

# Complete Agenda



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Meeting

**GWE JOINT COMMITTEE**

Date and Time

**10.30 am, WEDNESDAY, 2ND OCTOBER, 2024**

Location

**Virtual Meeting**

**(For public access to the meeting, please contact us)**

Contact Point

**Lowri Haf Evans**

**01286 679878**

**[lowrihafevans@gwynedd.llyw.cymru](mailto:lowrihafevans@gwynedd.llyw.cymru)**

# **GWE JOINT COMMITTEE**

## **MEMBERSHIP OF THE JOINT COMMITTEE**

### **Voting Members**

#### **Councillors**

Councillor Dafydd Roberts	Isle of Anglesey County Council
Councillor Julie Fallon	Conwy County Borough Council
Councillor Diane King	Denbighshire County Council
Councillor Mared Eastwood	Flintshire County Council
Councillor Phil Wynn	Wrexham County Borough Council
Councillor Beca Brown	Cyngor Gwynedd

### **Co-opted Non-voting Members**

Manon Williams	Primary Schools Representative
Paul Smith	Secondary Schools Representative
Noel Fitzgerald	Special Schools Representative
Alison Fisher	Governor Representative
Jennie Downes	Church in Wales Representative

### **Non-voting Officers**

Marc Berw Hughes	Isle of Anglesey County Council
Dr Lowri Brown	Conwy County Borough Council
Claire Homard	Flintshire County Council
Karen Evans	Wrexham County Borough Council
Geraint Davies	Denbighshire County Council
Gwern ap Rhisiart	Cyngor Gwynedd

### **Officers in Attendance**

Graham Boase	Denbighshire County Council
uros Davies	GwE Head of Service – School Improvement
Rhys Williams	GwE Head of Service – Professional Learning.
Bethan Eleri Roberts	GwE Performance Management
Dewi Morgan	Host Authority
Sion Huws	Host Authority

# **A G E N D A**

## **1. APOLOGIES**

To receive any apologies for absence.

## **2. DECLARATION OF PERSONAL INTEREST**

To receive any declaration of personal interest.

## **3. URGENT ITEMS**

To note any items that are a matter of urgency in the view of the Chairman for consideration.

## **4. MINUTES OF PREVIOUS MEETINGS**

4 - 10

The Chair shall propose that the minutes of the previous meetings of this committee held on 22 May and 1 August, 2024 be signed as a true record.

## **5. GWE LEADERSHIP - TRANSITIONAL PERIOD**

11 - 13

To share information with Joint Committee members regarding GwE leadership arrangements until the end of the transitional period.

## **6. GWE JOINT COMMITTEE - DETAILED AUDIT PLAN 2024**

14 - 31

To consider the Audit Plan provided by Audit Wales.

## **7. THE JOINT COMMITTEE'S FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024**

32 - 72

To submit the Statement of Accounts, in the 'statutory' format, duly certified, but subject to audit.

## **8. ANNUAL GOVERNANCE STATEMENT FOR THE JOINT COMMITTEE**

73 - 85

To accept and approve the Annual Governance Statement for 2023/24.

## **9. GWE BUDGET 2024/25: REVIEW TO END OF AUGUST 2024**

86 - 90

To update Joint Committee members on the latest financial review of GwE's budget for the 2024/25 financial year.

## **10. GWE RISK REGISTER**

91 - 94

To present GwE's latest Risk Register to the Joint Committee.

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**GWE JOINT COMMITTEE**  
**22/05/2024**

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**Present:**

**Councillors:** Julie Fallon (Chair) (Conwy County Borough Council), Dafydd Roberts (Anglesey County Council), Mared Eastwood (Flintshire County Council) and Phil Wynn (Wrexham County Borough Council).

**Co-opted non-voting Members:** Manon Williams (Primary Schools' Representative) and Noel Fitzgerald (Special Schools' Representative).

**Non-voting Officers:** Clare Scanlon (Conwy County Borough Council), Claire Homard (Flintshire County Council), Dafydd Ifans (Wrexham County Borough Council), Geraint Davies (Denbighshire County Council) and Gwern ap Rhisiart (Cyngor Gwynedd).

**Officers present:**

**GwE** - Arwyn Thomas (Managing Director), Alwyn Jones (Assistant Director), Bethan Roberts (Performance Management Manager), Rhys Williams (Partnerships Senior Strategic Lead) and Meleri H Roberts (Translator).

**Cyngor Gwynedd (Host Authority)** - Dewi Morgan (Head of Finance), Sion Huws (Propriety and Elections Manager), Gwion Jones (Senior Accountant) and Eirian Roberts (Democracy Services Officer).

Euros Davies (GwE Regional Senior Lead - Primary and Special Schools) was wished a speedy recovery following his recent surgery.

**1. CHAIRPERSON**

**IT WAS RESOLVED to appoint Councillor Julie Fallon as Chair for 2024/25.**

**2. VICE CHAIR**

**IT WAS RESOLVED to appoint Councillor Gill German as Vice Chair for 2024/25.**

**3. APOLOGIES**

Apologies were received from Councillor Gill German (Denbighshire County Council), Councillor Beca Brown (Cyngor Gwynedd), Paul Smith (Secondary Schools' Representative), Marc Berw Hughes (Anglesey County Council), Dr Lowri Brown (Conwy County Borough Council) and Karen Evans (Wrexham County Borough Council).

**4. DECLARATION OF PERSONAL INTEREST**

No declaration of personal interest was made by any member present.

## 5. URGENT MATTERS

No urgent matters were raised.

## 6. MINUTES OF PREVIOUS MEETING

It was confirmed that the minutes of the last meeting held on 20 March 2024 were correct.

### Matter arising from the minutes

#### Item 7 - Future of School Improvement in North Wales.

GwE Managing Director alluded to the decision to present a report to this meeting of the Joint Committee on the way forward, addressing timeline and governance matters, as well as budgetary implications, noting that:

- An early draft of a paper had been prepared to be discussed with the Management Board, which had already been shared with Cyngor Gwynedd Chief Executive as the Lead Chief Executive.
- The draft paper included some of the questions raised by Joint Committee members, such as the closing down costs of the service, whether any savings can be made in the year, the new models in re-shaping the service and the exact role of the Joint Committee and Management Board in moving forwards.
- The hope was to share the paper with the Management Board for comments and present to the Joint Committee at the July meeting, or possibly an urgent meeting may need to be called in the meantime if the situation was to change quickly.
- It was quite clear from the new Minister for Education's initial statement that the reorganisation of school improvement services would go ahead and that Isos, led by Simon Day, had secured a 6-month agreement from the Government to press ahead with the second stage of the work.
- It is understood that civil servants expect local authorities to declare their partnerships to the Government early after half-term to early July, and that they are adhering to the timeline up until 31 March 2025. Obviously, nothing had been announced or put in writing in this regard, however as far as giving hope and peace of mind for GwE staff, the sooner the better that models and exact roles within those models are shared.
- Announcing the models would also inform Joint Committee members in their individual authorities and as joint authorities regarding the closing down costs of the service and local costs in terms of working with partners to set up a new service.
- Therefore, there were factors that needed to be decided upon sooner rather than later, if the Government is to realise the date of 31 March 2025.

In response, it was noted that the Chief Officers are fully aware of the challenges and uncertainties facing GwE staff, and that the Joint Committee can be rest assured that everybody is working as quickly as possible, individually and collectively, to reach a situation of certainty for future arrangements. However, it was emphasised that this was an enormous and extremely complex task for the local authorities, especially given the current financial challenges. It was further noted:

- That one of the civil servants had stated that they were listening to local authorities telling them that the Government's original timeline in terms of declaring partnerships was highly likely to be unrealistic.

- That more time is needed to work through the models. Once there is more certainty in this regard, the intention is to develop partnerships locally and regionally to support that model.
- Certainly, the local authorities will not be in a position to declare their intentions immediately after half term.

Concern was expressed that GwE staff have already been through 4 months of uncertainty since the Minister's announcement at the end of January, and it was asked whether discussions could take place outside of the formal meeting regarding the appropriateness of releasing some staff before March 2025.

In response, GwE Managing Director noted:

- That the final details of the individual commissions by the local authorities were currently being prepared, before being signed by the Education Portfolio Holder, the Director and himself on behalf of GwE.
- That there is a risk that seconded staff would be returning to their schools, some staff retiring and others not being able or willing to take the risk and applying for other posts in the meantime.
- The longer the timetable before models are determined, the higher the risk of being in a position of being unable to fulfil all commissions across the region, depending on the sector, geography and medium.
- The workforce will have to be reorganised every time a member of staff leaves, which could render a situation where it would be difficult to meet the commission brief.

The need to keep in touch over the next few days and work out the next steps was noted.

## **7. GWE FINAL ACCOUNTS 2023-24 - REVENUE OUTTURN**

Gwynedd Council Head of Finance presented a report to update Joint Committee members on the final financial review of GwE's budget for the 2023/24 financial year.

The Head of Finance and the Team were thanked for the report.

GwE Managing Director noted:

- Given the substantial change in the way grants have been shifted from the region to individual local authorities, that GwE would be sure to keep within the budget set for the current financial year.
- That the use of reserves is a discussion to be had with the Chief Executives before presenting recommendations to the Joint Committee on the best use of that budget and reserves, including the budget for newly qualified teachers.

### **IT WAS RESOLVED TO**

- 1. Note and accept GwE Joint Committee Revenue Income and Expenditure Account for 2023/24.**
- 2. Approve a transfer from GwE reserves to finance the overspend of £77,323 in 2023/24, after considering the main variances between the budget and actual expenditure.**
- 3. Approve the final financial position for 23/24 which will be the basis for GwE statutory financial statements for the year, to be produced, certified and**

**published by the host authority's Finance Department within the statutory timescale.**

## **8. GWE 2023-24 ANNUAL REPORT**

GwE Assistant Director reported on the GwE Annual Report 2023-24 to the Joint Committee.

The Assistant Director thanked the Performance Management Manager for compiling the report, and all members of the Team for their contributions to the report.

It was explained:

- That this would probably be the last report of this kind that the Joint Committee would receive as the service is changing from being a joint service to a commissioned service by individual authorities.
- Given the difference between the six authorities in terms of what is being commissioned, that the individual LAs would be reporting on the school improvement service in their own democratic processes over the current financial year.
- That the discussion would take place with the Management Board/individual LAs rather than being presented as one comprehensive report.

It was noted that there was agreement with the foreword to the report that GwE knows its schools well and provides a firm and appropriate challenge together with effective support and intervention for them. Staff were thanked for their hard work, support and collaboration at a difficult time.

**IT WAS RESOLVED to approve and accept the Annual Report for 2023-2024.**

## **9. GWE RISK REGISTER**

Presented - GwE Managing Director's report presenting GwE's latest Risk Register to the Joint Committee.

Before elaborating on the various risks, the Managing Director explained:

- That the individual LAs would need to look at the old risks operational for GwE, and to consider how many applied to them.
- Given this time of change, that the risk register would have to be revisited on a regular basis to add and remove as appropriate, as the risks are bound to change more often than in the past.

It was noted that the Joint Committee has a duty towards GwE staff to give immediate consideration to the way forward, and it was suggested that the Management Board should invite the Joint Committee to one of its meetings. This would enable members to be briefed on the report that is being drafted, and in sufficient time prior to the July meeting of the Joint Committee, so that members can reflect on this and have an open discussion in a workshop before coming to an agreement on the way forward in the Joint Committee meeting in July.

**IT WAS RESOLVED**

1. To approve the content of the register.
2. That GwE Management Board should invite the Joint Committee to one of its meetings so that members may be briefed on the report that is being drafted, and in sufficient time prior to the July meeting of the Joint Committee, so that members can reflect on this and have an open discussion in a workshop before coming to an agreement on the way forward in the Joint Committee meeting in July.

**10. GWE PROFESSIONAL LEARNING SUPPORT 04-2024 – 03-2025**

The Partnerships Senior Strategic Lead presented a report sharing information with Joint Committee members regarding the Professional Learning Offer for the current financial year.

Everybody was thanked for their work.

**IT WAS RESOLVED to approve the content of the report and the new Professional Learning Plan.**

The meeting started at 10.30am and concluded at 11:15am.

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**CHAIR**



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**GWE JOINT COMMITTEE**  
**01/08/2024**  
**PUBLIC RECORD**

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**Present:**

**Councillors:** Dafydd Roberts (Isle of Anglesey County Council), Diane King (Denbighshire Council), Julie Fallon – Chair (Conwy County Borough Council), Mared Eastwood (Flintshire Council), Phil Wynn (Wrexham County Borough Council) and Beca Brown (Cyngor Gwynedd).

**Officers without a Vote:** Rhys Hughes (Isle of Anglesey County Council), Karen Evans (Wrexham County Borough Council), Clare Scanlon (Conwy County Borough Council) and Geraint Davies (Denbighshire Council).

**Cyngor Gwynedd officers (the Host Authority):** Dafydd Gibbard (Chief Executive – Gwynedd), Dewi Morgan (Statutory Finance Officer – Gwynedd), Iwan Evans (Monitoring Officer – Gwynedd), Sion Huws (Propriety and Elections Manager – Gwynedd) and Geraint Owen (Corporate Director – Gwynedd)

**1. APOLOGIES**

Apologies were received from Manon Williams (Primary Schools Representative), Paul Smith (Secondary Schools Representative), Marc Berw Hughes (Isle of Anglesey County Council), Dr Lowri Brown (Conwy County Borough Council), Claire Homard (Flintshire Council) and Gwern ap Rhisiart (Cyngor Gwynedd)

Councillor Diane King from Denbighshire Council was welcomed to the meeting for the first time.

**2. DECLARATION OF PERSONAL INTEREST**

No declarations of personal interest were received from any members present.

**3. URGENT ITEMS**

No urgent matters were raised.

**4. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** to exclude the press and public from the meeting during the discussion on the following item due to the likely disclosure of exempt information as defined in paragraph 12, Section 4, Schedule 12A, Local Government Act 1972. This paragraph applies as the report contains information about specific individuals who have the right to privacy. At this point a decision is not being made, and the proposal needs to be discussed. There is no public interest that calls for disclosing personal information about these individuals which would outweigh the rights of these individuals. Consequently, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

## **5. PROPOSED RESTRUCTURING OF THE GwE SENIOR MANAGEMENT TEAM**

The content of the report was discussed, and the recommendations proposed were considered.

**RESOLVED to approve the proposed interim re-structuring of the GwE Senior Management Team, in accordance with the recommendations,**

- 1. In view of the implementation of the process of the discontinuation of GwE, that the revised interim management structure for the period 1 September to 31 March has been approved and that the arrangements for realising this are implemented in accordance with the report**
- 2. That a Transition Board is established to ensure effective transfer from the GwE model to the new partnership structure.**
- 3. That a Project Manager is appointed to assist the Transition Board in its work.**
- 4. That the Host Authority's Chief Executive, in consultation with the Chair, Monitoring Officer and Section 151 Officer, is authorised to make the necessary decisions to facilitate implementation of this decision.**

The meeting commenced at 14:00 and concluded at 14:35.

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**CHAIR**



## REPORT TO THE JOINT COMMITTEE

2 OCTOBER 2024

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**Report by:**      **Euros Davies - Head of Service - School Improvement**  
                         **Rhys Williams - Head of Service - Professional Learning**

**Subject:**        **GwE Leadership - Transitional Period**

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### 1.0      **Purpose of the Report**

1.1.      To share information with Joint Committee members regarding GwE leadership arrangements until the end of the transitional period.

### 2.0      **Background**

2.1.      In accordance with the statement from the former Minister for Education and the Welsh Language on 31 January 2024, there was a decision by Welsh Government to make fundamental changes to the middle tier of the Welsh education system.

2.2.      On 1 August 2024, the Joint Committee approved the proposal to reduce the GwE SLT from five members to two for the remainder of the transitional period. Consequently, the current roles of the Managing Director, the Assistant Director and the Senior Secondary Lead have been removed from the structure since 1 September 2024.

2.3.      The two remaining senior leads have agreed to lead, manage and quality assure the core function of school improvement and professional learning and school support until the end of the transitional period.

### 3.0      **Matters for consideration**

3.1.      A number of important work streams have been identified for the work of the service between September and the end of the transitional period, which include:

- Risk management and quality assurance in terms of the core function of GwE to support schools and authorities to fulfil their statutory roles.
- Support the Transition Board to establish purposeful processes and structures to respond successfully to the requirements of the middle tier review.

- Work closely with the Transition Board, the Project Manager and Human Resources to provide and share the relevant information.

3.2. This year, the service has lost 17 members of staff (equivalent to 15.2 full time posts). Staff on secondment returning to their schools, staff leaving the service for new posts and resignations have all resulted in an imbalance in the support for different sectors and subjects. This means there is a significant risk to the capacity of the service to fulfil the commission agreements in place. It is anticipated this number will increase until posts are assured in the transfer.

3.3. Where a lack of capacity has been identified, the GwE Senior Leadership Team will contact individual Authorities to discuss viable solutions.

3.4. To ensure a successful transitional period, it is essential there is regular and open communication between all stakeholders. This will assist to boost staff morale, well-being and motivation during these uncertain times.

3.5. A timetable for the transitional period will need to be jointly agreed.

#### **4.0 Recommendations**

4.1 The Joint Committee is asked to accept and approve the content of the report.

#### **5.0 Financial implications**

5.1. GwE will operate within its financial resources.

#### **6.0 Equalities Impact**

6.1. There needs to be an agreed timetable across authorities to avoid equality implications.

#### **7.0 Personnel Implications**

7.1 A timetable for implementation will need to be agreed and staff appointed for the new models to avoid personnel implications.

#### **8.0 Consultation undertaken**

8.1 Consultation with GwE Management Board.

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### **VIEW OF THE STATUTORY OFFICERS**

#### **Monitoring Officer:**

Nothing to add from a propriety perspective.

**Statutory Finance Officer:**

This report provides the Joint Committee with an update on the development with regards to the leadership of GwE. The situation that is predicted for the remainder of the financial year is reflected in the review of the revenue budget which is reported on in another item on this meeting's agenda, which shows that the financial situation is under control. I have no objections to the contents of the report from the perspective of financial propriety.

## GwE Joint Committee – Detailed Audit Plan 2024

Audit year: 2023-24

Date issued: June 2024

Document reference: 4332A2024



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

# About Audit Wales

## Our aims and ambitions

### Assure



the people of  
Wales that public  
money is well  
managed

### Explain



how public  
money is being  
used to meet  
people's needs

### Inspire



and empower  
the Welsh  
public sector to  
improve



Fully exploit  
our unique  
perspective,  
expertise and  
depth of insight



Strengthen our  
position as an  
authoritative,  
trusted and  
independent  
voice



Increase our  
visibility,  
influence and  
relevance



Be a model  
organisation for  
the public sector  
in Wales and  
beyond



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# Introduction

This Detailed Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2024.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.



**Adrian Crompton**

Auditor General for  
Wales

## Audit of financial statements

I am required to issue a report on your financial which includes an opinion on their 'truth and fairness' and the proper preparation in accordance with accounting requirements.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

In addition to my responsibilities for auditing the GWE Joint Committee's (Joint Committee) financial statements, I also have responsibility for ensuring the Joint Committee has put in place arrangements to get value for money for the resources it uses, and I have to be satisfied that it has done this.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

There have been no limitations imposed on me in planning the scope of this audit.

# Your audit at a glance



**My financial statements audit will concentrate on your risks and other areas of focus**

My audit planning has identified the following risks:

Significant financial statement risk

- Management Override

Other areas of audit focus

- Valuation of pension fund net liability

# Financial statements' materiality



## Materiality £356,000

My aim is to identify and correct material misstatements, that is, those that might otherwise cause the user of the accounts to be misled.

Materiality is calculated using:

- 2023-24 actual gross expenditure of £17.8 million.
- Materiality percentage of 2%

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality). This level is £17,000 for 2023-24.



## Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts, and we have set a lower materiality level for these:

- Senior officer remuneration £1,000
- Related Party disclosures – £10,000 for individuals and £356,000 for other bodies)

# Significant financial statements' risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

## Exhibit 1: significant financial statement risks

Significant risk	Our planned response
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team will: <ul style="list-style-type: none"><li data-bbox="695 824 1118 949">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements.</li><li data-bbox="695 958 1118 1021">• review accounting estimates for bias; and</li><li data-bbox="695 1030 1118 1120">• evaluate the rationale for any significant transactions outside the normal course of business.</li></ul>

The audit team is yet to conclude all areas of the risk assessment. Should any further significant financial risks arise on completion of this work, we will update the Head of Finance and the Joint Committee via its chair and re-issue my Detailed Audit Plan if required.

# Other areas of focus

I set out other identified risks of material misstatement which, whilst not determined to be significant risks as above, I would like to bring to your attention.

## Exhibit 2: other areas of focus

Audit risk	Our planned response
<p><b>Valuation of the pension fund net liability</b></p> <p>The Local Government Pension scheme (LGPS) pension fund liability as reflected in the financial statements are material estimates.</p> <p>The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation.</p> <p>The impact of economic conditions, particularly interest rate levels also have a significant impact on the liability. At 31 March 2023 for example, the liability was in fact a surplus, primarily due to higher interest rates.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"><li>• evaluate the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary’s work;</li><li>• assess the competence, capabilities and objectivity of the actuary who carried out the valuations,</li><li>• assess the accuracy and completeness of the information provided by the Joint Committee to the actuary to estimate the liability;</li><li>• test the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary; and</li><li>• assess the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditor’s expert) and undertaking any additional procedures required.</li></ul>

# Financial statements' audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

### Exhibit 3: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2024 Detailed Audit Plan	June 2024	June 2024
Audit of financial statements work: <ul style="list-style-type: none"><li>• Audit of Financial Statements Report</li><li>• Opinion on the Financial Statements</li></ul>	July - August 2024	November 2024



# Statutory audit functions

## Statutory audit functions

In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I've made no allowance in the fee below. If I do receive questions and objections, I will discuss potential audit fees at the time.

# Fee and audit team

In January 2024 we published our [Fee Scheme](#) for the 2024-25 year as approved by the Senedd Finance Committee. My fee rates for 2024-25 have increased by an average of 6.4% as a result of unavoidable inflationary pressures and the ongoing need to invest in audit quality.

I estimate your total audit fee will be £13,709

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Joint Committee.

## Our financial audit fee is based on the following assumptions:

- The agreed audit deliverables sets out the expected working paper requirements to support the financial statements and includes timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

## Exhibit 4: breakdown of audit fee

Audit area	Proposed fee for 2023-24 (£) <sup>1</sup>	Actual fee for 2022-23 (£)
Audit of financial statements <sup>2</sup>	13,709	12,833
<b>Total fee</b>	<b>13,709</b>	<b>12,833</b>

<sup>1</sup> The fees shown in this document are exclusive of VAT, which is not charged to you.

<sup>2</sup> Payable November 2023 to October 2024.

The main members of my team, together with their contact details, are summarised in **Exhibit 6**.

**Exhibit 6: my local audit team**

Name	Role	Contact details
Matthew Edwards	Engagement Director	<a href="mailto:matthew.edwards@audit.wales">matthew.edwards@audit.wales</a>
Yvonne Thomas	Audit Manager	<a href="mailto:yvonne.thomas@audit.wales">yvonne.thomas@audit.wales</a>
Siwan Glyn	Senior Auditor	<a href="mailto:siwan.glyn@audit.wales">siwan.glyn@audit.wales</a>

I can confirm that my team members are all independent of the Joint Committee.

# Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD\* and our Chair, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).

## Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

## Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

## Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.






- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

\* QAD is the quality monitoring arm of ICAEW.

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<b>MEETING</b>	GwE Joint Committee
<b>DATE</b>	2 October 2024
<b>TITLE</b>	The Joint Committee's Final Accounts for the year ended 31 March 2024
<b>PURPOSE</b>	To submit the Statement of Accounts, in the 'statutory' format, duly certified, but subject to audit
<b>RECCOMENDATION</b>	To receive and note the information
<b>AUTHOR</b>	Dewi Aeron Morgan, Head of Finance, Cyngor Gwynedd

## 1. STATUTORY FINANCIAL REPORTING REQUIREMENTS

- 1.1 There are specific accounting and audit reporting requirements for Joint Committees.
- 1.2 Section 12 of the Public Audit (Wales) Act 2004 states that a joint committee of two or more (local) authorities is a local government body, and Section 13 of the Act requires such bodies to maintain accounts subject to audit by an external auditor approved by the Auditor General for Wales.
- 1.3 Although they are not independent legal entities, for the purposes of keeping accounts and being audited, a joint committee is separately subject to the same regulations as other local councils.
- 1.4 Cyngor Gwynedd is the host Council responsible for meeting the accounting responsibilities and reporting on the financial matters of GwE's Joint Committee.
- 1.5 The Accounts and Audit (Wales) (Amendment) Regulations 2014 (as amended) require all Joint Committees to prepare year-end accounts. Where the turnover exceeds £2.5million, a statement of accounts must be prepared in accordance with the CIPFA code for the Joint Committee.



## **2. ACCOUNTS FOR 2023/24**

- 2.1 A concise summary “outturn” report regarding the 2023/24 accounts was presented to the Joint Committee on 22 May 2024. That report was more useful for internal / management purposes, while the Statement of Accounts is more suited for external/ governance purposes.
- 2.2 The final net overspend for 2023/24 was £77,323. The outturn report presented to the Joint Committee on 22 May 2024 detailed the reasons for the net overspend.
- 2.3 **The Statement of Accounts for 2023/24 (subject to audit) is submitted herewith as Appendix A, duly certified** by Dewi Aeron Morgan, the Statutory Finance Officer for the Joint Committee. This statement is in a standard statutory format and is essential from a governance perspective.
- 2.4 The Statement of Accounts is already subject to an audit by Audit Wales, Cyngor Gwynedd’s external auditors as appointed by the Auditor General for Wales. Following the audit, the auditors will then produce an “ISA 260” report, detailing Audit Wales’ main findings, and issued in the Auditor General’s name, to be presented to the GwE Joint Committee in the autumn.

## **3. RECOMMENDATION**

- 3.1 The Joint Committee is asked to receive and note GwE’s Statement of Accounts for 2023/24 (subject to audit).

## **OPINION OF THE STATUTORY OFFICERS**

### **Monitoring Officer:**

Nothing to add from a propriety perspective.

### **Statutory Finance Officer:**

Author of the report.

**GwE Joint Committee**  
**(Conwy, Denbighshire, Flintshire, Gwynedd,**  
**Anglesey and Wrexham councils)**

**STATEMENT OF**  
**ACCOUNTS**  
**2023/24**  
**(Subject to Audit)**

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# NARRATIVE REPORT

## INTRODUCTION

The Regional School Effectiveness and Improvement Service (GwE) has been established in partnership between the six north wales authorities, being Conwy County Borough Council, Denbighshire County Council, Flintshire County Council, Cyngor Gwynedd, Isle of Anglesey County Council and Wrexham County Borough Council, to be accountable to the councils and undertake the statutory function of the councils in respect of school improvement and effectiveness. This includes the duty to monitor, challenge, provide support services for curriculum continued professional development and management of schools, and in addition provide services that can be commissioned by schools and local authorities.

Cyngor Gwynedd has been appointed as host authority in implementing and maintaining the service, and the Joint Committee of all the partners oversees the management of the service.

The GwE Joint Committee accounts for the year 2023/24 are presented here on pages 8 to 36. The Statements of Accounts are prepared in accordance with CIPFA's *Code of Practice on Local Authority Accounting in the United Kingdom 2023/24*.

The Statement of Accounts consist of:

- **Expenditure and Funding Analysis** – Whilst this is not a statutory statement, it shows how annual expenditure is used and funded in accordance with generally accepted accounting practices.
- **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 the six councils as follows for 2023/24:

Conwy	15.17%
Denbighshire	15.51%
Flintshire	22.79%
Gwynedd	17.53%
Anglesey	10.09%
Wrexham	18.91%
<b>Total</b>	<b>100.00%</b>

- **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'.
- **The Balance Sheet** - Sets out the financial position of the Joint Committee on 31 March 2024.
- **The Cash Flow Statement** - This statement summarises the flow of cash to and from the Joint Committee during 2023/24.

These accounts have been prepared on a going concern basis and are supported by this Narrative Report, the Accounting Policies and various notes to the accounts.

## **GwE's Vision and Priorities**

GwE is the north wales regional school improvement service working alongside and on behalf of the north wales local authorities – Wrexham, Flintshire, Denbighshire, Conwy, Gwynedd, Anglesey.

Our work is driven by an ambition to see the schools and organisations we work with achieve their aspirations and to see all learners succeed.

As proud Welsh citizens with international knowledge we will support our schools to become successful and confident learning organisations. We will work together to ensure that all learners have the education they deserve in a caring environment, so that they can be capable and resilient individuals who achieve their full potential notwithstanding their race, gender, background and creed. We stand against racism and any form of discrimination.

The Business Plan spans a three-year period between 2023 and 2026 and also contains a detailed 12 month Business Plan for 2023-2024. It sets out GwE's strategic objectives for 2023-2026, and the priorities for improvement and the work programmes to be undertaken over 2023-24.

The regional priorities and areas for improvement are based firmly on the findings of our internal self-evaluation processes, external reviews on our current practice and direction of travel, and through consultation with headteachers and the Local Authorities. Our priorities are a combination of improving school provision, leadership and outcomes, as well as delivering The Reform Journey and Curriculum for Wales.

GwE continues to look outward and to welcome challenge from both inside and outside Wales whilst making sure that what it is developing is right for its context. This includes continuously listening to the voice of all stakeholders especially those of teachers and leaders in schools across all sectors and listen to children and young people as they engage with their learning and supporting them in achieving their aspirations.

GwE has a clear plan that sets out how, in close collaboration with key stakeholders, it will strengthen leadership, improve teaching and learning, increase aspiration to impact on standards, ensuring the school environment supports learners' and practitioners' well-being.

The Business Plan also addresses Welsh Government and the Local Authorities strategic priorities that fall within the remit of the work of GwE. The plan also considers how schools and educational settings continue to face the challenges of the pandemic.

## **Financial Strategy**

The Joint Committee's Financial Strategy and 2023/24 Budget was adopted by the Joint Committee at its meeting on 15 February 2023 sets out the foundation to achieve the improvement priorities, whilst also trying to meet the continuous increase in demand for services. The Financial Strategy is unavoidably dependent upon these priorities. The strategy is available at: <https://www.gwegogledd.cymru/about-us/governance/joint-committee/?lang=en>

## **2023/24 Performance**

GwE reports quarterly on the performance of the service in delivering the service functions and key aims. The Annual Performance Report is available at (Joint Committee 22 May 2024): <https://www.gwegogledd.cymru/about-us/governance/joint-committee/?lang=en>

## 2023/24 Financial Performance

- The Comprehensive Income and Expenditure Statement on page 9 shows that the Joint Committee's gross revenue expenditure on 'cost of services' level was £17,840k during 2023/24, with a net position of £817k.
- The financial out-turn position for 2023/24 was reported to the Joint Committee at its meeting on 22 May 2024. Joint Committee Members' approved the transfer of £77k from earmarked reserves to finance this year's overspend.
- The Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement on pages 9 and 10 detail the analysis in movements for the year.

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

Table I provides a budgetary performance comparison at a summary level, which is detailed further in Table 2.

	Budget £'000	Actual £'000	Variance £'000
Expenditure on Operations	17,421	17,543	122
Income			
Council contributions for the core service			
Conwy	(667)	(667)	0
Denbighshire	(682)	(682)	0
Flintshire	(1,001)	(1,001)	0
Gwynedd	(770)	(770)	0
Anglesey	(443)	(443)	0
Wrexham	(831)	(831)	0
Other Income	(13,027)	(13,072)	(45)
<b>Net (Underspend)/Overspend</b>	<b>0</b>	<b>77</b>	<b>77</b>

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

	Performance Report (Out-turn) £'000	Transposition Adjustment £'000	Net Expenditure Chargeable to the General Fund Usable Reserves £'000	Adjustments between Funding and Accounting Basis £'000	Income & Expenditure Statement £'000
Expenditure	17,543	2*	17,545	295	17,840
Income	(17,466)	443*	(17,023)	0	(17,023)
<b>Net Cost of Services</b>	<b>77</b>	<b>445</b>	<b>522</b>	<b>295</b>	<b>817</b>

\*Transposition Adjustment – This adjustment relates to the net contribution to and from reserves, the interest on balances received during the financial year and a technical adjustment to the out-turn.

## Material Items of Income and Expenditure

Related Items include :-

- £481k on pensions, being the annual remeasurement of the net defined benefit liability/(asset) relating to pensions, in line with Gwynedd Pension Fund's Actuary's assessment (Note 15).
- £17,023k in grants and contributions and equivalent expenditure (Note 19).

## Other Issues

- On January 31st, 2024, Jeremy Miles, Minister for Education and Welsh Language published a written statement: The next stage in the review of school improvement - the roles and responsibilities of education partners in Wales <https://www.gov.wales/written-statement-next-stage-review-school-improvement-roles-and-responsibilities-education> . This statement outlined changes to school improvements arrangement in Wales with the regional consortia model being replaced by a partnership model between two or more Local Authorities from April 1st, 2025. However, the timetable and potential models are yet to be confirmed.
- The economic instability and financial risks continue in the UK and globally. Whilst inflation rates have fallen and an expectation that interest rates will reduce, the Office for Budget Responsibility (OBR) recognises that the UK's medium-term fiscal outlook remains challenging. The Joint Committee has taken these circumstances into account in its financial plans, and keep a prudent level of reserves.

## Provisions and Reserves

The Joint Committee has usable reserves of £677k. These are detailed in the Balance Sheet, Movement in Reserves Statement and in Note 10.

## Pension Fund

The Joint Committee (as an employer) has a nil net liability from its share of the assets and liabilities of the Gwynedd Pension Fund as recognized on its Balance Sheet at 31 March 2024. This has been calculated by the Fund's Actuary, Hymans Robertson, in line with International Accounting Standard 19. Refer to Note 22 for further information.

The net pension liability is a position at one point in time. Market prices can move substantially up or down in the short term and it is therefore not possible to quantify the long-term effect such movements in market prices will have on the Pension Fund. The last valuation was at 31 March 2022, with the next to be held 31 March 2025.

## Governance

GwE is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. Further information is included within the Annual Governance Statement.

## Accounting Policies

The Joint Committee's existing accounting policies are amended only insofar as to reflect the guidance in the 2023/24 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

## **Changes in Accounting Policies and to the Accounts**

The Joint Committee's existing accounting policies have been amended to reflect only the changes required in accordance with proper accounting practices, following adjustments for the 2023/24 financial year to the Code of Practice on Local Authority Accounting in the United Kingdom.

### **Further Information**

The Statement of Accounts is available on Cyngor Gwynedd's website [www.gwynedd.llyw.cymru](http://www.gwynedd.llyw.cymru).

Further information relating to the accounts is available from:

Ffion Madog Evans  
Assistant Head of Finance – Accounting and Pensions  
01286 679133

or

Gwion Elis Jones  
Senior Accountant  
01286 679060

Finance Department  
Cyngor Gwynedd  
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 on the Council's website at the appropriate time.



# **GwE JOINT COMMITTEE**

## **STATEMENT OF ACCOUNTS**

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

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

Cyngor Gwynedd as host authority bears the responsibility for the arrangements and administration of the Joint Committee's financial affairs.

Cyngor Gwynedd is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In Cyngor Gwynedd, that "Section 151 Officer" is the Head of Finance. It is the Joint Committee's responsibility to manage its affairs to secure economic, efficient and effective use of its resources, to safeguard its assets, and to approve the Statement of Accounts.

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

The Head of Finance is responsible for the preparation of the GwE 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.

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

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

I certify that the Statement of Accounts has been prepared in accordance with the arrangements set out above, and presents a true and fair view of the financial position of the GwE Joint Committee at 31 March 2024 and the Joint Committee's income and expenditure for the year then ended.



---

**Dewi Aeron Morgan CPFA**  
**Head of Finance, Cyngor Gwynedd**

**21 June 2024**

## EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2022/23				2023/24		
Net Expenditure to be Funded by Usable Reserve balances	Adjustments between the Funding and Accounting Basis (see Note 8)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure to be Funded by Usable Reserve balances	Adjustments between the Funding and Accounting Basis (see Note 8)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
6,136	768	6,904	Employees	6,609	295	6,904
297	0	297	Property	352	0	352
140	0	140	Transport	227	0	227
1,695	0	1,695	Supplies and Services	1,376	0	1,376
9,543	0	9,543	Third Parties	8,981	0	8,981
(17,786)	0	(17,786)	Income	(17,023)	0	(17,023)
<b>25</b>	<b>768</b>	<b>793</b>	<b>Cost of Services</b>	<b>522</b>	<b>295</b>	<b>817</b>
(23)	255	232	Other Income and Expenditure	(45)	(25)	(70)
<b>2</b>	<b>1,023</b>	<b>1,025</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>477</b>	<b>270</b>	<b>747</b>
(1,156)			Opening Balances of Usable Reserves	(1,154)		
2			(Surplus)/Deficit on Usable Reserves in Year	477		
<b>(1,154)</b>			Closing Balances of Usable Reserves	<b>(677)</b>		

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing the Joint Committee service in accordance with generally accepted accounting practices.

2022/23			2023/24			
Gross Expenditure	Gross Income	Net Expenditure	Note	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
6,904	0	6,904		6,904	0	6,904
297	0	297		352	0	352
140	0	140		227	0	227
1,695	0	1,695		1,376	0	1,376
9,543	0	9,543		8,981	0	8,981
0	(17,786)	(17,786)		0	(17,023)	(17,023)
<b>18,579</b>	<b>(17,786)</b>	<b>793</b>		<b>17,840</b>	<b>(17,023)</b>	<b>817</b>
255	(23)	232	11	0	(70)	(70)
<b>18,834</b>	<b>(17,809)</b>	<b>1,025</b>		<b>17,840</b>	<b>(17,093)</b>	<b>747</b>
		(10,625)	15			481
		<b>(10,625)</b>				<b>481</b>
		<b>(9,600)</b>				<b>1,228</b>

## MOVEMENT IN RESERVES STATEMENT

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other 'unusable reserves'. The Statement shows how the movements in year of the Joint Committee's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (via the councils' contributions). The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

		<b>Movement in Reserves Statement</b>		
	<b>Note</b>	<b>Total Usable Reserves</b>	<b>Unusable Reserves</b>	<b>Total Joint Committee's Reserves</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance 31 March 2022 carried forward</b>		<b>(1,156)</b>	<b>9,160</b>	<b>8,004</b>
<u>Movement in reserves during 2022/23</u>				
(Surplus)/Deficit on provision of services		<b>1,025</b>	<b>0</b>	<b>1,025</b>
Other Comprehensive Income and Expenditure		<b>0</b>	<b>(10,625)</b>	<b>(10,625)</b>
<b>Total Comprehensive Income and Expenditure</b>		<b>1,025</b>	<b>(10,625)</b>	<b>(9,600)</b>
Adjustments between accounting basis and funding basis under regulations	9	<b>(1,023)</b>	<b>1,023</b>	<b>0</b>
<b>Net (Increase)/Decrease before Transfers to Usable Reserves</b>		<b>2</b>	<b>(9,602)</b>	<b>(9,600)</b>
<b>(Increase)/Decrease in 2022/23</b>		<b>2</b>	<b>(9,602)</b>	<b>(9,600)</b>
<b>Balance 31 March 2023 carried forward</b>	10+15	<b>(1,154)</b>	<b>(442)</b>	<b>(1,596)</b>
<u>Movement in reserves during 2023/24</u>				
(Surplus)/Deficit on provision of services		<b>747</b>	<b>0</b>	<b>747</b>
Other Comprehensive Income and Expenditure		<b>0</b>	<b>481</b>	<b>481</b>
<b>Total Comprehensive Income and Expenditure</b>		<b>747</b>	<b>481</b>	<b>1,228</b>
Adjustments between accounting basis and funding basis under regulations	9	<b>(270)</b>	<b>270</b>	<b>0</b>
<b>Net (Increase)/Decrease before Transfers to Usable Reserves</b>	10+15	<b>477</b>	<b>751</b>	<b>1,228</b>
<b>(Increase)/Decrease in 2023/24</b>		<b>477</b>	<b>751</b>	<b>1,228</b>
<b>Balance 31 March 2024 carried forward</b>		<b>(677)</b>	<b>309</b>	<b>(368)</b>

## BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Joint Committee is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Pension Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2023 £'000	Note	31 March 2024 £'000
270	12	1,110
2,634	13	2,122
<b>2,904</b>	<b>Current Assets</b>	<b>3,232</b>
(1,865)	14	(2,864)
<b>(1,865)</b>	<b>Current Liabilities</b>	<b>(2,864)</b>
557	22	0
<b>557</b>	<b>Long-term Liabilities</b>	<b>0</b>
<b>1,596</b>	<b>Net Assets</b>	<b>368</b>
(1,154)	10	(677)
(442)	15	309
<b>(1,596)</b>	<b>Total Reserves</b>	<b>(368)</b>

## CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows as operating and investing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Joint Committee are funded by way of grant income or from the recipients of services provided by the Joint Committee.

<b>2022/23</b>		<b>Note</b>	<b>2023/24</b>
<b>£'000</b>			<b>£'000</b>
1,025	Net (Surplus)/Deficit on Provision of Services		747
(2,072)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	16	(235)
(1,047)	Net cash flows from Operating Activities		512
0	Investing Activities		0
0	Financing Activities		0
(1,047)	Net (Increase)/Decrease in cash and cash equivalents		512
(1,587)	Cash and cash equivalents at the beginning of the reporting period	13	(2,634)
<b>(2,634)</b>	<b>Cash and cash equivalents at the end of the reporting period</b>		<b>(2,122)</b>

# **NOTES TO THE ACCOUNTS**

## **NOTE I – ACCOUNTING POLICIES**

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

The Statement of Accounts summarises the Joint Committee's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Joint Committee is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended), in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2023/24*, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is historical cost. The accounts have been prepared on a going concern basis.

The Joint Committee's practice is to operate on the basis that all items of expenditure are treated as revenue in the first instance. Should any items of a capital nature (e.g. IT equipment, furniture) prove to have a material significance on the true and fair presentation of the financial position then the items would be treated according to proper practices.

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 contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- 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.
- 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.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- 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 Cyngor Gwynedd within its own accounts.

## **NOTE I – ACCOUNTING POLICIES (continued)**

### **I.4 Employee Benefits**

#### **I.4.1 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. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

#### **I.4.2 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 redundancy voluntarily and are charged on an accruals basis in the Comprehensive Income and Expenditure Statement at the earlier of when the Joint Committee can no longer withdraw the offer of those benefits or when the Joint Committee recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Joint Committee Fund balance to be charged with the amount payable by the Joint Committee to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

#### **I.4.3 Post-employment Benefits**

Employees of the Joint Committee are members of one pension scheme:

- The Local Government Pensions Scheme, administered by the Gwynedd Pension Fund at Cyngor Gwynedd.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees when they worked for the Joint Committee and their previous employers.

#### **I.4.4 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 are determined by the fund administrators and represent a fixed proportion of employees' contributions to this funded pension scheme.

The Local Government Scheme is accounted for as a defined benefit scheme.

The liabilities of the Gwynedd Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions such as mortality rates, employee turnover rates, etc., and projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 4.85% calculated as a weighted average of 'spot yields' on AA rated corporate bonds.

The assets of the Gwynedd Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value as determined by the Fund's Actuary.

The change in the net pensions liability is analysed into the following components:



## NOTE I – ACCOUNTING POLICIES (continued)

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – this is shown in the Comprehensive Income and Expenditure Statement.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
- Net interest on the net defined benefit liability/(asset), i.e. the net interest expense for the Joint Committee – the change during the period in the net defined benefit liability/(asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/(asset) at the beginning of the period – taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments.

Remeasurements comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability/(asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Asset ceiling adjustment – reduces to the calculated asset ceiling if this is lower than the asset position.
- Contributions paid to the Gwynedd Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Joint Committee to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The balance that arises on the Pensions Reserve thereby measures the impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

International Accounting Standard (IAS) 19 governs how the long-term liabilities which exist in relation to pension costs should be reported. Local councils (including Joint Committees) in England and Wales are required to produce their financial statements in accordance with IAS 19.

### 1.4.5 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.

## **NOTE I – ACCOUNTING POLICIES (continued)**

### **1.5 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; and
- 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.

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

### **1.6 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 not material or 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.

### **1.7 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 Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the Joint Committee has not satisfied.

### **1.8 Overheads and Support Services**

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

### **1.9 Provisions**

Provisions are made where an event has taken place on or before the Balance Sheet date:

- that gives the Joint Committee a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

## **NOTE 1 – ACCOUNTING POLICIES (continued)**

### **1.10 Reserves**

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

Certain reserves, namely “unusable reserves”, are kept for the technical purpose of managing the accounting processes for non-current assets, financial instruments and employee benefits. These do not represent the usable resources of the Joint Committee.

### **1.11 Value Added Tax**

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

### **1.12 Debtors and Creditors**

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

### **1.13 Joint Operations**

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangements. The activities undertaken by the Joint Committee in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Joint Committee as a joint operator recognises its share of assets, liabilities, revenue and expenses.

The GwE Joint Committee has been categorised as a Joint Operation, making use of the assets and resources of the operators rather than the establishment of a separate entity.

## **NOTE 2 – CHANGE IN ACCOUNTING POLICY**

The Joint Committee's existing accounting policies are amended only insofar as to reflect the guidance in the 2023/24 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

## **NOTE 3- PRIOR PERIOD ADJUSTMENTS**

There are no prior period adjustment during 2023/24.

## **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 requires the expected impact of any accounting standards that have been issued but not yet adopted to be disclosed.

A review of the accounting standards has been carried out this year, but none of the standards in question will have a material impact on GwE.

## **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 relating to complex transactions, those involving uncertainty about future events and also 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 current proper practices, historical experience, and other factors that include historical and current assumptions and projections, and actual future projections, professional assessments, current trends, and local factors that are considered to be relevant.

In recent years there has been some uncertainty about future levels of funding from Welsh Government relating to revenue and capital grants. This issue forms an important part of the Joint Committee's continually revised financial strategy, and where all known and forecasted factors are given due consideration. Continued economic uncertainty remains, with high level of inflation and interest rates.

All available and related information is sourced and applied in assessing and determining the position, which is particularly critical when considering such matters as the actuarial valuation of pension fund assets and commitments, earmarked reserves, provisions and contingent liability. However, because these issues cannot be determined with certainty, 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.

The following item in the Joint Committee’s Balance Sheet at 31 March 2024 may be considered to be a significant risk (in terms of certainty in estimation of value), with the possibility of material adjustment in the forthcoming financial year:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability	<p>Estimating the net liability to pay pensions depends on a number of complex judgments relating to the discount rate used, the rate at which wages are expected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries are involved in giving expert advice to the council about the assumptions to be used.</p> <p>Brexit and Covid had negative effects on the UK economy and pension asset values, and currently there are high inflation and interest rates, but the market seems to be improving and stabilizing. However, a pandemic or other global crisis could have a detrimental effect on asset returns, as well as an increase in interest rates to curb the rise of inflation as a result of the recovery.</p>	The effects on the net pension liability of changes in individual assumptions are set out in Note 22.

**NOTE 7 – MATERIAL ITEMS OF INCOME AND EXPENSE**

Related items include:-

- £481k on pensions, being the remeasurements of the net defined benefit liability/(asset) relating to pensions, in line with Gwynedd Pension Fund’s Actuary’s assessment (Note 15).
- £17,023k in grants and contributions and equivalent expenditure (Note 19).

## NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

<b>ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS</b>				
<b>2023/24</b>	<b>Adjustments for Capital Purposes</b>	<b>Net change for the Pensions Adjustments (i)</b>	<b>Other Differences (ii)</b>	<b>Total Adjustments</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts				
Employees	0	101	194	295
Property	0	0	0	0
Transport	0	0	0	0
Supplies and Services	0	0	0	0
Third Party	0	0	0	0
Income	0	0	0	0
<b>Cost of Services</b>	<b>0</b>	<b>101</b>	<b>194</b>	<b>295</b>
Other Operating Expenditure	0	0	0	0
Financing and Investment Income and Expenditure	0	(25)	0	(25)
Taxation and non-specific grant income	0	0	0	0
<b>(Surplus) / Deficit on Provision of Services</b>	<b>0</b>	<b>76</b>	<b>194</b>	<b>270</b>

<b>ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS</b>				
<b>2022/23</b>	<b>Adjustments for Capital Purposes</b>	<b>Net change for the Pensions Adjustments (i)</b>	<b>Other Differences (ii)</b>	<b>Total Adjustments</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts				
Employees	0	757	11	768
Property	0	0	0	0
Transport	0	0	0	0
Supplies and Services	0	0	0	0
Third Party	0	0	0	0
Income	0	0	0	0
<b>Cost of Services</b>	<b>0</b>	<b>757</b>	<b>11</b>	<b>768</b>
Other Operating Expenditure	0	0	0	0
Financing and Investment Income and Expenditure	0	255	0	255
Taxation and non-specific grant income	0	0	0	0
<b>(Surplus) / Deficit on Provision of Services</b>	<b>0</b>	<b>1,012</b>	<b>11</b>	<b>1,023</b>

## NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS (continued)

### (i) Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* for pension-related expenditure and income:

- For **Services**, this represents the removal of the employer pension contributions made by the Joint Committee as allowed by statute and the replacement with current service costs and past service costs.
- For **Financing and Investment Income and Expenditure**, the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

### (ii) Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For **Services**, this represents an adjustment for accumulated absences earned but not taken during the year.
- For **Financing and Investment Income and Expenditure**, the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

## 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.

2023/24		
<b>ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS</b>	<b>Usable Reserve General Fund Balance</b>	<b>Movement in Unusable Reserves</b>
	<b>£'000</b>	<b>£'000</b>
<b>Adjustments primarily involving the Pensions Reserve:</b>		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 22)	(907)	907
Employer's pensions contributions and direct payments to pensioners payable in the year	831	(831)
<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	(194)	194
<b>Total Adjustments</b>	<b>(270)</b>	<b>270</b>

2022/23		
<b>ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS</b>	<b>Usable Reserve General Fund Balance</b>	<b>Movement in Unusable Reserves</b>
	<b>£'000</b>	<b>£'000</b>
<b>Adjustments primarily involving the Pensions Reserve:</b>		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 22)	(1,900)	1,900
Employer's pensions contributions and direct payments to pensioners payable in the year	888	(888)
<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	(11)	11
<b>Total Adjustments</b>	<b>(1,023)</b>	<b>1,023</b>



## NOTE 10 – TRANSFERS TO/FROM USABLE RESERVES

### 10a. The General Fund

The note below sets out the amounts set aside from the General Fund in usable reserves to provide financing for future expenditure plans, with a decrease of (£77k) during the year.

	<b>GwE Joint Committee General Fund</b>
	<b>£'000</b>
<b>Balance 31 March 2023</b>	<b>298</b>
<u>Transfers:</u>	
In	0
Out	(77)
<b>Balance 31 March 2024</b>	<b>221</b>

### 10b. The Newly Qualified Teachers Fund

The note below highlights the amount set aside from the Newly Qualified Teacher Fund in usable reserves in order to provide funding for spending plans to support newly qualified teachers into the future, with a decrease of (£400k) during the year.

	<b>GwE Joint Committee Newly Qualified Teachers Fund</b>
	<b>£'000</b>
<b>Balance 31 March 2023</b>	<b>856</b>
<u>Transfers:</u>	
In	0
Out	(400)
<b>Balance 31 March 2024</b>	<b>456</b>

## NOTE 11 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

<b>2022/23</b>	<b>2023/24</b>
<b>£'000</b>	<b>£'000</b>
255 Net interest on the net defined benefit liability/(asset)	(25)
(23) Interest Receivable	(45)
<b>232 Total</b>	<b>(70)</b>

## NOTE 12 – SHORT-TERM DEBTORS

	<b>31 March</b>	<b>31 March</b>
	<b>2023</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Trade Receivables	78	168
Prepayments	55	48
Other Receivable Amounts	137	894
<b>Total</b>	<b>270</b>	<b>1,110</b>

## NOTE 13 – CASH AND CASH EQUIVALENTS

The Joint Committee does not have its own bank account and cash is administered by Cyngor Gwynedd within its own accounts. The figure shown in the table each year is the net cash sum held on behalf of the Joint Committee within the Cyngor Gwynedd amounts.

	<b>31 March</b>	<b>31 March</b>
	<b>2023</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Cash in Bank held by Host Authority	2,634	2,122
<b>Cash and Cash Equivalents</b>	<b>2,634</b>	<b>2,122</b>

## NOTE 14 – SHORT-TERM CREDITORS

	<b>31 March</b>	<b>31 March</b>
	<b>2023</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Trade Payables	406	239
Other Payables	1,459	2,625
<b>Total</b>	<b>1,865</b>	<b>2,864</b>

## NOTE 15 – UNUSABLE RESERVES

31 March 2023		31 March 2024
£'000		£'000
557	Pensions Reserve	0
(115)	Accumulated Absences Account	(309)
<b>442</b>	<b>Total Unusable Reserves</b>	<b>(309)</b>

### 15.1 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible, with funding requirements set aside by the time the benefits are to be paid.

2022/23		2023/24
£000		£000
<b>(9,056)</b>	<b>Balance 1 April</b>	<b>557</b>
10,625	Re-measurements of the net defined benefit (liability) / asset (Note 22)	(481)
(1,900)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(907)
888	Employer's pensions contributions and direct payments to pensioners payable in the year	831
<b>557</b>	<b>Balance 31 March</b>	<b>0</b>

### 15.2 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.

2022/23		2023/24
£000		£000
<b>(104)</b>	<b>Balance 1 April</b>	<b>(115)</b>
(11)	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	(194)
<b>(115)</b>	<b>Balance 31 March</b>	<b>(309)</b>

**NOTE 16 – CASH FLOW STATEMENT: ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS**

2022/23	2023/24
£'000	£'000
(153) (Increase)/Decrease in Creditors	(999)
(907) Increase/(Decrease) in Debtors	840
(1,012) Pension Liability	(76)
<b>(2,072)</b>	<b>(235)</b>

**NOTE 17 – OFFICERS' REMUNERATION**

**17a.** The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Joint Committee to disclose the following information relating to employees appointed as Senior Officers, and whose salary is between £60,000 and £150,000. In compliance with the defined requirements, the pensionable pay, employer's pension contributions and other employer costs are included below (including termination benefits), but the employer's national insurance contributions are excluded. The remuneration paid to the Joint Committee's senior officers directly employed by GwE is as follows:

2022/23			Chief Officers	2023/24		
Salary	Employer's Pension Contribution	Total		Salary	Employer's Pension Contribution	Total
£	£	£		£	£	£
106,954	24,599	131,553	Managing Director	110,537	20,670	131,207

**17b.** Other Joint Committee employees receiving more than £60,000 remuneration for the year (excluding employer's pension and national insurance contributions) were paid the following amounts. Termination benefits are to be included in the figures; however, there were no cases in 2023/24 or 2022/23.

Number of other employees who received more than £60,000 and includes remuneration and termination benefits:			
Number in 2022/23		Number in 2023/24	
Total		Total	
17	£60,000 - £64,999	43	
10	£65,000 - £69,999	6	
7	£70,000 - £74,999	11	
4	£75,000 - £79,999	3	
0	£80,000 - £84,999	1	

## NOTE 18 – EXTERNAL AUDIT COSTS

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

<b>2022/23</b>	<b>2023/24</b>
<b>£'000</b>	<b>£'000</b>
<b>13</b> Fees payable to the auditor appointed by the Auditor General for Wales with regard to external audit services	<b>14</b>
<b>13 Net Fees</b>	<b>14</b>

## NOTE 19 – GRANT INCOME

The Joint Committee credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

	<b>2022/23</b>		<b>2023/24</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Grants and Contributions Credited to Services</b>				
Welsh Government -				
Pupil Development Grant (PDG) - Looked After Children	1,126		1,145	
PDG – Strategic Adviser	100		100	
PDG – Consortia Led Funding	257		186	
Other	321		376	
		<b>1,804</b>		<b>1,807</b>
Regional Consortia Grant -				
Welsh Government (excluding the EIG)		<b>7,601</b>		<b>7,013</b>
Education Improvement Grant (EIG)				
Match funding from councils	1,259		457	
Welsh Government	1,813		2,481	
		<b>3,072</b>		<b>2,938</b>
Other Government Grants and Contributions -				
Education Workforce Council	622		541	
		<b>622</b>		<b>541</b>
Other Grants and Contributions				
Councils' contributions towards the Core Service				
Conwy	671		667	
Denbighshire	680		682	
Flintshire	996		1,001	
Gwynedd	773		770	
Anglesey	445		443	
Wrexham	829		831	
		<b>4,394</b>		<b>4,394</b>
Other Grants and Contribution		<b>293</b>		<b>330</b>
<b>Total Grants and Contributions Credited to Services</b>		<b>17,786</b>		<b>17,023</b>

## NOTE 20 – 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. To conform to the requirements, this is done by Members and Senior Officers completing a personal declaration, as defined in the CIPFA Code of Practice.

### Function of the Joint Committee

The Regional School Effectiveness and Improvement Service (GwE) has been established in partnership between the six north wales authorities, being Conwy County Borough Council, Denbighshire County Council, Flintshire County Council, Cyngor Gwynedd, Isle of Anglesey County Council and Wrexham County Borough Council, to be accountable to the councils and undertake the statutory function of the councils in respect of school improvement and effectiveness. This includes the duty to monitor, challenge, provide support services for curriculum continued professional development and management of schools, and in addition provide services that can be commissioned by schools and local authorities. Summarised below are the payments and income between the Joint Committee and the Local Authorities for the the 2023/24 financial year. Cyngor Gwynedd has been appointed as host authority in implementing and maintaining the service, and the Joint Committee of all the partners oversees the management of the service.

	Payments made	Amounts owed by the Joint Committee	Income Received	Amounts owed to the Joint Committee
Local Authority	£'000	£'000	£'000	£'000
Conwy County Borough Council	1,654	117	704	0
Denbighshire County Council	923	167	236	818
Flintshire County Council	1,385	810	1,001	0
Cyngor Gwynedd	1,946	391	776	71
Isle of Anglesey County Council	719	238	628	16
Wrexham County Borough Council	1,268	267	831	1

### 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 made to these companies under this heading during 2023/24 and balances as at 31 March 2024 is as follows:

Payments made	Amounts owed by the Joint Committee	Income Received	Amounts owed to the Joint Committee
£'000	£'000	£'000	£'000
336	15	19	15

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

### Officers

The Joint Committee’s Senior Officer has declared as required and where appropriate an interest or relationship (as defined) in companies, voluntary, charitable, or public bodies which receive payments from the Joint Committee. During 2023/24 no payments were made or owed by the Joint Committee for the related bodies.

## NOTE 21 – EXIT PACKAGES

There were no exit packages in 2023/24 or 2022/23.

## NOTE 22 – PENSION COSTS

As part of the terms and conditions of employment of its officers and other employees, the Joint Committee makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments. These need to be disclosed at the time that employees earn their future entitlement.

GwE participates in two post-employment schemes:

- a) **The Local Government Pension Scheme** administered locally by Cyngor Gwynedd. This is a funded defined benefit scheme based on final salary for service up to 31 March 2014 and based on a career average salary from 1 April 2014. The Joint Committee and the employees pay contributions into the fund, calculated at a level intended to balance the pensions liabilities with investment assets. GwE's proportion of the total contributions to the Gwynedd Pension Fund in 2023/24 was 1.3% (1.3% in 2022/23).
- b) **Arrangements for the award of discretionary post-retirement benefits upon early retirement.** This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Gwynedd Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Cyngor Gwynedd. Policy is determined in accordance with the Local Government Pensions Scheme Regulations.

The principal risks to the Joint Committee from the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (such as large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the amounts required by statute as described in the accounting policies note to the General Fund.

### Transactions Relating to Post-employment Benefits

The Joint Committee recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge it is required to make against council tax (via the councils' contributions) is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

## NOTE 22 – PENSION COSTS (continued)

Change in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability	Period ended 31 March 2023			Period ended 31 March 2024			
	Assets	Liabilities	Net (liability) /asset	Assets	Liabilities	Asset ceiling adjustments	Net (liability) /asset
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair Value of plan assets	26,013	0	26,013	26,324	0	0	26,324
Present value of funded obligations	0	(35,069)	(35,069)	0	(22,876)	0	(22,876)
Present value of unfunded obligations	0	0	0	0	0	0	0
Effect of the asset ceiling	0	0	0	0	0	(2,891)	(2,891)
<b>Opening Position as at 1 April</b>	<b>26,013</b>	<b>(35,069)</b>	<b>(9,056)</b>	<b>26,324</b>	<b>(22,876)</b>	<b>(2,891)</b>	<b>557</b>
Service Cost							
- Current service cost*	0	(1,645)	(1,645)	0	(932)	0	(932)
- Past service cost (including curtailments)	0	0	0	0	0	0	0
- Effect of settlements	0	0	0	0	0	0	0
<b>Total Service Cost</b>	<b>0</b>	<b>(1,645)</b>	<b>(1,645)</b>	<b>0</b>	<b>(932)</b>	<b>0</b>	<b>(932)</b>
Net interest							
- Interest income on plan assets	711	0	711	1,267	0	0	1,267
- Interest cost on defined benefit obligation	0	(966)	(966)	0	(1,105)	0	(1,105)
- Interest on the effect of the asset ceiling	0	0	0	0	0	(137)	(137)
<b>Total Net Interest</b>	<b>711</b>	<b>(966)</b>	<b>(255)</b>	<b>1,267</b>	<b>(1,105)</b>	<b>(137)</b>	<b>25</b>
<b>Total Defined Benefit Cost Recognised in Profit or (Loss)</b>	<b>711</b>	<b>(2,611)</b>	<b>(1,900)</b>	<b>1,267</b>	<b>(2,037)</b>	<b>(137)</b>	<b>(907)</b>
Cash flows							
- Participants' contributions	310	(310)	0	367	(367)	0	0
- Employer contributions	852	0	852	842	0	0	842
- Benefits paid	(446)	446	0	(521)	521	0	0
- Unfunded benefits paid	0	0	0	0	0	0	0
- Contributions in respect of unfunded benefits paid	0	0	0	0	0	0	0
Effect of business combinations and disposals	0	0	0	0	0	0	0
<b>Expected closing position</b>	<b>27,440</b>	<b>(37,544)</b>	<b>(10,104)</b>	<b>28,279</b>	<b>(24,759)</b>	<b>(3,028)</b>	<b>492</b>
Remeasurements							
- Changes in financial assumptions	0	13,064	13,064	0	1,535	0	1,535
- Changes in demographic assumptions	0	534	534	0	143	0	143
- Other experience***	(167)	1,070	903	0	(683)	0	(683)
- Return on assets excluding amounts included in net interest	(949)	0	(949)	1,609	0	0	1,609
- Changes in the effect of the asset ceiling	0	0	0	0	0	3,028	3,028



<b>Total remeasurements recognised in Other Comprehensive Income (OCI)</b>	<b>(1,116)</b>	<b>14,668</b>	<b>13,552</b>	<b>1,609</b>	<b>995</b>	<b>3,028</b>	<b>5,632</b>
Fair value of plan assets	26,324	0	26,324	29,888	0	0	29,888
Present value of funded obligations	0	(22,876)	(22,876)	0	(23,764)	0	(23,764)
Present value of unfunded obligations**	0	0	0	0	0	0	0
Effect of the asset ceiling ^	0	0	0	0	0	0	0
<b>Closing Position at 31 March</b>	<b>26,324</b>	<b>(22,876)</b>	<b>3,448</b>	<b>29,888</b>	<b>(23,764)</b>	<b>0</b>	<b>6,124</b>

Please note the Employer's fair value of plan assets is approximately 1% of the Fund's total.

The present value of funded obligations comprises of approximately £13,774,000 , £1,773,000 , £8,217,000 in respect of employee members, deferred pensioners and pensioners respectively as at 31 March 2024.

\* The current service cost includes an allowance for administration expenses of 0.6% of payroll.

\*\*The unfunded obligations comprise of £0 in respect of LGPS unfunded pensions and £0 in respect of Teachers' unfunded pensions.

\*\*\*The other experience on obligations includes an allowance of £683,000 for the April 2024 pension increase order impact.

^ We have not been informed of any net asset adjustment to apply to the final net asset position as at 31 March 2024 at the time of preparing this version of the Results Schedule.

**NOTE 22 – PENSION COSTS (continued)**

**Pensions assets and liabilities recognised in the Balance Sheet**

The amount included in the Balance Sheet arising from the authority’s obligation in respect of its defined benefit plan is as follows:

	<b>31 March 2023</b>	<b>31 March 2024</b>
	<b>£’000</b>	<b>£’000</b>
Fair value of plan assets	26,324	29,888
Present value of obligations	(22,876)	(23,764)
<b>Subtotal</b>	<b>3,448</b>	<b>6,124</b>
Effect of IAS 19/ IFRIC 14	(2,891)	(6,124)
<b>Net Asset/(Liability) arising from Defined Benefit Obligation</b>	<b>557</b>	<b>0</b>

The actuarial valuation of the Joint Committee’s pension scheme liabilities and pension reserve shown on the Balance Sheet reports net asset or liability of zero. The Joint Committee’s Actuary, Hymans Robertson LLP, determined that the fair value of the Joint Committee’s pension plan assets outweighed the present value of the plan obligations at 31 March 2024 resulting in a pension plan asset. IFRIC 14 and IAS 19 Employee Benefits require that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling, which is capped at £0

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Joint Committee’s actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions. The calculated asset ceiling for 2023/24 results in greater future service contributions than future service costs so the economic benefit is limited to zero. The Joint Committee relies and places assurance on the professional judgement of the Actuary and the assumptions used to calculate this actuarial valuation.

**The Major Categories of Plan Assets as a Percentage of Total Plan Assets**

The actuary has provided a detailed breakdown of Fund assets in accordance with the requirements of IAS19. This analysis distinguishes between the nature and risk of those assets, and to further break them down between those with a quoted price in an active market, and those that are not quoted. The asset split for the Joint Committee is assumed to be in the same proportion to the Fund’s asset allocation as at 31 December 2023. The split is shown in the table below. The actuary estimates the bid value of the Fund’s assets as at 31 March 2024 to be £3.05bn based on information provided by the Administering Authority and allowing for index returns where necessary. Only a portion of the Fund is related to GwE.

## NOTE 22 – PENSION COSTS (continued)

### Fair Value of Employer Assets

The asset values below are at bid value as required under IAS 19.

Asset Category	At 31 March 2023				At 31 March 2024			
	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total		Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
<b>Equity Securities</b>								
Consumer	0	0	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	0	0	0
Energy and Utilities	0	0	0	0	0	0	0	0
Financial Institutions	0	0	0	0	0	0	0	0
Health and Care	0	0	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
<b>Debt Securities</b>								
Other	0	0	0	0	0	0	0	0
<b>Private Equity</b>								
All	0	1,657	1,657	6	0	1,554	1,554	5
<b>Real Estate</b>								
UK Property	0	2,170	2,170	8	0	2,082	2,082	7
Overseas Property	0	0	0	0	0	0	0	0
<b>Investment Funds and Unit Trusts</b>								
Equities	0	16,388	16,388	62	0	16,633	16,633	56
Infrastructure	0	747	747	3	0	0	0	0
Other	0	5,280	5,280	20	0	8,497	8,497	28
<b>Derivatives</b>								
Inflation	0	0	0	0	0	737	737	2
<b>Cash and cash equivalents</b>								
All	82	0	82	0	0	385	385	1
<b>Totals</b>	<b>82</b>	<b>26,242</b>	<b>26,324</b>	<b>100</b>	<b>0</b>	<b>29,888</b>	<b>29,888</b>	<b>100</b>

## NOTE 22 – PENSION COSTS (continued)

### Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, life expectancy and salary levels. Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females.

Both the Gwynedd Pension Scheme and Discretionary Benefits liabilities have been estimated by Hymans Robertson, an independent firm of actuaries. Estimates for the Gwynedd Pension Fund were based on the latest full valuation of the scheme as at 31 March 2022. The significant assumptions used by the actuary in the following table have had a significant impact on the values of the assets and liabilities as follows:

	31 March 2023	31 March 2024
<b>Financial Assumptions</b>	<b>% p.a.</b>	<b>% p.a.</b>
Pensions Increase Rate	2.95	2.75
Salary Increase Rate	3.45	3.25
Inflation Rate	2.95	2.75
Discount Rate	4.75	4.85
Long-term expected rate of return on all categories of assets	4.75	4.85
<b>Take-up option to convert annual pension into retirement lump sum</b>		
for pre-April 2008 service	65	65
for post-April 2008 service	65	65
<b>Mortality assumptions</b>	<b>Years</b>	<b>Years</b>
Longevity at 65 for current pensioners		
Men	21.9	21.7
Women	24.3	24.1
Longevity at 65 for future pensioners		
Men	22.9	22.7
Women	25.9	25.7

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. In order to quantify the impact of a change in the financial assumptions used, the actuary has calculated and compared the value of the scheme commitments as at 31 March 2024 on varying bases. The approach taken is consistent with that adopted to derive the IAS 19 figures provided in this note.

To quantify the uncertainty around life expectancy, the actuary has calculated the difference in cost to the Joint Committee of a one-year increase in life expectancy. For sensitivity purposes this is assumed to be an increase in the cost of benefits of broadly 3-5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

## NOTE 22 – PENSION COSTS (continued)

The figures in the table below have been derived based on the membership profile of the Joint Committee as at 31 March 2022, the date of the most recent actuarial valuation. The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

<b>Impact on the Defined Benefit Obligation in the Scheme</b>	<b>Approximate increase to Defined Benefit Obligation</b>	<b>Approximate monetary amount</b>
<b>Change in assumption</b>	<b>31 March 2024</b>	<b>31 March 2024</b>
	<b>%</b>	<b>£'000</b>
0.1% decrease in real discount rate	2	466
1 year increase in member life expectancy	4	951
0.1% increase in the Salary Increase Rate	0	65
0.1% increase in the Pension Increase Rate	2	409

### Impact on the Joint Committee's Cash Flows

One of the objectives of the scheme is that employer contributions should be kept at as constant a rate as possible. The Joint Committee has agreed a strategy with the fund's actuary to achieve a funding level of 100% over the next 17 years. Funding levels are monitored on an annual basis.

The contributions paid by the Joint Committee are set by the Fund Actuary at each triennial valuation, or at any other time as instructed to do so by the Administering Authority. The contributions payable over the period to 31 March 2024 are set out in the Rates and Adjustments certificate. For further details on the approach adopted to set contribution rates for the Joint Committee, please refer to the 2022 actuarial report dated 28 March 2023.

### Information about the Defined Benefit Obligation

	<b>Liability Split</b>	
	<b>31 March 2024</b>	
	<b>£'000</b>	<b>%</b>
Active Members	13,774	58.0
Deferred Members	1,773	7.4
Pensioner Members	8,217	34.6
<b>Total</b>	<b>23,764</b>	<b>100.0</b>

The above figures are for the funded obligations only and do not include any unfunded pensioner liabilities. The durations are effective at the previous formal valuation as at 31 March 2022. The weighted average duration of the defined benefit obligation for the scheme members in 2023/24 is 19 years.

### Impact in Future Years

The total contribution expected to be made to the Local Government Pensions Scheme by the Joint Committee in the year to 31 March 2025 is £842k.

As the Actuary's report is based on estimates and due to timing issues, an initial adjustment of £11k has been made in 2023/24, (£36k in 2022/23), to bring the position in the Scheme based on the Actuarial figures in line with the closing position as at 31 March 2024 (before applying any asset ceiling adjustments). This variance has been treated as Actuarial Gains and Losses on Pension Assets and Liabilities.

**NOTE 23 – EVENTS AFTER THE REPORTING PERIOD**

The Statement of Accounts was authorised by the Head of Finance on 21 June 2024. Events taking place after this date are not reflected in the financial statements or related notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect its impact.

## Glossary

**Actuarial Gains and Losses** – For a defined benefit pension scheme, the changes in actuarial surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

**Asset** – Items of worth that are measurable in terms of value.

- A current asset will be consumed or will cease to have material value within the next financial year.
- A non-current asset provides benefit to the Joint Committee and to the services it provides for a period of more than one year.

**Balances (or Reserves)** – These represent accumulated funds available to the Joint Committee. Some balances (reserve) may be earmarked for specific purposes for funding future defined initiatives or meeting identified risks or liabilities.

**Capital Expenditure** – Expenditure on the procurement of a non-current asset, which will be used in providing services beyond the current accounting period or expenditure that adds to, and not merely maintains, value of an existing non-current asset.

**CIPFA (Chartered Institute of Public Finance and Accounting)** – The professional institute for accountants working in the public sector.

**Creditors** – Amounts owed by the Joint Committee for work done, goods received or services rendered, for which payments have not been made by the end of that accounting period.

**Current Service Cost** – The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period.

**Debtors** – Amount owed to the Joint Committee for work done, goods received or service rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

**Defined Benefit Scheme** – A pension or other retirement benefit scheme other than a defined contribution scheme.

**Defined Contribution Scheme** – A pension or other retirement benefit scheme into which an employee pays regular fixed contributions as an amount or as a percentage of pay, and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employees benefits relating to the employee Service in the current and prior periods.

**Fair Value** – The price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Financial Instruments** – Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

**General Fund** – This is the main revenue fund of the Joint Committee and it includes the net cost of all services financed by local taxpayers and Government grants.

**Impairment** – A reduction in the carrying value of a fixed asset below its carrying value (due to obsolescence, damage or an adverse change in the statutory environment).

**International Financial Reporting Standards (IFRS)** – A suite of accounting standards used across the world. They must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

**Inventories** – Amounts of unused or unconsumed stocks held in expectation of future use. They are categorised as goods or other assets purchased for resale, consumable stores, raw materials and Components, Products and Services in intermediate stages of completion and finished goods.

**Investment Property** – Property that is held solely to earn rentals or for capital appreciation, or both.

**Liability** – Amounts due to individuals or organisations which will have to be paid at some time in the future.

**Provision** – A liability that is of uncertain timing or amount which is to be settled by transfer of economic benefits.

**Related Parties** – Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.





## REPORT TO THE JOINT COMMITTEE

2 OCTOBER 2024

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**Report by:** Euros Davies - Head of Service - School Improvement

**Subject:** Annual Governance Statement for the Joint Committee

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### 1.0 Purpose of the Report

1.1 To accept and approve the Annual Governance Statement for 2023/24.

### 2.0 Background

2.1 The Accounts and Audit (Wales) (Amendment) Regulations 2018 sets fixed requirements on public bodies that operate partnership management arrangements through formal joint committees.

2.2 Section 5 requires the Joint Committee to review and approve annually a statement of internal control. To comply with this requirement the Annual Governance Statement has been prepared. The document has been produced to offer a framework to the Joint Committee's operation.

### 3.0 Recommendations

3.1 The Joint Committee is asked to accept and approve the Annual Governance Statement.

### 4.0 Financial Implications

4.1 There are no financial implications arising from this report.

### 5.0 Equalities Impact

5.1 There are no new equalities implications arising from this report.

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**6.0 Personnel Implications**

6.1 There are no new personnel implications arising from this report.

**7.0 Appendices**

7.1 Annual Governance Statement 2023/24

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**OPINION OF THE STATUTORY OFFICERS**

**Monitoring Officer:**

I am satisfied that the statement contains an accurate description of the GwE governance arrangements.

**Statutory Finance Officer:**

I am satisfied that this statement is a fair reflection of GwE governance arrangements in 2023/24, and that arrangements for accountability are appropriate. The statement meets the requirement to describe GwE's governance framework, and to assess how effective it is operating.

**ANNUAL GOVERNANCE STATEMENT**

This statement meets the requirement to produce a Statement of Internal Control pursuant to Section 5 of the Accounts and Audit (Wales) Regulations 2014 (as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018).

**Part 1: SCOPE OF RESPONSIBILITY**

- 1.1 GwE was established as a Joint Committee to be a regional school effectiveness and improvement service by the 6 North Wales local authorities in 2013 by undertaking the functions that are detailed in an agreement between the Joint Committee and the authorities. In the agreement, the Councils have agreed to work together in a partnering relationship to establish a Regional School Effectiveness and Improvement Service to be accountable to, and undertake the statutory functions of the Councils in respect of school improvement and effectiveness.
- 1.2 The vision was to establish a Regional School Effectiveness and Improvement service to be accountable to, and undertake the statutory responsibilities of the six local North Wales Authorities in respect of the duties to monitor, challenge, provide support services for curriculum, continued professional development and management of schools, and in addition provide services that can be commissioned by schools and local authorities.
- 1.3 GwE 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.
- 1.4 In discharging this overall responsibility, GwE 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**

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which GwE 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 GwE to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 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.
- 2.3 The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of GwE'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.
- 2.4 The governance framework described above has been in place at GwE for the year ended 31 March 2024 and up to the date of approval of the 2023/24 statement of accounts.

**Part 3: GOVERNANCE ARRANGEMENTS AND THEIR EFFECTIVENESS**

- 3.1 The GwE Management Board monitors matters of governance continuously in a disciplined manner, raising a wider awareness of these, and promoting a wider ownership of the Annual Governance Statement.
- 3.2 To demonstrate good governance, GwE must show that it is complying with the core (and supporting) principles contained within the Framework for Delivering Good Governance in Local Government (CIPFA / Solace, 2016). This statement has been prepared in accordance with those principles.
- 3.3 An outline is given of the Governance Areas and GwE’s arrangements to deal with these, and the effectiveness of these arrangements, in the remainder of this section of the Annual Governance Statement.
- 3.4 For each governance principle, an evaluation has been made based on a combination of:
  - A review of relevant reports and documents prepared during the year;
  - The review of progress made against the Business Plan;
  - Discussion with and based on comments received from officers, SLT and the Management Board.
  - Continuous reflection on the effectiveness of the work, both internally and externally, i.e. Estyn, Education Development Trust, Professor Graham Donaldson, Scottish Government, OECD, Diversity and Anti-Racist Professional Learning (DARPL), Bangor University and other Regional Consortia.

Principle A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Assessment	Assured

How we do this:

- GwE follows the host authority (Gwynedd Council) operating rules, which details how decisions need to be made and the procedures to be followed to ensure they are efficient, transparent and available to local people.
- The GwE Inter Authority Agreement have agreed to the following principles of good governance:
  - Openness and Trust
  - Commitment and Drive
  - Skills and Creativity
  - Effective Relationships
  - Developing and Adaptive
  - Reputation and Standing
  - Reasonableness of Decision Making
  - Necessary Consents
  - Members and Officers’ Commitments
- The voting members of the GwE Joint Committee are governed by the Code of Conduct of their relevant Council. The Codes of Conduct for Councillors and employees within the Constitution of the host authority are built upon the principles of openness, transparency and honesty.

- GwE have worked with DARPL to amend the service’s Vision and Values during the year. As part of the Regional Business Plan, the following service and personal values are embedded within the service and have been set to enable the service to achieve the vision and objectives for delivery. These include:
  - Respect;
  - Trust;
  - Wellbeing;
  - Innovate and inspire;
  - Support and collaborate;
  - Cymru a’r Gymraeg
- Staff are expected to demonstrate the highest standards of the service behaviors and values.
- GwE, supported by the host authority, has procedures in place to ensure the Joint Committee meetings are conducted effectively and decision making is effective.
- All meetings of the Joint Committee during 2023/24 have been held virtually via Zoom. Guidance has been produced for Members in relation to Attending Virtual Meetings.

Principle B	Ensuring openness and comprehensive stakeholder engagement
Assessment	Assured

How we do this:

- The Joint Committee meetings are open meetings, and all papers are published on the host authority (Gwynedd Council) website and the GwE website.
- The Joint Committee meetings have a forward calendar of meetings set out for the year ahead.
- GwE is a partnership organisation. Effective collegiate and collective regional approach between the six local authorities and GwE ensures strong governance and regional consistency in support, messaging and guidance given to schools.
- One of the main strengths of work across North Wales is the consistent messaging from the six local authorities through their political education portfolio holders and directors working with GwE to have one common message for the schools in North Wales. This consistency of messaging has been not only welcomed by schools but also by teacher unions and non-teaching unions who welcomed the clarity of messaging and support for their staff.
- There is full stakeholder engagement via various forums both within and outside the formal governance structure.
- The regional priorities and areas for improvement are based firmly on the findings of our internal self-evaluation processes, external reviews on our current practice and direction of travel, and through consultation with headteachers and the Local Authorities.
- GwE continues to look outward and to welcome challenge from both inside and outside Wales whilst making sure that what it is developing is right for its context. This includes continuously listening to the voice of all stakeholders especially those of teachers and leaders in schools across all sectors and listen to children and young people as they engage with their learning and supporting them in achieving their aspirations.
- GwE encourages stakeholder engagement and feedback via a broad range of communication and engagement methods. Examples include: attendance at Headteacher Federation meetings; cluster groups; weekly bulletin; networks, social media etc.

- GwE have produced a series of reports that we have shared with the Management Board and the Joint Committee during the year. These reports include the views of schools, staff and local authorities on the effectiveness of regional practice. Each report describes the quality of the provision and identifies areas for improvement to drive the learning agenda forward.
- Openness and comprehensive stakeholder engagement is further ensured through:
  - Effective collegiate and collective regional approach between the six local authorities and GwE.
  - Joint working ensuring strong governance and regional consistency in support, messaging and guidance given to schools.
  - Establishing clear lines of communication with key stakeholders.
  - Reports for the Joint Committee
  - Meetings with Management Board and Education Portfolio Holders - key strategic and political decisions.
  - Sharing regular updates and ensure contact and support.
  - Sharing information, key messages and work streams with LAs / Elected Members.
  - Updating key stakeholders on various GwE matters.
  - Sharing regional information and ensure consistent messages.
  - Ensuring consistency as regards national and regional information.
  - Ensuring effective communication.
  - Preparing and co-ordinating regional meetings, for example the Management Board and Joint Committee.
  - Liaising with key stakeholders.
- Teamwork, joint working and collaboration has also been at the heart of the work with schools. GwE has encouraged schools to collaborate through sharing practice and co-constructing areas that need improving. We have invested in various cluster models, alliances and networks, and encouraged schools to find a range of appropriate partners to deliver improvement and changes. All schools in the region are part of a cluster or a forum where they can come together to discuss operational issues as well as sharing best practice. This joint work facilitated by GwE staff has been very successful and sets a very strong infrastructure in place for future work and working relationship across the region.
- The region has also looked outward for good practice in terms of identifying effective peer review models as well as encouraging our schools to develop and evolve their own practice. GwE believe that peer engagement should closely complement the dimensions identified within the OECD publication 'What Makes a School a Learning Organisation'. The principles within sit within all Professional Learning and across GwE.
- Critical to the development of the learning organisation work, there are four transversal themes which run throughout to include Trust, Time, Technology and Thinking Together. These have been fundamental in developing GwE's approach to developing strong partnerships as trust underpins the relationships needed internally and externally for learning organisations to thrive.
- For the last 6 years there has been agreement with Headteachers on a series of regional principles for peer engagement. A model of peer review and improvement planning was agreed (the Schools Partnership Programme [SPP]), approved by the Management Board and Joint Committee. All GwE SIAs have received continuous training and support on peer review, facilitation, mentoring and coaching and a programme is in place to offer SPP training to all 405 regional schools and the Referral Units.
- In June 2022, Welsh Government published the new guidance and information on school improvement and the new framework for evaluation, improvement and accountability. GwE continues to work collaboratively with all schools and settings to develop and refine schools' self-evaluation processes as part of their strategic improvement process. The main focus over the year has been in supporting schools to be 'framework ready' in terms of the School Improvement Framework/Guidance. Task and Finish Group of regional headteachers and GwE staff have developed guidance and exemplar materials for schools regarding the requirement to publish

summary of self-evaluation findings, progress against prior School Improvement Plan (SIP) priorities, high-level improvement priorities for the forthcoming year and the external support the school will require to achieve those priorities.

- GwE and the Local Authorities are collaborating closely together and have established a regional School Improvement Guidance Task and Finish Group to develop a regional approach to identify, create, deliver and monitor Schools Support Plans. Processes and systems around supporting Schools Causing Concern (SCC) and early identification of schools which demonstrate a downward trajectory, have been strengthened. Revised templates for reporting to Level 1 and Level 2 Local Authority quality groups are operational and have been welcomed by officers. Local Authority officers, who form part of the LA/GwE Task Group, noted that the reporting template has led to sharper discussions around identified concerns and on agreeing next steps.

Principle C	Defining outcomes in terms of sustainable economic, social and environmental benefits
Assessment	Assured

How we do this:

- GwE's overall vision is reflected in the 3 year business plan and is further strengthened in the annual business plan. GwE have worked with DARPL to amend the service's Vision and Values during the year.
- The regional priorities and areas for improvement are based firmly on the findings of our internal self-evaluation processes, external reviews on our current practice and direction of travel, and through consultation with headteachers and the Local Authorities. The Business Plan also addresses Welsh Government and the Local Authorities strategic priorities that fall within the remit of the work of GwE. Each Local Authority has a detailed business plan agreed upon by the head of service and the core lead.
- The clear and robust accountability framework is a key strength in GwE. Detailed business plans on all levels of planning address all aspects of the work of GwE, and clearly note the contribution of the service to the transformation agenda. Plans are fully costed, with clear success criteria and milestones for delivering objectives.
- There are detailed self-evaluation arrangements. Plans are reviewed on a quarterly basis, evaluating progress and impact. Staff on all levels fully understand their responsibility for continued improvement and accountability. Progress towards agreed outcomes on a local authority level is monitored on a quarterly basis and discussed regularly in meetings between the lead adviser and Local Authority. Ongoing issues are referred to GwE Senior leaders in a timely manner.
- Self-evaluation is a strong feature in GwE and the self-evaluation process is cyclical and ongoing. Great emphasis is placed on accountability and continuous review, and there is consistent emphasis on progress in line with priorities.
- A robust financial analysis supports the work of delivering the business plan. A medium-term financial plan is aligned with the business plan. Through increasingly effective use of data to identify key priorities, the link between the business planning process and decisions regarding financial planning is strengthened as the work streams that underpin the business plan clearly note the resources to be used.
- A formal framework is in place to assess the wider value for money provided by GwE. The judgement is consistent across all stakeholders on how to measure the value for money of GwE activities within the structure and objectives of the business plan.
- GwE have also developed an Evaluation and Impact Strategy so that it can clearly evaluate and capture impact of its work in line with its core school improvement function and to enable

fully meet the expectations as outlined in the School Improvement Guidance. The purpose of the strategy is to articulate clearly how GwE will engage in ongoing evaluation processes in line with its commitment to developing a culture of continuous improvement as a learning organisation. The self-evaluation processes will draw upon a range of sources that are both qualitative and quantitative which support schools in working towards the national priorities.

- There are rigorous and comprehensive arrangements in place to accurately identify and manage risks on a local, regional and national level. The risk register is a live document, which is kept under regular review to identify increasing risks or risks which are no longer deemed as high level. It is presented to the Joint Committee on an annual basis and when new risks are identified, of which the Joint Committee needs to be made aware. Through effective management of risks to the region, GwE is able to support the region’s objectives, make effective use of resources and meet outcomes as intended.

Principle D	Determining the interventions necessary to optimise the achievement of the intended outcomes
Assessment	Assured

How we do this:

- The Management Board monitors matters of governance continuously and GwE has procedures in place to ensure the Joint Committee meetings are conducted effectively and that decision making is effective. A series of reports have been produced and shared with the Management Board and the Joint Committee during the year. These reports include the views of schools, staff and local authorities on the effectiveness of regional practice. Each report describes the quality of the provision and identifies areas for improvement to drive the learning agenda forward.
- Regular visits by Estyn HMI through the Regional Consortia Link Inspector are consistently fed back very positively on the:
  - Strategic Direction of the Service
  - Increasing maturity in the partnership with Local Authorities
  - Quality of support for individual schools
  - Accuracy of GwE findings matching those of inspectors
  - Range and quality of Professional Learning on offer
  - Rigorous high quality Business Planning process
  - Schools consistently commenting on the quality of support and supportive nature of work with GwE
- GwE has an agreed Inter Authority Agreement (IAA) that sets out clearly how the Joint Committee operates and how decisions are made and procedures need to be followed to ensure efficiency, transparency and accountability.
- The Joint Committee is a joint committee constituted by the Councils under section 101(5) and 102(1) of the Local Government Act 1972 and section 20 of the Local Government Act 2000. Meetings of the Joint Committee are subject to the provisions of the Local Government Act 1972 including the provisions on access to information and meetings held in public.
- Members of the Joint Committee and the public have the full benefit of access to the Joint Committee papers and supporting information.
- The Joint Committee meets a minimum of three times a year.
- The IAA identifies the following two categories of decisions together with the means by which they will be taken:



- 'Joint Committee Matter' – being a matter which is to be decided upon at a quorate (3 voting members) meetings of the Joint Committee by those present and entitled to vote and any such decision will be binding on all the Councils;
- 'Matter Reserved To The Councils' – being a matter which will have to be referred to each Council for decision and, for the avoidance of doubt, any such matter will not be dealt with by the Joint Committee (as the case may be) until the matter has been determined by all of the Councils. If the Councils fail to reach the same decision in respect of such matter then the matter shall be referred under Dispute Resolution as a dispute for resolution.
- The terms of reference and delegated powers of the Joint Committee are to promote joint working in the delivery of the Service through:
  - facilitating constructive partnership working;
  - engaging with key interested bodies and stakeholders when appropriate;
  - carrying out such other activities calculated to facilitate, or which are conducive to the successful delivery of the Service;
  - to oversee the management of the Service and ensure that the Service is provided and performs in accordance with the expectations of the Partner Authorities as reflected in the Full Business Case, Inter Authority Agreement and agreed Annual Business and Commissioning Plans;
  - to approve the budget for the Service on an annual basis;
  - to approve the business plan for the Service on an annual basis;
  - to monitor and manage the risks associated with the Service;
  - to ratify requests from the Service for additional budget funding from individual Councils;
  - to approve the staff structure of the Service;
  - to appoint the Managing Director of the Service;
  - to decide on disciplinary action against the Managing Director;
  - where required, to determine or arrange for the determination of appeals in relation to Human Resources matters.
- The Joint Committee is supported by a Management Board with the following terms of reference:
  - Co-construct the annual Business Plan, including the individual appendices to identify specific requirements at individual LA Level;
  - Monitor progress against the priorities and outcomes identified in the Business Plan on a regular basis;
  - Have arrangements in place to make sure that GwE financial controls and systems are robust;
  - Provide professional advice to the Joint Committee with regard to the appointment of the Managing Director;
  - Regularly report to the Joint Committee.
- GwE has continually reflected on the effectiveness of the work. Staff in GwE adapted their work in order to continue to provide effective services and support for all their school communities. The ability to be flexible and agile and to work effectively together in different teams, often cross sector, has had significant impact on organisational behaviour and external perception.
- GwE continues to look outward and to welcome challenge from both inside and outside Wales whilst making sure that what it is developing is right for its context. This includes continuously listening to the voice of all stakeholders especially those of teachers and leaders in schools across all sectors and listen to children and young people as they engage with their learning and supporting them in achieving their aspirations.

- Both internal and external resources have been used to ensure that we have a balanced perspective on the quality of the work. This has included working with the Education Development Trust, OECD, Scottish Government, DARPL and other Regional Consortia to develop the organisation and plan our future infrastructure.
- Self-evaluation is a strong feature in GwE and the self-evaluation process is cyclical and ongoing. Great emphasis is placed on accountability and continuous review, and there is consistent emphasis on progress in line with priorities.
- The consortium has effective financial management processes in place. Communication and consultation on financial arrangements is effective, and GwE staff, the host local authority and Joint Committee all review the core funding and grant expenditure on a regular basis.
- A robust financial analysis supports the work of delivering the business plan. A medium-term financial plan is aligned with the business plan. Through the self-evaluation process, the link between the business planning process and decisions regarding financial planning is strengthened as the work streams that underpin the business plan clearly note the resources to be used.

Principle E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
Assessment	Assured

#### How we do this:

- GwE staff have re-purposed their work appropriately over the last few years to continue to deliver effective services and support for all their communities of schools during and after the pandemic.
- Communication and engagement within the leadership structure of GwE has been regular and clear. Key strategic and political decisions were made with clarity and confidence. This resulted in consistent messaging from the local authorities through their political education portfolio holders and directors working with GwE to have one common message for the schools in North Wales. This consistency of messaging has been not only welcomed by schools but also by teacher unions and non-teaching unions who welcomed the clarity of messaging and support for their staff.
- GwE have kept true to their vision and values as an organisation that is continually learning.
- The OECD's transversal themes of Trust, Thinking together, Time and Technology have remained at the heart of the work with schools and partners.
- The service in its entirety has re focused several times to meet the needs of the range of stakeholders. The ability to be flexible and agile and to work effectively together in different teams, often cross sector, has had significant impact on organisational behaviour and external perception. At the heart of the refocusing has been the need to ensure that the well-being of school leaders, their staff and learners is paramount to the decision-making and ensuring that the right level of support, operational or professional, can be directed accurately by the service.
- The consistency and quality of challenge and support to schools is good. Regular training, support and discussions ensure that Supporting Improvement Advisers' knowledge and understanding of national and local developments, and the implications of this on their roles, is good.
- Quality Assurance processes continue to develop and evolve in line with national developments and principles. The Professional Review process has continued during the year which take into account training or development needs.
- Members also of staff have access to appropriate induction tailored to their role with ongoing training and professional development.

- The health and well-being of children and the workforce continues to be a priority, and doing all we can to support the well-being of our school staff, children and young people across the region.
- Messages and information are communicated clearly and on a regular basis to all employees. Generic, purposeful and effective support programmes are offered. Full and sector team meetings offer professional learning and regular opportunities for collaboration, consultation and contributing to discussions and decisions regarding GwE’s direction of work during a period of considerable change.
- GwE has also worked from the beginning of spring 2021 to June 2023 with Professor Graham Donaldson to develop its own staff to effectively support schools with the new curriculum.

Principle F	Managing risks and performance through robust internal control and strong public financial management
Assessment	Assured

How we do this:

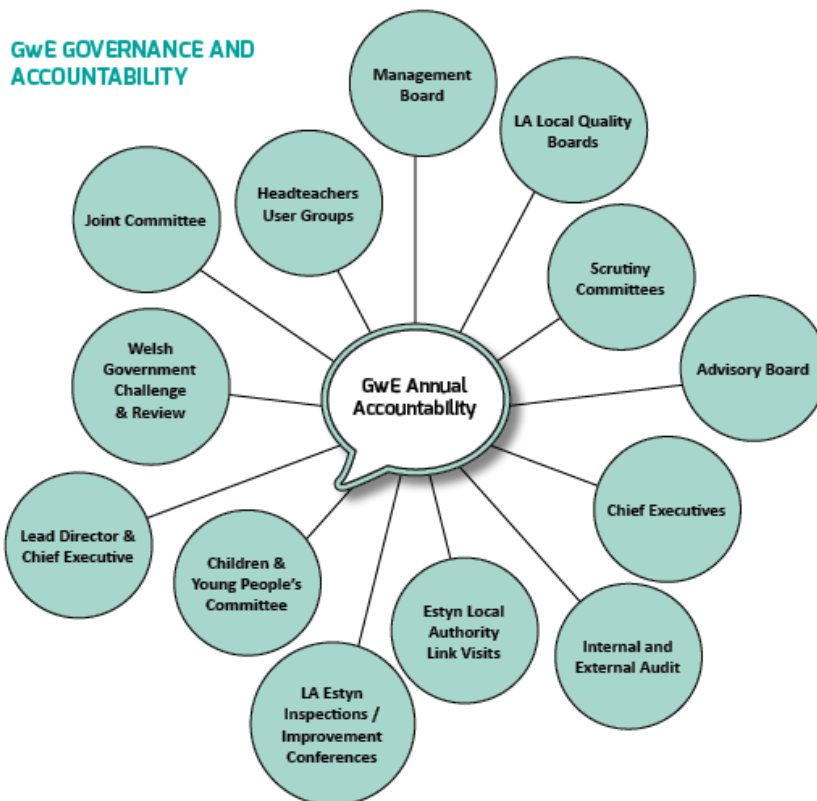
- The clear and robust accountability framework in a key strength in GwE. Detailed business plans on all levels of planning address all aspects of the work of GwE. Plans are fully costed, with clear success criteria and milestones for delivering objectives.
- Throughout the year, reports associated with our priority streams within the Business Plan will be reported through our governance groups. Progress against the Regional Business Plan will be reported on a quarterly basis to the Joint Committee.
- There are detailed self-evaluation arrangements. Plans are reviewed on a quarterly basis, evaluating progress and impact. Staff on all levels fully understand their responsibility for continued improvement and accountability.
- Each Local Authority has a detailed business plan agreed upon by the head of service and the core adviser. Progress towards agreed outcomes on a local authority level is monitored on a quarterly basis and discussed regularly in meetings between the lead adviser and Local Authority. Ongoing issues are referred to GwE Senior leaders in a timely manner.
- The self-evaluation process is cyclical and ongoing. Great emphasis is placed on accountability and continuous review, and there is consistent emphasis on progress in line with priorities.
- The consortium has effective financial management processes in place. Communication and consultation on financial arrangements is effective, and GwE staff, the host local authority and Joint Committee all review the core funding and grant expenditure on a regular basis.
- A robust financial analysis supports the work of delivering the business plan. A medium-term financial plan and workforce plan are both aligned with the business plan. Through increasingly effective use of data to identify key priorities, the link between the business planning process and decisions regarding financial planning is strengthened as the work streams that underpin the business plan clearly note the resources to be used.
- A formal framework is in place to assess the wider value for money provided by GwE. The judgement is consistent across all stakeholders on how to measure the value for money of GwE activities within the structure and objectives of the business plan.
- There are rigorous and comprehensive arrangements in place to accurately identify and manage risks on a local, regional and national level. The risk register is a live document, which is kept under regular review to identify increasing risks or risks which are no longer deemed as high level. It is presented to the Joint Committee on an annual basis and when new risks are identified, of which the Joint Committee needs to be made aware.

- Through effective management of risks to the region, GwE is able to support the region’s objectives, make effective use of resources and meet outcomes as intended.

Principle G	Implementing good practices in transparency, reporting and audit to deliver effective accountability
Assessment	Assured

How we do this:

- There are robust procedures in place both regionally and locally for setting a direction and holding the Regional School Effectiveness Service (GwE) to account. The specific role of the service in school improvement is explicit and clear to all stakeholders.
- There are very clear strategies, policies and processes in place that are understood by all stakeholders, and there exists an effective relationship between the six local authorities and GwE.
- The regional service evaluates its work regularly and uses information effectively to ensure that areas for improvement are identified swiftly and are firmly addressed via detailed business planning. There is a clear and effective process to ensure that the regional service meets Local Authorities corporate priorities and targets.
- The Joint Committee meetings are open meetings and all papers are published on the host authority (Gwynedd Council) website and the GwE website.
- Throughout the year, reports associated with our priority streams within the business plan are reported through our governance groups. GwE has annual accountability to various stakeholders throughout the year as can be seen in the following diagram.



- GwE is a 'relevant body' which must maintain an adequate and effective system of internal audit of its accounting records and system of internal control. In order to comply with these statutory requirements, the internal audit service of the host authority is provided to GwE in accordance with the Public Sector Internal Audit Standards (“PSIAS”). The Standards are relevant to every internal audit service provider for the public sector, whether internal, shared service or external.
- The following process for identifying the need for internal audit and acting on the recommendations has been agreed:
  - Identify the need for audit in specific areas. This work plan will be developed where possible through consideration of risk registers, performance reports, business plans etc.
  - Meeting between the host authority's Audit Manager and GwE's Managing Director.
  - To agree the audit program for the year with the Management Board.
  - Content of the programme to be shared with the Joint Committee.
  - The Audit Unit of the host authority to conduct the audits.
  - Share draft audit reports with relevant GwE management for accuracy and agree actions to address any risks.
  - The host authority's Audit Unit to send audit reports to GwE's Managing Director and relevant managers.
  - Relevant GwE officers to act on agreed actions (administrative issues not requiring Joint Committee input).
  - GwE Managing Director to share individual audit reports with Management Board.
  - The host authority's Audit Manager submits an annual report to the Joint Committee on any audits carried out during the year.
  - Relevant GwE officers to act on Joint Committee decisions.
  - GwE officers to report progress as necessary to the Joint Committee.
- GwE has succeeded in managing and evaluating itself regularly and as a result external accountability bodies opinions have been positive.

**Part 4: SIGNIFICANT GOVERNANCE ISSUES**

4.1 The above assessment indicates that there are no issues which are a significant governance issue.

**Part 5: GOVERNANCE MATTERS IDENTIFIED**

5.1 No governance issues were identified in 2023/2024.

**Part 6: OPINION**

We are of the opinion that the governance arrangements described above offer strong assurance that our governance arrangements work well.

\_\_\_\_\_  
**GwE Lead Officer**

**Date:** \_\_\_\_\_

EUROS DAVIES  
 GwE HEAD OF SERVICE

\_\_\_\_\_  
**Chair of GwE Joint Committee**

**Date:** \_\_\_\_\_

COUNCILLOR JULIE FALLON  
 CONWY COUNTY BOROUGH COUNCIL



Cydweithio · Dysgu · Llwyddo  
Collaborating · Learning · Succeeding

<b>MEETING</b>	<b>GwE Joint Committee</b>
<b>DATE</b>	02 October 2024
<b>TITLE</b>	<b>GwE Budget 2024/25</b> <b>Review to end of August 2024</b>
<b>PURPOSE</b>	<ul style="list-style-type: none"> <li>To update Joint Committee members on the latest financial review of GwE's budget for the 2024/25 financial year.</li> <li>The report focuses on the significant financial variances, with Appendix 1 containing the full financial information.</li> </ul>
<b>RECOMMENDATION</b>	To accept the report.
<b>AUTHOR</b>	Dewi Morgan, the Host Authority Head of Finance.

## 1. CONCLUSION

- 1.1 Based on expenditure and income up to the end of August 2024 and estimates based on management explanations, this review forecasts a net underspend of (£4,468) by the end of the 2024/25 financial year.
- 1.2 The following section of this report explains the reasons behind the main variations expected.

## 2. FINANCIAL VARIANCES

### 2.1 Employees:

#### Overspend £45,857

The GwE budget for the current year, is based on staff numbers in February 2024. A saving has been realised following the departure of some GwE staff, with most of these departures taking place in line with the academic year. This report has also incorporated the decision of the Joint Committee on the 1st August 2024, including the proposed restructuring of the Senior Management Team.

### 2.2 Rent:

#### Overspend £10,116

In keeping with the historical trend, we anticipate that GwE will overspend on this headline this year. This is mainly due to GwE renting a larger space in the Caernarfon office.

### 2.3 Transport:

#### Underspend (£40,839)

Historically, the headline here has been underspending, and based on the April to August trend of this year, we anticipate a situation of underspending continuing. This is mainly due to the new ways of working virtually developed in recent years.

## 3. UNDERSPEND FUND

3.1 At the beginning of the 2024/25 financial year, the fund totalled £221,310.

3.2 The fund total at the end of 2024/25 is estimated at £225,778 having contributed the underspend anticipated above.

## **APPENDICES**

Appendix 1: GwE Budget 2024/25 – Review up to the end of August 2024.

## **OPINION OF STATUTORY OFFICERS**

### **Monitoring Officer:**

Nothing to add from a propriety perspective.

### **Statutory Finance Officer:**

Author of the report



**GwE JOINT COMMITTEE - NORTH WALES COUNCILS - Budget Review 2024/25 : Up to the end of August 2024**

	Opening Budget £	Adjustments £	Updated Budget £	Estimated Expenditure £	Over / (Under) Spend Net £
<b><u>Expenditure</u></b>					
Employees - Salaries, Training, advertising and other employee costs	6,925,608	374,104	7,299,712	7,345,569	45,857
Building - Rent (includes services)	219,880	272	220,152	230,268	10,116
Transport - Travel Costs	163,107	1,153	164,260	123,421	(40,839)
Supplies and Services					
Furniture, equipment, printing, postage, telephone, room hire etc	86,721		86,721	86,721	0
Information Technology (contribution to renewal fund)	19,602		19,602	0	(19,602)
Audit Fees	13,611		13,611	13,611	0
Funding for schools that are causing concern	437,776	1,500	439,276	439,276	0
Gwynedd Council Host Authority Support Service Costs					
Legal	6,804		6,804	6,804	0
Human Resources	11,667		11,667	11,667	0
Finance	50,449		50,449	50,449	0
Information Technology	55,798		55,798	55,798	0
National Model Commitments	469,948		469,948	469,948	0
Specific Projects					
Newly Qualified Teachers (NQT)	0	476,880	476,880	476,880	0
Ein Llais Ni – Oracy Scheme	0	38,881	38,881	38,881	0
<b>Total Expenditure</b>	<b>8,460,971</b>	<b>892,789</b>	<b>9,353,760</b>	<b>9,349,292</b>	<b>(4,468)</b>

		Opening Budget £	Adjustments £	Updated Budget £	Estimated Income £	Over / (Under) Spend Net £
<b>Income</b>						
Core Service Contributions						
- Isle of Anglesey County Council	(23/24: 10.09% - 24/25: 10.04%)	(401,942)		(401,942)	(401,942)	0
- Cyngor Gwynedd	(23/24: 17.53% - 24/25: 17.55%)	(702,451)		(702,451)	(702,451)	0
- Conwy County Borough Council	(23/24: 15.17% - 24/25: 15.24%)	(609,921)		(609,921)	(609,921)	0
- Denbighshire County Council	(23/24: 15.51% - 24/25: 15.62%)	(624,967)		(624,967)	(624,967)	0
- Flintshire County Council	(23/24: 22.79% - 24/25: 22.71%)	(908,701)		(908,701)	(908,701)	0
- Wrexham County Borough Council	(23/24: 18.91% - 24/25: 18.84%)	(753,808)		(753,808)	(753,808)	0
Services Commissioned by the Authorities						
- Isle of Anglesey County Council	(12.94%)	(577,040)		(577,040)	(577,040)	0
- Cyngor Gwynedd	(18.17%)	(810,757)		(810,757)	(810,757)	0
- Conwy County Borough Council	(14.84%)	(661,581)		(661,581)	(661,581)	0
- Denbighshire County Council	(13.33%)	(594,209)		(594,209)	(594,209)	0
- Flintshire County Council	(21.47%)	(957,397)		(957,397)	(957,397)	0
- Wrexham County Borough Council	(19.25%)	(858,197)		(858,197)	(858,197)	0
Specific Projects						
Newly Qualified Teachers (NQT)		0	(476,880)	(476,880)	(476,880)	0
Ein Llais Ni – Oracy Scheme		0	(38,881)	(38,881)	(38,881)	0
Income from Secondments		0	(173,535)	(173,535)	(173,535)	0
Other Income		0	(3,494)	(3,494)	(3,494)	0
Income from Welsh Government		0	(200,000)	(200,000)	(200,000)	0
<b>Total Income</b>		<b>(8,460,971)</b>	<b>(892,789)</b>	<b>(9,353,760)</b>	<b>(9,353,760)</b>	<b>0</b>
<b>Total Income over Expenditure</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,468)</b>	<b>(4,468)</b>
<b>Memorandum -</b>						
<b>The General Fund</b>						
				<b>Fund balance as at 1 April 2024</b>		<b>(221,310)</b>
				Add/Less - (Under)/Overspend 2024/25		(4,468)
				Less - Use of the Fund		0
				<b>Fund balance as at 31 March 2025</b>		<b>(225,778)</b>



## REPORT TO THE JOINT COMMITTEE

2 OCTOBER 2024

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**Report by:** Rhys Williams - Head of Service - Professional Learning

**Subject:** GwE Risk Register

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### 1.0 Purpose of the Report

1.1 To present GwE's latest Risk Register to the Joint Committee.

### 2.0 Background

2.1 The purpose of the risk register is to formalise the process of identifying risks and take subsequent mitigating actions.

2.2. Effective risk management will enable GwE to support strategic objectives and strategic priorities, make effective use of resources and attain the outcomes as intended.

### 3.0 Considerations

3.1 GwE's risk register is a working document and is regularly reviewed. It is presented to the Joint Committee annually, and when new risks are identified of which the Joint Committee needs to be aware.

3.2 All risks have been reviewed and updated. Risks have been reviewed in the context of the proposed changes to the middle tier of the education system in Wales and the transitional period of the regional service to the Local Authorities.

3.3 Amendments to the Register are highlighted in red. It is suggested that risk 1 be removed.

3.4 The following matrix was followed in determining the status of the risk.

Risk Matrix						
		4	3	2	1	
<b>Likelihood</b>	Almost certain	Low (4)	Medium (8)	High (12)	High (16)	A
	Likely	Low (3)	Medium (6)	Medium (9)	High (12)	B
	Possible	Low (2)	Low (4)	Medium (6)	Medium (8)	C
	Unlikely	Low (1)	Low (2)	Low (3)	Low (4)	D
		<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Extremely high</b>	
		<b>Impact</b>				

#### 4.0 Recommendations

4.1 The Joint Committee is asked to review and approve the content of the register.

4.2 To decide whether there are any risks the Joint Committee wishes to present to the relevant Cabinet etc.

#### 5.0 Financial Implications

5.1. It is unclear how much the substantial change in Welsh Government policy will cost in a financially difficult period.

#### 6.0 Equalities Impact

6.1 No assessment has been completed by Welsh Government to assess the potential impact of these changes.

## **7.0 Personnel Implications**

- 7.1 The morale and motivation of GwE staff are extremely low.
- 7.2 There is no clarity yet in terms of alternative posts for school improvement staff post-March 2025.
- 7.3 Fewer secondments and resignations will affect the pattern of the team and cause an imbalance in the support for the different sectors.

## **8.0 Consultation undertaken**

- 8.1 In terms of the risk register, GwE Senior Leadership Team and GwE Management Board were consulted.
- 8.2 No formal consultation by Welsh Government in terms of the change in policy.

## **9.0 Appendices**

- 9.1 Appendix 1 - GwE Risk Register.

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## **VIEW OF THE STATUTORY OFFICERS**

### **Monitoring Officer:**

A risk review system is a fundamental element in effective governance. It is essential that the Joint Committee gives detailed consideration to the assessment and responses. We will continue to provide assistance and advice as required when addressing the issues identified.

### **Statutory Finance Officer:**

GwE's risk register is in a standard format and includes the main risks. I am satisfied that the contents of the register are a fair reflection of situation and I will support GwE in managing the risks that it faces. As has been noted in Section 5 of the report, there is significant uncertainty at the moment on what will happen during the upcoming months and having a current Risk Register which is constantly updated is essential in order to prioritise actions.

RISK NUMBER	SUMMARY	GwE STRATEGIC OBJECTIVE	RISK IDENTIFIED	LIKELIHOOD OF RISK	IMPACT OF RISK	LIKELIHOOD X IMPACT	CURRENT ACTIVITIES / MITIGATION	RESIDUAL RISK / OVERALL RISK	LIKELIHOOD X IMPACT	RISK OWNER	FUTURE ACTIONS
2	Financial	ALL	WG vision for future School Improvement is yet to be determined. Timelines are yet to be confirmed and unclear. Cost of closing regional consortium and opening new models is yet to be determined .	H	H	1A	Local Authorities to establish clarity from Welsh Government. Transition Board established with a Project Manager leading the work.	M	2B	6 LA	Local Authorities to inform GwE Joint Committee. Transition Board to lead on ensuring a clear timeline is in place. Ensure that information regarding specific plans and transfer processes is communicated consistently with the full GwE Team through the Project Manager. Transition Board to ensure processes are in place in relation to matters such as assets, finances, resources etc. and which are outside the staffing / human resources remit.
3	HR	ALL	Lack of capacity with staff leaving with potential exodus since no clarity of options available for future employment. This may lead to low morale, reduced motivation and a diminished service in some areas.	H	H	1A	None. Team Meetings have been arranged to ensure that information is shared in relation to the transition period and the options available in terms of future employment. Regular discussions with the Chief Education Officers of the six Local Authorities to discuss possible solutions to ensure the continuity of support for schools. Staff meeting under the supervision of Coral Harper to support the workforce Wellbeing.	M	2B	6 LA	Local Authorities to inform GwE Joint Committee of future plans. Access to 'Reflective Spaces' sessions as needed. Access to support services through the host LA. Continue to review the capacity of the service to be able to offer a comprehensive and effective service with additional commissions when necessary.
4	Governance	ALL	Role of Joint Committee is unclear and needs re-defining in terms of reporting, accountability and governance.	H	H	1A	Local Authorities to seek legal advice from Host Authority. Transition Board has been established to ensure that the transitional period is implemented successfully.	M	2B	6 LA	Host Authority to produce advice to inform GwE Joint Committee. Confirm the remit of the Transition Board. Joint committee to continue to meet to discuss statutory and governance matters.

Remove

RISK NUMBER	SUMMARY	GwE STRATEGIC OBJECTIVE	RISK IDENTIFIED	LIKELIHOOD OF RISK	IMPACT OF RISK	LIKELIHOOD X IMPACT	CURRENT ACTIVITIES / MITIGATION	RESIDUAL RISK / OVERALL RISK	LIKELIHOOD X IMPACT	RISK OWNER	FUTURE ACTIONS
1	Financial	ALL	18% cut to the GwE Core Budget and significant cuts to grant funding. Welsh Government new model for grant distribution for 2024/25 leading to a differentiated allocation by Local Authorities. Very limited conditions on how schools should spend their allocations.	H	H	1A	Change from joint service to a commissioned service with each Local Authority accountable for how grants are spent at service and school level.	H	1A	6 LAs	Individual Local Authorities to communicate their own local commission, accountability and governance.