

**Special Educational Needs Joint
Committee
(Gwynedd and Anglesey Councils)**

**STATEMENT OF
ACCOUNTS
2013/14**

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EXPLANATORY FOREWORD

Introduction

The Special Educational Needs (SEN) Joint Committee is a partnership between Gwynedd Council and the Isle of Anglesey County Council. It is responsible for the statutory work in the area of Special Educational Needs on behalf of the two Local Authorities' schools and client officers. Additionally, the Educational Psychology Service and Specialist Teachers Team for both Local Authorities are within the SEN Joint Committee. They advise schools and support pupils with special educational needs due to sight, hearing, autism, communication difficulties, language and physical or medical needs.

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

The Accounts consist of:-

- **Movement in Reserves Statement** – This statement shows the movement in year on the different reserves held by the Joint Committee, analysed into 'usable reserves' and 'unusable reserves'.
- **Comprehensive Income and Expenditure Statement** - This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. The income and expenditure has been split between Gwynedd Council (61.4%) and the Isle of Anglesey County Council (38.6%).
- **The Balance Sheet** - Sets out the financial position of the Joint Committee on 31 March 2014.
- **The Cash Flow Statement** - This statement summarises the flow of cash to and from the Joint Committee during 2013/14 for revenue and capital purposes.

These accounts are supported by this Foreword, the Accounting Policies and various notes to the accounts. The accounting policies adopted by the Joint Committee comply with all relevant recommended accounting practices and are fully explained in the Accounting Policies set out in Note 1 of the Accounts commencing on page 10.

Revenue Expenditure in 2013/14

- The Comprehensive Income and Expenditure Statement on page 7 shows that the Joint Committee's gross revenue expenditure was £1,090k during 2013/14, with the net position as (£109k). By reversing the Code's required technical adjustments through the Statement of Movement in Reserves, the true net increase is seen to be (£111k).
- The financial out-turn position for 2013/14 was reported to the Joint Committee at its meeting on 4 July 2014. Joint Committee Members approved the transfer of the £111k underspend to an earmarked reserve.
- The Movement in Reserves Statement and the Comprehensive Income and Expenditure Statement on page 6 and 7 detail the actual analysis in movements for the year.

TABLE I - Budget and Actual Comparison Summary (Net)

Table I provides a budgetary performance comparison.

	Budget	Actual	Variance
	£'000	£'000	£'000
Expenditure on Operations	1,200	1,088	(112)
Income			
Gwynedd Council Contribution	(731)	(731)	0
Anglesey County Council Contribution	(460)	(460)	0
Other Income	(9)	(8)	1
Net (Underspend)/Overspend	<u>0</u>	<u>(111)</u>	<u>(111)</u>

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

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

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

Accounting Policies

The accounting policies adopted on behalf of the Joint Committee comply with all relevant recommended accounting practices and are fully explained in the Accounting Policies set out in Note I of the Accounts commencing on page 10.

Changes in Accounting Policies and to the Statement of Accounts

There were no new policies introduced as part of the *Code of Practice on Local Authority Accounting in the United Kingdom* for 2013/14 which affects the Joint Committee’s accounts.

Further Information

The Statement of Accounts is available on Gwynedd Council’s website www.gwynedd.gov.uk.

Further information relating to the accounts is available from:

William E Jones
Senior Finance Manager
01286 679406

or

Caren Rees Jones
Central Accountancy Unit, Finance Department
01286 679134

Finance Department
Gwynedd Council
Council Offices
Caernarfon
Gwynedd
LL55 1SH

This is part of the Council's policy of providing full information relating to the Council and the Joint Committees' affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press at the appropriate time.

SPECIAL EDUCATIONAL NEEDS JOINT COMMITTEE

STATEMENT OF ACCOUNTS

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE JOINT COMMITTEE'S RESPONSIBILITIES

Gwynedd Council bears the responsibility for the arrangements and administration of the Joint Committee's financial affairs and the Responsible Financial Officer is the Head of Finance.

It is the Joint Committee's responsibility to manage its affairs to secure economic, efficient and effective use of its resources, to safeguard its assets, and to approve the Statement of Accounts.



19 September 2014

Councillor E. Caerwyn Roberts
Special Educational Needs Joint Committee Chairman

THE HEAD OF FINANCE'S RESPONSIBILITIES

The Head of Finance is responsible for the preparation of the Special Educational Needs Joint Committee Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ("the Code").

In preparing the statement of accounts, the Head of Finance has selected suitable accounting policies and then applied them consistently; has made judgements and estimates that were reasonable and prudent and complied with the Code of Practice.

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

RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE

I certify that the Statement of Accounts has been prepared in accordance with the arrangements set out above, and presents a true and fair view of the financial position of the Special Educational Needs Joint Committee at 31 March 2014 and its income and expenditure for the year then ended.



11 September 2014

Dafydd L. Edwards B.A., C.P.F.A., I.R.R.V.
Head of Finance, Gwynedd Council

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves'. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. The Net Increase /Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Joint Committee.

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

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – 2013/14

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

2012/13				2013/14		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
1,002	0	1,002	Employees	965	0	965
15	0	15	Property	25	0	25
46	0	46	Transport	51	0	51
35	0	35	Supplies and Services	49	0	49
0	(1,202)	(1,202)	Income	0	(1,199)	(1,199)
1,098	(1,202)	(104)	Cost of Services	1,090	(1,199)	(109)
0	0	0	Other Operating Expenditure	0	0	0
0	0	0	Financing and Investment Income and Expenditure	0	0	0
0	0	0	Taxation and non-specific grant income	0	0	0
1,098	(1,202)	(104)	(Surplus) / Deficit on Provision of Services	1,090	(1,199)	(109)

BALANCE SHEET – 31 MARCH 2014

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee.

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

CASH FLOW STATEMENT – 2013/14

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

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

*Cash flow position in line with Accounting Policy 1.3

NOTES TO THE ACCOUNTS

NOTE I – ACCOUNTING POLICIES

I.1 General Principles

The Statement of Accounts summarises the Joint Committee's transactions for the 2013/14 financial year and its position at the year-end of 31 March 2014. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2005, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2013/14* and the Service Reporting Code of Practice 2013/14, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued in the 2005 Act.

The nature of the Joint Committee's transactions is limited and only the relevant policies can be seen below.

I.2 Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

- Revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- Revenue from the provision of services is recognised when the Joint Committee can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet where such balances are considered material.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

I.3 Cash and Cash Equivalents

The Joint Committee does not have its own bank account and cash is administered by Gwynedd Council within its own accounts.

I.4 Contingent Assets

A contingent asset arises where an event has taken place that gives the Joint Committee a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Committee.

Contingent assets are not recognised in the Balance Sheet, but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential. The Joint Committee has no contingent assets.

I.5 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Joint Committee a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Committee. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet, but disclosed in a note to the accounts.

1.6 Employee Benefits

1.6.1 Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Joint Committee. Because of its materiality, the Joint Committee accounts does not include recognition regarding accumulated absences costs, however the sum is included as part of the host authority's accounts.

1.6.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Joint Committee to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. The Comprehensive Income and Expenditure Account will include the actual costs, but all other relevant transactions are included within the host authority's accounts.

1.6.3 Post Employment Benefits

Employees of the Joint Committee are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Westminster Government's Department for Education.
- The Local Government Pensions Scheme, administered by the Gwynedd Pension Fund at Gwynedd Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees when they worked for the Joint Committee. However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified to the Joint Committee. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payment of benefits is recognised in the Balance Sheet. The Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

1.6.4 The Local Government Pension Scheme

All other staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme. The pension costs charged to the Joint Committee's accounts in respect of this group of employees is determined by the fund administrators and represents a fixed proportion of employees' contributions to this funded pension scheme. See paragraph 1.13 below for more information.

1.6.5 Discretionary Benefits

The Joint Committee also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.7 Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect (where it is possible to estimate the cost).

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

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

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Committee's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.9 Government Grants and Other Contributions

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis, and recognised immediately in the relevant service line in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the Authority has not satisfied.

1.10 Overheads and Support Services

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

1.11 Reserves

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

1.12 Value Added Tax

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

1.13 Debtors and Creditors

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

1.14 Pensions

International Accounting Standard (IAS) 19 governs how the long term liabilities which exist in relation to pension costs should be reported. The Joint Committee's accounts includes payments that were made towards the officers' pensions during the year. The assets and liabilities relevant to the Joint Committee's officers are not identified, thus no liability has been included on the balance sheet for future benefit payments. The assets and liabilities relating to the Joint Committee have been included within the Host Authority's accounts.

1.15 Jointly Controlled Operations

Jointly controlled operations are activities undertaken in conjunction with other ventures that involve the use of assets and resources of the ventures rather than the establishment of a separate entity.

The SEN Joint Committee has been categorised as a Joint Controlled Operation.

NOTE 2 – CHANGE IN ACCOUNTING POLICY

No new policies were introduced which affect the treatment of the Joint Committee's accounts.

NOTE 3 – PRIOR PERIOD ADJUSTMENTS

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

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

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

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

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

Effect of the adjustment on the Balance Sheet 2012/13

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

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

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

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

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

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

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

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

a) Summary Table :

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

b) Accumulated Absences Table :

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

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

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

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

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

IFRS 10 - Consolidated Financial Statements (May 2011)

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

IFRS 11 - Joint Arrangements (May 2011)

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

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

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

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

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

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

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

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

NOTE 5 – CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

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

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

NOTE 7 – MATERIAL ITEMS OF INCOME AND EXPENSE

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

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

NOTE 8 – EVENTS AFTER THE BALANCE SHEET DATE

There are no known events after the balance sheet date.

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

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

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

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

NOTE 10 – TRANSFERS TO/FROM EARMARKED RESERVES

The note below sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans.

Earmarked Reserves

	SEN Joint Committee Reserve £'000
Balance 31 March 2012	72
<u>Transfers:</u>	
Between Reserves	0
In	94
Out	0
Balance 31 March 2013	166
<u>Transfers:</u>	
Between Reserves	0
In	111
Out	0
Balance 31 March 2014	277

NOTE 11 – SHORT-TERM DEBTORS

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

NOTE 12 – SHORT-TERM CREDITORS

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

NOTE 13 – UNUSABLE RESERVES

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

Accumulated Absences Account

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

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

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

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

NOTE 15 – EXTERNAL AUDIT COSTS

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

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

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

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

NOTE 16 – RELATED PARTIES

The Joint Committee is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Joint Committee or to be controlled or influenced by the Joint Committee. Disclosure of these transactions allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party’s ability to bargain freely with the Joint Committee.

Members

Members of the Joint Committee have an influence over the Joint Committee’s financial and operating policies.

Members have declared an interest or relationship (as defined) in companies or businesses which may have dealings with the Joint Committee. A breakdown of the payments and balances at 31 March 2014 made to these companies under this heading during 2013/14 is as follows:

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

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

NOTE 17 – EXIT PACKAGES

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

NOTE 18 – PENSIONS SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

Teachers employed by the Joint Committee are members of the Teachers’ Pension Scheme, administered by Capita Teachers’ Pensions on behalf of the Westminster Government’s Department for Education. The scheme provides teachers with specified benefits upon their retirement, and the Joint Committee contributes towards the costs by making contributions based on a percentage of members’ pensionable salaries.

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

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

NOTE 19 – PENSION COSTS

As part of the terms and conditions of employment of its officers who are members of the Local Government Pension Scheme, the Joint Committee makes contributions towards the cost of post employment benefits.

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

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

Independent auditor's report to the Members of the Special Educational Needs Joint Committee

I have audited the accounting statements and related notes of the Special Educational Needs Joint Committee for the year ended 31 March 2014 under the Public Audit (Wales) Act 2004.

The Special Educational Needs Joint Committee's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, and the Cash Flow Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14 based on International Financial Reporting Standards (IFRSs).

Respective responsibilities of the responsible financial officer and the independent auditor

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for the preparation of the statement of accounts which gives a true and fair view.

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

Scope of the audit of the accounting statements

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Special Educational Needs Joint Committee's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited accounting statements and related notes and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the accounting statements of the Special Educational Needs Joint Committee

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Special Educational Needs Joint Committee as at 31 March 2014 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14.

Opinion on other matters

In my opinion, the information contained in the Explanatory Foreword for the financial year for which the accounting statements and related notes are prepared is consistent with the accounting statements and related notes.

Matters on which I report by exception

I have nothing to report in respect of the Annual Governance Statement on which I report to you if, in my opinion, it does not reflect compliance with 'Delivering Good Governance in Local Government: Framework' published by CIPFA/SOLACE in June 2007, or if the statement is misleading or inconsistent with other information I am aware of from my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Special Educational Needs Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit Practice issued by the Auditor General for Wales.

A handwritten signature in black ink, appearing to read 'A Barrett', with a stylized flourish at the end.

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

30 September 2014

ANNUAL GOVERNANCE STATEMENT

This statement meets the requirement to produce a Statement of Internal Control pursuant to Regulation 4 of the Accounts and Audit (Wales) Regulation 2005.

Part 1: SCOPE OF RESPONSIBILITY

The Special Educational Needs Joint Committee was established by Gwynedd Council and Isle of Anglesey County Council in 1996 for the purpose of providing a special educational needs service by discharging the functions detailed in a service level agreement between the Joint Committee and the authorities.

The Special Educational Needs Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Special Educational Needs Joint Committee is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk and adequate and effective financial management.

Part 2: THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the Special Educational Needs Joint Committee is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authorities that are part of the Special Educational Needs Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Special Educational Needs Joint Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework described above has been in place at the Special Educational Needs Joint Committee for the year ended 31 March 2014 and up to the date of approval of the statement of accounts.

Part 3: THE GOVERNANCE FRAMEWORK

3.1 Membership

The Special Educational Needs Joint Committee has been established in accordance with requirements set out in the Local Government Act 1972 under section 101, section 102(1) (b) (power for two or more authorities to appoint a joint committee), section 103 (expenses incurred by a joint committee defrayed between the authorities), section 104 (disqualification for membership of a joint committee as per normal local authority rules) and section 105 (disability for voting on account of interests in contracts etc.).

Membership of the Joint Committee consists of 7 elected members of Gwynedd Council and 7 elected members of Isle of Anglesey County Council. Members are appointed by the Authority in accordance with the rules of political balance relevant to that Authority. In addition, membership of the Joint Committee will include 1 member nominated by the Bangor Diocesan Board of Finance with a right to vote, 1 member nominated by the Catholic Church with a right to vote, and one member nominated by the free churches with no right to vote.

The term of Membership, as well as arrangements for the appointment of a Chair and Vice Chair, are defined within the Constitution.

The Joint Committee is a permanent arrangement, and in accordance with the Constitution, if either authority desires to withdraw from the Joint Committee twelve months' notice must be given terminating at the end of the financial year.

3.2 Functions

The Special Educational Needs Joint Committee fulfils the following on behalf of Gwynedd Council and Isle of Anglesey County Council:

- Providing a special educational needs service by discharging the functions detailed in a service level agreement between the Joint Committee and the authorities.

3.3 Structure, Roles and Responsibilities

A Constitution is in place for the Joint Committee, dated 30 January 2004. The Constitution outlines the following roles:

- All activities of the Joint Committee are in accordance with the Council Procedure Rules of Isle of Anglesey County Council.
- Administrative and secretarial facilities shall be provided by Director of Legal Services for Isle of Anglesey County Council; the cost being shared between the two authorities.
- Staff are jointly employed by the two authorities for the purposes of discharging the functions delegated to the Joint Committee. Staff are employed in accordance with the conditions of service of Isle of Anglesey County Council together with any additional conditions imposed by the Joint Committee. The Constitution defines the Joint Committee's power to act in relation to all matters regarding staff employment.
- A personnel service is provided for the Joint Committee by Isle of Anglesey County Council; the cost being shared between the two authorities.
- The financial rules of Gwynedd Council are relevant to all of the joint committee's financial activity. The Joint Committee must report to the two authorities annually upon its financial position.
- All financial services are provided to the Joint Committee by the Head of Finance of Gwynedd Council; the cost being shared between the two authorities.

- The Joint Committee has the right to establish one or more sub-panels and to delegate some of its functions to the Sub-panel(s) provided that that delegation does not prevent the Joint Committee's own ability to exercise those functions.

Part 4: EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

The Special Educational Needs Joint Committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers who have responsibility for the development and maintenance of the governance environment, any reference within the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

- In accordance with the Constitution of the Joint Committee, all of its activities are in accordance with the Council Procedure Rules of Isle of Anglesey County Council. As a result, therefore, reviews of the effectiveness of the Local Code of Governance, the Constitution and the system of internal control of that authority will also incorporate the basis of the Joint Committee's governance.

We have been advised on the implications of the result of the **review of the effectiveness of the governance framework** by the Special Educational Needs Joint Committee, and that the arrangements **continue to be regarded as fit for purpose in accordance with the governance framework**.

Part 5: SIGNIFICANT GOVERNANCE ISSUES

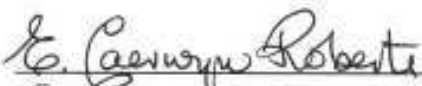
The processes outlined in previous sections of this statement describe the methods used by the Council to identify the most significant governance issues that need to be addressed.

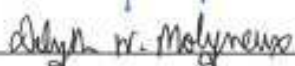
The Special Educational Needs Joint Committee does not believe that any such issues have arisen during the assessment of its governance arrangements that warrant attention in this Annual Governance Statement.

Part 6: OPINION

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.


 DEWI R. JONES
 HEAD OF EDUCATION, GWYNEDD COUNCIL
 Date: 04/07/2014


 COUNCILLOR E. CAERWYN ROBERTS
 S.E.N. JOINT COMMITTEE CHAIRMAN
 Date: 04.07.2014


 DELYTH W. MOLYNEUX
 HEAD OF LEARNING, ANGLESEY COUNTY COUNCIL
 Date: 04/07/2014

The maintenance and integrity of the Gwynedd Council's web site is the responsibility of the Head of Adults, Health and Wellbeing; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.