

**CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE**

23RD MAY 2023

JOINT EDUCATION SERVICE

**REPORT OF THE TREASURER – DRAFT STATEMENT OF ACCOUNTS
2022/23 (INCORPORATING THE 2022/23 ANNUAL GOVERNANCE
STATEMENT) AND 2022/23 YEAR-END POSITION**

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1. PURPOSE OF REPORT

- 1.1 To provide Members with the Central South Consortium draft Statement of Accounts for 2022/23 (that incorporates the 2022/23 Annual Governance Statement) along with the draft outturn position for the year.
- 1.2 To seek Joint Committee's approval of the 2022/23 Annual Governance Statement for the Central South Consortium.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the draft Statement of Accounts for the Central South Consortium for the year-ending 31st March 2023 (Appendix 1) and the draft outturn position for the year (section 3 – Table 1).
- 2.2 Note the 2022/23 Earmarked Reserve year end position set out at section 4.
- 2.3 Approve the 2022/23 Annual Governance Statement as incorporated within the draft 2022/23 Statement of Accounts (pages 42-68 of Appendix 1).

3. STATEMENT OF ACCOUNTS 2022/23

- 3.1 The draft 2022/23 Statement of Accounts for the Central South Consortium is attached at Appendix 1 and requires certification by the Host Authority's Section 151 Officer (i.e. Rhondda Cynon Taf County Borough Council's Deputy Chief Executive and Group Director - Finance, Digital and Frontline Services).
- 3.2 The Accounts and Audit (Wales) (Amendment) Regulations 2018 require local authorities to produce and publish Statements of Accounts in line with laid down timescales. For the 2022/23 financial year (and on an on-going basis thereafter), these are as follows:
- The draft Statement of Accounts to be certified by 31st May following financial year-end; and
 - The audited Statement of Accounts to be approved by Joint Committee by 31st July following financial year-end.
- 3.3 I can confirm that arrangements are in place for the draft 2022/23 Statement of Accounts to be certified, subject to the Joint Committee approving the 2022/23 Annual Governance Statement at this meeting.
- 3.4 Discussions are ongoing between Central South Consortium, the host authority and Audit Wales regarding the timing of the audit of the 2022/23 Statement of Accounts. The Auditor General for Wales has written to all local government audited bodies advising of an extension to audit certification deadlines, for 2022/23 Statement of Accounts, to 30th November 2023. The revised deadline is due to delays with finalising 2021/22 audits (as a result of a technical issue regarding the valuation of local government infrastructure assets that has impacted on the whole of local government); the introduction of a revised auditing standard ISA315 (UK) "Identifying and Assessing the Risks of Material Misstatement"; and the need to prioritise Audit Wales resources.
- 3.5 The draft Statement of Accounts, at Appendix 1, incorporates the draft 2022/23 Annual Governance Statement. This document has been compiled in accordance with 'Delivering Good Governance in Local Government: Framework 2016' and been subject to review and challenge by the Consortium's Senior Management Team.
- 3.6 Based on the assessment undertaken, the delivery of the CSC's governance arrangements remained effective as evidenced through the comprehensive and timely updates provided to virtual Joint Committee

meetings during the year; on-going compliance with the requirements of the Legal Agreement; robust financial planning and management arrangements; and tailored provision to schools, in line with Welsh Government guidance, to ensure schools have been supported with their recovery from the pandemic.

- 3.7 With the above information in mind, the Joint Committee is requested to review and if deemed appropriate approve the draft 2022/23 Annual Governance Statement.
- 3.8 At its meeting of [13th December 2022](#), the Joint Committee authorised the lead Section 151 Officer to allocate any year-end underspend, after taking account of specific financial risks, to the existing Service Remodelling Earmarked Reserve to support the setting and delivery of balanced budgets over the medium term. As the year-end underspend has been allocated to Earmarked Reserves, the draft Statement of Accounts shows a nil out-turn, meaning that the General Fund balance remains at the same level as 1st April 2022 (£174k as at 31st March 2023). A summary of the draft 2022/23 outturn position is set out in Table 1.

Table 1 – Draft 2022/23 outturn position

	2022/23 £'000
Controllable Expenditure	
Employees	7,447
Premises	129
Transport	48
Supplies & Services	87,153
Third Party Payments	1,673
Support Services	170
	96,620
Controllable Income	
Local Authority Contributions	(3,625)
Grants & Other Income	(93,404)
	(97,029)
Net (Income) / Expenditure	(409)
Transfer to Earmarked Reserves	409
Net (Surplus) / Deficit After Transfer of Earmarked Reserves	0
General Fund Balances at 1st April 2022	(174)
General Fund Balances at 31st March 2023	(174)

4. EARMARKED RESERVES

- 4.1 At the Joint Committee meeting held on the 28th March 2023, Members were provided with an update in respect of approved Earmarked Reserves. As at 31st March 2023, there continues to be no spend allocated to the £200k reserve to support on-going service remodelling and medium-term planning. As detailed above, a further £409k has been allocated to the Service Remodelling Earmarked Reserve from in year underspends.

- 4.2 The revised total non-grant related Earmarked Reserve amounts to £609k and has been included within the Central South Consortium's draft Statement of Accounts for 2022/23.

LOCAL GOVERNMENT ACT 1972
AS AMENDED BY
THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

23RD MAY 2023

Report of the Joint Committee

Author: Stephanie Davies – Service Director – Finance Services

Item 7 - REPORT OF THE TREASURER – DRAFT STATEMENT OF ACCOUNTS 2022/23 (INCORPORATING THE 2022/23 ANNUAL GOVERNANCE STATEMENT) AND 2022/23 YEAR-END POSITION

List of background papers

Appendix 1 – Central South Consortium Draft Statement of Accounts 2022/23

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