

A meeting of the CENTRAL SOUTH CONSORTIUM JOINT EDUCATION SERVICE. will be held at the Virtually Meeting Monday, 14th September, 2020 at 10.00 am

1. DECLARATION OF INTEREST

To receive disclosures of personal interest from Members in accordance with the Code of Conduct

Note:

1. Members are requested to identify the item number and subject matter that their interest relates to and signify the nature of the personal interest: and
2. Where Members withdraw from a meeting as a consequence of the disclosure of a prejudicial interest they must notify the Chairman when they leave.

2. MINUTES

To Approve as an accurate record, the minutes of the meeting of the Central South Consortium Joint Education Service Joint Committee held on the 15th June 2020.

(Pages 3 - 8)

3. STATEMENT OF ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

To consider the report of the Treasurer

(Pages 9 - 108)

4. AUDIT PLAN UPDATE

To Receive the Audit Plan update.

(Pages 109 - 122)

5. REPORT OF AUDIT WALES - AUDIT OF THE FINANCIAL STATEMENT

To consider the report of the Wales Audit Office

(Pages 123 - 142)

6. BUDGET REPORT 2020- 2021

To receive the Report of the Treasurer .

(Pages 143 - 150)

7. CSC GRANTS REPORT

To receive an update from the Deputy Managing Director of the Central

South Consortium.

(Pages 151 - 156)

8. ISOS PROGRESS REPORT

To Receive a report from the Managing Director of the Central South Consortium.

(Pages 157 - 164)

9. GOVERNANCE PROPOSAL

To receive a verbal update from the Managing Director Central South Consortium

10. EXCLUSION OF THE PRESS AND PUBLIC

To consider passing the under-mentioned resolution:
“That press and public be excluded from the meeting under Section 100A of the Local Government Act 1972(as amended) for the following items of business on the grounds that it involves disclosure of exempt information as defined in paragraph 14 of Part 4 of Schedule 12A of the Act

11. TEACH FIRST REPORT

To receive the Teach First Annual Report

(Pages 165 - 178)

12. URGENT BUSINESS

To consider any items, which the Chairman, by reason of special circumstances, is of the opinion should be considered at the meeting as a matter of urgency

To: Members of the Central South Consortium Joint Education Service Joint Committee

CENTRAL SOUTH CONSORTIUM JOINT EDUCATION SERVICE.

Minutes of the Central South Consortium Joint Education Service. meeting held on Monday, 15 June 2020 at 11.00 am at the Virtual Meeting via ZOOM.

County Borough Councillors - Central South Consortium Joint Education Service. Members in attendance:-

Councillor C. Smith (Bridgend County Borough Council)

Councillor J. Rosser (Rhondda Cynon Taf County Borough Council)

Councillor S. Merry (Cardiff Council)

Councillor L. Burnett (Vale of Glamorgan Council)

Councillor L. Mytton (Merthyr Tydfil County Borough Council)

Council Officers in attendance:-

Mr P. Orders (Lead Chief Executive, Cardiff Council)

Ms S Walker (Chief Education Officer Merthyr Tydfil County Borough Council)

Mr M Tate (Assistant Director of Education, Cardiff Council)

Ms P. Ham (Director of Learning & Skills, Vale of Glamorgan Council)

Mr L. Harvey (Director of Education, Bridgend County Borough Council)

Ms G. Davies (Director of Education & Inclusion Services, Rhondda Cynon Taf County Borough Council)

Mr P. Griffiths (Service Director, Finance & Improvement Services, Rhondda Cynon Taf County Borough Council)

Others in attendance:-

Ms C Seery (Managing Director, Central South Consortium)

Ms L. Blatchford (Deputy Managing Director, Central South Consortium)

Mr A. Williams (Senior Lead, Central South Consortium)

Ms N Gould (Senior Lead for Curriculum Reform, Central South Consortium)

1 Declaration of Interest

In accordance with the Council's Code of Conduct there were no declarations made pertaining to the agenda.

2 Agenda

The Members agreed that the agenda would be considered out of sequence

3 To Elect a Chair

RESOLVED:

- To elect Councillor Charles Smith as Chair of the Central South

Consortium Joint Education Service Joint Committee for the 2020/2021 Municipal Year.

- That the Committee would not appoint a chair of the Advisory Board or convene Advisory Board meetings until the governance review had been completed.

(The Lead Chief Executive, Mr P Orders, requested Members of the Central South Consortium Joint Committee for their agreement to a 2 year role of key posts (with the governance review to consider a 2 year tenure for these posts) – this was agreed by the Committee.

4 Appointment of a Vice Chair

RESOLVED to appoint Councillor Joy Rosser as Vice Chair of the Central South Consortium Joint Education Service Joint Committee for the 2020/2021 Municipal Year.

5 Minutes & Matters Arising

Minute No: 56. – (21st January 2020) The Managing Director Central South Consortium updated Members in respect of the post of the Deputy Managing Director and confirmed that Ms L Blatchford was the successful applicant and has now been appointed to the role of Deputy Managing Director for the Central South Consortium from 1st April 2020. Members congratulated Ms Blatchford and wished her well in her new role.

Agenda and Papers for the 19th March 2020 Cancelled Meeting

The Managing Director Central South Consortium asked Members to formally accept the reports that had been circulated for the 19th March 2020 Joint Committee Meeting (which was cancelled due to the issues brought about by Covid 19 restrictions), namely:

- Report of the Treasurer – 2019/20 Budget Monitoring Update;
- Central South Consortium Grants – including the agreement for future grant awards to be accepted / approved via email should timescales not align with Joint Committee meeting dates;
- Business Plan 2020/21; and
- Report on the Efficiency and Effectiveness of the Central South Consortium 2018/19.

The Joint Committee also formally noted the following reports that had been circulated for the 19th March 2020 Joint Committee Meeting:

- Teach First;
- Risk Register; and
- Governance Workshop – noting that it was agreed that a governance workshop was not required and the Managing Director would provide a further update to Joint Committee post-summer 2020.

6 Calendar of Meetings 2020 -2021

RESOLVED to agree the following Calendar of Meetings of the Central South

Consortium Joint Education Service Joint Committee for the 2020 /21 Municipal Year (venue to be agreed);

- Monday 15th July 2020 at 10:00am -12:00pm;
- Wednesday 14th September 2020 at 10:00am - 12:00pm;
- Wednesday 18th November 2020 at 10:00am – 12:00pm;
- Wednesday 16th December 2020 at 10:00am -12:00pm;
- Thursday 21st January 2021 at 10:00am -12:00pm;
- Thursday 18th March 2021 at 10:00am -12:00pm; and
- Monday 20th May 2021 at 10:00am -12:00pm.

7 Local Authority Road Map to School Recovery

The Chair invited Cabinet Members and Directors of each of the five Local Authorities within the Central South Consortium to give an update on the processes and procedures that have been put in place to start the recovery plans for schools to return safely in line with the guidance from Welsh Government regarding Covid 19.

Each local authority highlighted the ways in which they have developed their delivery of learning throughout this pandemic and from the information provided it was evident that there was a consistent approach across the Consortium with each authority having a number of hub schools which provided provision for vulnerable learners, children of key workers and ALN Learners across both primary and secondary school settings.

Members were provided with an overview of the catering provision and the distribution of Free School Meals for each authority, and there was discussion in relation to the summer holiday provision for vulnerable learners and the BACS payment scheme.

The Directors of Education explained the development of digital learning and fed back how pupils were adapting to the blended learning approach and the systems which have been put in place to enable this type of learning to progress.

Further discussion took place with regards to the work being done with Headteachers and Unions and Welsh Government to ensure there is a safe return to school of all pupils and staff across our schools within the region.

8 Learning Update

The Senior Lead for Curriculum Reform presented Members of the Joint Committee with a verbal update in respect of professional learning provided by the Consortium.

It was explained that the Curriculum for Wales Bill is still on track for 2022 and the Central South Consortium has a key role in supporting all of the schools in the region to engage purposefully with Curriculum for Wales.

Members acknowledged that there is a move towards blended learning across the region's resource programme through the website and knowledge bank, and the Senior Lead for Curriculum Reform highlighted the programmes which have been available in these unprecedented times.

Members also acknowledged the work and support put in place for schools to

support the wellbeing of staff and pupils through these uncertain times, and Members thanked the Officer for her update. Members **RESOLVED** to note the verbal update.

9 **2019-2020 Year End Position / Progress on the Annual Governance Statement**

The Service Director Finance and Improvement Services (Rhondda Cynon Taf) outlined the Treasurer's Report which provided Members with the draft Statement of Accounts for 2019/20 which also incorporated the 2019/20 Annual Governance Statement along with the draft outturn position for the year.

The Joint Committee considered the Report and after discussion Members of the Central South Consortium Joint Committee **RESOLVED** to:

- Approve the earmark reserve request set out at paragraph 3.4 of the report;
- Agree the approach to utilise the resources available to contribute to school improvement activities as set out in (paragraph 3.5) of the report;
- Note the draft Statement of Accounts for the Central South Consortium for the year-ending 31st March 2020 (Appendix 1) and the draft outturn position for the year (Section 4 – Table 2 of the report); and
- Approve the 2019/20 Annual Governance Statement (as incorporated within the draft 2019/20 Statement of Accounts).

10 **Central South Consortium Internal Audit Report**

The Deputy Managing Director Central South Consortium provided Members of the Joint Committee with the Internal Audit report issued by the Regional Internal Audit Shared Service (RIASS) to the Central South Consortium during 2019/20 in respect of the General Ledger.

The Deputy Managing Director Central South Consortium explained that Internal Audit plays an important role in providing independent assurance on the systems of internal control operating within the Central South Consortium.

Members were informed that based on the work undertaken by the RIASS during the year in respect of the General Ledger audit assignment, no recommendations for improvement were reported.

After considering the report Members of the Central South Consortium Joint Committee **RESOLVED** to acknowledge the Internal Audit report issued during 2019/20.

11 **Freedom of Information Requests**

The Deputy Managing Director Central South Consortium updated Members on the number of Freedom of Information Request that had been received and responded to by the Consortium during 2019/20.

It was explained that for the financial year 2019/20 the Consortium had received 2 Freedom of Information Requests, which were dealt with within the required timescale and no subsequent queries were received.

Members considered the report and **RESOLVED** to acknowledge the information.

12 EXCLUSION OF THE PRESS AND PUBLIC

13 Central South Consortium Risk Register

The Committee considered the Central South Consortium Joint Education Service Risk Register as at June 2020.

After consideration of the information presented by the Deputy Managing Director (Central South Consortium), it was **RESOLVED** to acknowledge the content of the report.

This meeting closed at 12:10

**CLLR C. SMITH
CHAIR.**

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**CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE**

14TH SEPTEMBER 2020

JOINT EDUCATION SERVICE

**CENTRAL SOUTH CONSORTIUM STATEMENT OF ACCOUNTS FOR THE
FINANCIAL YEAR ENDED 31ST MARCH 2020**

REPORT OF THE TREASURER

**Author: Stephanie Davies, Head of Finance, Education and Financial Reporting
Tel. No. 01443 680560**

1. PURPOSE OF REPORT

1.1 This report is intended to ensure that the Joint Committee complies with the legal requirements relating to the production of a “Statement of Accounts” for the financial year ended 31st March 2020.

2. RECOMMENDATIONS

It is recommended that Members:

2.1 Approve the Statement of Accounts for the financial year 2019/20 (Appendix 1), associated Letter of Representation of the Joint Committee (Appendix 2) incorporating the audit enquiries letter to those charged with governance and management; and

2.2 Note the audited final out-turn position for the Joint Committee for the 2019/20 financial year and the level of General Reserve Balances held.

3. STATUTORY APPROVAL PROCESS

3.1 The Accounts and Audit (Wales) Regulations require the Responsible Financial Officer to certify the unaudited Statement of Accounts by 15th June following financial year end. The Joint Committee complied with the regulations in this

respect and the unaudited accounts were signed by the Treasurer on 15th June 2020 (following their presentation to the Joint Committee on the same day).

- 3.2 The regulations require that the Joint Committee approve the **audited** Statement of Accounts by 15th September.

4. STATEMENT OF ACCOUNTS

- 4.1 Following certification by the Treasurer the Statement of Accounts was submitted to Audit Wales for external audit.

- 4.2 As part of the external audit process, a number of minor corrections were made to the final accounts included in Appendix 1, these being:

- A number of notes were amended to provide further information to the reader of the accounts.
- A small number of other presentational adjustments were made to the accounts.

- 4.3 The audit adjustments have not affected the general reserve balances, which remain as follows:

	Total £'000
Balance as at 1 st April 2019	137
Increase/(Decrease) 2019/20	1
Balance as at 31st March 2020	138

5. LETTER OF REPRESENTATION

- 5.1 It is normal practice for Audit Wales to request that the Responsible Finance Officer provides a “Letter of Representation”, which highlights material issues relating to the completeness and accuracy of the information included in their financial statements and could, therefore influence his audit opinion. This is to ensure that the Accounts properly reflect the Joint Committee’s financial standing and is consistent with the approach taken by Audit Wales in prior years.

- 5.2 The Letter of Representation for the Joint Committee has been prepared after full consultation with all relevant officers, and is attached at Appendix 2.

6. CONCLUSION

- 6.1 The completion of the audit process of the statutory accounts provides the Joint Committee with the assurance that the financial affairs of the Committee have been conducted appropriately during the financial year 2019/20.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

14TH SEPTEMBER 2020

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Appendix 1 – Central South Consortium Statement of Accounts 2019/20

Appendix 2 – Central South Consortium Letter of Representation 2019/20
(incorporating the audit enquiries letter to those charged with governance and management)

Officer to Contact :

Stephanie Davies

Tel no. 01443 680560

**CENTRAL SOUTH
CONSORTIUM
JOINT EDUCATION SERVICE
JOINT COMMITTEE**

STATEMENT OF ACCOUNTS

2019/20

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Narrative Report

1. Introduction

The Central South Consortium Joint Education Service was established on 1st September 2012 to provide a range of school improvement services operating on behalf of five local authorities: Bridgend, Cardiff, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan.

This region is the most populous in Wales. It includes 381 schools and serves 148,683¹ learners – nearly one third of the country's school-age children. The region is home to the highest number and the largest proportion of children living in poverty; it is also home to the capital city and the economic, financial and creative industries of Wales.

The Consortium is managed and administered by the Central South Consortium Joint Committee, under powers conferred by the Local Government (Wales) Act 1994. The Joint Committee is made up of five Members, one from each local authority. Rhondda Cynon Taf CBC became the Host Authority upon formation of the Joint Committee.

The accounts for 2019/20 have been prepared in accordance with:

- The Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 based on International Financial Reporting Standards (IFRS); and
- The Accounts and Audit (Wales) Regulations 2014 (as amended).

The accounts set out on pages 12 to 41 comply with the above.

2. Business Plan 2017-2020

The Consortium's role is to challenge and support schools in their work to improve educational outcomes.

The local authorities (through a Joint Committee attended by the Cabinet Member for Education in each authority) agree the business plan and budget for the region and hold the Consortium to account for the impact of its work.

The Consortium receives its core funding from the five local authorities and also receives funding from the Welsh Government to support specific activities in line with national priorities / initiatives.

¹ Pupil Level Annual School Census (PLASC) – January 2019

The performance of the schools in the Central South Consortium region are key to the future educational and economic success of Wales.

How well children and young people, particularly the most vulnerable, achieve in this region significantly influences how the country and its education system are perceived within our borders and beyond.

The Consortium's business plan aims to:

- Improve outcomes for vulnerable learners;
- Develop school-to-school working to deliver curriculum reform;
- Develop leadership, governance and workforce reform;
- Deliver rapid and sustainable intervention; and
- Develop effectiveness and efficiency in Central South Consortium.

Operational plans underpin each improvement objective.

The Consortium's Business Plan has been compiled in the context of reducing resources, this being consistent with the challenging economic climate facing all public sector organisations in Wales. In line with this, the 2019/20 revenue contributions received by the Consortium from the five member local authorities reduced by 5% and it is anticipated that the position of the Consortium requiring to operate in an environment of challenging funding levels will continue into the medium term.

Due to changes in terms of published performance measures and target setting requirements and guidance, trends and targeted performance is not included in this report for Foundation Phase, Key Stage 2 or Key Stage 3 performance. At Key Stage 4, new interim performance measures were introduced for reporting for Summer 2019 examinations. Therefore, no trend information is included in this report for Key Stage 4 performance measures either.

For Foundation Phase, Key Stage 2 and Key Stage 3 the regional performance exceeds the national average for nearly every performance indicator at both the expected and above expected levels. However, this performance is set against a backdrop of falling performance both nationally and regionally. For Key Stage 4 performance of the region exceeds the national average or is within 0.2 points of the national average for all five interim performance measures reported in Summer 2019. For Key Stage 5, improvements have been made for Level 3 Threshold and whilst performance of the other measures has fallen the regional performance exceeds the national performance for all measures for Key Stage 5 in Summer 2019.

Welsh Government no longer publish information at local authority or regional level for the eFSM and nFSM performance for FP-KS3, therefore no trend

information will be included in this report. For Key Stage 4 performance the gap between eFSM and non e-FSM pupils in the region is smaller regionally for Capped 9 Points Score and Welsh Baccalaureate Skills Challenge Certificate than the national gap but is wider for the remaining three measures.

3. Revenue Income and Expenditure 2019/20

The Comprehensive Income and Expenditure Statement provides an analysis of the Consortium's gross revenue expenditure and income in accordance with IFRS.

The Consortium's 2019/20 revenue budget strategy underpinned the following broad objectives:

- Support the delivery of key strategic priorities particularly around the need to build teams of challenge advisors to work with all schools in the region (with more time allocated to the schools most in need);
- Provide timely data analysis to support schools' self-evaluation and improvement planning (including school categorisation judgements);
- Support and fund school-to-school improvement partnerships and broker support between schools;
- Allocate grant funding to schools in the region along with guidance and advice on how grant funding can be used to drive improvement; and
- Work with the Welsh Government to deliver its priorities in the region.

The table shows the budgeted controllable income and expenditure against the actual controllable income and expenditure for the period 1st April 2019 to 31st March 2020:

	Budget £'000	Actual £'000	Variance £'000
Expenditure			
Employees	3,117	2,821	(296)
Premises	235	202	(33)
Transport	35	23	(12)
Supplies & Services	228	761	533
Support Services	120	114	(6)
	3,735	3,921	186
Income			
Local Authority Contributions	(3,711)	(3,840)	(129)
Grants & Other Income	(24)	(82)	(58)
	(3,735)	(3,922)	(187)
Net Expenditure / (Income)	0	(1)	(1)

The reasons for the variances between budgeted and actual expenditure and income were:

- Employees – savings attributable to the transfer of eligible core staff costs to the Regional Consortia School Improvement Grant to optimise the use of external funding and an interim staffing structure across the organisation as part of undertaking the planning work for the implementation of the ISOS review;
- Premises – the position includes costs incurred being lower than budget as a result of reduced use of office space at the Valleys Innovation Centre;
- Transport - expenditure relates to staff travel expenses and, as a result of changes in working practices, costs have been lower than budgeted;
- Supplies & Services – includes one off investment costs for school improvement activities and additional contributions being made against historic redundancy costs. The additional contributions made by member local authorities (Cardiff and Merthyr Tydfil, due to the agreed repayment period being over 3 years: 2018/19, 2019/20 and 2020/21) are reported against Local Authority Contributions;
- Support Services – Service level agreement costs with the lead authority being lower than budget; and
- Income – unbudgeted additional contributions made by member local authorities (Cardiff and Merthyr Tydfil, due to the agreed repayment period being over 3 years: 2018/19, 2019/20 and 2020/21) used to offset historic redundancy costs outlined above.

In addition, the following categories of income and expenditure relating to specific grants were processed through the Central South Consortium's accounts during 2019/20:

	Actual £'000
Expenditure	
Employees	3,285
Premises	3
Transport	32
Supplies & Services	69,852
Third Party Payments	1,074
	74,246
Income	
Grants & Other Income	74,246
Net Expenditure	0

Movement in earmarked reserves (£430k), additional contributions made towards historic redundancy costs (£129k) and interest on the personal account balance (£21k) are included in the tables above but not disclosed in the notes to the accounts.

As at 31st March 2020, the Central South Consortium held General Reserves of £138k. Movements on reserves are detailed within the Movement in Reserves Statement.

4. Capital Expenditure 2019/20

There has been no capital expenditure this financial year.

5. Summary of Future Revenue Plans

Our ambition is, by 2020 that:

- learners sustain the best educational outcomes in Wales, rivalling other parts of the UK;
- the poverty related attainment gap is reduced faster here than anywhere else in Wales; and
- the region is known and recognised for its high quality school-led professional learning and the impact it has on outcomes.

The Consortium's Business Plan 2020/21 was originally scheduled for reporting to Joint Committee on 19th March 2020 however, due to the outbreak of COVID-19 pandemic, the meeting was cancelled. At the next available Joint Committee meeting (15th June 2020), the 2020/21 Business Plan was formally accepted and sets out the vision, purpose and priorities it aims to deliver and focuses on the following overarching priorities:

1. Develop a high quality education profession;
2. Develop inspirational leaders to facilitate working collaboratively to raise standards;
3. Develop strong and inclusive schools committed to wellbeing, equity and excellence;
4. Develop robust assessment, evaluation and accountability arrangements supporting self-improving systems; and
5. Improve the effectiveness and efficiency of Central South Consortium.

The success of our delivery plan is measured through our targets. These are based on schools' own targets incorporating benchmark measures and informed by additional challenge from the region's challenge adviser workforce.

The priorities included within the Central South Consortium's Business Plan need to be underpinned by robust financial management in ensuring they are affordable, provide value for money and that their impact can be assessed.

The revenue budget is approved annually by the Joint Committee and is included within the Business Plan. Welsh Government also issue annual settlements on grant awards of funding.

A summary of the latest (i.e. 2020/21) revenue budget is as follows (as approved by the Joint Committee on 21st January 2020):

Type of Expenditure	Budget 2020/21 £'000
Expenditure	
Employees	3,065
Premises	155
Transport	28
Supplies & Services	233
Commissioning	28
Support Services	115
Total Expenditure	3,624
Income	
Local Authority Contributions	3,600
Grants & Other Income	24
Total Income	3,624
Net Expenditure	0

6. Pensions Assets and Liabilities

As a result of International Accounting Standard (IAS) 19 "Employee Benefits", local authorities are required to account for pensions liabilities in respect of the cost of decisions made up to the Balance Sheet date. Please refer to note 16.0 to the Core Financial Statements for further details.

The effect of IAS 19 upon the reserves of the Joint Committee is as follows:

	£'000
Net Assets/(Liabilities) excluding Pensions Reserve	844
Net Assets/(Liabilities) as per Balance Sheet	(674)

7. Introduction to Accounting Statements

Statement of Responsibilities for the Statement of Accounts

This sets out the responsibilities of the Council as the administering authority and the Director of Finance and Digital Services for the preparation of the Statement of Accounts. The Statement has to be signed and dated by the presiding Member at the Joint Committee meeting at which the Accounts are approved.

Certificate of the Director of Finance and Digital Services

This is the certificate of the true and fair presentation of the Accounts by the Director of Finance and Digital Services.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that 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) and 'unusable reserves'.

Comprehensive Income and Expenditure Statement

This statement is prepared to record income and expenditure on an accruals basis. It includes items such as salaries and wages, running costs of the service and income received. The statement is based upon IFRS.

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.

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 into 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 from the recipients of services provided.

Expenditure and Funding Analysis

The Expenditure and Funding Analysis demonstrates how the funding available to the Joint Committee for the year has been used in providing services in comparison with those resources consumed or earned in accordance with generally accepted accounting practices.

Statement of Accounting Policies

The purpose of this statement is to explain the basis of the figures in the accounts. It outlines the accounting policies adopted.

Annual Governance Statement

The Annual Governance Statement sets out the framework for governance and internal control for the Joint Committee to carry out its functions and reviews its effectiveness. It outlines the main components of the framework, including the arrangements for Internal Audit and how the Consortium has complied with the various elements of the framework.

8. Service Restructure

No service restructuring costs were incurred during 2019/20 (£250k incurred in 2018/19).

9. COVID-19

On the 18th March 2020 Kirsty Williams, Education Minister announced the decision to bring forward the Easter break for schools in Wales. School buildings across Wales then closed for statutory provision for education from 20th March 2020. This resulted in a change of service delivery for the Consortium and a need to cancel or postpone many events which were scheduled to run at the end of the Spring Term. The impact of the COVID-19 virus on the Consortium has been managed and reported in the risk register to reflect the new and emerging challenges on the delivery of school improvement services.

Statement of Responsibilities for the Statement of Accounts Central South Consortium Joint Education Service

The Council’s Responsibilities

The Council is required:

- To make arrangements for the proper administration of the Joint Committee’s financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Director of Finance and Digital Services.
- To manage its affairs to ensure economic, efficient and effective use of resources and safeguard its assets.

The Joint Committee’s Responsibilities

- To approve the accounts.

Signature: _____

Date: _____

**Chair of the Central South Consortium Joint Education Service Joint
Committee**

Councillor C Smith
Bridgend County Borough Council

The Director of Finance and Digital Services' Responsibilities

The Director of Finance and Digital Services is responsible for the preparation of the Statement of Accounts. In terms of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, the Statement of Accounts is required to give a true and fair view of the financial position of the organisation at the accounting date and its income and expenditure for the period ended 31st March 2020.

In preparing the Statement of Accounts, the Director of Finance and Digital Services has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code.

The Director of Finance and Digital Services has also throughout the financial year:

- Maintained proper accounting records that were kept up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Director of Finance and Digital Services as Treasurer of the Joint Committee

I certify that the statement of accounts give a true and fair view of the financial position of the Joint Committee at 31st March 2020 and its income and expenditure for the period then ended.

Signed: _____

Date: _____

Barrie Davies

Director of Finance and Digital Services

Oldway House

Porth

CF39 9ST

Movement in Reserves Statement for the Period ended 31st March 2019

	General Reserves	Earmarked Reserves	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000
Notes:	14.1	14.2		15.0	
Balance as at 1st April 2018	136	527	663	(414)	249
Movement in reserves during 2018/19					
Total comprehensive income and expenditure	(741)	0	(741)	1,208	467
Adjustments between accounting basis and funding basis under regulations					
Adjustments involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement	1,022	0	1,022	(1,022)	0
Employer's pensions contributions and direct payments to pensioners payable in the year	(461)	0	(461)	461	0
Adjustments primarily involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(45)	0	(45)	45	0
Net increase or (decrease) before transfers to Earmarked Reserves	(225)	0	(225)	692	467
Transfers to or (from) Earmarked Reserves	226	(226)	0	0	0
Increase or (decrease) in the Year	1	(226)	(225)	692	467
Balance as at 31st March 2019	137	301	438	278	716

Movement in Reserves Statement for the Period ended 31st March 2020

	General Reserves	Earmarked Reserves	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000
Notes:	14.1	14.2		15.0	
Balance as at 1st April 2019	137	301	438	278	716
Movement in reserves during 2019/20					
Total comprehensive income and expenditure	(405)	0	(405)	(985)	(1,390)
Adjustments between accounting basis and funding basis under regulations					
Adjustments involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement	1,127	0	1,127	(1,127)	0
Employer's pensions contributions and direct payments to pensioners payable in the year	(293)	0	(293)	293	0
Adjustments primarily involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2	0	2	(2)	0
Net increase or (decrease) before transfers to Earmarked Reserves	431	0	431	(1,821)	(1,390)
Transfers to or (from) Earmarked Reserves	(430)	430	0	0	0
Increase or (decrease) in the Year	1	430	431	(1,821)	(1,390)
Balance as at 31st March 2020	138	731	869	(1,543)	(674)

Comprehensive Income and Expenditure Statement for the Period ended 31st March 2020

Year ended 31/03/19 £'000		Year ended 31/03/20 £'000	Note
	Expenditure		
7,275	Employees	6,953	5.0
317	Premises	205	
48	Transport	55	
75,110	Supplies & Services	70,055	6.0
437	Third Party Payments	1,074	
123	Support Services	114	
83,310		78,456	
	Income		
(3,806)	Local Authority Contributions	(3,711)	
(78,752)	Grants & Other Income	(74,307)	7.0
(82,558)		(78,018)	
752	Net Cost of Services	438	
(14)	Interest Receivable and Similar Income	(22)	
3	Net Interest on Net Defined Asset/Liability	(11)	16.2
741	(Surplus)/Deficit on the Provision of Services	405	
(1,208)	Remeasurement of the Net Defined Benefit Liability	985	16.2
(467)	Total Comprehensive Income and Expenditure	1,390	

Balance Sheet at 31st March 2020

31/03/19 £'000		31/03/20 £'000	Note
	Long Term Assets		
128	Debtors	0	11.0
301	Defined Benefit Pension Scheme Asset	0	16.5
429		0	
	Current Assets		
21,389	Debtors	1,583	12.0
21,389	Total Current Assets	1,583	
	Current Liabilities		
(21,102)	Creditors	(739)	13.0
287	Net Current Assets	844	
716	Total Assets Less Current Liabilities	844	
	Long-Term Liabilities		
0	Defined Benefit Pension Scheme Liability	(1,518)	16.5
716	Net Assets/(Liabilities)	(674)	
	Represented by:		
	Usable Reserves		
137	General Reserves	138	14.1
301	Earmarked Reserves	731	14.2
	Unusable Reserves		
301	Pensions Reserve	(1,518)	16.5
(23)	Short-Term Accumulating Compensated Absence Account	(25)	
716	Total Reserves	(674)	

Cash Flow Statement for the Period ended 31st March 2020

Year ended 31/03/19 £'000		Year ended 31/03/20 £'000	Note
	Operating Activities		
	Cash Outflows		
6,762	Cash Paid to and on Behalf of Employees	6,106	
78,357	Other Operating Cash Payments	91,868	
85,119	Total Cash Outflows	97,974	
	Cash Inflows		
(94,055)	Cash Received for Goods & Services	(78,150)	
(13)	Interest Received	(22)	
(94,068)	Total Cash Inflows	(78,172)	
(8,949)		19,802	
(8,949)	Net (Increase) or Decrease in Cash and Cash Equivalents	19,802	19.0
	Analysis of Changes in Cash and Cash Equivalents		
(12,275)	Balance as at 1 st April	(21,224)	
(8,949)	Net Cash (Inflows)/Outflows	19,802	
(21,224)	Cash Balance Owed To/(From) Host Authority	(1,422)	

All cash transactions are administered by Rhondda Cynon Taf CBC as the Central South Consortium does not operate its own bank account. The cash balance due to/from the host authority is included in creditors/debtors at 31st March.

Expenditure and Funding Analysis Statement for the year ending 31st March 2020

	2019/20		
	Net Expenditure Chargeable to the General Fund £'000	Adjustments Between Funding and Accounting Basis £'000	Net Expenditure for the Equivalent Amounts for CI&ES ² £'000
Employees	6,106	847	6,953
Premises	205	0	205
Transport	55	0	55
Supplies & Services	70,055	0	70,055
Third Party Payments	1,074	0	1,074
Support Services	114	0	114
Income	(77,588)	(430)	(78,018)
Cost of Services	21	417	438
Other Income and Expenditure	(22)	(11)	(33)
(Surplus) or Deficit	(1)	406	405
Opening General Fund at 31 st March 2019	(137)		
Add Surplus on General Fund in Year	(1)		
Closing General Fund at 31st March 2020	(138)		

The comparative figures for 2018-19 are shown in the following table:

² CI&ES – Comprehensive Income and Expenditure Statement

Expenditure and Funding Analysis Statement for the year ending 31st March 2019

	2018/19		
	Net Expenditure Chargeable to the General Fund £'000	Adjustments Between Funding and Accounting Basis £'000	Net Expenditure for the Equivalent Amounts for CI&ES ³ £'000
Employees	6,763	512	7,275
Premises	317	0	317
Transport	48	0	48
Supplies & Services	75,110	0	75,110
Third Party Payments	437	0	437
Support Services	123	0	123
Income	(82,785)	227	(82,558)
Cost of Services	13	739	752
Other Income and Expenditure	(14)	3	(11)
(Surplus) or Deficit	(1)	742	741
Opening General Fund at 31 st March 2018	(136)		
Add Surplus on General Fund in Year	(1)		
Closing General Fund at 31st March 2019	(137)		

³ CI&ES – Comprehensive Income and Expenditure Statement

Notes to the Core Financial Statements

1.0 Significant Accounting Policies

1.1 Accruals of Expenditure and Income

The accounts of the Joint Committee have been prepared on an accrual of income and expenditure basis in accordance with the Code of Practice on Local Authority Accounting. This ensures activity is accounted for in the year that it takes place not when cash payments are made or received.

Revenue from the sale of goods or services is recognised when the Joint Committee transfers the significant risks and rewards of goods, or provides the services to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.

Supplies are recorded as expenditure when they are used or consumed.

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 in the Comprehensive Income and Expenditure Statement on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows determined by the contract. Statutory adjustments relating to interest are reflected in the Movement in Reserves Statement.

1.2 Cash and Cash Equivalents

All cash transactions are administered by Rhondda Cynon Taf CBC as the Central South Consortium does not operate its own bank account.

1.3 Contingent Liabilities

A contingent liability is a possible item of expenditure that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control.

Such contingent liabilities are not reflected in Provisions in the Balance Sheet as it may not be probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

1.4 **Reserves**

The Joint Committee sets aside specific amounts as reserves for future policy purposes or to cover contingencies. These are deemed Earmarked Reserves. Earmarked Reserves are created by appropriating amounts from the General Reserves in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year. To ensure this is not a charge against General Reserves, the expenditure is funded via an adjustment in the Movement in Reserves Statement.

Certain reserves are kept to manage the accounting processes for retirement and employee benefits and do not represent usable resources for the Joint Committee.

1.5 **Employee Benefits**

All costs relating to employee benefits are accounted for on an accruals basis.

Pensions

The Joint Committee participates in two separate pension schemes.

Staff on Teachers Terms & Conditions - This is an unfunded scheme administered by the Teachers' Pension Agency. The Agency sets contribution rates on the basis of a notional fund. Whilst this is a defined benefit scheme, the Teachers Pensions Agency is unable to identify the Joint Committee's share of the underlying assets and liabilities and accordingly, the Joint Committee has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Other employees - Rhondda Cynon Taf CBC administer a fund on behalf of employees under the Local Government Pension Scheme Regulations 1997 (as amended), under which contribution rates are set by the Fund's actuary based on triennial actuarial valuations. Under the regulations, contribution rates are set in order to lead to full funding of the overall liability of the Fund over time. The Local Government Pension Scheme is accounted for as a Defined Benefit Scheme.

- The liabilities of the Rhondda Cynon Taf Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis rolling forward the results from the last full valuation and adjusted to allow for the later calculation date and making allowance for changes due to accrual of new benefits and discharge of liabilities, financial and demographic assumptions, impact of known experience and the impact of events which result in a change in liability.

- Liabilities are discounted to their value at current prices, using a discount rate of 2.3% (2.4% in 2018/19).
- The Rhondda Cynon Taf Pension Fund is a multi-employer scheme. The assets of the Fund are not formally allocated to any employer within the Fund and are not the legal property of any employer within the Fund. For the purpose of completing the calculations for each triennial valuation of the Fund, the actuary calculates a notional allocation of assets for each employer. The assets of the Pension Fund notionally attributed to the Joint Committee are included in the Balance Sheet at their fair value:

Quoted Securities	–	Current Bid Price
Unitised Securities	–	Current Bid Price
Property	–	Market Value
- The change in the net pensions asset / liability is analysed into the following components:
 - Current Service Cost – the increase in liabilities as a result of years of service earned this year allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked plus administration expenses.
 - 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.
 - Interest Cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – credited to the Comprehensive Income and Expenditure Statement.
 - Expected Return On Assets – the annual investment return on the fund assets attributable to the Council based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement.
 - 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 financial, demographic or experience assumptions – debited or credited to the Pensions Reserve.
 - Contributions Paid to the Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense in the Comprehensive Income and Expenditure Statement.

In relation to retirement benefits, statutory provisions require the Joint Committee General Reserves 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 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 Reserves of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Joint Committee is able to make discretionary awards of retirement benefits in the event of early retirements. Any such liabilities arising are accrued in the year of decision to make the award in line with the Local Government Pension Scheme rules.

Accumulated Absences

The Joint Committee accrues for staff holidays earned but not taken at each year-end. The Welsh Government has issued regulations to mitigate the impact of this charge. This Joint Committee has taken advantage of the regulations and charged the additional costs to the Short-Term Accumulating Compensated Absences Account in Unusable Reserves.

1.6 Government Grants and Other Contributions

Grants and other contributions relating to capital and revenue expenditure shall be accounted for on an accruals basis and recognised in the Comprehensive Income and Expenditure Statement when there is reasonable assurance that:

- the conditions for their receipt have been/will be complied with; and
- the grant or contribution will be received.

Monies advanced, where there is no reasonable assurance of the above two criteria, are held as creditors in the Balance Sheet.

Where a revenue grant has been recognised in the Comprehensive Income and Expenditure Statement but not yet used to fund expenditure, it is set aside as an Earmarked Reserve.

Where a claim has yet to be signed off by the Regional Internal Audit Shared Service, Balance Sheet values in relation to grants are included on an unaudited draft claim basis.

1.7 **Leases**

Whether a lease is a finance or operating lease depends upon the substance of the transaction rather than the legal form. Leases are reviewed at inception and classed as finance or operating by reviewing arrangements such as:

- Transfer of ownership at the end of lease contract.
- Option to purchase asset at a price lower than fair value.
- Lease term is for major part of economic life of asset.
- Present value of minimum lease payments amounts to at least substantially all of the fair value of leased asset.
- Leased assets are specialist and only the lessee can use them without major modifications.

Finance Leases

A finance lease is one which transfers substantially all the risks and rewards incidental to ownership of an asset.

Where the Joint Committee is lessee, an asset and liability is recognised at lease inception. The asset is subsequently depreciated and revalued as though it were the legal property of the Joint Committee. The liability reduces as lease payments are made.

Operating Leases

An operating lease is deemed to be any lease other than a Finance Lease.

Where the Joint Committee is lessee, lease payments are recognised as an expense in the Comprehensive Income and Expenditure Statement on a straight-line basis unless another systematic basis is more representative of the benefits received.

1.8 **Events after the Reporting Period**

Events after the reporting period are those both favourable and unfavourable that occur between the end of the reporting period and the date when the financial statements are authorised for issue.

The financial statements are authorised for issue in accordance with the Accounts and Audit (Wales) (Amendment) Regulations 2014 (as amended). The Regulations state that the Statement of Accounts shall be authorised for issue when certified by the Responsible Finance Officer. Certification of unaudited accounts takes place by 15th June following financial year-end.

Regulations require the audited Statement of Accounts to be published by 15th September. The published Statement of Accounts shall reflect events after

the reporting period up to the date the accounts were authorised for issue. This is the date the Responsible Finance Officer re-certifies the accounts.

Two types of events can be identified:

- a) those that provide evidence of conditions existing at the end of the reporting period (adjusting events that shall be recognised in the financial statements); and
- b) those that are indicative of conditions that arose after the reporting period (non-adjusting events that are not reflected in accounting statements but where material, disclosure is made in the Notes to the Core Financial Statements).

2.0 Accounting Standards Issued, Not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

The standards that may be relevant for additional disclosures that will be required in the 2019/20 and 2020/21 financial statements in respect of accounting changes that are introduced in the 2020/21 Code are:

- Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
- Annual Improvements to IFRS Standards 2015–2017 Cycle
- Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement.

Appendix C of the 2020/21 Code only includes standards adopted in the Code and therefore for 2019/20 local authorities are not required to include IFRS 16 in their consideration of accounting standards that have been issued but not yet adopted, although this is subject to approval of the 2020/21 Code.

It is not anticipated that the above amendments will have a material impact on the Consortium's Statement of Accounts.

3.0 Critical Judgements in Applying Accounting Policies

In applying the Accounting Policies set out in note 1.0, the Joint Committee has had to make certain judgements about complex transactions and those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

3.1 Grants and Contribution Conditions

Judgements are made in terms of conditions attached to revenue grants. Grants are recognised as income when received/receivable. Unless there are assumptions that conditions of the grant are breached, a return obligation is not recognised. As a result, any revenue grants received with no expected return obligation that are to be used to fund future years' expenditure are reflected in Earmarked Reserves in the Balance Sheet.

4.0 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

This 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 assets and liabilities cannot always be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Joint Committee's Balance Sheet at 31st March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- 4.1 The Coronavirus (COVID-19) pandemic has impacted on global financial and property markets. As a result of the volatility in market conditions, year-end valuation reports provided to the Rhondda Cynon Taf Pension Fund included reference to a material valuation uncertainty related to pooled property funds. The total value of these funds as at 31st March 2020 is £209m of which, £1.5m (0.74%) is attributable to Central South Consortium.

4.2 Pensions Asset/Liability

Estimation of the net asset/liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. AON is engaged to provide the Joint Committee with advice about the assumptions to be applied.

The effects on the net pensions asset/liability of changes in individual assumptions can be measured, however, the assumptions interact in complex ways.

The disclosures allow for the following:

- a) Full pension increases to be paid on Guaranteed Minimum Pension (GMP) for those reaching State Pension Age after 6th April 2016.
- b) McCloud judgement

Legislation requires HM Treasury and the Scheme Advisory Board (SAB) to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. This is referred to as the “Cost Management Process”. This process has been paused until the outcome of the McCloud appeal is known as it could result in changes to the underlying cost of the scheme.

5.0 Employees Costs

2018/19 £'000	Salaries & Wages	2019/20 £'000
4,917	Advisors	4,694
799	Administration	713
513	Management	435
234	Finance Team	224
2	Catering Staff	0
6	Site Staff	0
3	Cleaning Staff	0
1	Agency	0
250	Employee Redundancy	0
35	Employee Insurance	35
3	Employee Advertising	5
6,763	Sub Total	6,106
(45)	Short-Term Accumulating Compensated Absences Account adjustment	2
557	IAS 19 adjustments	845
7,275	Total	6,953

6.0 Supplies and Services

2018/19 £'000		2019/20 £'000
84	Office Expenses	122
193	Consultants Fees	179
3	Office Equipment	9
90	Computer Costs	34
2	Catering Costs	0
37	Photocopying	25
3	Subscriptions	6
8	Marketing	7
18	Audit Fees	18
17	Telephones	10
0	Postage	1
929	Training	462

	Grants paid to local authorities & schools:	
42,035	Regional Consortia School Improvement Grant (RCSIG)	37,585
31,144	Pupil Development Grant (PDG)	31,223
547	Other	374
75,110	Total	70,055

7.0 Income

2018/19 £'000		2019/20 £'000
	Contributions	
(1,377)	Cardiff Council	(1,343)
(1,039)	Rhondda Cynon Taf CBC	(1,014)
(591)	Bridgend CBC	(571)
(559)	Vale of Glamorgan Council	(548)
(240)	Merthyr Tydfil CBC	(235)
(3,806)	Total Contributions	(3,711)
	Other Income	
(64)	School Income	(3)
(184)	Other	(58)
(78,493)	Grants	(74,246)
(11)	Catering	0
(78,752)	Total Other Income	(74,307)
(82,558)	Total Income	(78,018)

7.1 Grant Income

2018/19 £'000		2019/20 £'000
	Grant Programme	
(31,601)	Pupil Development Grant (PDG)	(31,734)
(46,310)	Regional Consortia School Improvement Grant (RCSIG)	(41,892)
(582)	Other	(620)
(78,493)	Total Grant Income	(74,246)
	Allocation	
73,726	Paid to local authorities and schools (Note 6.0)	69,182
4,767	Retained by Central South Consortium	5,064
78,493	Total Allocation	74,246

8.0 Related Party Transactions

In accordance with IAS 24, the Joint Committee has a duty to disclose any material transactions with a “related party”. This is to ensure that financial statements contain disclosures necessary to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties and by material transactions with them.

The Joint Committee transacts with the local authorities and its schools within the Consortium, distributes funding, and provides advisory and inspection services for which it receives income. During the year, material transactions with these related parties arose as follows:

2018/19		Local Authority	2019/20	
Exp. £'000	Inc. £'000		Exp. £'000	Inc. £'000
28,423	(1,559)	Cardiff Council	26,997	(1,453)
20,264	(1,318)	Rhondda Cynon Taf CBC	19,290	(1,034)
11,335	(749)	Bridgend CBC	10,401	(571)
10,168	(711)	Vale of Glamorgan Council	9,612	(548)
4,880	(266)	Merthyr Tydfil CBC	4,634	(254)

Income received from Merthyr Tydfil CBC (£19k) and Cardiff Council (£110k), in relation to historic redundancy payments and Rhondda Cynon Taf CBC (£20k) due to interest received are included in the table above but are not included in Note 7.0 as they do not form part of the Local Authorities core contributions received.

Welsh Government exerts significant influence through legislation and grant funding. The main grants received are shown in Note 7.1.

All cash transactions are administered by the host authority, Rhondda Cynon Taf CBC, as the Consortium does not operate its own bank account. At 31st March 2020, Rhondda Cynon Taf CBC owed the Consortium £1,422k relating to these cash transactions (Rhondda Cynon Taf CBC owed the Consortium £21,224k as at 31st March 2019). During 2019/20, Central South Consortium was charged £114k by Rhondda Cynon Taf CBC in respect of Central Establishment Charges (included in the table above, £123k in 2018/19).

Pension contributions are made to both the Rhondda Cynon Taf Pension Fund and the Teachers' Pension Agency, in respect of Joint Committee employees. See notes 16.0 and 17.0 for further information.

Interests of elected Members of the Joint Committee are maintained in a register held by their own Local Authority. Records of interests of Senior Officers are maintained by the Consortium. The following transactions occurred with related parties (by virtue of elected Member interest in them) with whom the Joint Committee has had dealings:

2018/19		Organisation	2019/20	
Exp.	Inc.		Exp.	Inc.
£'000	£'000		£'000	£'000
40	0	Coleg y Cymoedd	29	0
2	0	Cardiff Metropolitan University	0	0
87	0	Cardiff University	40	0
129	0	Total	69	0

The table above does not include payments to/from the Local Authorities or schools within the Consortium, as they are included elsewhere within the notes.

9.0 Audit Fees

2018/19 £'000		2019/20 £'000
18	Fees payable to the Auditor General for Wales in respect of external audit	18

10.0 Leases

A long term lease arrangement totalling £181k in 2019/20 (annualised cost of £153k effective from September 2019) (£128k in 2018/19 - annualised cost of £220k) exists between the Joint Committee and Rhondda Cynon Taf CBC in relation to office accommodation at the Valleys Innovation Centre. No termination is contained within the lease agreement and occupation is assumed for as long as the service is required.

The Joint Committee holds no assets on Finance Leases.

11.0 Long Term Debtors

There are no long term debtors at 31st March 2020 (£128k at 31st March 2019).

12.0 Short Term Debtors

An analysis of Short Term Debtors in the Balance Sheet is as follows:

31/03/19 £'000		31/03/20 £'000
21,224	Host Authority	1,422
140	Local Authorities and Schools (inc. £129k short term debtor applicable to redundancy costs)	139
12	Central Government Bodies	0
13	Other Entities and Individuals	23
21,389		1,584
0	Provision for Bad Debt	(1)
21,389	Balance as at 31st March 20	1,583

All cash transactions are administered by Rhondda Cynon Taf CBC as the Central South Consortium does not operate its own bank account. The Host Authority debtor includes the 'cash' balance owed to the Consortium by Rhondda Cynon Taf CBC.

13.0 Creditors

An analysis of Short Term Creditors in the Balance Sheet is as follows:

31/03/19 £'000		31/03/20 £'000
(20,238)	Local Authorities and Schools	(307)
(80)	Central Government Bodies	(61)
(761)	Other	(346)
(23)	Employee Absences Accrual	(25)
(21,102)	Balance as at 31st March 20	(739)

14.0 Movement on Usable Reserves

	General Reserves £'000	Earmarked Reserves £'000	Total £'000
Balance as at 1 st April 2019	137	301	438
Increase/(Decrease)	1	430	431
Balance as at 31st March 2020	138	731	869

14.1 General Reserve

The General Reserve is a distributable revenue reserve, which consists of the accumulated surpluses of the Consortium's operations.

	Total £'000
Balance as at 1 st April 2019	137
Increase/(Decrease) 2019/20	1
Balance as at 31st March 2020	138

14.2 Earmarked Reserves

This note sets out the amounts set aside from the General Reserve balance in earmarked reserves to provide financing for future expenditure. All earmarked reserves are deemed to be revenue reserves.

	Balance at 31/03/19 £'000	Transfers Out £'000	Transfers In £'000	Balance at 31/03/20 £'000
Revenue Grant Reserves	212	(212)	199	199
Funding for Specific Projects	89	0	443	532
Total	301	(212)	642	731

15.0 Movements on Unusable Reserves

Reserve	Pension Reserve £'000	Short-Term Acc Comp Absence Account £'000	Total £'000
Balance as at 1 st April 2019	301	(23)	278
Increase / (Decrease)	(1,819)	(2)	(1,821)
Balance as at 31st March 2020	(1,518)	(25)	(1,543)

15.1 Pension Reserve

The Pension Reserve is the balancing account to offset the inclusion of Pension Liability in the Balance Sheet as required by IAS 19 "Employee Benefits". See note 16.0 for further information.

15.2 Short-Term Accumulating Compensated Absences Account

The Short-Term Accumulating Compensated Absences Account absorbs the differences that would otherwise arise on the Consortium's Reserves from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31st March 2020.

16.0 Retirement Benefits – Defined Benefit Schemes

16.1 Participation in Pension Schemes

As part of their terms and conditions, the employees of Central South Consortium are offered retirement benefits by the Joint Committee. Although these benefits will not be payable until retirement, the Joint Committee has a commitment to make these payments. The liability for these payments needs to be accounted for at the time future entitlement is earned.

The Joint Committee participates in two pension schemes:

- Teachers – Please refer to note 17.0.
- Other employees – The Local Government Pension Scheme administered by Rhondda Cynon Taf CBC. This is a funded defined benefit salary scheme, meaning that the Joint Committee and participants pay contributions into the Fund calculated at a level intended to balance the pensions liabilities with investment assets. The pension costs that are charged to the Joint Committee’s accounts are defined by IAS 19 “Employee Benefits”.

16.2 Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the Comprehensive Income and Expenditure Account when earned by employees, rather than when benefits are actually paid as pensions. However, the charge required to be made to the General Reserves is based on the cash payable in the year. The difference is reversed out in the Movement in Reserves Statement. The following transactions have been posted in the year:

Comprehensive Income and Expenditure Account	2018/19 £'000	2019/20 £'000
Cost of Services:		
Current Service Cost	924	1,039
Past Service Cost	95	99
Settlements and curtailments	0	0
<i>Financing and Investment Income and Expenditure</i>		
Net Interest Expense	3	(11)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	1,022	1,127
<i>Remeasurement of the Net Defined Benefit Liability Comprising:</i>		
Return on Plan Assets (Excluding the Amount included in the Net Interest Expense)	(1,726)	839

Actuarial (Gains) and Losses Arising on Liabilities – Demographic Assumptions	(978)	(352)
Actuarial (Gains) and Losses Arising on Liabilities – Financial Assumptions	1,460	(564)
Actuarial (Gains) and Losses Arising on Liabilities – Experience	36	1,062
Net increase in liabilities from disposals / acquisitions	0	0
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(186)	2,112
<i>Movement in Reserves Statement</i>		
Reversal of Net Charges Made to the Surplus or Deficit for the Provision of Services for Post Employment Benefits in Accordance with the Code	(1,022)	(1,127)
<i>Actual Amount Charged Against the General Fund Balance for Pensions in the Year:</i>		
Employers' Contributions Payable to Scheme	461	293

The total remeasurement of the Net Defined Benefit Liability recognised in Other Comprehensive Income and Expenditure to the 31st March 2020 is a loss of £985k (£1,208k gain in 2018/19).

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure statement to the year ending 31st March 2020 is a gain of £553k (£1,538k gain in 2018/19).

The figures above do not include allowance for any membership (or associated assets) relating to members who have joined the employer but have not yet exercised their option to link their past service rights to their current employment.

16.3 Reconciliation of Present Value of the Scheme Liabilities

	2018/19 £'000	2019/20 £'000
Opening balance at 1 st April	23,840	25,553
Current Service Cost	924	1,039
Interest Cost on Defined Obligation	614	599
Contributions by Scheme Participants	268	237
<i>Remeasurement Gains and (Losses):</i>		
Actuarial Gains and (Losses) Arising on Liabilities – Demographic Assumptions	(978)	(352)
Actuarial Gains and (Losses) Arising on Liabilities – Financial Assumptions	1,460	(564)

Actuarial Gains and (Losses) Arising on Liabilities – Experience	36	1,062
Benefits Paid	(706)	(1,419)
Past Service Costs	95	99
Carried Forward at 31st March	25,553	26,254

16.4 Reconciliation of Fair Value of the Scheme Assets

	2018/19 £'000	2019/20 £'000
Opening balance at as at 1 st April	23,494	25,854
Interest Income	611	610
<i>Remeasurement Gains and (Losses)</i>		
The Return on Plan Assets, Excluding the Amount Included in the Net Interest Expense	1,726	(839)
Employer Contributions	461	293
Contributions by Scheme Participants	268	237
Benefits paid	(706)	(1,419)
Net increase in assets from disposals/acquisitions	0	0
Carried Forward as at 31st March	25,854	24,736

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual return on scheme assets in the year was a loss of £229k (£2,337k gain in 2018/19).

16.5 Scheme History

	2018/19 £'000	2019/20 £'000
Present Value of Defined Obligation	(25,553)	(26,254)
Fair Value of Plan Assets	25,854	24,736
Surplus / (Deficit)	301	(1,518)

The liabilities show the underlying commitments that the Joint Committee has in the long run to pay retirement benefits. The total liability of £1,518k has a substantial impact on the net worth of the Joint Committee as recorded in the Balance Sheet.

However, statutory arrangements for funding the deficit mean that the financial position of the Joint Committee remains healthy. The deficit on the

local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

16.6 Local Government Pension Scheme Assets

Local Government Pension Scheme Assets investments as at 31st December 2019 (full scheme not Central South Consortium element) are comprised as follows:

	Fair Value of Scheme Assets	
	2018/19	2019/20
	£'000	£'000
UK Equities	345,524	347,778
Overseas Equities	1,726,196	2,228,117
UK Fixed Interest Gilts	407,756	391,863
UK Corporate Bonds	336,260	394,759
Overseas Government Bonds	25,109	39,785
Overseas Corporate Bonds	36,166	52,598
Property	221,127	284,637
Cash and net current assets	113,635	44,042
Total	3,211,773	3,783,579

16.7 Basis for Estimating Assets & Liabilities

Roll-forward of Assets

The valuation results from the last full valuation of the Fund (or results at the previous accounting date as appropriate) are adjusted to the accounting year-end allowing for:

- Investment returns, and
- Cash-flows including investment returns on those cashflows.

The asset value at the start of the accounting period is accumulated with the Fund investment return over the accounting period. Net cashflows are assumed to be paid half way through the period and accrue half of the Fund investment return over the period.

Roll-forward of Liabilities

The valuation results from the last full valuation of the Fund (or results at the previous accounting date as appropriate) are adjusted to allow for the later calculation date (by adding interest to the liabilities) and make allowance for changes in liabilities due to:

- The accrual of new benefits and the discharge of liabilities from the payment of benefits.
- The financial and demographic assumptions adopted at the year-end.

- The impact of any known experience affecting the liabilities, such as the impact of actual pension increases on pensions in payment and deferred benefits.
- If applicable, the impact of events which result in a change in the liability such as past service costs, settlements and curtailments.

The full valuation was based on funded benefits and the principal assumptions used by the actuary have been:

	31/03/19	31/03/20
Long-Term Expected Rate of Return on Assets in the Scheme (in line with the discount rate)	4.5%	4.25%
Mortality Assumptions:		
Longevity at 65 for current pensioners:		
Men	22.2	21.7
Women	24.1	24.0
Longevity at 65 for future pensioners:		
Men	23.9	22.7
Women	25.9	25.5
CPI Inflation	2.2%	2.0%
Rate of Increase in Salaries	3.45%	3.25%
Rate of Increase in Pensions	2.2%	2.0%
Rate for discounting scheme liabilities	2.4%	2.3%
Take-up of Option to Convert Annual Pension into Retirement Lump Sum:		
Post-2010 Service	80%	80%
Pre-2010 Service	80%	80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

	Increase in Assumption £'000	Decrease in Assumption £'000
Longevity (Increase or Decrease in 1 Year)	841	(831)
Rate of Increase in Salaries (increase or decrease by 0.1%)	52	(51)
Rate of Increase in Pensions (increase or decrease by 0.1%)	504	(493)

Rate for Discounting Scheme Liabilities (increase or decrease by 0.1%)	(545)	557
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16.8 Contributions for the Accounting Period ending 31st March 2021

The Employer's regular contributions to the Fund for the accounting period ending 31st March 2021 are estimated to be £182k (£343k as at 31st March 2020).

17.0 Retirement Benefits – Defined Contribution Scheme

Staff employed on Teachers terms and conditions are members of the Teachers' Pension Scheme. The scheme provides teachers with specified benefits upon their retirement and the Joint Committee contributes towards the costs by making contributions based upon a percentage of members' pensionable salary.

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employer's contribution rate paid by local authorities. The Council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2019/20, the Joint Committee paid £79k to the Teachers' Pension Fund in respect of teachers' retirement benefits, representing 16.48% (up to 31st August 2019) and 23.68% (from 1st September 2019) of pensionable pay (£73k was paid in 2018/19 representing 16.48% of pensionable pay). There were no contributions remaining payable at the year-end.

18.0 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Joint Committee on 14th September 2020. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31st March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no events that took place after 31st March 2020 requiring disclosure providing information that is relevant to an understanding of the Central South Consortium Joint Education Service's financial position..

19.0 Reconciliation of Comprehensive Income and Expenditure Account to Cash flow

2018/19 £'000		2019/20 £'000
741	(Surplus)/Deficit on the Provision of Services	405
2,369	(Increase)/Decrease in Creditors	20,363
(11,497)	Increase/(Decrease) in Debtors	(132)
(1)	Increase/(Decrease) in Inventories	0
(561)	IAS 19 Transactions	(834)
(8,949)	Cash (Inflow)/Outflow from Revenue Items	19,802

20.0 Officers' Remuneration

During 2019/20, the Consortium paid 80 employees on average every month (89 in 2018/19). Over the year, salary payments totalled £3,606k (excluding employer's national insurance and pension contributions) (£4,250k in 2018/19).

Under the Accounts and Audit (Wales) Regulations 2014, the Joint Committee must disclose in their accounts the number of employees (excluding specific senior employees who are shown in Note 20.1) whose remuneration in the year fell in each bracket of a scale in multiples of £5,000 commencing at £60,000 (excluding pension contributions). The disclosure includes redundancy payments.

The following salary payments were made within the categories specified:

Remuneration Band	2018/19			2019/20		
	No. of Employees			No. of Employees		
	At 31/03/19	Left in Year	Total	At 31/03/20	Left in Year	Total
£60,000 - £64,999	10	0	10	12	0	12
£65,000 - £69,999	6	1	7	3	0	3
£70,000 - £74,999	1	0	1	1	0	1
£75,000 - £79,999	0	0	0	0	0	0
£80,000 - £84,999	0	0	0	0	0	0
£85,000 - £89,999	1	0	1	1	0	1
£90,000 - £94,999	0	0	0	0	0	0
£95,000 - £99,999	0	0	0	0	0	0
£100,000 - £104,999	0	0	0	0	0	0
£105,000 - £109,999	0	0	0	0	0	0
£110,000 - £114,999	0	0	0	0	0	0

Total	18	1	19	17	0	17
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20.1 Senior Officers

The following table sets out the remuneration for specific Senior Officers whose salary is less than £150k but greater than £60k. There are no Senior Officers whose salary is greater than £150k. Employer pension contributions and compensatory payment in relation to loss of employment are included.

Post Holder Information	2019/20				
	Salary	Taxable Benefits in Kind	Compensation for loss of employment	Employer's Pension Contributions	Total
	£'000	£'000	£'000	£'000	£'000
Managing Director (from 01/03/2020)	9	0	0	1	10
Acting Managing Director (up to 29/02/2020) / Temporary Assistant Managing Director (from 01/03/2020 to 31/03/2020)	106	0	0	11	117
Senior Lead – Standards & Improvement Planning	92	0	0	9	101
Temporary Senior Lead – Teaching & Learning Experiences (up to 28/02/2019)**	0	0	22	0	22
Temporary Assistant Managing Director (up to 31/03/2020)	67	0	0	0	67

Between 1st January 2019 and 29th February 2020 temporary senior management arrangements were put in place as set out in the above table. These comprised an Acting Managing Director position (the appointment to which was made from an existing Consortium post-holder i.e. Senior Lead – Business and Operations), a

Temporary Senior Lead – Teaching and Learning Experiences (post-holder left 27th June 2019) and a Temporary Assistant Managing Director position (the appointment to which was made from one of the local authorities that comprise the Consortium). A permanent appointment to the Managing Director post took up the position from 1st March 2020 (following Joint Committee approval of the appointment on 19th November 2019) and for the period 1st March 2020 to 31st March 2020 two officers undertook the role of Temporary Assistant Managing Director as part of transitional arrangements. For the period 1st April 2019 to 31st March 2020 the post-holder of Senior Lead – Standards and Improvement Planning received an honorarium reflecting additional duties assigned as part of the temporary senior management arrangements.

The salary for the Director of Finance and Digital Services, who signs the accounts on page 11, is not included in this note as the post-holder is a senior officer of the Host Authority rather than the Consortium itself.

The comparative figures for 2018/19 are shown in the following table:

Post Holder Information	2018/19 (restated)				
	Salary	Taxable Benefits in Kind	Compensation for loss of employment	Employer's Pension Contributions	Total
	£'000	£'000	£'000	£'000	£'000
Managing Director (up to 31/12/2018)*	79	0	78	9	166
Acting Managing Director (from 01/01/2019) / Senior Lead – Business & Operations (up to 31/12/2018)*	90	0	0	10	100
Senior Lead – Standards & Improvement Planning	82	0	0	9	91
Temporary Senior Lead – Teaching & Learning Experiences (up to 28/02/2019)**	75	0	0	0	75
Senior Lead – Strategy, Leadership & Workforce Reform	42	0	0	4	46

(up to 18/11/2018)*					
Temporary Assistant Managing Director (from 01/01/2019)*	18	0	0	0	18

* During 2018/19 two post-holders left their positions: the Managing Director on 31st December 2018 and the Senior Lead – Strategy, Leadership & Workforce on 18th November 2018. A review commenced to consider, amongst other things, the future senior management structure requirements of the Consortium. From 1st January 2019 temporary senior management arrangements were put in place which continued into 2019/20.

** The agreement in relation to the termination date of the Temporary Senior Lead – Teaching & Learning Experiences had not been finalised at the point the 2018/19 Statement of Accounts were prepared and audited. The termination date of 28th February 2019 was subsequently finalised and the financial information within both tables of note 20.1 (Senior Officers) has been updated in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

21.0 Severance Costs

This note provides details of the cost of severance to the Consortium in respect of employees who have left the employment of the Consortium during the financial year (costs do not reflect the value of the severance received by the individual as it includes pension strain). All costs are in line with the relevant and applicable scheme of termination and as required under relevant Pension Fund Regulations where applicable. The number and costs (in bandings) of compulsory and other terminations are set out in the table below.

Severance Cost Band	Number of Compulsory Terminations		Number of Other Terminations		Total Number of Terminations		Total Severance Cost	
	18/19	19/20	18/19	19/20	18/19	19/20	18/19	19/20
£0 - £20,000	3	0	1	0	4	0	45	0
£20,001 - £40,000	1	0	1	0	2	0	58	0
£40,001 - £60,000	2	0	1	0	3	0	147	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
Total	6	0	3	0	9	0	250	0

CENTRAL SOUTH CONSORTIUM

DRAFT ANNUAL GOVERNANCE STATEMENT 2019/20

1. SCOPE OF RESPONSIBILITY

1.1 The Central South Consortium (CSC) is a Joint Education Service commissioned by five Local Authorities namely:

- Bridgend CBC;
- Cardiff CBC;
- Merthyr Tydfil CBC;
- Rhondda Cynon Taf CBC; and
- Vale of Glamorgan CBC.

The responsibilities of the CSC combined, cover the needs of 381 schools and approximately 148,683 pupils in the region.

1.2 In January 2014, Central South Wales Challenge was launched with the aim of raising standards across all schools within the Region and to stimulate the sharing of expertise amongst schools and joint efforts to innovate to:

- Improve the performance of every school;
- Increase the numbers of good and excellent schools;
- Reduce the gap between high and low performing groups of learners; and
- Improve outcomes for vulnerable groups of pupils.

Subsequently the Central South Wales Challenge has developed and is summarised by the following strategies:

- School Improvement Groups (SIGs);
- School to school brokered support;
- Hubs and Lead Practitioner Programme;
- Leadership & Peer Review; and
- Clusters.

1.3 Rhondda Cynon Taf County Borough Council (RCTCBC) is responsible for ensuring that its business and that of the Joint Education Committee, for which it has administrative responsibility, 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, the CSC is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective

exercise of its functions, which includes the arrangements for the management of risk.

- 1.5 The Annual Governance Statement of the CSC aims to provide an accurate representation of the governance arrangements in place for financial year ending 31st March 2020.

2. **THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 2.1 The governance framework comprises the systems, processes and cultural values by which the CSC is directed and controlled, and the activities through which it accounts to and engages with stakeholders. It enables the CSC 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 the risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 2.3 The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the CSC's priorities, to evaluate the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically.
- 2.4 The CSC has responsibility for conducting, at least annually, an assessment of its governance framework including the system of internal control. The assessment is informed by the work conducted by external agencies and internal arrangements, including performance management arrangements.
- 2.5 The following paragraphs summarise the overall governance framework and the system of internal control, which has been in place for the CSC for the year ended 31st March 2020 (and up to the date of approval of the 2019/20 Statement of Accounts).

3. **THE GOVERNANCE FRAMEWORK**

- 3.1 The CSC has used the *Delivering Good Governance in Local Government: Framework (2016)* in compiling its Annual Governance Statement. The Framework comprises two Core Principles and five Supporting Principles:

Core principles

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law; and
- Ensuring openness and comprehensive stakeholder engagement.

Supporting Principles

- Defining outcomes in terms of sustainable economic, social and environmental benefits;
- Determining the interventions necessary to optimise the achievement of the intended outcomes;
- Developing the entity’s capacity, including the capability of its leadership and the individuals within it;
- Managing risks and performance through robust internal control and strong public financial management; and
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

3.2 The Core Principles permeate implementation of the Supporting Principles with the need for the CSC to be committed to improving governance on a continual basis through a process of evaluation and review.

3.3 The CSC has applied these principles to structure its Annual Governance Statement for financial year ending 31st March 2020 and to assess the arrangements in place.

3.4 The CSC has a range of governance arrangements in place, in line with the Delivering Good Governance in Local Government: framework, many of which are set out in the CSC’s legal agreement and / or are part of the governance arrangements of RCTCBC that have been adopted by the CSC. Table 1 provides examples of the key systems, processes and documents in place within the CSC during 2019/20.

Table 1 - Examples of key systems, processes and documents in place within the CSC

Good Governance Principles	Examples of key systems, processes and documents in place within the CSC
Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	<ul style="list-style-type: none"> • Rules of Procedure – covering Council, Open Government, Access to Information, Budget and Policy Framework, Executive, Overview and Scrutiny, Officer Employment and Contract and Financial Procedure Rules. The rules set out arrangements to be followed by elected Councillors and Officers when conducting the CSC’s business with the aim of publicly demonstrating accountability and openness. • Whistle-blowing Policy – promoting the highest possible standards of service and setting out how workers can bring information about a wrongdoing to the attention of the CSC. • Anti-fraud, Bribery & Corruption Strategy.

	<ul style="list-style-type: none"> • Gifts and hospitality Policy. • Comments, Compliments and Complaints – setting out how the Council / CSC handles and responds to the feedback (complaints, compliments and comments). • Officer Guide. • Staff Handbook.
Ensuring Openness and comprehensive stakeholder engagement	<ul style="list-style-type: none"> • Forward plans for committee meetings together with the matters to be considered, where appropriate.
Defining outcomes in terms of sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> • Performance Management Framework. • Business Plan and Operational Delivery Plans. • Regular Performance Reports to Joint Committee (including Risk Register up dates). • Risk Management Strategy. • Annual Revenue Budget Strategy. • Medium Term Financial Plan.
Determining the interventions necessary to optimise the achievement of the intended outcomes	<ul style="list-style-type: none"> • Scrutiny Committees. • Challenge and Review sessions with Welsh Government.
Developing the entity's capacity, including the capability of its leadership and the individuals within it	<ul style="list-style-type: none"> • Business Plan & Outcomes Framework • Staff Handbook. • Schemes of Delegation. • Self-evaluation process. • Regional Evaluation & Improvement Session
Managing risks and performance through robust internal control and strong public financial management	<ul style="list-style-type: none"> • Risk Management Strategy. • Annual Performance Report (including Risk Register up dates). • An Internal Audit function. • Budget and Policy Framework Procedure Rules and Contract and Financial Procedure Rules. • Medium Term Financial Plan.
Implementing good practices in transparency, reporting and audit	<ul style="list-style-type: none"> • Statement of Accounts. • Annual Governance Statement. • Production of reports on key areas of business. • Internal Audit.

to deliver effective accountability	
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3.5 Legal Agreement

On the 20th April 2015 all parties entered into and signed a revised legal agreement which superseded all previous legal agreements between the Partners. This agreement consolidated the legal arrangements relevant to the CSC into one Agreement. From this point forward within the Annual Governance Statement, reference will be made to the 'Legal Agreement'.

3.5.1 The Legal Agreement for the Central South Consortium Joint Education Service Joint Committee provides the governance framework within which the Service operates and allocates responsibility and accountability, as follows:

- The Host Authority;
- The Directors' Steering Group;
- The Advisory Board;
- Operational Management Group;
- Central South Consortium Joint Education Committee; and
- Financial Management.

3.6 The Host Authority

The Legal Agreement formally assigns RCTCBC as the Host Authority for the CSC. RCTCBC provides all support services (save for the day to day administration undertaken by staff in accordance with their duties) required, including but not limited to:

- Financial (Section 151 Officer as defined by section 151 of the Local Government Act 1972, Accounts, Payroll, Creditors, Debtors, Insurance);
- Human Resources;
- Health & Safety;
- Legal;
- ICT;
- Estates;
- Internal Audit (facilitated by the Regional Internal Audit Service, (RIAS)); and
- Procurement.

The costs of which, where relevant, are charged to the Central South Consortium Joint Education Service Joint Committee through Service Level Agreements.

3.7 The Constitution of RCTCBC, which has the financial stewardship of the CSC, allocates functions and responsibility within the Authority. It also regulates the behaviour of individuals (Members & Officers) and groups through codes of

conduct, protocols and rules of procedure. All functions undertaken by the CSC should be done so in accordance with all relevant Policies and Procedure Rules of RCTCBC.

3.8 Officer Conduct

To ensure a consistent approach to working practices and processes, all officers are subject to the terms and conditions of employment (which are based on RCTCBC's operating terms and conditions).

4. **ASSESSING THE CSC'S GOVERNANCE ARRANGEMENTS**

4.1 In line with the Core and Supporting Principles of the Framework, the approach taken to assess the CSC's arrangements has been to:

- Set out a brief description of the arrangements and procedures in place together with the key outcomes the CSC is aiming to achieve;
- Examine and document the main activities that have taken place around these areas, taking account of supporting evidence from the CSC's internal processes and Audit Wales reports published on the CSC;
- Form a view on the extent to which the activities comply with the procedures in place; and
- Make proposals for improvement, where appropriate, together with recommended timescales for implementation and responsible officers.

4.2 The assessment of the CSC's governance arrangements is set out in Section 5.

5. **ASSESSMENT OF GOVERNANCE ARRANGEMENTS**

5.1 **PROGRESS MADE TO IMPLEMENT RECOMMENDATIONS REPORTED IN THE 2018/19 ANNUAL GOVERNANCE STATEMENT**

The 2018/19 Annual Governance Statement made 7 proposals for improvement. An update on progress was reported to the Central South Consortium Joint Education Service Joint Committee on 21st January 2020 and following consideration the Committee RESOLVED: *to note the progress that has been made to date in implementing the proposals for improvement.*

As at 31st March 2020, progress had been made against all of the 7 proposals:

- 4 proposals for improvement had been implemented;
- 2 proposals for improvement were 'in progress' and will be completed during 2020/21 – it is considered that the part implementation status for these 2 areas did not have an adverse impact on the robustness of the CSC's governance arrangements during the year; and
- 1 proposal for improvement is 'on-going', this being by the nature of the proposal to ensure there continues to be awareness raising of whistle-blowing and anti-fraud arrangements for employees.

5.1.1 Based on the above, it is considered that overall, sufficient progress has been made during 2019/20 in the delivery of the proposals for improvement with the requirement for further work to be completed in 2020/21. A detailed position statement is set out at Appendix A.

5.2 BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW

Behaving with integrity

5.2.1 The CSC follows the Host Authority Constitution which sets down how it should operate, how decisions need to be made and the procedures to be followed to ensure they are efficient, transparent and available to local people. Within the Constitution there are a number of [Rules](#)⁴ and [Protocols](#)⁵ that aim to ensure both elected Councillors and employees behave with integrity.

5.2.2 The CSC has put in place procedures to be followed by the Joint Education Committee when conducting meetings and making decisions during the year to publicly demonstrate an accountable, open and honest approach. This has included considering the accuracy of 'meeting minutes'⁶; recording declarations of personal interest; publishing reports on RCT's website five working days prior to meetings taking place; making decisions based on evidenced based reports; and publishing the minutes of meetings. A review of a sample of Joint Education Committee meetings during the year revealed that the above mentioned procedures had been followed.

CSC employees

5.2.3 The CSC Legal Agreement outlines the role of RCTCBC as the host authority. As part of this agreement, the CSC adopts the policies of RCT including an Officer Code of Conduct that has been used to create an easy to understand

⁴ Rules – for example, Financial and Contract Procedure Rules

⁵ Protocols – for example, Gifts and Hospitality Policy

⁶ Meeting minutes – a formal and agreed record of the events that took place at each meeting.

'Basic Rules – A Guide for Employees' and includes information in relation to, amongst other things, expected behaviour, use of social media, appearance and attendance. The guide is available on-line for all employees.

- 5.2.4 All officers who started employment with the CSC were provided with a local induction. In parallel, an Individual Performance Review process was in place to support the personal development of officers, this being overseen by management within the CSC and supported by the Human Resources Service within Rhondda Cynon Taf.

Arrangements in place to tackle potential misappropriation

- 5.2.5 [In the event that an officer decides to operate outside of the intended terms and conditions of employment, arrangements were in place for officers to "blow the whistle" through the CSC's Whistleblowing Policy & Procedure.](#)
- 5.2.6 In addition to the Whistleblowing arrangements, there were arrangements in place to tackle potential [fraud, bribery and corruption](#).
- 5.2.7 RCTCBC's Audit Committee has overall responsibility for overseeing the governance arrangements in place in respect of 'tackling potential fraud, bribery and corruption' and 'whistle-blowing'. Updates received by Audit Committee during the year in respect of these arrangements were:

- Anti-Fraud, Bribery & Corruption

An Anti-Fraud, Bribery & Corruption Progress Report for 2019/20 was reported to Audit Committee on 17th December 2019 that set out progress against the programme of work for 2019/20. The report concluded that progressing the Anti-Fraud, Bribery & Corruption work programme for 2019/20 will ensure the Council continues to operate within an effective anti-fraud culture across the organisation, with resilient preventive measures capable of identifying and addressing new threats. Audit Committee reviewed the update and acknowledge the outcomes of the anti-fraud work progress during 2019/20.

The Annual Report for 2019/20 was due to be reported to Audit Committee on 27th April 2020 in accordance with the agreed [work plan](#) for 2019/20. Due to the impact of COVID-19, this meeting was cancelled and arrangements will be made as soon as is practicable for an Audit Committee to be convened and the Annual Report presented and scrutinised. Based on the anti-fraud, bribery and corruption information reported during 2019/20 (i.e. the progress report in December 2019), it is considered that sufficiently robust arrangements were in place.

- Whistle-Blowing

As part of the Annual Governance Statement 2018/19 Progress Update reported to Audit Committee on 17th December 2019, assurance was provided that on-going staff awareness raising is taking place for this area, for example, the whistle-blowing policy being highlighted as part of the staff and manager induction processes and a pay-slip insert issued in December 2019 raising awareness of the policy and how to 'blow the whistle'. A Whistle-Blowing Annual Report for 2019/20 was scheduled to be reported to the 27th April 2020 Audit Committee and, as referenced above, arrangements will be made as soon as is practicable for an Audit Committee to be convened and the Annual Report presented and scrutinised. As part of year-end arrangements, discussions have taken place with the Director of Human Resources to establish the extent of whistle-blowing activity during the year; this has confirmed that a number of whistle-blowers have come forward during 2019/20, all have been fully investigated by the Council's Human Resources Service and appropriate action, where deemed required, has been taken. This position, prior to Audit Committee considering an Annual Report, indicates a general awareness of the policy / how to 'blow the whistle' within the Council and a culture whereby staff are prepared to do so.

5.2.8 Work in this area has also been informed by the results of the Staff Survey undertaken in 2018, the results of which were reported to Audit Committee on 4th February 2019. This information has been re-reviewed in 2019/20 and concluded that there were no pockets of service areas where awareness is low and that the data indicated a general lack of awareness, rather than being service specific. A series of actions are being taken to address this, as reported in the Annual Governance Statement 2018/19 Progress Update reported to Audit Committee on 17th December 2019 (as referred to in paragraph 5.2.7 above).

5.2.9 Gifts and Hospitality Policy - the CSC has a Gifts and Hospitality Policy and arrangements were in place, via registers, to record gifts and hospitality in line with the Policy.

Demonstrating strong commitment to ethical values

5.2.10 Ethical Values: CSC employees - the CSC has described what excellent behaviour looks like for each type of job, for example, '*always treat people with respect*', and this information is used to test candidates suitability for jobs at interview and is used to inform discussions managers have with their staff as part of their development.

The Council's supply chains

- 5.2.11 RCTCBC plays a significant and leading role in the utilisation of national framework contracts as well as local contractual arrangements. The Council is responsible for ensuring that its business is conducted in accordance with the law, applies high ethical values, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In order to maximise the potential wider benefits when contracting with external organisations it is essential that the delivery of community benefits, and support of local small and medium sized enterprises (SME's) are considered as part of the procurement process. In addition, as a publicly funded organisation the Council has a responsibility to ensure that ethical and fair practices are in place throughout the contracted supply chains as far as it practicably can.

The Welsh Government has issued three key initiatives in support of these wider benefits that should be taken into account as part of the procurement process:

- [Community Benefits](#) – helps drive the creation of employment and training opportunities including apprenticeships, support for small and medium sized enterprises and delivery of community, educational and environmental initiatives.
- [Code of Practice Ethical Employment in Supply Chains](#) - focuses on influencing a high standard of ethical employment practices by external suppliers, service providers and contractors.
- [Opening Doors: the Charter for SME Friendly Procurement](#) - seeks to create a fair and open environment in which we can all do business together and address issues of particular concern to Small and Medium-sized Enterprises (SMEs).

A Draft Policy has been developed by the Council and will be incorporated into the Cabinet's work programme for 2020/21 for consideration and if deemed appropriate, approval. An approved version will then be shared with the CSC to ensure contracting arrangements are in line with the agreed Policy.

Respecting the rule of law

- 5.2.12 The Managing Director position leads the CSC's officers and chairs the Senior Leadership Team.
- 5.2.13 During the 2018/19 financial year, two senior post holders left their positions and, following this, a review commenced to consider future senior management structure requirements for the CSC. The initial outcome of that review was for temporary senior management arrangements to be put in place from January

2019 and to continue into 2019/20. Based on this, for the period 1st January 2019 to 29th February 2020 appointments to an Acting Managing Director position (the appointment to which was made from an existing CSC post-holder i.e. Senior Lead – Business and Operations) and a Temporary Assistant Managing Director position (the appointment to which was made from one of the local authorities that comprise the CSC) were made. A permanent appointment to the Managing Director role was approved by Joint Committee at the meeting held on the 19th November 2019 and the post-holder took up the position from 1st March 2020. In addition, the Joint Committee meeting of the 21st January 2020 agreed the creation of a Deputy Managing Director position and provided authorisation for the Lead Chief Executive in conjunction with the representatives of the five local authorities to appoint the role of Deputy Managing Director; and appointment was made effective from 1st April 2020. The above mentioned temporary arrangements ceased further to the permanent appointments being made and / or by 31st March 2020.

5.3 ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Openness

- 5.3.1 Members of the Central South Consortium Joint Education Service 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 on the principles of openness, transparency and honesty.

General Data Protection Regulation

The General Data Protection Regulation (GDPR) came into force on the 25th May 2018. The CSC took steps during 2018/19 to demonstrate accountability and transparency when handling and processing personal and sensitive information that it holds in respect of individuals. These arrangements were maintained during 2019/20 by:

- The CSC adopting the updated Data Protection Policy within RCT CBC;
- Formally recording the lawful basis upon which data / information is processed within suites of documents called Data Protection Registers; and
- Establishing 'Privacy Notices' that are available on the CSC's website setting out how it intends to use information and how it will deliver its services and statutory responsibilities.

An internal group has met regularly within CSC, comprising leads from varying teams within the CSC. The group has developed relevant policy papers and refined processes and procedures to ensure GDPR compliance, working closely with RCT CBC Information Management team.

It is considered that the publication of this information continues to support the CSC in complying with the GDPR and demonstrates openness and transparency when dealing with its customers.

Freedom of Information

The CSC operated a Freedom of Information (FOI) Act 2000 publication scheme in accordance with legislative requirements. FOI updates are provided to the Joint Committee on an annual basis and during 2019/20 2 FOI requests were received and were responded to within 20 working days. This information is scheduled to be reported to the Joint Committee on 15th June 2020.

Planning ahead

- 5.3.2 The CSC consulted with stakeholders on its vision and priorities for 2019/20 and set these out in a document called 'Business Plan 2019/20'; this Plan was agreed by Joint Education Committee on 28th March 2019. During 2019/20, the Joint Committee has received business plan priority updates as self-standing agenda items and a review of business plan progress is reported annually (the latest review, relating to 2018/19, was reported to Joint Committee on 15th July 2019). Based on the updates provided, it is considered that appropriate and regular information is made available to the Joint Committee to review and challenge performance and hold Management of the CSC to account.
- 5.3.3 In parallel, a detailed implementation plan was reported to Joint Committee on 19th December 2019 setting out progress made to date by the CSC to progress the recommendations made through the ISOS review⁷. The report also set out actions to progress and next steps, and these will be taken account of as part of remodelling the CSC.
- 5.3.4 Looking ahead, it is likely that there will be uncertainty on future year resource levels provided by the UK Government to Welsh Government due to, amongst other things, the impact of COVID-19 and Brexit. The CSC has been provided within an indicative budget across a 3 year time horizon (2020/21 to 2022/23),

⁷ ISOS Review – a review commissioned by the Joint Committee in October 2018 to undertake an independent review of the Consortium. The context to the review was the national changes to the education system and the financial pressures facing schools and Local Authorities.

agreed by the Joint Committee on 21st January 2020, that will help to frame medium term service planning and re-modelling options.

Openness – Forward work programmes

The CSC has in place a forward work plan of Committee meetings together with the matters to be considered and the 21st May 2019 Joint Committee meeting agreed and published a calendar of meetings for 2019/20 municipal year.

Decision making and scrutiny of decisions made

- 5.3.5 During the year, the Central South Consortium Joint Education Service Joint Committee made key decisions, for example, reviewing and agreeing the CSC Business Plan, Core Revenue Budget and Annual Governance Statement.
- 5.3.6 The Central South Consortium Joint Education Service Joint Committee is one of the main decision making bodies within the CSC and throughout 2019/20 received 34 reports, 27 of which were made publicly available prior to the meetings and 7 were excluded from the press / public on the grounds that the items of business involved the likely disclosure of exempt information.
- 5.3.7 Key decisions were also taken by the Directors of Education from each of the local authorities at the Director Steering Group meetings.
- 5.3.8 Based on the above information it is considered that the decision making arrangements that operated during 2019/20 were open and transparent, and compliant with the CSC's Legal Agreement.
- 5.3.9 Finally, a review of a sample of Joint Education Committee Reports for 2019/20 has confirmed that a consistent format was used.

Engagement with stakeholders

- 5.3.10 The arrangements for engagement with stakeholders were as follows:
- **The Advisory Board** - The purpose of the Advisory Board is to support the Managing Director in ensuring that the strategies of the CSC align themselves with the needs of all Parties to raise educational standards.

The membership, decision making process, meetings and the terms of reference for the Advisory Board are documented within Schedule 2 of the Legal Agreement. For 2019/20, an Advisory Board meeting was not convened due to a review of the CSC's governance structure being undertaken. During this period, the strategic direction of the CSC was

directed by the Chief Executives and Directors of Education of the 5 constituent local authorities alongside Senior Management of the CSC.

- **Directors' Steering Group** – The Directors' Steering Group comprises the Directors of Education from each of the five local authorities that make up the CSC. This group is responsible for delegated decision making on behalf of each local authority.

The membership, decision making process, meetings and the terms of reference for the Director's Steering Group are documented within Schedule 2 of the Legal Agreement.

Directors and Headteacher representatives from the Delegate Head Teacher Group and Representative Stakeholder Group identified during the ISOS Review the need to include Headteachers within the overall Governance model of the CSC as part of a school-led self-improving system. It is noted that this work will be progressed during 2020/21.

- **Senior Leadership Group** - The Group comprises the senior management team of the CSC as well as Senior Challenge Advisers for each local authority. Senior officers with strategic responsibilities are also part of the leadership group. The objective of the group is to deliver school improvement activities with the aim of raising educational standards.

The membership, decision making process, meetings and the terms of reference for all groups are documented within Schedule 3 of the Legal Agreement.

- **Central South Consortium Joint Education Service Joint Committee**

The Joint Education Committee comprises of one elected Member from each Council and one officer representative with responsibility for Education from each Council.

The Joint Education Committee has the powers of each Council with reference to the provision of a Joint Education Service and its performance as set out in the Legal Agreement and guided by the Welsh Government's 'National Model for Regional working'.

The purpose of the Joint Education Committee is to be responsible for the decision making, approval of the business plan, monitoring and accountability and financial reporting of the CSC arrangements in line with its own business plan.

The membership, decision making process, meetings and the terms of reference for the Joint Education Committee are documented within Schedule 4 of the Legal Agreement.

- 5.3.11 There were a broad range of communication methods on offer to encourage stakeholders to express their views during 2019/20; this included social media, focus group discussions with strategy groups as well as an annual survey of schools.

Proposal for improvement

- 5.3.12 Finalise the review of the overall governance structure for the CSC to ensure increased engagement in the decision making process from headteachers across the region in line with the requirements of the revised National Model for Regional Working when published and the recommendations from Joint Committee following the ISOS review

5.4 DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS

Defining outcomes

- 5.4.1 The CSC's 'Business Plan 2019-2020, as approved by Joint Education Committee on the 19th December 2018, identified six overarching improvement priorities :-

- Develop a high quality education profession;
- Develop inspirational leaders to facilitate working collaboratively to raise standards;
- Develop strong and inclusive schools committed to wellbeing, equity and excellence;
- Develop robust assessment, evaluation and accountability arrangements supporting self-improving systems;
- Provide professional learning opportunities to support the curriculum for Wales; and
- Improve the effectiveness and efficiency of CSC.

- 5.4.2 The CSC's Revenue Budget for the 2019/20 financial year was approved at the 19th December 2018 Joint Committee meeting, aligning resources to business plan priorities.

- 5.4.3 Following approval of the Business Plan and Revenue Budget, Operational Plans were put in place for each priority, in line with resources available, that detailed what outcomes were being aimed for, the actions to be delivered with timescales for delivery and performance indicators.
- 5.4.4 A review of performance indicator targets included within the Business Plan identified that there is a clear ambition for the CSC to improve in its priority areas.
- 5.4.5 Throughout 2019/20 action plan progress up dates have been made public through Joint Education Committee meetings that also contain information on financial performance, strategic risks and investment linked to Business Plan priorities. This has included preparation for Curriculum Reform.

Progress with the Business Plan has also been monitored by Welsh Government as part of Challenge and Review Sessions during the year. . For 2019/20, 97% of the CSC's Business Plan was funded from Welsh Government Awards of Funding

Proposal for Improvement

- 5.4.6 Further develop the Medium Term Financial Plan during 2020/21 to ensure resources are allocated / categorised over Business Plan priorities to demonstrate or otherwise the prioritisation of resources and set out service options in line with indicative funding allocations agreed by Joint Committee.

5.5 DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

Determining and planning interventions

- 5.5.1 The CSC's Legal Agreement lays down the key requirements to be followed when setting its priorities, reporting the extent of progress made in priority areas and also the financial planning and management arrangements that support this. These include the requirement to:
- Agree the draft School Improvement Service annual revenue budget by the 31st December prior to the start of the financial year and submit to each of the Parties for approval with the business plan to be agreed by the 1st February; and
 - Publish financial and performance progress updates on a termly basis during the year, which will include explanations of any variances against the profiled budget.
- 5.5.2 When the above requirements were reviewed for the 2019/20 financial year:

- Performance Reports were presented to the Joint Education Committee and the Local Authority Scrutiny Committees during the year, with performance reports also presented to the Minister as part of the Challenge and Review meetings. A review of information reported during the year identified that updates on financial performance; progress against Business Plan priorities; and strategic risks were reported to Joint Committee meetings. In addition, the information reported also highlighted and explained exceptions and noted where corrective action would be taken.

5.5.3 Based on the above, it is considered that the information published during the year would provide opportunity for stakeholders to understand the CSC's performance and hold it to account.

Optimising achievement of intended outcomes

5.5.4 The CSC's Business Plan set out how the agreed 5% reduction in core funding would be delivered and managed during 2019/20.

5.5.5 With this context in mind, the CSC took steps to plan the allocation of resources and put in place arrangements to maximise its impact.

Maximising impact

5.5.6 In 2018-2019^[1], Welsh Government ceased the publication of any information related to the performance of Foundation Phase, Key Stage 2, Key Stage 3 and Welsh National Tests below the National level. As a consequence of this change, information relating to the performance of Local Authorities and Regional Consortia is no longer in the public domain and as such is removed from inclusion in this section of the report. In addition, the performance measures for Key Stage 4 were changed for reporting in summer 2019 and new interim performance measures were introduced that look at average points scores rather than threshold measures. Therefore, no trend information is available for Key Stage 4 interim performance measures in this report.

At KS4, the region exceeds the national performance for four of the five interim performance measures and is within 0.2 points for the remaining measure.

The gap in performance at KS4 between eFSM and non eFSM pupils in the region at KS4 is narrower than the national gap for two of the five interim measures and is wider than the national gap for the remaining three interim measures.

^[1] All performance measures are as reported in the Summer Term 2019. (Academic Year 2018/19)

- 5.5.7 The individual Local Authority scrutiny committees have provided review and challenge on performance results during the year, either through their own work programme arrangements or as a result of in-year performance exceptions being scrutinised in more detail.
- 5.5.8 A co-ordinated scrutiny group consisting of all five local authority scrutiny chairs has provided limited review and challenge on performance and other areas of interest identified by Members.

5.6 **DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT**

Developing the entity's capacity

- 5.6.1 The CSC aims to ensure that staff have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well-trained and competent people in effective service delivery.

The Self Evaluation processes within the CSC ensure a rigorous assessment of the current position and areas for improvement. This evaluation is incorporated into service level planning processes as well as ensuring alignment with national and local authority priorities.

Effectively managing the workforce – the CSC has consistently become more efficient on a year-on-year basis, driven by both proactive and prudent management and also on-going reductions in funding, and at the same time:

- Supported an overall direction of travel of improved performance results in priority areas (see section 5.5.6);
- Continued to operate a system of agile working arrangements that has taken advantage of digital technology to help the CSC to work in new and different ways to meet school needs, reduce costs, support staff productivity and help contribute to a healthy work / life balance for employees. During 2019/20 the CSC also maximised the use of space within the Valleys Innovation Centre by downsizing to occupy one area of the building and in parallel introduced the use of Office 365 and Hwb⁸ to further improve digital competence of the workforce.
- Aligned the on-going modernisation of its arrangements to RCTCBC's Digital Strategy.

⁸ Hwb – digital platform for learning and teaching in Wales

5.7 **Developing the capability of the entity's leadership and other individuals**

- 5.7.1 The CSC's Legal Agreement, sets out the responsibilities of the Managing Director, the Joint Education Committee and Advisory Group (Schedule 2). A review of a sample of delegated decisions made during the year confirmed that decisions were approved by the designated Joint Education Committee members and employees.

Developing the capabilities of councillors

- 5.7.2 During 2019/20 specific training was provided to Members of the Joint Committee as well as local authority Scrutiny Members around the changes to the interim KS4 performance measures, with training provided by the CSC as well as Welsh Government facilitated sessions.

Developing the capabilities of employees

- 5.7.3 The CSC is committed to staff development, in line with business needs, to help ensure it has a 'fit for purpose' workforce. During the year this has included staff induction sessions, Leadership and Middle Management Development Programmes, Staff Briefings and a range of operational training such as Curriculum for Wales, National Mission and Lead Creative Schools, Schools as Learning Organisations and Initial Teacher Education. Staff development has been supported through induction sessions, RCT Manager Briefings and a range of relevant leadership training such as SLII (situational leadership), the ALN Bill and Wellbeing.

Proposal for Improvement

- 5.7.4 Build on the programme of training and support using the information gathered from the Consortia as a Learning Organisation to drive improvement areas and support distributed leadership and ownership of professional learning (taking into account new support requirements / delivery modules as a result of COVID-19).

5.8 **MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT**

Managing risk

- 5.8.1 During 2019/20 the CSC continued with the half termly updating of its risk change template in line with its business plan monitoring and risk policies. This information was presented to the Senior Leadership Team for approval in readiness for the new academic year.
- 5.8.2 This risk change template is updated by all risk owners and then presented for review by the Senior Leadership Team. This is included within the CSC dashboard on a half termly basis. Following on from this it is issued to both Directors and Joint Committee meetings for final review. During the spring term the risk change template was presented to Directors on the 21 January 2020. Once this process is completed the risk register is finalised.

New risks were incorporated into the register during the year. For example, the CSC recognised there were insufficient leaders coming forward for headship posts in the region which significantly impacts on the capacity to improve in the region especially in faith, Welsh medium and small schools. This has been incorporated into the Risk Register, with accompany actions to address, and will be reported and monitored by the Joint Committee.

Managing performance

- 5.8.4 The 'Determining and planning interventions' section (5.5.1) of this Annual Governance Statement provides an overview of the CSC's Performance Management arrangements. Performance at strategic level is driven and measured through the CSC's drive teams. Five drive teams have been established to ensure the effective delivery and impact of the priority plans aligned to the 2019/20 CSC business plan.

Robust internal control

- 5.8.5 The membership and meeting frequency of the CSC's Joint Education Committee during 2019/20 was in line with the CSC's Legal Agreement.

Internal Audit

The Head of Regional Internal Audit Service will present the Internal Audit Annual Report 2019/20, based on the work of Internal Audit during the year, to the Council's Audit Committee in due course. Subject to consideration and approval by Audit Committee, the draft conclusion of the Head of Internal Audit is '*...the overall system of internal control within the Council operated effectively during 2019/20 with no areas identified for improvement.*'

Managing data

- 5.8.6 An Information Management Plan is in place in RCTCBC that sets out the framework, including legal requirements, for information management within the CSC. This work has been reviewed to ensure compliance with new GDPR regulations.
- 5.8.7 A review of arrangements in place during 2019/20 identified that they were in line with laid down requirements because:
- Key responsibilities were formally designated within the CSC: The CSC's designated Senior Information Management Risk Officer (SIRO) was the Managing Director or equivalent, there was an Information Management & Data Protection Act Officer within the host authority who reports to the Service Director – ICT and Digital Services;
 - An Information Management Board was in operation in RCTCBC, Chaired by the SIRO, with the Board being supported by an Information Management Working Group;
 - Information was available on the RCTCBC website in respect of Data Protection and Freedom of Information, and had in place a [Publication Scheme](#) (which has been adopted by the CSC) in accordance with the Council's responsibilities under the Freedom of Information Act 2000; and
 - The Host Authority continued to secure its annual accreditation to the Public Service Network (PSN) in September 2019 i.e. The 'PSN' is the Council's connection to the wider public sector network (Council to Council, Council to Government e.g. Department for Work and Pensions) to enable the Council to communicate and share data securely across all public bodies.

Proposal for Improvement

- 5.8.9 The CSC should report on a periodic basis, for example annually, its work and performance around Information Management and provide opportunity for review and scrutiny by the Joint Education Committee. This would include:
- SIRO schedule should be agreed with RCT CBC;
 - Update all General Protection registers;
 - Update the Information Sharing Protocols; and
 - Update all related data retention policies.

Strong public financial management

- 5.8.10 Schedule 5 of the Legal Agreement provides the framework within which the finances of the Joint Education Service operate. The Financial Protocol

provides the financial framework and relationship between the Parties (the Councils), the Host and the CSC. The following areas of business are documented in the Legal Agreement

- General Principles
- Contributions and charging mechanisms;
- Payment arrangements;
- Budgetary control & monitoring;
- Capital Expenditure & long term contracts;
- Annual Accounts & Audit; and
- Financial insolvency.

5.8.11 The Legal Agreement requires the Joint Education Committee to hold at least termly meetings throughout the year. Standard agenda items include a report from the Treasurer.

5.8.12 RCTCBC's Financial Procedure Rules provide guidance in relation to all financial matters. The CSC has adopted Rhondda Cynon Taf's Financial & Contract Procedure Rules – as confirmed in Section 17 (Schedule 4) of the Legal Agreement:

“Rules and Procedure

For the avoidance of doubt the Central South Consortium Joint Education Committee shall, where relevant and subject to the provisions of this Agreement, operate in accordance with the Host's schemes of delegation, Rules of Procedure and policies from time to time.”

5.8.13 Audit Wales⁹ audits the CSC's annual statement of accounts and the outcome from the audit being reported to the Joint Committee.

5.8.14 The CSC's financial and operational performance is monitored and scrutinised by the Joint Education Committee

The Joint Education Committee receives reports from:

- The Treasurer;
- The Managing Director; and
- Officers, relevant to the operations and governance of the organisation.

5.8.15 During 2019/20 the role of the Chief Financial Officer at RCTCBC was compliant with the principles of the CIPFA Statement – Role of the Chief Financial Officer in Local Government 2010.

5.8.16 **Internal Audit**

⁹ Audit Wales – previously the Wales Audit Office

During 2019/20 the Regional Internal Audit Service reviewed one core financial system (i.e. the General Ledger) of the Central South Consortium Joint Education Service, in line with the agreed Internal Audit Annual Plan, and concluded there to be no material weaknesses.

5.8.17 **External Audit**

The latest audited statement of accounts (i.e. for the 2018/19 financial year) received an unqualified audit report (i.e. clean bill of health) and were approved at the meeting of the Joint Education Committee on 15th July 2019, this being in advance of the statutory deadline of 15th September. It is noted that the Treasurer to the Joint Committee reported to the 21st May 2019 meeting (in presenting the draft statement of accounts), 'Looking ahead, I consider the CSC continues to be well placed to meet the earlier timescales, as set out above, for the production and publication of Statement of Accounts in future years'.

5.8.18 The CSC has continued to publicly demonstrate its commitment to strong and responsible financial planning and management, and has supported this through the delivery of sound financial performance during a period of reducing budgets. This is because:

- The CSC has adopted a suite of protocols supporting strong financial planning and management, for example, 'Financial Procedure Rules' and 'Contract Procedure Rules', that were complied with during the year;
- The CSC set a Gross Revenue Budget in December 2018 for the financial year 2019/20 of £3,710,853, representing a reduction of 5% compared to the previous year. Financial performance results were publicly reported every term during the year and scrutinised by the Joint Education Committee. The final outturn position, subject to Joint Committee approval at the June 2020 meeting, demonstrates the delivery of a balanced budget for the 2019/20 financial year after setting aside specific earmark reserves to support the completion of activities that have been delayed as a result of COVID 19.
- The CSC is financially stable with General Reserve balances increasing slightly from £137k to £138k (subject to audit); having a track record over a number of years of setting and delivering balanced revenue budgets; and having 'clean bills of health' on its year end accounts when audited by the Audit Wales (previously Wales Audit Office).

5.8.19 The latest Audit Wales report 'Audit of Financial Statements Report and Management Letter' reported to Joint Education Committee on 15th July 2019 concluded that the accounting statements and related notes:

- Give a true and fair view of the financial position of the Central South CSC Joint Education Service as at 31 March 2019; and
- Have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19.

5.8.20 The 15th July 2019 Audit Wales report did not make any recommendations to be addressed by CSC and the Host Authority.

5.9 **IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY**

Implementing good practice in transparency and reporting

5.9.1 The CSC has implemented an open and consistent approach to reporting its business, as set out in sections 5.4 and 5.5 of this Annual Governance Statement, with the aim of helping to ensure information is understandable to stakeholders and that they have the opportunity to challenge the CSC's performance, plans and decisions.

5.9.2 A review of a sample of information reported to the Joint Education Committee has revealed that:

- Annual Reports and Plans are reported publicly, providing an overview of performance, for example, the Council's audited Statement of Accounts 2018/19 reported and approved by Joint Education Committee on 15th July 2019 in line with the statutory timeframe; and
- Use is made of electronic links within reports to provide the reader with more detailed information should they require it; and
- The minutes of meetings confirm that designated officers attend each meeting to orally present reports and answer questions, and a number of occasions were noted where updates were delivered via presentations, for example, using slides.

6. **OVERALL ASSESSMENT OF THE CONSORTIUM'S ARRANGEMENTS**

6.1 Based on the assessment undertaken, it is considered that the CSC's governance arrangements were fit for purpose and publicly demonstrated how they contributed to the delivery of improved school performance outcomes overall as set out in the Business Plan.

6.2 The overall conclusion has been based upon:

- An open approach to engaging with stakeholders, planning and delivering services, and reporting and scrutiny of the CSC's performance;
- Clear arrangements for decision making that were supported by robust service management and financial management arrangements;
- The reporting of understandable priorities and ambition, as set out in the CSC's Business Plan, with progress reports demonstrating an overall direction of travel of improvement in outcomes and performance at the same time as maintaining financial stability;
- Sound arrangements to support elected Councillors and Officers in the effective discharge of their responsibilities and also in maintaining high standards of conduct when undertaking business on behalf of the CSC; and
- A medium term approach to financial planning that helped inform strategic decision making and prioritisation of resources.

6.3 Notwithstanding this overall position, the assessment has identified areas where improvements are deemed necessary to further reinforce the effectiveness of the CSC's current arrangements. These are set out in Section 7.

6.4 Looking ahead, the robust governance arrangements in place within the CSC, together with implementing the proposals for improvement set out in Section 7, will be critical in supporting the organisation to re-model itself and also continue to provide an effective school improvement service during the recovery period from COVID 19.

7. **PROPOSALS FOR IMPROVEMENT**

7.1 Further to completing the assessment of the CSC's governance arrangements, Table 1 sets out proposals for improvement.

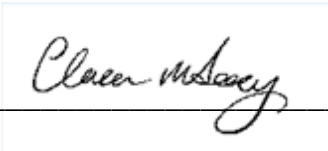

Table 1 – Proposals for Improvement

Core Principle / Area	Paragraph No.	Issue Identified	Proposal for Improvement	Timescale for Implementation	Responsible Officer
Ensuring openness and engagement	5.3.12	Build on the work of the independent review of the CSC during 2019/20 to further support decision making arrangements (carry forward from work undertaken during 2019/20)	Finalise the review the overall governance structure for the CSC to ensure increased engagement in the decision making process from Headteachers across the region in line with the requirements of the revised National Model for Regional Working when published and the recommendations from Joint Committee following the ISOS review	March 2021	Managing Director
Defining Outcomes	5.4.6	Further develop Medium Term Service and Financial Planning	Ensure resources are allocated / categorised over Business Plan priorities to demonstrate or otherwise the prioritisation of resources and set out service options in line with indicative funding allocations agreed by Joint Committee.	March 2021	Deputy Managing Director
Developing the capability of entity's	5.7.4	Consortia as a Learning Organisation	Build on the programme of training and support using the information gathered from the Consortia as a	March 2021	Deputy Managing Director

Core Principle / Area	Paragraph No.	Issue Identified	Proposal for Improvement	Timescale for Implementation	Responsible Officer
leadership and other individuals			Learning Organisation to drive improvement areas and support distributed leadership and ownership of professional learning (taking into account new support requirements / delivery modules as a result of COVID-19).		
Managing Risk	5.8.9	Improve reporting framework for performance and information management systems (carry forward from work undertaken during 2019/20)	<p>The CSC should report on a periodic basis, for example annually, its work and performance around Information Management and provide opportunity for review and scrutiny by the Joint Education Committee. This would include:</p> <ul style="list-style-type: none"> • SIRO schedule should be agreed with RCT CBC; • Update all General Protection registers; • Update the Information Sharing Protocols; and • Update all related data retention policies. 	March 2021	Deputy Managing Director

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7.2 The CSC's Senior Management Team has accepted the proposals for improvement and is committed to their implementation during 2020/21. The Senior Management Team has also confirmed that an update on progress will be reported to the Central South Consortium Joint Education Service Joint Committee during the year to enable Councillors to review and scrutinise the extent of progress being made.

Managing Director:  Section 151 Officer: 

Chair, Joint Education Committee 

APPENDIX A

PROPOSALS FOR IMPROVEMENT 2018/19 – POSITION STATEMENT

Core Principle / Area	Para No.	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer	Status
Behaving with integrity, demonstrating strong commitment to ethical values and representing the rule of Law	5.2.11	Support further improvement in the level of staff awareness and understanding of key policies / documentation.	Review and update the HR Charter and other CSC specific documentation and adopt the induction arrangements published by RCT.	September 2019	Assistant Business Manager	Implemented
	5.2.15	RCT CBC staff survey identified the need for further work to be undertaken across the Council to raise awareness of whistle-blowing and anti-fraud arrangements and provide staff with reassurance that they can report issues without repercussions.	Using the staff survey results (around whistle-blowing and anti-fraud, bribery and corruption), RCTCBC will deliver a targeted programme of awareness raising to those service areas identified as requiring support. A specific session / update will be arranged for CSC staff.	November 2019	Assistant Business Manager	On-going RCT Council have reviewed the results of the staff survey that was issued in 2018 and from that data it has been concluded that there are 'no pockets' of areas where awareness was low. The data indicates a general lack of awareness, rather than service specific. In order to

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Core Principle / Area	Para No.	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer	Status
						address this a number of awareness raising actions have been progressed (as set out in paragraphs 5.2.7 and 5.2.8)
Ensuring openness and engagement	5.3.11	Build on the work of the independent review of the CSC during 2018/19 to further support decision making arrangements	The overall governance structure of the CSC requires reviewing to ensure increased engagement in the decision making process from headteachers across the region in line with the requirements of the revised National Model for Regional Working when published.	January 2020	Acting Managing Director	In progress
Defining Outcomes	5.4.6	Ensure the CSC's Business Plan is effective and reflects the National Model and agreed outcomes from the independent review.	Further develop the Medium Term Financial Plan during 2019/20 to ensure resources are allocated / categorised over Business Plan priorities to demonstrate or otherwise the prioritisation of	November 2019	Acting Managing Director	Implemented

Core Principle / Area	Para No.	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer	Status
Page 84 Developing the capability of entity's leadership and other individuals			<p>resources. Proposals for revisions to service delivery will be discussed with Chief Executives and Directors in light of any published revisions to the National Model for Regional Working and in light of any recommendations agreed by Joint Committee following the independent review.</p> <p>Consideration will also be given to whether the business planning cycle can be more closely aligned to the budget setting process within Welsh Government.</p>			
	5.7.4	Ensuring elected Members are kept up to date with changes to performance measures.	Build on the programme of training and support for elected Members to support understanding of the changes to performance measures and the information that will	July 2019	Temporary Assistant Director	Implemented

Core Principle / Area	Para No.	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer	Status
			be available to scrutiny groups in light of these changes.			
Managing Risk	5.8.3	Ensure the CSC's risk policy is further developed to prioritise attention on key risks.	Moving into the 2019/20 business planning window, the reporting of risk will become more focussed, building on the proposal from directors to remove the need to report on risks considered of low likelihood and impact. This will ensure that the risk change template will focus on risks considered, medium, high or critical.	November 2019	Operations Manager	Implemented
	5.8.9	The CSC should report on a periodic basis, for example annually, its work and performance around Information Management and provide opportunity for review and scrutiny by the Joint	<ul style="list-style-type: none"> • SIRO schedule agreed with RCT CBC. • Update all General Protection registers. • Update the Information Sharing Protocols. • Update all related data retention policies. 	November 2019	Operations Manager	In progress

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Core Principle / Area	Para No.	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer	Status
		Education Committee.				

The independent auditor's report of the Auditor General for Wales to the members of Central South Consortium Joint Education Service Joint Committee

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Central South Consortium Joint Education Service Joint Committee for the year ended 31st March 2020 under the Public Audit (Wales) Act 2004.

The Central South Consortium Joint Education Service Joint Committee financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial position of Central South Consortium Joint Education Service Joint Committee as at 31st March 2020 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Joint Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 4.1 of the financial statements, which describes the impact of material uncertainties disclosed in pension fund managers' year-end reports for pooled property funds managed on behalf of the RCT Local Government Pension Scheme. The Consortium has disclosed this material uncertainty and my audit opinion is not modified in respect of this matter.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Central South Consortium Joint Education Service Joint Committee ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The responsible financial officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Joint Committee and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
or
- I have not received all the information and explanations I require for my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Central South Consortium Joint Education Service Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, set out on page 10 and 11, the responsible financial officer is responsible for the preparation of the statement of accounts, Central South Consortium Joint Education Service Joint Committee, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Joint Committee's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Anthony J Barrett
For and on behalf of the Auditor General for Wales
XX September 2020

24 Cathedral Road
Cardiff
CF11 9LJ

Glossary of Terms

Accrual

An accrual is a sum shown in the accounts representing income or expenditure relating to the accounting period, which had not actually been received or paid as at the date of the Balance Sheet.

Actuary

An actuary is an individual or organisation that calculates insurance premiums and liabilities and pension obligations.

Audit

An audit is an independent examination of activities.

Budget

A budget (or estimate) is a plan of income and spending. Actual expenditure is subsequently monitored against this plan.

Capital Expenditure

Capital expenditure is spending on long-term assets. These are assets that will be used for several years in the provision of services and are items such as buildings, equipment and vehicles.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is responsible for issuing financial guidance to public bodies.

Creditor

A creditor is an organisation/individual owed money by the Council at the end of the financial year for goods/services received.

Current Assets

These are short-term assets that are available for the Council to use in the following accounting period.

Current Liabilities

These are short-term liabilities that are due for payment by the Council in the following accounting period.

Debtor

A debtor is an organisation/individual who owes the Council money at the end of the financial year for goods/services received.

Defined Benefit Scheme

A defined benefit pension scheme is one that bases retirement benefits upon Career Average Re-valued Earnings.

Defined Contribution Scheme

A defined contribution scheme is a type of retirement plan in which the amount of the employer's annual contribution is specified. Benefits are based on the amounts credited to these accounts (through employer

contributions and, if applicable, employee contributions) plus any investment earnings. Only employer contributions to the account are guaranteed, not the future benefits.

Depreciation

Depreciation is the estimated loss in value of tangible long-term assets that are presented in the Balance Sheet.

Earmarked Reserves

These are reserves set aside for a specific purpose.

Financial Year

This is the accounting period. For local authorities it starts on 1st April and finishes on 31st March of the following year.

HMRC

Her Majesty's Revenue and Customs.

International Accounting Standard (IAS)

Financial Regulations to be followed as set by the International Accounting Standards Board (IASB).

International Financial Reporting Standards (IFRS)

International Financial Reporting Standards are produced by the IASB (International Accounting Standards Board) with the aim of ensuring consistency within the countries adopting the standards.

Inventories

Inventories are raw materials purchased for day-to-day use. The value of these items that have not been used at the end of the financial year are shown as current assets in the Balance Sheet.

Leasing

This is a method of financing expenditure by paying the owner to use property or equipment for a number of years.

Lessee

User or renter of the leased asset or property. In case of capital leases, the lessee is also the 'debtor' to the lessor.

Lessor

Owner or the title holder of the leased asset or property. The lessor is also the lender and secured party in case of capital leases and operating leases.

Liability

A liability is an obligation to transfer economic benefits as a result of past transactions or events.

Long-Term Asset

These are assets that are used in the provision of services (usually for more than one year).

Net Realisable Value

The selling price of an asset, reduced by the relevant (direct) cost of selling it.

Operating Leases

These are leases where risks of ownership of the asset remain with the owner.

Post Balance Sheet Events

Post Balance Sheet items are those that arise after the Balance Sheet date. These are items that did not exist at the time the Balance Sheet was prepared but should be disclosed if they are relevant to the understanding of the accounts.

Projected Unit Method

An actuarial method of calculating the liabilities of a pension scheme which allows for projected future increases in pensionable pay up to retirement or date of leaving service.

Provision

A provision is an obligation to transfer economic benefits as a result of past events where a reliable estimate can be made of the obligation, but the amount or timing of which cannot yet be determined accurately.

Related Party

A related party exists where there is control or influence by one party over another.

Strain on Funds

When an employee retires early and is immediately paid a pension, without actuarial reduction, the lost contribution income and interest cost arising from the associated earlier increased cash flow is referred to as pension strain cost. The pension strain cost is determined by actuarial calculation.

Welsh Government (WG)

The Welsh Government is the devolved Government for Wales. The Welsh Government consists of the First Minister, Welsh Ministers, the Counsel General and Deputy Ministers. They are supported by Civil Servants who work across devolved areas of public life such as health, education and the environment.

Appendix 2

Date/Dyddiad:
14th September 2020

Please ask for/Gofynnwch am:
Barrie Davies
(01443) 424026

Auditor General for Wales
24 Cathedral Road
Cardiff
CF11 9LJ

Dear Adrian,

Representations regarding the 2019/20 Central South Consortium – Joint Education Service Joint Committee Financial Statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of the Central South Consortium – Joint Education Service for the year ended 31st March 2020 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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

In addition we have completed the questionnaires (Appendix A) provided to us regarding;

- ISA240 The auditor's responsibilities relating to fraud in an audit of financial statements
- ISA250 Consideration of laws and regulations in an audit of financial statements
- ISA550 Related parties

Management Representations

Responsibilities:

We have fulfilled our responsibilities for the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20; in particular the financial statements give a true and fair view in accordance therewith.

We have fulfilled our responsibilities for the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information Provided:

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Central South Consortium – Joint Education Service Joint Committee and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware.
- Any other matters that the auditor may consider necessary.

Financial Statement representations:

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

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

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

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

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

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

Representations by Central South Consortium – Joint Education Service Joint Committee:

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for ensuring that the Joint Committee maintains adequate accounting records.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Central South Consortium – Joint Education Service Joint Committee on 14th September 2020.

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

We have disclosed the identity of all related parties and all the related party relationships and transactions of which we are aware.

Signed by

S.151 Officer

Chair of Joint Committee

Date

Date

Appendix A

Matters in relation to fraud

International Standard for Auditing (UK and Ireland) 240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance', which for CSC is the Joint Committee. Management, with the oversight of the Joint Committee, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets (cash, property, etc); or
- the intentional manipulation or misstatement of the financial statements.

We also need to understand how the Joint Committee exercises oversight of management's processes. We are also required to make enquiries of both management and the Joint Committee as to their knowledge of any actual, suspected or alleged fraud. for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

Enquiries of management - in relation to fraud	
Question	2019-20 Response
1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?	<p>Good governance flows from a shared ethos and culture, as well as from systems and structures. The Central South Consortium Joint Education Service Joint Committee expects all representatives (i.e. Members and Officers) to conduct their duties with the highest levels of honesty and integrity.</p> <p>Policies underpin the culture in place and the Regional Internal Audit Shared Service test compliance with relevant Policies linked to the core financial systems (in line with the approved Annual Audit Plan).</p> <p>To ensure a consistent approach to working practices and processes, all officers are subject to the terms and conditions of employment (which are based on Rhondda Cynon Taf County Borough Council's operating terms and conditions) including:</p> <p>Codes and Protocols</p> <ul style="list-style-type: none"> • Members' Code of Conduct • Protocol Standard of Conduct to be followed by Members • Officers' Code of Conduct • Protocol for Member/Officer Relations <p>Policies & Procedures</p> <ul style="list-style-type: none"> • Financial Procedure Rules • Contract Procedure Rules • Financial Management of Schools • Human Resources policies • Anti-Fraud, Bribery & Corruption Strategy • Whistleblowing Policy • Gifts and Hospitality Policy <p>Where Members and/or Officers do not undertake their duties in accordance with the expected standards then governance arrangements are in place within the Consortium to manage this process in an equitable, fair and transparent manner.</p> <p>Taking all of the above into account, our assessment of the risk of fraud arising and having a material impact on the financial statements is considered to be low.</p>

<p>2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?</p>	<p>The governance arrangements in place within the Consortium help in the prevention and detection of fraudulent and/or improper activities. These include:</p> <ul style="list-style-type: none"> • Financial & Contract Procedure Rules • Systems of Internal Control • Recruitment Policies • Whistleblowing Policy. • Local procedures within the Consortium, for example, authorisation arrangements and quality assurance processes • An independent Internal Audit Service <p>The Anti-Fraud, Bribery & Corruption Strategy provides a clear path for raising concerns and facilitating 'tip-offs', and the fraud response arrangements outlined enables such information or allegations to be properly dealt with and reported.</p> <p>The Whistleblowing Policy also gives advice on how to raise a concern, as well as providing information on the safeguards and support that are available to those who raise concerns.</p> <p>Given the governance arrangements in place, management can give assurance that there are no material misstatements.</p>
<p>3. What arrangements are in place to report fraud issues and risks to the Audit Committee?</p>	<p>Rhondda Cynon Taf County Borough Council, the host authority, along with the Consortium are resolute in their determination to maintain a reputation not to tolerate fraud, bribery, corruption or abuse of position for personal gain, wherever it may be found in any area of Council or Joint Committee activity.</p> <p><u>Arrangements in place to report fraud issues</u></p> <p><u>Whistleblowing</u></p> <p>A copy of the Council's Whistleblowing Policy & Procedure was reported to the Council's Audit Committee at its meeting held on the <u>31st October 2016</u>.</p> <p>The purpose of the Policy is to provide a means by which complaints of malpractice or wrongdoing can be raised by those who feel that other avenues for raising such issues are inappropriate. The Policy confirms that so far as possible, those raising concerns under the Policy will be treated confidentially.</p> <p>Workers are encouraged to report any concerns they have via the Host's <u>Whistleblowing webpage "Get Involved"</u>.</p> <p><u>Anti-Fraud, Bribery & Corruption Strategy</u></p> <p>The purpose of the Strategy is to communicate the Host's main principles for countering fraud, bribery and corruption. It sets out the:</p> <ul style="list-style-type: none"> • Council's zero tolerance approach against fraud, bribery & corruption; • Reporting avenues for suspected irregularities;

	<ul style="list-style-type: none"> • Resources that are in place to support a counter fraud, bribery & corruption culture; and • Governance arrangements in respect of reporting to Audit Committee. <p>In the Host's <u>Report It</u> section of the website, instructions for those who wish to raise anti-fraud, bribery or corruption concerns are provided along with the means to complete an on-line form.</p> <p><u>Arrangements in place to report to Audit Committee:</u></p> <p>On 20th July 2020, the Audit Committee were presented with a progress report on anti-fraud work undertaken during 2019/20, together with a proposed workplan for 2020/21. This helps to ensure the Council continues to operate within an effective anti-fraud culture across the organisation, with resilient preventative measures capable of identifying and addressing new threats. On 20th July 2020, the Audit Committee were also presented with updates on whistleblowing activity during 2019/20 concluding that arrangements are appropriate. Both these reports apply to the Consortium.</p> <p>Also, at the 19th December 2019 Audit Committee it was reported that the Whistleblowing Policy is highlighted at both staff and manager induction, payslip inserts distributed and posters have been circulated. In addition, a targeted fraud awareness training plan has been produced for employees and Members.</p> <p>Related information is also included under question 5 'Enquiries of management - in relation to fraud'.</p>
<p>4. How has management communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?</p>	<p><u>Defined standards of behaviour for officers</u></p> <p>The Consortium has a number of recruitment and selection Policies in place that help ensure new recruits have the integrity and ethical values that the organisation expects and also the competencies to undertake the duties required of them.</p> <p>Employees have contracts of employment and competency based job descriptions which set out grade, roles and responsibilities. The Human Resources Service of the host authority oversees terms and conditions of employment and a suite of policies and procedures are available on the internal Intranet for officers to access.</p> <p>Each new recruit has access to the 'Basic Rules' booklet as well as the Consortium's Staff Handbook (replacing Consortiums HR Charter from September 2019) that gives each employee information in respect of (amongst other things) expected behaviour, use of social media, appearance and attendance. The expectations of each employee are set out from the outset.</p>

	<p>Ethical Values: employees – the Host Authority describes what excellent behaviour looks like for each type of job and these apply to the Consortium’s employees, for example, ‘always treat people with respect’, and this information is used to test candidates suitability for jobs at interview and is used to inform discussions managers have with their staff as part of their development.</p>
<p>5. Are you aware of any instances of actual, suspected or alleged fraud within the audited body since 1 April 2019?</p>	<p>No instances of fraud relating to the financial management of the Joint Committee were reported to and / or investigated by Internal Audit during 2019/20.</p> <p>In addition, no instances of fraud relating to the financial management of the Joint Committee were reported / identified via the Anti-Fraud, Bribery and Corruption Policy and Procedure and/or Whistleblowing Policy during 2019/20.</p>

Enquiries of those charged with governance – in relation to fraud	
Question	2019-20 Response
<p>1. How does the Joint Committee exercise oversight of management's processes for identifying and responding to the risks of fraud within the audited body and the internal control that management has established to mitigate those risks?</p>	<p>On the 20th April 2015 all parties entered into and signed a revised legal agreement which superseded all previous legal agreements between the Partners. This agreement consolidated the legal arrangements relevant to the Central South Consortium into one Agreement.</p> <p>The Legal Agreement for the Joint Education Service provides the governance framework within which the Service operates and allocates responsibility and accountability, as follows:</p> <ul style="list-style-type: none"> • The Host Authority; • The Directors' Steering Group; • The Advisory Board; • Operational Management Group; • Central South Consortium Joint Education Committee; and • Financial Management
<p>2. Are you aware of any instances of actual, suspected or alleged fraud with the audited body since 1 April 2019?</p>	<p>The governance arrangements in place within the Consortium help in the prevention and detection of fraudulent and/or improper activities. These include:</p> <ul style="list-style-type: none"> • Financial & Contract Procedure Rules • Systems of Internal Control • Recruitment Policies • Whistleblowing Policy. • Local procedures within the Consortium, for example, authorisation arrangements and quality assurance processes • An independent Internal Audit Service <p>The Anti-Fraud, Bribery & Corruption Strategy provides a clear path for raising concerns and facilitating 'tip-offs', and the fraud response arrangements outlined enables such information or allegations to be properly dealt with and reported.</p> <p>The Whistleblowing Policy also gives advice on how to raise a concern, as well as providing information on the safeguards and support that are available to those who raise concerns.</p> <p>Given the governance arrangements in place, management can give assurance that there are no material misstatements.</p>

Enquiries of those charged with governance – in relation to fraud

Question	2019-20 Response
	<p>No instances of fraud relating to the financial management of the Joint Committee were reported to and / or investigated by Internal Audit during 2019/20.</p> <p>In addition, no instances of fraud relating to the financial management of the Joint Committee were reported / identified via the Anti-Fraud, Bribery and Corruption Policy and Procedure and/or Whistleblowing Policy during 2019/20.</p>

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance (the Joint Committee), is responsible for ensuring that CSEC's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management and the Joint Committee as to whether CSEC is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Enquiries of management – in relation to laws and regulations	
Question	2019-20 Response
1. How have you gained assurance that all relevant laws and regulations have been complied with?	The accounts are prepared in accordance with the Accounts & Audit Regulations.
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1 April 2019, or earlier with an ongoing impact on the 2019-20 financial statements?	There are no instances of non-compliance with relevant laws and regulations. The Joint Committee receives assurance on this from the appointed External Auditor.
3. Are there any potential litigations or claims that would affect the financial statements?	Any potential litigations and/or claims are accounted for in accordance with the Code of Practice and where appropriate, disclosed in the letter of representation.
4. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	There are no reports from regulatory bodies which indicate non-compliance.

Enquiries of those charged with governance – in relation to laws and regulations

Question	2019-20 Response
1. How does the Joint Committee, in its role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?	Constituent Local Authority's make appointment of elected member for representation on Joint Committee. Full Council (Rhondda Cynon Taff CBC) ratifies the appointment of the Section 151 Officer and the Council's Monitoring Officer, whose roles are defined by statute and referenced within the Constitution. The Joint Committee receives assurance from the appointed External Auditor.
2. Are you aware of any instances of non-compliance with relevant laws and regulations?	There are no instances of non-compliance with relevant laws and regulations. The Joint Committee receives assurance on this from the appointed External Auditor

Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Enquiries of management – in relation to related parties	
Question	2019-20 Response
<p>1. Confirm that you have disclosed to the auditor:</p> <ul style="list-style-type: none"> the identity of any related parties, including changes from the prior period; the nature of the relationships with these related parties; details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions. 	<p>Related party transactions are disclosed within the notes to the statement of accounts in accordance with the Code of Practice on Local Authority Accounting</p>
<p>2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>Related party transactions are disclosed within the notes to the statement of accounts in accordance with the Code of Practice on Local Authority Accounting.</p> <p>Additional Controls in place include:</p> <ul style="list-style-type: none"> Gifts & Hospitality Policy Contract Procedure Rules The Anti-Fraud, Bribery & Corruption Strategy

Enquiries of the those charged with governance – in relation to related parties

Question	2019-20 Response
1. How does the Joint Committee, in its role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?	Related party transactions are disclosed within the notes to the statement of accounts in accordance with the Code of Practice on Local Authority Accounting. Additional Controls in place include: <ul style="list-style-type: none">• Gifts & Hospitality Policy• Contract Procedure Rules• The Anti-Fraud, Bribery & Corruption Strategy• Declarations of Interest at each committee are asked for as a standard agenda item.

2020 Audit Plan – Central South Consortium Joint Education Service Joint Committee

Audit year: 2019-20

Date issued: July 2020

Document reference: 1899A2020-21

This document has been prepared as part of work performed in accordance with statutory functions.

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or, where applicable, the auditor acting on behalf of the Auditor General, in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, the Wales Audit Office and, where applicable, the auditor acting on behalf of the Auditor General are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

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.

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2020 Audit Plan

Our duties

- 1 We complete work each year to meet the following duties.

Audit of financial statements

- 2 Each year we audit the Central South Consortium Joint Education Service Joint Committee (Central South Consortium)'s financial statements to make sure that public money is being properly accounted for.

Impact of COVID-19

- 3 The COVID-19 national emergency has had an unprecedented impact on the UK and will significantly impact on audited bodies' preparation of the 2019-20 accounts and our audit work.
- 4 Due to the UK Government's restrictions on movement and anticipated sickness absence levels, we understand that many bodies will not be able to prepare accounts in line with statutory timetables.
- 5 Alongside the delivery of the Auditor General's statutory responsibilities, our priority is to ensure the health, safety and well-being of Audit Wales staff, their families and those of our partners elsewhere in the public service at this incredibly challenging time.
- 6 In response to the government advice and subsequent restrictions, we have ceased on all on site work at audited bodies and our own offices. Audit Wales staff are working from home and we will continue to make whatever progress we can whilst working and engaging with you remotely.
- 7 We commit to ensuring that our audit work will not have a detrimental impact on you at a time when public bodies are stretched and focused on more important matters.

Audit of financial statements

- 8 It is my responsibility to issue a certificate and report on the financial statements which includes an opinion on their 'truth and fairness':
 - we plan to give an opinion on the Central South Consortium's financial statements.
 - assess whether the Central South Consortium's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. We also review whether they were consistent with the financial statements prepared by the Central South Consortium and with our knowledge of the Central South Consortium.

- 9 In addition to our responsibilities for auditing the Consortium’s financial statements, we also have responsibility for responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary).
- 10 There have been no limitations imposed on me in planning the scope of this audit.
- 11 Further information about our work is provided in our Statement of Responsibilities, which is available on our website (www.audit.wales).

Financial Statement Audit Risks

- 12 The following table sets out the significant risks I have identified for the audit of the Central South Consortium.

Exhibit 1: financial statement audit risks

This table summarises the key financial statement audit risks identified at the planning stage of the audit

Audit risk	Proposed audit response
Significant risks	
<p>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 240.31-33].</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; and • evaluate the rationale for any significant transactions outside the normal course of business.
<p>There have been a number of changes in senior leadership at Central South Consortium during 2019-20. Given the sensitive nature of the senior officer remuneration disclosures, there is an increased risk that the disclosures will not be in line with the CIPFA Code of Practice.</p>	<p>My audit team will review that the disclosures are complete and accurate, in line with the relevant guidance.</p>

Audit risk	Proposed audit response
Significant risks	
<p>The impact of COVID-19 on the Consortium The COVID-19 national emergency is likely to have a significant impact on the Consortium and its accounts preparation process.</p>	<p>We will adopt a greater focus on the financial statements closing process (including journals and other adjustments) and the overall presentation of the financial statements (including whether adequate disclosures have been made).</p>
<p>Potential risks include:</p> <p>Increased Use of Estimates Due to the UK lockdown, bodies may be required to use more estimations in their accounts than in previous years.</p> <p>Pensions Valuations Due to significant movements in investments markets, there are concerns over whether valuations provided by actuaries will be acceptable.</p> <p>Subsequent Events As the reporting deadlines may be later than in previous years, this increases the period for events occurring between the date of the financial statements and the date of the auditor's report.</p>	<p>Addressing the potential risks identified:</p> <p>Increased Use of Estimates We will ensure that appropriate changes have been made to recognise any enhanced uncertainty in the calculation of accounting estimates. We will discuss with you the key assumptions and evidence bases underlying any significant estimates, we will consider whether those assumptions are appropriate and will do this at an early stage.</p> <p>Pensions Valuations We will review the IAS 19 reports provided by the actuary and will use our consulting actuary's assessment of the methodology and assumptions used by the actuary to provide data for IAS 19 disclosures and discuss any concerns with you at an early stage.</p> <p>Subsequent Events We will extend the period of review of subsequent events to identify any material subsequent events related to COVID-19. Although we expect the consequences of COVID-19 to be non-adjusting post-balance sheet events, we will consider whether any events have been appropriately addressed and disclosed in the financial statements in accordance with the financial reporting framework.</p>

Audit risk	Proposed audit response
Significant risks	
<p>Provision of Evidence We must continue to undertake our audit work in accordance with auditing standards.</p>	<p>Provision of Evidence We will continue to seek to obtain sufficient audit evidence, as required to form an unqualified audit opinion of the financial statements. We will seek to be pragmatic about the timely provision of information and evidence and sympathetic in our verbal and written communication and reporting on issues brought about by current events.</p>

Fee, audit team and timetable

- 13 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided in accordance with a timescale to be agreed taking into consideration the COVID-19 national emergency, to the quality expected and have been subject to a robust quality assurance review;
 - information provided to support the financial statements is in accordance with the agreed audit deliverables document;
 - appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;
 - all appropriate officials will be available during the audit;
 - you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me;
 - Internal Audit’s planned programme of work is complete, and management has responded to issues that may have affected the financial statements; and
 - set out the extent to which you intend to rely on Internal Audit’s work and where reliance is to be placed on the work of other auditors, specialists, etc.
- 14 If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee

- 15 Your estimated fee for 2020 is set out in **Exhibit 2**. There have been some small changes to my fees rates for 2019, however my audit teams will continue to drive efficiency in their audits to ensure any resulting increases will not be passed to you. There is no change in comparison to your actual 2019 fee.

Exhibit 2: audit fee

This table sets out the proposed audit fee for 2020, by area of audit work, alongside the actual audit fee for last year

Audit area	Proposed fee (£) ¹	Actual fee last year (£)
Audit of accounts ²	17,570	17,570

- 16 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 Central South Consortium.
- 17 Further information on my [fee scales and fee setting](#) can be found on our website.

Audit team

- 18 The main members of my team, together with their contact details, are summarised in **Exhibit 3**.
- 19 I can confirm that my team members are all independent of Central South Consortium and your officers. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.

¹ Notes: The fees shown in this document are exclusive of VAT, which is not charged to you

² Payable November 2019 to October 2020

Exhibit 3: my audit team

This table lists the members of the local audit team and their contact details.

Name	Role	Contact number	E-mail address
Richard Harries	Engagement Lead	02920 320636	richard.harries@audit.wales
Mike Jones	Audit Manager	02920 320649	mike.jones@audit.wales
Anwen Worthy	Audit Lead	02920 320629	anwen.worthy@audit.wales

Timetable

- 20 We are aware that there may be difficulties in meeting the accounts preparation and publication dates set by the Accounts and Audit (Wales) Regulations 2014. Welsh Government have indicated that the Regulations will not be amended as they already provide sufficient flexibility to deal with any delays resulting from COVID-19.
- 21 The Regulations require the publication of a notice where a body does not expect to meet the dates specified by the Regulations. **Annexes A and B** provide further detail of the regulations, and example notices that the Consortium may wish to consider using.
- 22 The requirements for the exercise of electors' rights under the Public Audit (Wales) Act 2004 continue to apply. This presents practical difficulties while lockdown restrictions still apply, for example in relation to public access to the body's accounting records.
- 23 The audit team will discuss with you an appropriate timetable for public inspection when we have a clear idea of when the accounts will be available and when lockdown restrictions have been sufficiently relaxed. The audit team will then issue an audit notice setting out the appointed date. This may mean that there is a delay before we can issue our audit opinion.
- 24 We will continue to discuss any amendments to the timetable for the production and audit of accounts with you, and we will continue to work as flexibly as we can. It will be vital to continue this engagement over the next few months, against what will doubtless be a fast-changing backdrop.

- 25 Our ability to meet revised audit completion dates will mainly depend on:
- the extent to which remote working and auditing are possible whilst the current lockdown restrictions are in place;
 - the quality of the draft accounts and supporting working papers provided to us;
 - the continued availability of consortium and host body officers to respond promptly to audit queries (in light of the potential pressures such as sickness absences and caring responsibilities);
 - the continued availability of Audit Wales staff to conduct the audit work; and
 - the ability of those charged with governance to convene (ie on a virtual basis) to approve accounts.
- 26 We will continue to monitor these factors in the coming weeks and will explore options to overcome any potential barriers to the timely completion of the audit. We will keep your team fully updated with any developments.

Annex A: Requirements of the Accounts and Audit (Wales) Regulations 2014

You may be aware that in England, the Local Government Secretary, Robert Jenrick MP, announced that the deadline for preparation of local government accounts will be extended to 31 August 2020 and publication of audited accounts to 30 November.

Audit Wales discussed this development with Welsh Government officials to establish if a similar announcement will be made for Wales. The Welsh Government position (as communicated to local government bodies) is currently as set out below.

Statutory requirements

The statutory position for local government bodies in Wales is set out in the Accounts and Audit (Wales) Regulations 2014 (as amended).

Welsh Government interpretation

Regulation 10 sets out the expected timetable for the preparation, approval and audit of the annual accounts. Due to the impact of COVID-19, Welsh Government recognises that it may not be possible for all local government bodies to meet this timetable. Regulation 10(4) provides local government bodies with sufficient flexibility to deal with delays caused by COVID-19. Its guidance on the Regulations, notes that:

‘Where, extraordinarily, certification cannot happen before [31 May/15 June], action needs to be taken to publish a statement that clearly sets out the reasons why this has not happened before that date and agree a course of action to ensure this is done as soon as is practicable after [31 May/15 June].’

The guidance also notes that the accounts should be published by 31 July/15 September even if the accounts have not been approved.

On the basis that sufficient flexibility is built into the current Regulations, Welsh Government does not consider it necessary to amend the Regulations.

Audit Wales view and impact on the audit process

Audit Wales concurs with the Welsh Government assessment that sufficient flexibility already exists in the Regulations.

In the event that the accounts are not prepared by the statutory timetable, audited bodies should notify their audit team and publish a notice setting out there is a delay and the reason for the delay. Example wording is provided in **Annex B**.

Annex B: Accounts and Audit (Wales) Regulations 2014 – suggested notice

Audit notice where RFO unable to certify the accounts either due to illness or because the accounts have not been prepared

Regulation 10(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires that Responsible Financial Officer of the Central South Consortium Joint Education Service Joint Committee sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body's income and expenditure for that year. The Regulations required that this be completed by 15 June 2020.

The Responsible Financial Officer has not signed and certified the accounts for the year ended 31 March 2020. Due to the COVID-19 outbreak, the body has diverted resources to support key frontline services and the statement of accounts has not yet been prepared. The statement of accounts will be prepared, and the Responsible Financial Officer will sign and certify the statement of accounts when the immediate pressures of the COVID-19 outbreak have subsided.

Audit notice where RFO has certified the accounts but the audited body is not meeting and therefore unable to approve the accounts

Regulation 10(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires that Responsible Financial Officer of Central South Consortium Joint Education Service Joint Committee sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body's income and expenditure for that year. The Regulations required that this be completed by 15 June 2020.

[The Responsible Financial Officer signed and certified the accounts on [date].

Regulation 10(2) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires that following the certification by the Responsible Financial Officer referred to above, Central South Consortium Joint Education Service Joint Committee approve and publish the audited statement of accounts. The Regulations required that this be completed by 15 September 2020.

[Due to the COVID-19 outbreak, the statement of accounts has not yet been prepared.]

OR

[Due to the COVID-19 outbreak, Central South Consortium Joint Education Service Joint Committee has not met to approve the statement of accounts.]

OR

[Due to the COVID-19 outbreak, the audit of the 2019-20 statement of accounts has not yet been completed and no audit opinion has been provided. The statement of accounts that is published is the unaudited statement of accounts.]



Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500
Fax: 029 2032 0600
Textphone: 029 2032 0660

E-mail: info@audit.wales
Website: www.audit.wales

We welcome correspondence and
telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a
galwadau ffôn yn Gymraeg a Saesneg.

Audit of Accounts Report – Central South Consortium Joint Education Service Joint Committee

Audit year: 2019-20

Date issued: September 2020

Document reference: 1991A2020-21

This document has been prepared as part of work performed in accordance with statutory functions.

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Contents

We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

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Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2019-20 accounts in this report.
- 2 We have already discussed these issues with the relevant officers.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £1.569 million for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
 - Transactions with parties related to officers or members: £1,000
 - Senior officer remuneration: £1,000
- 6 We have now substantially completed this year's audit.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and, our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Impact of COVID-19 on this year's audit

- 8 The COVID-19 pandemic has had a significant impact on all aspects of our society and continues to do so. You are required by law to prepare accounts and it is of considerable testament to the commitment of your accounts team that you have succeeded in doing so this year in the face of the challenges posed by this pandemic. We are extremely grateful to the professionalism of the team in supporting us to complete our audit in such difficult circumstances.
- 9 The pandemic has unsurprisingly affected our audit and we summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

Exhibit 1 – impact of COVID-19 on this year’s audit

Timetable	<ul style="list-style-type: none">• We received the draft accounts on 15 June 2020.• Our deadline for completing our audit was changed from June 2020 to September 2020.• We expect your audit report to be signed in September 2020.
Electronic signatures	We are anticipating that electronic signatures will be used on the Statement of Joint Committee’s Responsibilities, the Certificate of the Director of Finance and Digital Services as Treasurer of the Joint Committee and our Report on the Audit of the Financial Statements.
Audit evidence	All audit evidence was received electronically, and all discussions with officers at the Consortium and the Host Authority were held via video conferencing.

- 10 We will be reviewing what we have learned for our audit process from the COVID-19 pandemic and whether there are innovative practices that we might adopt in the future to enhance that process.

Proposed audit opinion

- 11 We intend to issue an unqualified audit opinion on this year’s accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 12 We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 13 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 14 Our proposed audit report is set out in **Appendix 2**.
- 15 This audit report includes an emphasis of matter paragraph. The aim of this paragraph is to draw the attention of the reader of the accounts to Note 4.1 in the financial statements. This note includes reference to the material uncertainty clause disclosed in pension fund managers’ reports on pooled property funds managed on behalf of the RCT Local Government Pension Scheme. The total value of these funds as at 31 March 2020 is £209 million, of which £1.5 million (0.74%) is attributable to Central South Consortium. **The audit opinion is not modified in respect of this matter.**

Significant issues arising from the audit

Uncorrected misstatements

16 There are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

17 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

Other significant issues arising from the audit

18 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There is one issue we wish to bring to your attention this year as shown in **Exhibit 2**:

Exhibit 2 – significant issues arising from the audit

Declarations of Interests	<p>As part of our audit, we requested declarations of interests for all Joint Committee members and senior officers.</p> <p>This is to enable us to confirm that the declarations made in relation to related party transactions are complete and accurate.</p> <p>Whilst we are content with the declarations provided for senior officers, some of the declarations provided for Joint Committee members were completed in previous financial years (for example, during 2017).</p> <p>Although we understand that these declarations have been completed in line with the procedures in place at the relevant member bodies, we feel that the Joint Committee has a responsibility to ensure, through positive confirmations or new declarations, that the disclosures made in the Joint Committee's financial statements for the current financial year are complete and accurate.</p>	See recommendation 1
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Recommendations

- 19 The recommendations arising from our audit are set out in **Appendix 4**. Management has responded to them and we will follow up progress against them during next year's audit.

Appendix 1

Final Letter of Representation

Auditor General for Wales
Audit Wales
24 Cathedral Road
Cardiff
CF11 9LJ

14 September 2020

Representations regarding the 2019-20 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Central South Consortium Joint Education Service Joint Committee for the year ended 31 March 2020 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounts in the United Kingdom 2019-20; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and

- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- our knowledge of fraud or suspected fraud that we are aware of and that affects Central South Consortium Joint Education Service Joint Committee and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

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

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

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

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

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

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

Representations by Central South Consortium Joint Education Service Joint Committee

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for ensuring that the Joint Committee maintains adequate accounting records.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Central South Consortium Joint Education Service Joint Committee on 14 September 2020.

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

We have disclosed the identity of all related parties and all the related party relationships and transactions of which we are aware.

Signed by:

Signed by:

Section 151 Officer

Joint Committee Chair

Date:

Date:

Appendix 2

Proposed audit report

The independent auditor's report of the Auditor General for Wales to the members of Central South Consortium Joint Education Service Joint Committee

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Central South Consortium Joint Education Service Joint Committee for the year ended 31 March 2020 under the Public Audit (Wales) Act 2004.

Central South Consortium Joint Education Service Joint Committee's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial position of Central South Consortium Joint Education Service Joint Committee as at 31 March 2020 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the joint committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 4.1 of the financial statements, which describes the impact of material uncertainties disclosed in pension fund managers' year-end reports for pooled property funds managed on behalf of the RCT Local Government Pension Scheme. The Consortium has disclosed this material uncertainty and my audit opinion is not modified in respect of this matter.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the joint committee's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The responsible financial officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20; and

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the joint committee and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Central South Consortium Joint Education Service Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts the responsible financial officer is responsible for the preparation of the statement of accounts which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the joint committee's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Anthony J Barrett
For and on behalf of the Auditor General for Wales
[Date]

24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

Summary of corrections made

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

Exhibit 3: summary of corrections made

Value of correction	Nature of correction	Reason for correction
Narrative	Additional disclosure of material valuation uncertainty	Disclosure added to reflect the material valuation uncertainties given by pooled property fund managers due to COVID-19, which could impact on the valuation of CSC's net pensions liability.
£1,348,000	Adjustment of Total Reserves line in the Balance Sheet from £674,000 to (£674,000)	Total reserves on the Balance Sheet had been accidentally included as a positive entry rather than a negative entry in the draft accounts.
£33,000	Removal of transactions with Cardiff Metropolitan University from Note 8 Related Party Disclosures.	A declaration of interest was received after the draft accounts had been prepared for the individual who had previously declared an interest in Cardiff Metropolitan University. The declaration no longer included an interest in Cardiff Metropolitan University during 2019-20.
£22,000	Adjustments required to the disclosure of compensation for loss of office paid to the Temporary Senior Lead Teaching & Learning Experiences, including a Prior Period Adjustment.	The contract of the Temporary Senior Lead Teaching & Learning Experiences ended on 28 February 2019 by a mutual agreement with the Consortium. The agreement and related compensation for loss of office was

Value of correction	Nature of correction	Reason for correction
	<p>In the draft financial statements, the following disclosures were made for the Senior Lead:</p> <ul style="list-style-type: none"> • 2018-19 Salary £92,000 • 2019-20 Salary £16,000 <p>The amended disclosures will be as follows:</p> <ul style="list-style-type: none"> • 2018-19 Salary £86,000 • 2019-20 Compensation for Loss of Office £22,000 	<p>not finalised until after the completion and audit of the 2018-19 financial statements.</p> <p>In order to comply with the requirements of the Code of Practice on Local Authority Accounting, the disclosures for 2018-19 and 2019-20 have been amended so that the compensation for loss of office has been accounted for as an expense at the point it was accepted.</p>
Comparative figures	Addition of comparative figures to Note 10 Leases and Note 11 Long-Term Debtors	Under the Code of Practice on Local Authority Accounting bodies are required to present comparative figures for the previous year for all figures presented.
Narrative amendments	<p>Amendment of dates, cross-references, actuarial assumptions and narrative points.</p> <p>Addition of additional narrative to increase understandability.</p>	Various minor narrative corrections and additions to improve narrative accuracy and increase the understanding of users of the financial statements.

Appendix 4

Recommendations

We set out all the recommendations arising from our audit with management's response to them. We will follow up these next year and include any outstanding issues in next year's audit report.

Exhibit 4: matter arising 1

Matter arising 1 – Declarations of interest	
Findings	<p>As part of our audit, we requested declarations of interests for all Joint Committee members and senior officers.</p> <p>This is to enable us to confirm that the declarations made in relation to related party transactions are complete and accurate.</p> <p>Whilst we are content with the declarations provided for senior officers, some of the declarations provided for Joint Committee members were completed in previous financial years (for example, during 2017). Although we understand that these declarations have been completed in line with the procedures in place at the relevant member bodies, we feel that the Joint Committee has a responsibility to ensure, through positive confirmations or new declarations, that the disclosures made in the Joint Committee's financial statements for the current financial year are complete and accurate.</p>
Priority	Medium
Recommendation	<p>We recommend that Central South Consortium reviews its process for obtaining declarations of interest to support related party disclosures. This review should ensure that the Consortium is able to clearly identify all parties potentially related to its operations.</p> <p>This could involve Joint Committee members completing a separate declaration in relation to any interests relating to the Central South Consortium.</p>

Matter arising 1 – Declarations of interest

Benefits of implementing the recommendation	An improved declaration process should lead to increased transparency in the related party transactions disclosed, as well as allowing for appropriate segregations of duty to be put in place if conflicts of interest are identified.
Accepted in full by management	Yes
Management response	We will work with member local authorities to ensure the declarations of interest upon which related party disclosures are based upon are up to date.
Implementation date	Annual accounts 2020-21



Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



CENTRAL SOUTH CONSORTIUM REPORT FOR JOINT COMMITTEE

14TH SEPTEMBER 2020

JOINT EDUCATION SERVICE

REPORT OF THE TREASURER – 2020/21 BUDGET

Author: Stephanie Davies – Head of Finance: Education and Financial Reporting Tel. No. 01443 680560

1. PURPOSE OF REPORT

- 1.1 To seek the Joint Committee's approval for proposed budget virements to be made to the 2020/21 revenue budget.
- 1.2 To provide Members with an update of the projected outturn for 2020/21 (projected as at July 2020).
- 1.3 To provide Members with a summary of 2020/21 grant funding allocations.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note and approve the proposed budget virements within the 2020/21 budget.
- 2.2 Note the current outturn position for 2020/21.
- 2.3 Note the current grant position for 2020/21.

3. REVENUE BUDGET 2020/21

- 3.1 The 2020/21 revenue budget was agreed by Joint Committee on the 21st January 2020. Since this time, a number of proposed budget virements within categories of expenditure and income have been identified, informed by up dated service information, to more accurately reflect the actual costs to be incurred during the year. The overall effect of the

proposed virements would not impact upon the value of contributions from the constituent authorities and are shown in Table 1.

Table 1 – Proposed budget virements

Category	Original Budget 2020/21 £	Revised Budget 2020/21 £	Proposed Budget Virement £
Expenditure			
Employees	3,064,652	3,029,596	(35,056)
Premises	155,400	154,000	(1,400)
Transport	28,000	7,000	(21,000)
Supplies & Services	233,155	187,865	(45,290)
Commissioning	27,654	126,000	98,346
Support Services	114,566	114,566	0
Gross Expenditure	3,623,427	3,619,027	(4,400)
Income			
Local Authority Contributions	3,599,527	3,599,527	0
Grants & Other Income	23,900	19,500	4,400
Total Income	3,623,427	3,619,027	4,400
Net Expenditure	0	0	0

3.2 The main reasons for the proposed budget virements to the Original Budget set are as follows:

- Employees – revisions to the original employee budget to take account of the confirmed employer pension contribution rate for 2020/21 following completion of the 2019 Pension Fund Valuation and updated Challenge Adviser staffing costs for the year.
- Transport and Supplies & Services – the revised budget reflects a lower estimated expenditure requirement for the year due to the impact of COVID-19 (i.e. officers working from home and providing a range of support to schools remotely).
- Commissioning – the proposed revised budget reflects the realignment of estimated in-year savings from Employee, Transport and Supplies & Services areas, to enable the Commissioning budget to be increased to support commitments for the Local Authority Annexes.
- Grants and Other Income – the ‘Grants & Other Income’ budget has been revised to take account of the in-year loss of income in relation to external use of office space.

- 3.3 The Joint Committee is requested to approve the proposed budget virements, as set out in Table 1, to more accurately reflect the actual costs to be incurred during the year.

Budget Monitoring 2020/21

- 3.4 A summary of the revised budget, projected outturn for the full year (projected as at July 2020) and variances are presented in Table 2.

Table 2 – Projected outturn position 2020/21

Category	Revised Budget 2020/21 £	Projected Out-turn 2020/21 £	Variance (Under) / Over spend £
Expenditure			
Gross Employees	3,029,596	2,976,075	(53,521)
Net Employees	3,029,596	2,976,075	(53,521)
Premises			
Rent	153,250	153,250	0
Maintenance	150	150	0
Other	600	600	0
Total Premises Cost	154,000	154,000	0
Transport	7,000	6,902	(98)
Supplies & Services			
Continuing Professional Development / Staff Adverts	35,500	51,942	16,442
Licences / Mobile & Telephone Charges / Computer Costs – Hardware / Software	63,585	114,798	51,213
Photocopying / Postage / Advertising / Stationery / General Office Expenses	30,760	38,165	7,405
External Audit & Actuary Fee, Employer Liability & Public Liability Insurance	53,020	53,020	0
Communication Strategy	5,000	5,000	0

Category	Revised Budget 2020/21 £	Projected Out-turn 2020/21 £	Variance (Under) / Over spend £
Total Supplies & Services	187,865	262,925	75,060
Commissioning	126,000	125,580	(420)
Support Services	114,566	114,566	0
Gross Expenditure	3,619,027	3,640,048	21,021
Income			
Local Authority Contributions	3,599,527	3,599,527	0
Grants & Other Income	19,500	42,000	(22,500)
Total Income	3,619,027	3,641,527	(22,500)
Net Expenditure	0	(1,479)	(1,479)

3.5 The projected outturn position (projected as at July 2020) is a £1.5k underspend and reasons for key variances are set out below:

- Employees (£54k projected underspend) – due to in-year temporary staff vacancies forecasted to year-end.
- Supplies & Services (£75k projected overspend) – estimated additional one-off costs to enable investment in an Improvement Partners pilot project (staff training / accreditation and ICT hardware) to support the Consortium in developing further its school improvement capabilities.
- Income (projected to be £22.5k higher than budget) – in respect of unbudgeted income forecasted to be received in relation to administrative support to be provided to the Additional Learning Needs Transformational Team.

3.6 Members will be aware the Joint Committee at its 15th June 2020 meeting approved a £200k earmarked reserve to support the remodelling of the service over the medium term and £332k to support further school improvement activities, with both reserves included in the draft certified Statement of Accounts for 2019/20. For the purposes of this budget monitoring up date, both earmarked reserves are forecasted to be fully committed.

4. GRANT FUNDED SERVICE 2020/21

- 4.1 Table 3 sets out the 2020/21 grant allocations received by the Consortium from Welsh Government as at July 2020.

Table 3 – 2020/21 grant allocations

Grant	Total Grant	Retained to Fund National Priorities	Delegated to Schools/Local Authorities
	2020/21 £	2020/21 £	2020/21 £
Regional Consortia School Improvement Grant (including match funding)	45,621,010	5,876,618	39,744,392
Pupil Development Grant	34,093,962	222,757	33,871,205
Main	25,956,650	0	25,956,650
Early Years	5,584,400	0	5,584,400
Children Looked After	1,920,500	122,757	1,797,743
Education Other Than At School	277,150	0	277,150
PDG Consortia Led	255,262	0	255,262
Pupil Development Grant Adviser	100,000	100,000	0
Total	79,714,972	6,099,375	73,615,597

Regional Consortia School Improvement Grant 2020/21

- 4.2 For Members information, the total award of funding is £42,631,988 for the period 1st April 2020 to 31st March 2021 and is also subject to Local Authority match funding of £2,989,022 (equating to a total grant of £45,621,010 as per Table 3).
- 4.3 With specific regard to the Regional Consortia School Improvement Grant, funding will support the Consortium to deliver against Welsh Government national priorities for education, at the centre of which is a transformational curriculum and a focus on four key enabling objectives (the outcomes will be supported by a range of measures and key performance indicators, as outlined in the Consortium's Business Plan):
- Developing and delivering a high quality education profession;
 - Inspirational leaders working collaboratively to raise standards;
 - Strong and inclusive schools committed to excellence, equity and well-being; and
 - Robust assessment, evaluation and accountability arrangements supporting a self-improving system.

- 4.4 The Consortium has up dated its Grants Register to reflect the position set out in Table 3 and will continue to monitor expenditure to ensure the use and effectiveness of grants are maximised across the region.

5. CONCLUSIONS

- 5.1 Following the Joint Committee approving the 2020/21 revenue budget on the 21st January 2020, a number of proposed budget virements have been identified, informed by up dated service information, to more accurately reflect the actual costs to be incurred during the year.
- 5.2 The projected outturn position for the full year is a £1.5k underspend (projected as at July 2020) and the Consortium will continue to closely monitor and manage its resources and report up dates to Joint Committee throughout the year.
- 5.3 The 2020/21 Grants Register has been updated to reflect the current grant funding position.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

14th SEPTEMBER 2020

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Freestanding matter

Officer to Contact :

Stephanie Davies

Tel no. 01443 680560

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CENTRAL SOUTH CONSORTIUM

JOINT COMMITTEE REPORT

14TH SEPTEMBER 2020

CENTRAL SOUTH EDUCATION CONSORTIUM GRANTS

REPORT OF THE DIRECTORS OF EDUCATION

Author: Louise Blatchford, Deputy Managing Director

1. PURPOSE OF REPORT

- 1.1 To provide Members with an update on the grants to be received by the Consortium in 2020/21, for which notifications have been received, and the methods of allocation of each.

2. RECOMMENDATIONS

Directors to recommend the following to the Joint Committee;

- 2.1 Approve the distribution of grants as detailed in section 5 of this report.

3.0 BACKGROUND

- 3.1 As host authority Rhondda Cynon Taf will act as 'banker authority', and under the terms of the grant agreements will be responsible for accepting the terms and conditions of grant and putting in place arrangements to distribute the funding, as determined by the Joint Committee, within the Consortium.

4.0 METHOD OF APPORTIONMENT

- 4.1 The method of apportionment of each grant will vary depending on its nature, its intended recipients, its purposes and the associated terms and conditions.
- 4.2 For each grant the following process shall be adopted:
- The Consortium shall prepare a proposed method of distribution taking into account all relevant criteria.
 - The Director of Education (or equivalent) of each authority shall approve the basis of apportionment at the Executive Board of the Central South Joint Education Service. This will ensure appropriate and effective use of grant funding to target school improvement equitably across each of the five authorities areas
 - A report detailing the basis and reasons for the method adopted shall be presented to the Joint Committee for approval.
- 4.3 This report presents details of 2020/21 grants to the Joint Committee.

5.0 2020/21 GRANTS

Grant approval letter has been received detailing the grants coming into the Consortium. The Directors have agreed to maintain the LA disaggregation of the funding and to apply a common formula for the delegation of the LA funding to schools.

5.1 Regional Consortia School Improvement Grant 2020/21 – award dated 7th July 2020

The total of this award of funding is £42,631,988 over the period 1st April 2020 – 31st March 2021.

The Purpose of this funding is to support the regional consortium and the related authorities within the consortium in delivering Welsh Government aspirations and priorities for schools and education outlined within Ambitious and Learning from the national strategy, Prosperity for All, and the plan of action for education, Education in Wales:

Funding will support the CSC to deliver against Welsh Government national priorities for education, at the centre of which is a transformational curriculum and a focus on four key enabling objectives which will support;

- Developing and delivering a high quality education profession;
- Inspirational leaders working collaboratively to raise standards;
- Strong and inclusive schools committed to excellence, equity and well-being;
- Robust assessment, evaluation and accountability arrangements supporting a self-improving system.

The outcomes will be supported by a range of measures and key performance indicators, as outlined in the consortium business plan (the Application).

The Funding will be organised around the following pre-requisites and requirements:

Policy requirements and expectations

The expectations for each policy area will be agreed at the first regular meeting with Welsh Government and will be subject to review on a regular cycle thereafter on a mutually agreed reporting format with frequency of the cycle to be agreed.

Sustainability and citizen-focused

Initiatives supported by the grant must be sustainable, learner focused, and in line with the Well-being of Future Generations Act.

National Model for Regional Working

The expectations set out in the National Model for Regional Working guidance remain the same and should continue to be followed. The national model governance structures will also be used to monitor progress, including wherever appropriate to evidence the Funding requirements.

Joint consortia working

In line with the expectations set out in the National Model for Regional Working there is a requirement to work with regional consortia across Wales to maximise opportunities for sharing good practice and learning across all Education in Wales objectives, and especially those newer in development, such as wellbeing.

Supporting a self-improving system

Where appropriate, Consortia will facilitate, schools, Foundation Phase providers and PRUs' consideration of cluster models, and collaboration across the four consortia regions when determining the most effective use of the Funding to support the delivery of improved outcomes for learners

Equity of approach

Consortia must be able to demonstrate equity of approach across the consortium and its related authorities in delegating the Funding to schools.

Cluster working

Where appropriate consideration should be given to the facilitation of cluster models for schools, Foundation Phase providers and PRUs when determining the most effective use of funding in the support and delivery of improved outcomes for learners.

Challenge Advisers and School Development Plans

Consortia challenge advisers will provide support and challenge to schools to ensure their school development plans appropriately reflect their improvement journey and local priorities.

The total award of funding includes £2,224,249 for National Professional Learning for schools. In 2019/20 this funding line was allocated to schools via individual local authorities. For 2020/21 a £5M reduction to the all Wales budget has been applied by Welsh Government.

Grant Distribution

A detailed breakdown of the apportionment of the funding, in line with the approved CSC 2020/2021 Business Plan, can be found table 1 below.

Table 1 – Regional Consortia School Improvement Grant 2020/2021

Regional Consortia School Improvement Grant	2020 - 2021 Budget	
	£	%
Centrally retained funding		
Centrally retained funding including literacy and numeracy support, Welsh in Education and Foundation Phase provision	3,201,194	7.0%
Business Plan Activity	2,675,424	5.9%
	5,876,618	12.9%
Delegated funding to LAs & Schools		
Central South Wales Challenge Model	846,300	1.9%
Specific WG Priority Areas	492,009	1.1%
CSC Cluster Funding	875,000	1.9%
EIG Element for Schools / PRUs	34,916,488	76.5%
Professional Learning funding to schools	2,224,249	4.9%
Non Maintained settings - Foundation Phase	323,325	0.7%
Local authorities - administration of grant	67,021	0.1%
	39,744,392	87.1%
TOTAL GRANT (INCLUDING LA MATCH FUNDING)	45,621,010	
LA MATCH FUNDING	2,989,022	
TOTAL GRANT (EXCLUDING LA MATCH FUNDING)	42,631,988	

5.2 Pupil Development Grant t Grant 2020/21 – award dated 20th July 2020

The total award of funding for the Pupil Development Grant for the financial year 2020/2021 is £34,093,962 (£31,731,651 in 2019/2020).

From April 2020, the PDG has been allocated to support:-

- Learners who are eligible for free school meals (PLASC January 2019) and who are educated in maintained schools;
- Eligible learners who are singly-registered in pupil referral units (PRU's) and education other than at school (EOTAS);
- Eligible learners in early years settings where the Foundation Phase is delivered;
- Children Looked after (CLA), and former CLA who have been adopted from care or who are subject to a special guardianship or residence order aged 3-15
- Employment of PDG Strategic Adviser.

The total award of funding includes £255,262 for PDG Consortia Led Funding. On the 3rd July 2020 Directors of Education approved that the PDG Consortia Led funding should be delegated to local authorities to provide targeted support / fund activity at a local level.

The funding is weighted according to category and age of pupils, details of which can be found in the table below:-

	Level of funding per pupil £
PDG Pupils aged 5-15	1,150
EYPDG Pupils aged 3-4	1,150
EOTAS Pupils aged 5-15	1,150
EOTAS Pupils aged 3-4 to include Non maintained settings	1,150
PDG LAC Pupils aged 3-15	1,150

For 2020/21 the apportionment of funding is as follows:-

	PDG CLA	PDG Strategic Adviser	Delegated Directly to Schools	Centrally Retained LA Level for EOTAS, Non maintained settings & Consortia Led Funding	Total
	£	£	£	£	£
Bridgend	344,240	0	4,766,750	102,750	5,213,740
Cardiff	545,768	0	12,710,950	366,449	13,623,167
Merthyr Tydfil	131,687	0	2,081,500	49,096	2,262,283
RCT	466,010	0	8,723,900	167,803	9,357,713
Vale of Glam	275,538	0	3,067,050	37,214	3,379,802
CSC	122,757	100,000	0	0	222,757
Outside of Wales	34,500	0	0	0	34,500
TOTAL	1,920,500	100,000	31,350,150	723,312	34,093,962

CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE

14th September 2020

JOINT EDUCATION SERVICE

**REPORT OF THE MANAGING DIRECTOR – PROGRESS REPORT ISOS
IMPLEMENTATION PLAN**

Author: Clara Seery (Managing Director – Central South Consortium)

1. PURPOSE OF REPORT

- 1.1 To update members on the current position following the ISOS review of Central South Consortium and to acknowledge progress to date.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Review and accept the progress report

3. BACKGROUND

- 3.1 Members agreed to commission ISOS to undertake an independent review of the Consortium at their October 2018 Joint Consortium Committee meeting. The context to the review was the national changes to the education system and the financial pressures facing schools and Local Authorities.
- 3.2 As Members will be aware, at a national level Welsh Government is making many changes to the education system in Wales, with a new curriculum from Foundation Phase through to Key Stage 5, new accountability frameworks, new approaches to supporting children with Additional Learning Needs, the implementation of schools as learning organisations, the introduction of a National Academy for Educational Leadership (endorsing programmes which will in turn attract funding), the launch of a professional learning model (which will impact upon school to school programmes) as well as changes to the way in which Estyn will inspect schools and local authorities. These changes are being made with no direct increase in the funding available to schools and local authorities.
- 3.3 The review was therefore asked to consider the following questions:
- How well are we performing currently and how well do we understand our

own performance and strengths and challenges?

- Are there any other examples and work we can learn from in other consortium in Wales or other local education systems particularly around the development of a school led-system?
- Is the current model fit for purpose for the future taking into account WG planned changes to the education system?
- Is the model affordable over the next 3-5 years, with a likely continued period of austerity?
- What needs to change and how would you implement this change over the next 3-5 years?

3.4 The review was undertaken in two phases: an initial evidence gathering phase in November and December 2018 and further development and testing of proposals in February and March 2019. During the course of the review Isos have spoken to senior Consortium staff, LA representatives including Lead Members for Education, Chief Executives and Directors, over 20 Headteachers, 2 Governors, Trade Unions representing other school based staff, other Consortia in Wales and Welsh Government. A full list of interviewees is included in the final report from ISOS.

3.5 ISOS presented their final report to Chief Executives on the 29th April 2019. The rest of this report provides an overview of the ISOS findings and recommendations about the way forward.

4. SUMMARY OF ISOS FINDINGS AND RECOMMENDATIONS

4.1 The full ISOS report was presented to Joint Committee at previous meetings, where the main findings of the report were summarised and a detailed implementation plan was reviewed and accepted by Joint Committee in December 2019. The report also included a comprehensive overview of progress made to implementing the recommendations within the report.

5.0 PROGRESS TO DATE

Updates on progress are included within the implementation plan in Appendix A. Items of progress to note include:

- Managing Director appointed November 2019;
- Senior Management Team appointed
- Managing Director and or members of senior leadership team attended Local Authority headteacher meetings;
- A three year funding model has been agreed with Members and Chief Executives;
- Revised Central South Wales Challenge model communicated to schools as well as the expanded role of clusters to further strengthen school-to-school working;and
- Initial review of governance models

6.0 NEXT STEPS

Short term priorities include:

- Consult and agree a revised governance model;
- Implement the Business Plan 2020/21 and provide updates on progress to the next Joint Committee meeting; and
- Respond to COVID and national policy changes

7.0 CONCLUSION

7.1 It is acknowledged that progress has been achieved since the conclusion of the ISOS review

7.2 Working in partnership with the five local authorities, the Central South Consortium will be well placed to deliver school improvement functions effectively, and support schools to manage the major reforms across the region.

APPENDIX A: UPDATE ON THE ISOS REVIEW:

Plan Reference	Action	CSC Lead	LA Director Lead	Update August 2020
1.0	Decide the right organisational structure to drive forward the development of the self-improving system			
1.1	Undertake Independent Review and agree Organisational Structure	Managing Director	All	This review has been undertaken
1.2	Review CSC staffing structure in light of recommendations from ISOS	Managing Director / HR Director	Vale of Glamorgan	A new structure is being implemented in a phased way to ensure that we can meet the needs of the region considering the changes because of Covid and changes to accountability arrangements.
1.3	Review and agree proposals on changes to the Challenge Adviser structure / role	Managing Director & Senior Lead for Standards & Improvement Planning	Lead Director (Merthyr)	Although this was agreed, we need to review the role of the CA considering the changes to accountability. Interim model ready for implementation September 2020. To be agreed by directors in August. Will be reviewed

				considering WG accountability changes.
1.4	Review and agree proposals on the function and role of the Senior Challenge Adviser	Managing Director & Senior Lead for Standards & Improvement Planning	Lead Director (Merthyr) / RCT	Directors approved the JD and rejected changes to the current model. Completed May 2020.
2.0	Determine the future funding model for the next three years			
2.1	Agree with Members & Chief Executives a three-year funding model	Deputy Managing Director	Bridgend	Agreed
3.0	Strengthen the delivery arrangements in a number of areas:			
3.1	Renew and refresh the vision and strategy for regional working and re-communicate this extensively to schools and other partners (Including Members)	ALL	Lead Director (Merthyr) / Cardiff	Senior staff have attended HT briefings and CSC was represented at all meetings we were invited to during lock down. This is still an area for development to ensure that all HT, Members and

				<p>school staff are aware of the role and function of CSC</p> <p>Improved communications with schools, and cross regional consortia</p>
3.2	Implement the revised delivery model including the new role of clusters and strengthen further school-to-school working	Senior Lead for Curriculum Reform	RCT	CSWC model and funding for 2020-21 further refined in response to QA and evaluations. This was undertaken in discussion with Delegate HTs and CSC staff to ensure impact, value for money and appropriate capacity in all areas and appropriate QA processes – see CSWC paper February 2020. This was agreed by Directors
3.3	Review and revise the governance arrangements	Managing Director	Bridgend	This was cancelled due to Coved. However, we have new models available for JC in September

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By virtue of paragraph(s) 14 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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