee understands the implications with regard to how it will act on behalf of the authorities and provide services in the future.

A Member asked whether the members of the Joint Committee would see the response to the consultation on the White Paper. The Isle of Anglesey County Council's Head of Learning suggested that the professional response to the consultation should be shared with the Joint Committee through the administration and that a formal report should be presented to the September meeting of the Joint Committee outlining the implications of the proposed legislative changes for the Joint Committee particularly any relevant financial implications. This was agreed as a way forward.

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

**ACTIONS ARISING:**

- **The Principal Educational Psychologist to circulate to the head teachers of schools in Gwynedd and Anglesey information regarding the constitution of the three teams in the Provider Unit and their duties along with the steps taken to strengthen the teams and to attract suitable individuals.**
- **The Principal Education Psychologist –**
  - **To send to the Committee Officer the professional response to the Welsh Government consultation on the white Paper regarding Additional Learning Needs to be shared with the members of the Joint Committee and**
  - **To prepare for the next meeting of the Joint Committee a report on the implications of the White paper for the Joint Committee with particular reference to any financial implications.**

**6. THE FINAL ACCOUNTS OF THE JOINT COMMITTEE FOR THE YEAR ENDING 31 MARCH, 2014**

Submitted for the consideration of the Joint Committee – the Report by Gwynedd Council's Head of Finance incorporating a report on the income and revenue expenditure of the Joint Committee for 2013/14 along with the statement of the accounts in a statutory format which have been certified but not audited.

The Senior Finance Manager of Gwynedd Council noted that there were specific reporting requirements regarding the accounts and the audit of the accounts of joint committees as outlined in the body of the report. He said that the documents were split into two as follows–

- Income Accounts and Revenue Expenditure for 2013/14 along with a commentary on the main variances between the budget and the actual expenditure. The Officer reported that the Joint Committee's net underspend for 2013/14 was a £110,805. When this sum is added to the reserve balance of the Joint Committee on 31 March 2013, i.e. £166,351 the total reserve balance is £277,156 at the end of March 2014.

The Members of the Joint Committee considered the information presented and asked questions regarding the expenditure under some headings including the increase in postage costs. It was asked whether funding was available from the balances to improve office arrangements. The Officers responded that effort has been made to modernise the office systems and that reducing postage costs was a priority. On the other hand, confidentiality requirements must be borne in mind when circulating information and the medium used to do that along with the fact that some agencies conduct their business through paperwork. In addition, although a plan is in place to reduce the Joint Committee's balances, difficulties were experienced in the recruitment of individuals to specialists' posts. Therefore, efforts were made within the operational framework to relax the employment patterns to recruit staff when the need arises and to reduce the balances. On the other hand, the Joint Committee could face cuts to its annual budget in the future meaning that it will have to plan for the longer term on a reduced financial basis.

Gwynedd Council's Senior Finance Manager said that the joint Committee's balances were one-off funding and that any permanent commitments should be made against the permanent budget. The situation whereby the Joint Committee holds the equivalent of a quarter of its turnover of £1m in reserves is something to keep an eye upon although there could be specific reasons for that.

Gwynedd Council's Head of Education said that having reserves gave the Joint Committee flexibility and financial assurance that it can attract suitable individuals to its employ and also provide assistance in order to ensure that children have support as the need arises.

- A statement of the accounts in statutory format certified but not audited.

Gwynedd Council' Senior Finance Manager reported that the statement had been formulated and presented on the statutory standard format. The accounts will be audited by the Wales Audit Office and the Appointed Auditor will produce an ISA260 report outlining the main findings of the Wales Audit Office which will be presented to the meeting of the Joint Committee in September along with the audited accounts. There are several sections to the accounts including explanatory notes regarding the accounting policies.

**It was resolved –**

- **To accept the Income Accounts and Revenue Expenditure for 2013/14 and to note its contents.**
- **To accept the Statement of Accounts for 2013/14 (pre audit) and to note its contents.**

## **7. ANNUAL GOVERNANCE STATEMENT**

Submitted – for the consideration and approval of the Joint Committee – The Annual Governance Statement for 2013/14 in accordance with the requirements of the Wales Accounting and Audit Regulation (Amended) 2012 which states that each Joint Committee must produce a Statement of Internal Control.

Gwynedd Council's Senior Finance Manager reported that the Annual Governance Statement would be combined with the audited account to be presented as one comprehensive document to the meeting of the Joint Committee in September.

Anglesey's Special Educational Needs Officer presented the statements formally to the Joint Committee and stated that it was based on the constitution of the Joint Committee which was last updated in 2014. She suggested that in light of the expected proposed changes with the introduction of the Wales Government White Paper regarding additional learning needs, the constitution would need to be reviewed to ensure that it is current and fit for purpose. In addition, the service level agreement with the two authorities needs to be revised in order to reflect any changes.

Attention was drawn to the fact that the Governance Statement had been designed to respond to the formal requirement for a statement of internal control and that the External Auditor had not made any comments on its contents in his audit last year. It was suggested that any amendments to the

constitution and / or the agreement could impact on the format and contents of the statement in future.

It was agreed that members of the Joint Committee should receive a copy of the Joint Committee's current constitution as a reference for the imminent review.

**It was resolved to approve the Annual Government Statement for 2013/14 as presented.**

**ACTION: Committee Officer to circulate a copy of the Joint Committee's current constitution to its members**

**Councillor Caerwyn Roberts  
Chairman**

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## Agenda Item 3

<b>MEETING</b>	Special Educational Needs Joint Committee (Isle of Anglesey County Council and Gwynedd Council)
<b>DATE</b>	19 September 2014
<b>TITLE</b>	The Joint Committee's Final Accounts for the year ended 31 March 2014 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 4 July 2014 meeting of the Special Educational Needs Joint Committee:

- 1.1 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.
- 1.2 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.
- 1.3 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.
- 1.4 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.
- 1.5 That Statement of Accounts will be subject to a separate audit by the Wales Audit Office.

## **2. ACCOUNTS FOR 2013/14**

The Revenue Income and Expenditure Account for 2013/14 was submitted to the 4 July 2014 meeting of the Special Educational Needs Joint Committee “as usual” in simple “outturn” format, together with the Statement of Accounts for 2013/14 (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 2013/14**

The final version (post-audit) of the Statement of Accounts for 2013/14 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 2013/14 (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 A 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  
2013/14**

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 2013/14 are presented here on pages 6 to 23. The Statements of Accounts are prepared in accordance with CIPFA's *Code of Practice on Local Authority Accounting in the United Kingdom 2013/14*.

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 2014.
- **The Cash Flow Statement** - This statement summarises the flow of cash to and from the Joint Committee during 2013/14 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 commencing on page 10.

### **Revenue Expenditure in 2013/14**

- The Comprehensive Income and Expenditure Statement on page 7 shows that the Joint Committee's gross revenue expenditure was £1,090k during 2013/14, with the net position as (£109k). By reversing the Code's required technical adjustments through the Statement of Movement in Reserves, the true net increase is seen to be (£111k).
- The financial out-turn position for 2013/14 was reported to the Joint Committee at its meeting on 4 July 2014. Joint Committee Members approved the transfer of the £111k underspend to an earmarked reserve.
- The Movement in Reserves Statement and the Comprehensive Income and Expenditure Statement on page 6 and 7 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	1,200	1,088	(112)
Income			
Gwynedd Council Contribution	(731)	(731)	0
Anglesey County Council Contribution	(460)	(460)	0
Other Income	(9)	(8)	1
Net (Underspend)/Overspend	<u>0</u>	<u>(111)</u>	<u>(111)</u>

## TABLE 2 –Transposition movement between ‘Budget and Actual Comparison Summary (Net)’ (Table I) to the Income and Expenditure format

	<b>Performance Report</b>	<b>*Transposition Adjustment</b>	<b>Income &amp; Expenditure Statement</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Expenditure	1,088	2	1,090
Income	(1,199)	0	(1,199)
<b>Net Cost of Services</b>	<u>(111)</u>	<u>2</u>	<u>(109)</u>

\* The adjustments in the transposition column relate to the required technical adjustments for accumulated absences.

## Accounting Policies

The accounting policies adopted on behalf of 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 commencing on page 10.

## 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 2013/14 which affects the Joint Committee’s accounts.

## 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.

**19 September 2014**

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**Councillor E. Caerwyn Roberts**  
**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 2014 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**

**11 September 2014**



## 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	Total Usable Reserves	Unusable Reserves	Total Joint Committee's Reserves
	£'000	£'000	£'000	£'000	£'000
<b>Balance 31 March 2012</b>	<b>0</b>	<b>(72)</b>	<b>(72)</b>	<b>35</b>	<b>(37)</b>
<u>Movement in reserves during 2012/13</u>					
(Surplus)/Deficit on provision of services	(104)	0	(104)	0	(104)
Other Comprehensive Income and Expenditure	0	0	0	0	0
<b>Total Comprehensive Income and Expenditure</b>	<b>(104)</b>	<b>0</b>	<b>(104)</b>	<b>0</b>	<b>(104)</b>
Adjustments between accounting basis and funding basis under regulations	10	0	10	(10)	0
<b>Net (Increase)/Decrease before Transfers to Earmarked Reserves</b>	<b>(94)</b>	<b>0</b>	<b>(94)</b>	<b>(10)</b>	<b>(104)</b>
Transfers to/from Earmarked Reserves	10 94	(94)	0	0	0
<b>(Increase)/Decrease in 2012/13</b>	<b>0</b>	<b>(94)</b>	<b>(94)</b>	<b>(10)</b>	<b>(104)</b>
<b>Balance 31 March 2013 carried forward</b>	<b>0</b>	<b>(166)</b>	<b>(166)</b>	<b>25</b>	<b>(141)</b>
<u>Movement in reserves during 2013/14</u>					
(Surplus)/Deficit on provision of services	(109)	0	(109)	0	(109)
Other Comprehensive Income and Expenditure	0	0	0	0	0
<b>Total Comprehensive Income and Expenditure</b>	<b>(109)</b>	<b>0</b>	<b>(109)</b>	<b>0</b>	<b>(109)</b>
Adjustments between accounting basis and funding basis under regulations	(2)	0	(2)	2	0
<b>Net (Increase)/Decrease before Transfers to Earmarked Reserves</b>	<b>(111)</b>	<b>0</b>	<b>(111)</b>	<b>2</b>	<b>(109)</b>
Transfers to/from Earmarked Reserves	10 111	(111)	0	0	0
<b>(Increase)/Decrease in 2013/14</b>	<b>0</b>	<b>(111)</b>	<b>(111)</b>	<b>2</b>	<b>(109)</b>
<b>Balance 31 March 2014 carried forward</b>	<b>0</b>	<b>(277)</b>	<b>(277)</b>	<b>27</b>	<b>(250)</b>

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – 2013/14

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

2012/13				2013/14		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
1,002	0	1,002	Employees	965	0	965
15	0	15	Property	25	0	25
46	0	46	Transport	51	0	51
35	0	35	Supplies and Services	49	0	49
0	(1,202)	(1,202)	Income	0	(1,199)	(1,199)
<b>1,098</b>	<b>(1,202)</b>	<b>(104)</b>	<b>Cost of Services</b>	<b>1,090</b>	<b>(1,199)</b>	<b>(109)</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>1,098</b>	<b>(1,202)</b>	<b>(104)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>1,090</b>	<b>(1,199)</b>	<b>(109)</b>

## BALANCE SHEET – 31 MARCH 2014

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.

31 March 2013 £'000		Note	31 March 2014 £'000
<b>0</b>	<b>Long Term Assets</b>		<b>0</b>
1	Short Term Debtors	11	0
189	Cash and Cash Equivalents		311
<b>190</b>	<b>Current Assets</b>		<b>311</b>
(49)	Short Term Creditors	12	(61)
<b>(49)</b>	<b>Current Liabilities</b>		<b>(61)</b>
<b>0</b>	<b>Long Term Liabilities</b>		<b>0</b>
<b>141</b>	<b>Net Assets</b>		<b>250</b>
(166)	Usable Reserves	10	(277)
25	Unusable Reserves	13	27
<b>(141)</b>	<b>Total Reserves</b>		<b>(250)</b>

## CASH FLOW STATEMENT – 2013/14

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

2012/13 £'000	Note	2013/14 £'000
(104) Net (Surplus) or Deficit on the Provision of Services		(109)
9 Adjustments to net surplus or deficit on the provision of services for non-cash movements ( <i>creditors and debtors</i> )	14	(13)
0 Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		0
(95) Net cash flows from Operating Activities		(122)
0 Investing Activities		0
0 Financing Activities		0
(95) Net (Increase)/Decrease in cash and cash equivalents		(122)
(94) Cash and cash equivalents at the beginning of the reporting period		(189)
<b>(189) Cash and cash equivalents at the end of the reporting period</b>		<b>(311)</b>

\*Cash flow position in line with Accounting Policy 1.3

# **NOTES TO THE ACCOUNTS**

## **NOTE I – ACCOUNTING POLICIES**

### **I.1 General Principles**

The Statement of Accounts summarises the Joint Committee's transactions for the 2013/14 financial year and its position at the year-end of 31 March 2014. 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 2013/14* and the Service Reporting Code of Practice 2013/14, 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.

### **I.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.

### **I.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.

### **I.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.

### **I.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 Reporting Period**

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 Prior Period Adjustments, changes in Accounting Policies, Estimates and Errors**

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. The assets and liabilities relevant to the Joint Committee's officers are not identified, 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 which affect the treatment of the Joint Committee's accounts.

## **NOTE 3 – PRIOR PERIOD ADJUSTMENTS**

In order to comply with the current code of practice and IFRS an Accumulated Absences Account has been established. The tables below reflect the required prior period adjustments that have been made to the 2012/13 main Statements of Accounts and relevant Notes to the Accounts.



## Effect of the adjustment on the Movement in Reserves Statement 2012/13

	As previously stated 2012/13				Restatement				As restated 2012/13			
	General Fund Balance £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000	General Fund Balance £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000	General Fund Balance £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
<b>Balance 31 March 2012 carried forward</b>	0	(72)	0	(72)	0	0	35	35	0	(72)	35	(37)
<u>Movement in reserves during 2012/13</u>												
(Surplus)/Deficit on provision of services	(94)	(94)	0	(94)	(10)	(10)	0	(10)	(104)	(104)	0	(104)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Comprehensive Income and Expenditure</b>	(94)	(94)	0	(94)	(10)	(10)	0	(10)	(104)	(104)	0	(104)
Adjustments between accounting basis and funding basis under regulations	0	0	0	0	10	10	(10)	0	10	10	(10)	0
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	(94)	(94)	0	(94)	0	0	(10)	(10)	(94)	(94)	(10)	(104)
Transfers to/from Earmarked Reserves	94	0	0	0	0	0	0	0	94	0	0	0
<b>Increase/Decrease in 2012/13</b>	0	(94)	0	(94)	0	0	(10)	(10)	0	(94)	(10)	(104)
<b>Balance 31 March 2013 carried forward</b>	0	(166)	0	(166)	0	0	25	25	0	(166)	25	(141)

## Effect of the adjustment on the Comprehensive Income and Expenditure Statement 2012/13

	<u>As previously stated 2012-13</u>			<u>Restatement</u>			<u>As restated 2012-13</u>		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	1,012	0	1,012	(10)	0	(10)	1,002	0	1,002
Property	15	0	15	0	0	0	15	0	15
Transport	46	0	46	0	0	0	46	0	46
Supplies and Services	35	0	35	0	0	0	35	0	35
Income	0	(1,202)	(1,202)	0	0	0	0	(1,202)	(1,202)
<b>Cost of Services</b>	<b>1,108</b>	<b>(1,202)</b>	<b>(94)</b>	<b>(10)</b>	<b>0</b>	<b>(10)</b>	<b>1,098</b>	<b>(1,202)</b>	<b>(104)</b>
Other Operating Expenditure	0	0	0	0	0	0	0	0	0
Financing and Investment Income and Expenditure	0	0	0	0	0	0	0	0	0
Taxation and non-specific grant income	0	0	0	0	0	0	0	0	0
<b>(Surplus) / Deficit on Provision of Services</b>	<b>1,108</b>	<b>(1,202)</b>	<b>(94)</b>	<b>(10)</b>	<b>0</b>	<b>(10)</b>	<b>1,098</b>	<b>(1,202)</b>	<b>(104)</b>

## Effect of the adjustment on the Balance Sheet 2012/13

	<u>As previously stated 2012/13</u>	<u>Restatement</u>	<u>As restated 2012/13</u>
	£'000	£'000	£'000
<b>Long Term Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
Short Term Debtors	1	0	1
Cash and Cash Equivalents	189	0	189
<b>Current Assets</b>	<b>190</b>	<b>0</b>	<b>190</b>
Short Term Creditors	(24)	(25)	(49)
<b>Current Liabilities</b>	<b>(24)</b>	<b>(25)</b>	<b>(49)</b>
<b>Long Term Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Assets</b>	<b>166</b>	<b>(25)</b>	<b>141</b>
Usable Reserves	(166)	0	(166)
Unusable Reserves	0	25	25
<b>Total Reserves</b>	<b>(166)</b>	<b>25</b>	<b>(141)</b>

## Effect of the adjustment on the Cash Flow Statement 2012/13

	As previously stated 2012/13	Restatement	As restated 2012/13
	£'000	£'000	£'000
Net (Surplus) or Deficit on the Provision of Services	(94)	(10)	(104)
Adjustments to net surplus or deficit on the provision of services for non-cash movements ( <i>creditors and debtors</i> )	(1)	10	9
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	0	0	0
Net cash flows from Operating Activities	(95)	0	(95)

## Effect of the adjustment on the Adjustments Between Accounting Basis and Funding Basis Under Regulations Note 2012/13

	As previously stated		Restatement		As restated 2012/13	
	2012/13					
	Usable Reserve General Fund Balance £'000	Movement in Unusable Reserves £'000	Usable Reserve General Fund Balance £'000	Movement in Unusable Reserves £'000	Usable Reserve General Fund Balance £'000	Movement in Unusable Reserves £'000
<b>ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS</b>						
Adjustments primarily involving the Accumulated Absences Account						
Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0	0	10	(10)	10	(10)
<b>Total Adjustments</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>(10)</b>	<b>10</b>	<b>(10)</b>

## Effect of the adjustment on the Short-Term Creditors Note 2012/13

	As previously stated 2012/13	Restatement	As restated 2012/13
	£'000	£'000	£'000
Other Local Authorities	0	0	0
Public Corporations and Trading	8	0	8
Other Entities and Individuals	16	25	41
<b>Total</b>	<b>24</b>	<b>25</b>	<b>49</b>

## Effect of the adjustment on the Unusable Reserves Note 2012/13

### a) Summary Table :

	As previously stated 2012/13	Restatement	As restated 2012/13
	£'000	£'000	£'000
Accumulated Absences Account	0	(25)	(25)
<b>Total Unusable Reserves</b>	<b>0</b>	<b>(25)</b>	<b>(25)</b>

### b) Accumulated Absences Table :

	As previously stated 2012/13	Restatement	As restated 2012/13
	£'000	£'000	£'000
<b>Balance 1 April</b>	<b>0</b>	<b>(35)</b>	<b>(35)</b>
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0	10	10
<b>Balance 31 March</b>	<b>0</b>	<b>(25)</b>	<b>(25)</b>

## Effect of the adjustment on the Cash Flow Statement Note 2012/13

	As previously stated 2012/13	Restatement	As restated 2012/13
	£'000	£'000	£'000
(Increase)/Decrease in Creditors	(2)	10	8
Increase/(Decrease) in Debtors	1	0	1
	<b>(1)</b>	<b>10</b>	<b>9</b>

## NOTE 4 – ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 has introduced several changes in accounting policies which will be required from 1 April 2014. The changes are as follows:

### IFRS 10 - Consolidated Financial Statements (May 2011)

This change in the accounting policy has introduced a new definition of control, which is used to determine which entities are consolidated for the purpose of group accounts.

**IFRS 11 - Joint Arrangements (May 2011)**

This change in accounting policy is related to accounting for joint arrangements, which is a contractual arrangement over which two or more parties have joint control. These are classified as either a joint venture or a joint operation. Proportionate consolidation is no longer an option for jointly controlled entities.

**IFRS 12 - Disclosure of Interest with Other Entities (May 2011)**

This change requires a number of disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

**IAS 27 - Separate Financial Statements and IAS 28 - Investments in Associates and Joint Ventures (amended May 2011)**

These statements have been amended as a result of the changes to IFRS 10, IFRS 11 and IFRS 12 (above). Given that there would be no changes in the financial statements, except for disclosure, due to the changes to IFRS 10, IFRS 11 and IFRS 12, there is therefore also no impact as a result of changes in IAS 27 and IAS 28.

**IAS 32 - Financial Instruments: Presentation (amended December 2011)**

This standard introduces changes to the presentation of financial instruments and allows the offsetting of financial assets and financial liabilities.

It is not likely that the above changes will have a material affect on the SEN Joint Committee's Statement of Accounts.

**NOTE 5 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

In applying the accounting policies set out in Note 1, the Joint Committee has had to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The judgements, estimates and associated assumptions applied are based on historical experience and other factors, other factors being historical and actual future projections and assumptions that are considered to be relevant.

All available and related information is sourced and applied in assessing and determining the position, which is particularly critical when considering such matters as earmarked reserves, provisions and contingent liability. Actual results may subsequently differ from those estimates. The estimates and underlying assumptions are continually reviewed.

**NOTE 6 – ASSUMPTIONS MADE ABOUT FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because certain balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

No items in the Joint Committee's Balance Sheet at 31 March 2014 may be considered to be a significant risk, with the possibility of material adjustment in the forthcoming financial year.

## NOTE 7 – MATERIAL ITEMS OF INCOME AND EXPENSE

*(Not disclosed on the face of the Comprehensive Income and Expenditure Statement)*

There are no material items of income and and expense which are not disclosed on the face of the Comprehensive Income and Expenditure Statement.

## NOTE 8 – EVENTS AFTER THE BALANCE SHEET DATE

There are no known events after the balance sheet date.

## NOTE 9 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Joint Committee in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Joint Committee to meet future expenditure.

<b>2013/14</b>	<b>Useable Reserve General Fund Balance</b>	<b>Movement in Unusable Reserves</b>
	<b>£'000</b>	<b>£'000</b>
<b>ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS</b>		
<b>Adjustment primarily involving the Accumulated Absences Account</b>		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2)	2
<b>Total Adjustments</b>	<b>(2)</b>	<b>2</b>

<b>2012/13</b>	<b>Useable Reserve General Fund Balance</b>	<b>Movement in Unusable Reserves</b>
	<b>£'000</b>	<b>£'000</b>
<b>ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS</b>		
<b>Adjustment primarily involving the Accumulated Absences Account</b>		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	10	(10)
<b>Total Adjustments</b>	<b>10</b>	<b>(10)</b>

## NOTE 10 – 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 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>
<u>Transfers:</u>	
Between Reserves	0
In	111
Out	0
<b>Balance 31 March 2014</b>	<b>277</b>

## NOTE 11 – SHORT-TERM DEBTORS

	<b>31 March 2013 £'000</b>	<b>31 March 2014 £'000</b>
Other Local Authorities	0	0
Other Entities and Individuals	1	0
<b>Total</b>	<b>1</b>	<b>0</b>

## NOTE 12 – SHORT-TERM CREDITORS

	<b>31 March 2013 £'000</b>	<b>31 March 2014 £'000</b>
Other Local Authorities	0	17
Public Corporations and Trading	8	6
Other Entities and Individuals	41	38
<b>Total</b>	<b>49</b>	<b>61</b>

## NOTE 13 – UNUSABLE RESERVES

31 March 2013		31 March 2014
£'000		£'000
(25)	Accumulated Absences Account	(27)
<b>(25)</b>	<b>Total Unusable Reserves</b>	<b>(27)</b>

### Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2012/13		2013/14
£000		£000
(35)	<b>Balance 1 April</b>	(25)
10	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2)
<b>(25)</b>	<b>Balance 31 March</b>	<b>(27)</b>

## NOTE 14 – CASH FLOW STATEMENT : ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

2012/13		2013/14
£'000		£'000
8	(Increase)/Decrease in Creditors	(12)
1	Increase/(Decrease) in Debtors	(1)
<b>9</b>		<b>(13)</b>

## NOTE 15 – EXTERNAL AUDIT COSTS

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

2012/13		2013/14
£'000		£'000
8	Fees for External Audit Services *	3

\* (i) As part of 2012/13's audit requirements, two financial years were required to be audited.

(ii) The actual audit fee for 2013/14 was £6k, but a credit of £3k in respect of lower than expected audit fees in 2012/13 has reduced the 2013/14 disclosed figure to £3k.



**NOTE 16 – 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 2014 made to these companies under this heading during 2013/14 is as follows:

Payments made	Amounts owed by the Joint Committee	Amounts owed to the Joint Committee
£3,181	£0	£0

The figures are based on information received in respect of Councillors’ returns.

**NOTE 17 – EXIT PACKAGES**

There have been no exit packages in the financial years 2012/13 or 2013/14 and thus no related costs to the employer.

**NOTE 18 – 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 2013/14 the Joint Committee paid £38,947 (£41,177 in 2012/13) in respect of teachers’ pension costs, which represented 14.10% (14.08% in 2012/13) of teachers’ pensionable pay.

**NOTE 19 – 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 2013/14 the Joint Committee paid £106,836 (£99,943 in 2012/13) representing officer pension costs to the Local Government Pension Scheme of 22.4% of each member officer's pensionable pay (21.9% in 2012/13).

Further related technical financial transactions regarding the Joint Committee have been included within Gwynedd Council's accounts without net effect.

## **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 2014 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 2013-14 based on International Financial Reporting Standards (IFRSs).

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

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for the preparation of the statement of accounts, Special Educational Needs Joint Committee's accounting statements, which gives a true and fair view.

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

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

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

### **Opinion on the accounting statements of the 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 2014 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14.

### **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**  
**Wales Audit Office**  
**24 Cathedral Road**  
**Cardiff**  
**CF11 9LJ**

**xx September 2014**

**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) Regulation 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 2014 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*  
 DEWI R. JONES  
 HEAD OF EDUCATION, GWYNEDD COUNCIL

Date: 04/07/2014

*Delyth W. Molyneux*  
 DELYTH W. MOLYNEUX  
 HEAD OF LEARNING, ANGLESEY COUNTY COUNCIL

Date: 04/07/2014

*E. Caerwyn Roberts*  
 COUNCILLOR E. CAERWYN ROBERTS  
 S.E.N. JOINT COMMITTEE CHAIRMAN

Date: 04.07.2014



# Audit of Financial Statements Report

## **Special Educational Needs Joint Committee**

**Audit year:** 2013-14

**Issued:** September 2014

**Document reference:** 542A2014



# 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 the statutory functions.

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or, 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, the Wales Audit Office and, where applicable, the appointed auditor are relevant third parties. 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).

The team who delivered the work comprised Derwyn Owen, Amanda Hughes, Alan Hughes, and Andrew Smith

# 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 the Special Educational Needs Joint Committee at 31 March 2014 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 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 Special Educational Needs Joint Committee, for 2013-14, that require reporting under ISA 260.

## Status of the audit

6. We received the draft financial statements for the year ended 31 March 2014 on 30 June 2014, the agreed 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 Dafydd Edwards, Head of Finance.

## 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](#).

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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 were some issues arising in these areas this year:

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

13. It is a requirement of the Code of Practice on Local Authority Accounting that details of related party transactions are disclosed within the Joint Committee's accounts. In order to gather the relevant information, Gwynedd Council sought details of related party interests from the relevant Councils. Anglesey County Council did not provide this until the very end of the audit window and therefore the draft accounts were prepared without this information. In future they must ensure that the information is provided on a timely basis.

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

14. 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 that we have not reported to you already.
  - There are not any other matters specifically required by auditing standards to be communicated to those charged with governance.

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## Independence and objectivity

15. As part of the finalisation process, we are required to provide you with representations concerning our independence.
16. 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 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

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

19 September 2014

Dear Mr Barrett,

### REPRESENTATIONS REGARDING THE 2013/14 FINANCIAL STATEMENTS

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of the Special Educational Needs Joint Committee for the year ended 31 March 2014 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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

### MANAGEMENT REPRESENTATIONS

#### Responsibilities

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

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

#### Information provided

We have provided you with:

- full access to:

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

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

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

## **REPRESENTATIONS BY THE 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 the Special Educational Needs Joint Committee on 19 September 2014.

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

Yours sincerely,

.....

**DAFYDD L. EDWARDS**  
**HEAD OF FINANCE**  
**GWYNEDD COUNCIL**

Date .....

.....

**COUNCILLOR E. CAERWYN ROBERTS**  
**SPECIAL EDUCATIONAL NEEDS**  
**JOINT COMMITTEE CHAIRMAN**

Date .....



# Appendix 2

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## Proposed audit report of the Appointed Auditor to the Special Educational Needs Joint Committee

### **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 2014 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 2013-14 based on International Financial Reporting Standards (IFRSs).

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

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for the preparation of the statement of accounts, Special Educational Needs Joint Committee's accounting statements, which gives a true and fair view.

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

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

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

---

## **Opinion on the accounting statements of the 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 2014 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14.

## **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**  
**Wales Audit Office**  
**24 Cathedral Road**  
**Cardiff**  
**CF11 9LJ**

**30 September 2014**

## Appendix 3

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### Summary of corrections made to the draft financial statements which should be drawn to the attention 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
£6,000	Note 12 - Reclassification of short term creditors: Other entities -£6,000 Local authorities +£6,000	To ensure the correct disclosure of short terms creditors at the balance sheet date.
2013/14 - £27,000 2012/13 - £25,000	To include an accrual for accumulated absences in both the opening and closing balance sheets Notes 3, 9 and 13 added as a result.	To comply with disclosure requirements
narrative	A small number of minor amendments to correct for typos etc	To improve the quality of the accounts.



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## **Welsh Government White Paper for Additional Educational Needs Summary of the Main Proposed Changes**

**Gareth Payne, July 2014**

### **Changes to the Legislation**

The Government intends to make changes to the legislation which describes the arrangements that need to be made to meet the needs of children who are experiencing educational difficulties.

### **Principles**

They emphasise that it is all-important to ensure that the needs of all children are met: 'We must ensure that the best welfare of all learners are the all-important consideration,' 'all learners should be able to expect that their needs will be identified and met,' 'the opinion of learners, and the opinion of their parents, will be considered.'

### **Terminology**

They will be changing the name 'Special Educational Needs' to 'Additional Learning Needs', and have added the word 'learning' instead of the earlier proposal, 'Additional Needs' because this was too broad, and included e.g. the needs of people in traveller communities. The new term gives more focus.

They explain that the current terminology 'causes stigma' to children and young people, and there are now negative connotations to a number of the old terms.

### **Working Cooperatively and Conflict**

They want the new process to include less conflict: they see that there is too much opportunity for conflict between authorities and the public in the old system.

### **Extending the Age Range**

The new system will be extended to 'every child and young person between 0 and 25yrs. identified as having ALN and who accept or wish to receive education or training'.

The local education authority is responsible for this, even though the group includes very young children, i.e. before nursery age, and students up to 25yrs old.

The White Paper does not extend the new system to include young people in Higher Education, since there is already a good system there. It does not, either, extend to young people in work.

The divide which currently exists between school and further education tends to lead to inconsistencies in transfer, with the responsibility changing from the local education authority to 'Welsh Ministers'. This does not lead naturally to good detailed planning, and sometimes Welsh Ministers do not have all the necessary information.

### **Individual Development Plans**

They introduce the term Individual Development Plans (IDP) to replace the word Statement, and this includes children who are at present following non-statutory 'Individual Education Plans (IEPs) within schools and also post 16 plans'. (England have not done this, and concentrate therefore on children who would be the subject of a statement in the old system.)

The IDP therefore can be very broad, varying according to age, placement, and the seriousness of the individual's needs.

At present, with the current system, the divide between those who are the subject of a statement and those who receive more informal support is not defined, and local authorities therefore need to make their own interpretation. This has led to the situation where the division is unclear and inconsistent. The relationship between parents and local authorities can be affected and undermined by this.

They predict that the local education authority will not be involved to a great extent with many of the children and young people who need help at the moment at the level of School Support and School Support Plus, however they are ultimately responsible for this, and they will therefore need to establish arrangements for monitoring and reviewing.

### **Transparent and Integrated**

The new system is to be fair and transparent, and 'integrated'.

### **New Code of Practice**

There will be a new Code of Practice, however this is not available at the moment, therefore the contents of the White Paper itself are a little thin on detail.

The current Code of Practice is not a legal requirement but the new Code of Practice will be mandatory.

### **Private Schools**

The local authority will not be able to place someone in a private school unless that school is registered.

### **The Opinion of Children and Their Parents**

It is a requirement to consult with, and consider the opinion of, the children themselves and their parents.

### **Other Agencies**

The local education authority must work co-operatively with the health board, Further Education institutions, and the Code of Practice, when it comes, will give advice on how to work in a multi-agency fashion.

The emphasis is upon early intervention and on sharing information with different agencies.

### **Co-ordinators**

There will be an additional learning needs Co-ordinator in every school, but they will not need to have a specialist qualification, such as is required by the legislation in England.

### **Appeal**

The current right to appeal remains. However this has now be extended to include the children and young people themselves, and young people aged 16yrs and more.

Local education authorities must ensure they have a good system of conflict resolution, and it will be a requirement that local complaint procedures be followed before an appeal to the Tribunal is made. The emphasis is on trying to avoid going to appeal.



**Dyslexia**

There will be further information from the government outlining how to deal with specific learning difficulties (for example, dyslexia).

**Cost**

They maintain that, with careful planning, all this will not cost more than the present system. However they do mention that there may be additional cost due to appeals involving children that are not at present on a statement, and in establishing a more comprehensive system of conflict resolution.

## **Implications of the White Paper to the Special Educational Needs Joint Committee.**

This response is based upon the points in the Summary, which is attached.

### **Principles**

Naturally we all agree with these principles, and they do no more than repeat principles which have been in place in the area of special educational needs at least since the 1981 Education Act.

We can only agree with the comments on conflict, we have all had some experience of this over the years.

Possibly we will need to change our name!

### **Change of Terms**

We agree with the change of terms. This seems to be a relatively minor point, but terms do tend to acquire negative connotations over time, whatever their strengths may be as terms as such.

### **Extending the Age Range**

Workers in the field will need to reach the schools and nursery groups more often than they do at the moment, and this may lead to some increase in the time staff will need to spend, but the big change will be working with the colleges of further education. We do not have a presence in the colleges at the moment. There is potential for a considerable increase in the work of the psychologists and the specialist teachers in this development, considering the need to support young people with sensory difficulties through examinations at a high level, and assessment and support for young people with dyslexia.

Considering that the college population is approximately half the population of young people aged between 16 and 25, this is equivalent to the population of 4 year groups of school children. We work with the population of 13 year groups of school children at present, of course, and therefore 4 additional years would mean an increase of 30%. It is envisaged that an increase of at least 20% to our workforce will be needed, which would be approximately one and a half psychologists and one and a half specialist teachers, in order to support these young people.

As with our work at the moment, this support will include training and more general support, as well as working with the young people individually.

### **The Responsibility of the Education Department**

The two authorities will be responsible for monitoring the individual educational plans of many more children and young people. The Joint Committee has systems to do this. We are already monitoring the plans of children on statements, and have been monitoring children on support plans at the level of school support and school support plus, i.e. system 3\*.

But formalising the support at school support plus, and extending this to younger children and students at further education colleges, will mean more work for the office staff, processing applications and deciding upon the appropriateness of programmes and provision.

We envisage a new system, where there will be precise criteria, and specific measures of progress, which would be transparent and not open to interpretation or personal opinion, and that the schools and colleges will send this information to the Joint Committee annually, to be processed in a new system similar to the present system of panels.

It will be necessary to be more careful in noting the exact information that is needed, including the child's progress, and there will need to be clear and unambiguous criteria regarding when provision should be increased or decreased.

It is possible to do this through developing the current paper-based system, but it would be preferable to do this electronically for the most part.

Once again, we would envisage an increase of 20% at least in the time of the Joint Committee administrative team, once again approximately one person and a half.

The need to include other agencies such as the Health Board is not as clear in reading the White Paper as expected, and it is likely that the old difficulties of having to wait for replies from the health board will continue to occur. But the responsibility is clearly on the shoulders of the local education authority.

Possibly initial meetings would be held with with both agencies, to discuss the the situation and try to come to a solution, possibly through ensuring there is a client officer in each agency.

Then there will need to be regular meetings with these client officers, and perhaps include them in meetings similar to our current panel meetings.

These panel meetings should be less onerous than the present ones if the criteria are clear and unambiguous.

### **Individual Development Plans Instead of Statements**

Although the White Paper itself does not differentiate between the needs of different children, it will be possible to make an informal arrangement, where there would be more discussion of children with more serious difficulties, and more dependence on clear criteria with other children, to make it easier, and therefore quicker, to come to decisions.

### **New Code of Practice**

If the new Code of Practice is thorough and detailed, then it will be easier to develop the new systems that we need.

### **Appeals to the Tribunal**

Certainly there is the potential for an increase in the number of cases which go to appeal, or at least an increase in the numbers of cases which go to the new conflict resolution process. Also usually Joint Committee field workers attend appeal meetings, and this will have implications for the time of Joint Committee staff as well.

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# DDIM I'W GYHOEDDI NOT FOR PUBLICATION

Adolygiad Strategol Anghenion Addysgol Ychwanegol a Chynhwysiad - Cyngor Gwynedd  
Additional Learning Needs and Inclusion Strategic Review - Gwynedd Council

## PRAWF BUDD Y CYHOEDD PUBLIC INTEREST TEST

<p>Paragraff(au) Paragraph(s)</p>	<p>Atodlen 12A Deddf Llywodraeth Leol 1972 Schedule 12A Local Government Act 1972</p>
<p>[un neu fwy o /one or more of 12,13,14,15,16,17,18,18A,18B,18C]</p>	
<p>Y PRAWF – THE TEST</p>	
<p>Mae yna fudd y cyhoedd wrth ddatgan oherwydd / There is a public interest in disclosure as:-</p> <p>Mae angen trafodaeth gyhoeddus ar yr Adolygiad Anghenion Dysgu Ychwanegol a Chynhwysiad.</p> <p>A public discussion on the Review of Additional Learning Needs and Inclusion is required.</p>	<p>Y budd y cyhoedd with beidio datgelu yw / The public interest in not disclosing is:-</p> <p>Ysytirir ei fod yn gyn amserol i rannu'r adolygiad yn gyhoeddus cyn cael barn ac arweiniad y Cyd-Bwyllgor AAA fel y fforwm arbenigol yn y maes.</p> <p>It is considered premature to share the review publicly until the views and guidance of the SEN Joint-Committee as the specialist forum in this area have been obtained.</p>
<p>Argymhelliad: *Mae budd y cyhoedd wrth gadw'r eithriad yn fwy o bwys/<del>Hai o bwys</del> na budd y cyhoedd wrth ddatgelu'r wybodaeth [* dilewch y geiriau nad ydynt yn berthnasol]</p> <p>Recommendation: *The public interest in maintaining the exemption outweighs/<del>does not outweigh</del> the public interest in disclosing the information. [*delete as appropriate]</p>	

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