

MEETING	Governance and Audit Committee
DATE	9 July 2026
TITLE	The GwE Joint Committee's Accounts 2025/26 for the period of two months to 31 May 2025, Out-turn Report, Statement of Accounts Subject to Audit and the Governance Statement
PURPOSE	To submit – <ul style="list-style-type: none"> • GwE Revenue Income and Expenditure Account for 2025/26 (in the form of an out-turn report); • GwE Statement of Accounts 2025/26 (subject to audit); • GwE Annual Governance Statement 2025/26.
RECOMENDATION	<ul style="list-style-type: none"> • To accept and note the out-turn report; • To accept the GwE Statement of Accounts 2025/26 (subject to audit); • Approve to extend the period of the GwE Annual Governance statement 2024/25 to cover the first two months of 2025/26 up to when GwE came to an end on 31 May 2025.
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1. FINANCIAL REPORTING REQUIREMENTS

- 1.1 GwE, the Regional School Effectiveness and Improvement Service came to an end on 31 May 2025, as a result the Joint Committee did not meet after this date. The 2025/26 accounts are submitted to Cyngor Gwynedd's Governance and Audit Committee since Cyngor Gwynedd is the host council responsible for meeting the accounting responsibilities and reporting on the financial matters of GwE's Joint Committee.
- 1.2 There are specific accounting and audit reporting requirements for Joint Committees.
- 1.3 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.
- 1.4 Although it is not an independent legal entity, for the purposes of keeping accounts and being audited, the GwE Joint Committee is separately subject to the same regulations as other local councils.

2. ACCOUNTS FOR 2025/26

- 2.1 The Revenue Income and Expenditure Account 2025/26 for the period of two months up to 31 May 2025 is presented as an appendix to this report in an “outturn” format.
- 2.2 The Statements of Accounts are currently subject to audit by Audit Wales, Cyngor Gwynedd’s external auditors appointed by the Auditor General For Wales. Following the audit the auditors will produce the ‘ISA 260’ report, detailing the main findings by Audit Wales, and will be presented to the Governance and Audit Committee on 29 September 2026.

3. GwE ANNUAL GOVERNANCE STATEMENT 2025/26

- 3.1 There is a statutory requirement for an Annual Governance Statement as a result of:

- The Accounts and Audit (Wales) Regulations 2014, which state:

The relevant body must ensure that there is a sound system of internal control which facilitates the effective exercise of that body’s functions and which includes arrangements for the management of risk, and adequate and effective financial management.

The relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control. The findings of the review must be considered by the members of the body meeting as a whole or by a committee.

Following the review, the body or committee must approve a statement on internal control prepared in accordance with proper practices. The relevant body must ensure that the statement accompanies any statement of accounts which it is obliged to prepare.

- CIPFA’s Code of Practice on Local Authority Accounting in the United Kingdom (the “SORP”).
 - CIPFA / SOLACE Framework Delivering Good Governance in Local Government (2016).
- 3.2 As part of GwE’s governance process, GwE’s Annual Governance Statement for 2024/25 was presented and accepted at the GwE Joint Committee meeting on 21 May 2025. This took place ten days before the GwE Joint Committee came to an end.
- 3.3 There has been no change in the operation of GwE during the last two months of its existence, so we ask the Committee to approve the extension of the period of the 2024/25 Annual Governance Statement for the first two months of the 2025/26 financial year up to 31 May 2025, to comply with statutory requirements.

**4. GWYNEDD PENSION FUND:-
IMPLICATIONS FROM THE TERMINATION OF GwE AND CALCUALTION OF
EXIT CREDIT**

- 4.1 As an employer, GwE was a member of the Gwynedd Pension Fund.
- 4.2 Following the GwE’s termination date on 31 May 2025, in line with Local Government Pension Scheme 2013 (Regulation 64) when an entity ceases being an active member, the Fund is required to carry out a cessation valuation (with support from the Fund Actuary) and determine if there is an associated exit payment to or from the employer.
- 4.3 As part of this report, the value of the surplus at GwE’s termination date of 31 May 2025 was identified as £9,383,000.
- 4.4 The value of the employer's contributions was identified to be 54.66% of the general surplus of £9,384,000, equivalent to £5,129,000, with this amount to be distributed to the authorities based on their contributions towards the GwE budget since its establishment in 2013.
- 4.5 The surplus was distributed by the Gwynedd Pension Fund among six north Wales authorities as follows:

Council	Service Budget proportion	Exit Credit
Conwy County Borough Council	15.37%	£788,327
Denbighshire County Council	15.31%	£785,250
Flintshire County Council	22.64%	£1,161,206
Cyngor Gwynedd	17.70%	£907,833
Isle of Anglesey County Council	10.14%	£520,081
Wrexham County Borough Council	18.84%	£966,304
Total	100.00%	£5,129,000

5. RECOMMENDATION

- 5.1 The Governance and Audit Committee is asked to note and accept the “out-turn” Revenue Income and Expenditure Account 2025/26 for the period of two months up to 31 May 2025.
- 5.2 The Governance and Audit Committee is asked to note and receive the GwE Statement of Accounts 2025/26 (subject to audit) for the two months up to 31 May 2025.
- 5.3 To note and approve to extend the period of the GwE Annual Governance Statement 2024/25 for the first two months of the financial year 2025/26 up to 31 May 2025, to comply with statutory requirements.

APPENDICES

Appendix 1: Revenue Income and Expenditure Account 2025/26 (in the form of an out-turn report)

Appendix 2: GwE Statement of Accounts 2025/26 (subject to audit)

Appendix 3: GwE Annual Governance Statement