

POLICY AND RESOURCES SCRUTINY COMMITTEE – 9TH JUNE 2009

SUBJECT: RESIDUARY BODY FOR WALES ACCOUNTS

REPORT BY: DIRECTOR OF CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To notify Members of the completion of the audit process in respect of the above accounts, and the consequential payment over of remaining balances.

2. SUMMARY

- 2.1 The report details the background to the accounts production process, undertaken by Caerphilly in respect of the above, and the subsequent audit.
- 2.2 It also details the payments due to Welsh local authorities as a result of the completion of the process.

3. LINKS TO STRATEGY

- 3.1 The report has links to the four basic strategic themes of the Council, with specific links to the effective and efficient application and use of resources.

4. THE REPORT

- 4.1 The Residuary Body for Wales was a non-departmental public body, having statutory powers and duties in accordance with Section 39 of the Local Government (Wales) Act 1994, taking up its full statutory duties on 1 February 1995. It was formed, at the time of local government reorganisation in Wales, primarily to give advice to the Secretary of State for Wales, in respect of the transfer of property, rights and liabilities and related functions from an abolished authority either to a new Principal Council or other public body or the Residuary Body. From 1 April 1996, the Residuary Body's role changed, to the management and disposal of any transferred properties.
- 4.2 The Residuary Body for Wales (Winding Up) Order 1998 came into force on 14 December 1998, and the Residuary Body for Wales was wound up on 31 December 1998. Article 6 of the Statutory Instrument provided for the transfer, at the end of December 1998, of the remaining functions, property rights and liabilities of the Residuary Body, including closure of its accounts and preparation of a final annual report, to Caerphilly County Borough Council, and for the winding up of the Residuary Body.
- 4.3 At that point, the Distribution of Money Direction (1998) provided for the disaggregation of most of the Residuary Body's revenue balances to all Welsh Authorities. These balances were to be paid out in December 1998, and were distributed in accordance with percentages set out in the Winding Up Order, as detailed in Appendix 1. A relatively small balance of funds was also passed to Caerphilly to enable it to meet any costs associated with the winding up of the Residuary Body's affairs.

- 4.4 Once confident that all issues have been brought to a conclusion, the Authority prepared a final set of accounts covering the ten-year period (1 January 1999 to 31 December 2008) since the Residuary Body was wound up. The audit of these accounts has recently been concluded. It should be noted that the external auditors issued an unqualified audit opinion, and identified no areas of concern as a result of their audit.
- 4.5 Following the completion of the audit, Caerphilly is now in a position to distribute the remaining balances. Arrangements are being made to progress these payments. Once again they will be distributed in accordance with the percentages set out in the Winding Up Order. The amounts involved are detailed at Appendix 2.
- 4.6 A copy of the audited accounts, together with the relevant Wales Audit Office report, to those charged with governance, have been made available in the Members' Library.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no significant financial implications arising from this process. There will be no effect from loss of interest on this balance, as interest thus accruing has been required to be earmarked for this purpose.
- 5.2 Caerphilly will, itself, receive a distribution of £8,867 from this balance, having received a previous distribution of £90,842 in 1998.

6. PERSONNEL IMPLICATIONS

- 6.1 There are no personnel implications.

7. CONSULTATIONS

- 7.1 There are no consultation responses which have not been reflected in this report.

8. RECOMMENDATIONS

- 8.1 It is recommended that the Committee note the information.

9. STATUTORY POWER

- 9.1 Residuary Body for Wales (Winding Up) Order 1998.

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Appendices:

Appendix 1 Residuary Body for Wales funds distribution 1998
Appendix 2 Residuary Body for Wales funds distribution 2009