

## **WELSH PURCHASING CONSORTIUM**

### **MANAGEMENT BOARD**

**16<sup>th</sup> SEPTEMBER 2015**

#### **REPORT OF THE TREASURER**

##### **Background**

1. In 2008 the sixteen member authorities of the Welsh Purchasing Consortium agreed to provide funding over a three year period to support the setting up and operation of a central management team to be based in Cardiff Council. Funding arrangements have been extended since then and are currently guaranteed until 31<sup>st</sup> March 2016. Three new authorities joined the Consortium in 2013/14 increasing members to nineteen.
2. This report presents the financial monitoring position for 2015/16 based on the first five months of the financial year, as set out in the monitoring statement attached as Appendix A.

##### **Final Outturn Position for 2014/15**

3. The Annual Return for the year ended 31<sup>st</sup> March 2015 was reported and approved at the meeting of the 24<sup>th</sup> June. The Wales Audit Office has now completed its audit of the accounts and no amendments are required. The signed ISA260 letter is attached as Appendix B to confirm this. The Annual Statement will be published on both the WPC and The City of Cardiff Council websites by the 30<sup>th</sup> September 2015.

##### **Budget Monitoring 2015/16 – Month 5**

4. The total expenditure budget for 2015/16 is £228,000 and provides funding for the three posts within the central management team. Two posts are occupied and one has been unoccupied since July of this year. The employee budget is projecting an underspend of £25,600 as a result of this. Premise costs are projecting an underspend of £5,700 based on the central team vacating their premises on the 31<sup>st</sup> October 2015. Transport costs are projected to underspend as well as supplies and services. Support costs are assumed to be in line with last years spend at this stage.
5. The income budget for 2015/16 is £12,150 based on contributions from the six associate members. Valleys to Coast Housing and Wales Probation Trust have since advised that they will not be renewing for 2015/16 thereby reducing income to £7,650.
6. Income from the nineteen member authorities is replaced with a contribution from the general reserve to the equivalent amount of £230,850 in 2015/16.

7. The current projection indicates a surplus of £58,120 will be transferred to the general reserve at 31<sup>st</sup> March 2015, leaving a balance of £234,727 in the reserve.

### **Recommendations**

1. That the Management Board note the monitoring position for 2015/16 as at Month 5.
2. That the Management Board note the ISA260 letter from the Wales Audit Office.

Christine Salter  
Corporate Director Resources & Section 151 Officer  
The City of Cardiff Council  
September 2015

Welsh Purchasing Consortium  
Monitoring Position as at 31st August 2015

Appendix A

Actual 2014/15		Budget 2015/16	Projected 2015/16	Variance 2015/16
£		£	£	£
	<b>Employees</b>			
83,691	Manager	87,000	87,430	430
76,832	Procurement Specialist & Support Officers	81,000	55,970	-25,030
787	Other Employee expenses (Training, Insurance)	1,000	0	-1,000
<b>161,310</b>		<b>169,000</b>	<b>143,400</b>	<b>-25,600</b>
	<b>Premises</b>			
15,421	Rents & Utilities	16,000	10,300	-5,700
<b>15,421</b>		<b>16,000</b>	<b>10,300</b>	<b>-5,700</b>
	<b>Transport</b>			
2,251	Car Mileage and travelling expenses	4,000	800	-3,200
<b>2,251</b>		<b>4,000</b>	<b>800</b>	<b>-3,200</b>
	<b>Supplies &amp; Services</b>			
13,313	IT Hardware & Software	5,000	0	-5,000
12,184	Consultancy & Legal Advice	7,000	7,000	0
3,435	Other Supplies & Services	3,000	1,000	-2,000
3,288	Audit Fee	6,000	3,290	-2,710
<b>32,220</b>		<b>21,000</b>	<b>11,290</b>	<b>-9,710</b>
	<b>Support</b>			
14,590	Central Support Charge: Prof, IT, Payroll, etc	18,000	14,590	-3,410
<b>14,590</b>		<b>18,000</b>	<b>14,590</b>	<b>-3,410</b>
<b>225,792</b>	<b>Total Expenditure</b>	<b>228,000</b>	<b>180,380</b>	<b>-47,620</b>
	<b>Income</b>			
-230,850	Full Members	0.00	0	0.00
-12,150	Associate Members	-12,150.00	-7,650	4,500.00
<b>-243,000</b>	<b>Total Income</b>	<b>-12,150.00</b>	<b>-7,650</b>	<b>4,500.00</b>
-787	Transfer to Accumulated Absences account	0	0	0
<b>-17,995</b>	<b>Net Expenditure (income)</b>	<b>215,850</b>	<b>172,730</b>	<b>-43,120</b>

**Balance on the Reserve**

Balance Brought Forward 1st April 2014 379,463  
Surplus 2014-15 27,995

Balance on reserve at 31st March 2015 407,457

**Balance on the Reserve (Proactis Upgrade)**

Balance Brought Forward 1st April 2014 25,418  
Contribution required 2014-15 -10,000

Balance on reserve at 31st March 2015 15,418

Budgeted Contribution from Reserve to WPC 2015-16 -230,850  
Estimated Surplus to Reserve from WPC 2015-16 58,120

Estimated balance on reserve at 31st March 2016 234,727

Estimated balance on reserve(Proactis upgrade) at 31st March 2016 15,418





**WALES AUDIT OFFICE**  
**SWYDDFA ARCHWILIO CYMRU**

**Wales Audit Office / Swyddfa Archwilio Cymru**

24 Cathedral Road / Heol y Gadeirlan  
Cardiff / Caerdydd  
CF11 9LJ  
Tel / Ffôn: 029 20 320500  
Fax / Ffacs: 029 20 320600  
Email / Epost: [wales@wao.gov.uk](mailto:wales@wao.gov.uk)  
[www.wao.gov.uk](http://www.wao.gov.uk)

Reference 0903.amh.W  
PCISA260  
Date 3 Sept 2015  
Pages 1 of 2

Dear Committee Members

**Welsh Purchasing Consortium Annual Return for the year ended  
31 March 2015**

The Auditor is responsible for providing an opinion:

- on whether the information contained in the Joint Committee's Annual Return for the year ended 31 March 2015 is in accordance with the Auditor General for Wales' requirements; and
- if any matters have come to the Auditor's attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

We received the draft Annual Return for the financial year ended 31 March 2015 in line with the agreed deadline, and have now completed our audit work. We are reporting to you the issues arising from our work.

**Audit certificate and opinion**

It is our intention to issue an unqualified certificate and report for the year ended 31 March 2015 and there are no matters in respect of the opinion which we wish to draw to your attention.

**Qualification issues**

There are no qualification issues to report.

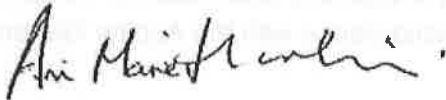
**Misstatements in the Statement of Accounts**

There were no misstatements found in Section 1: the Statement of Accounts.

**Other matters not affecting our opinion**

There are no other matters not affecting our opinion that we wish to draw the attention of the Joint Committee

Yours sincerely



**Engagement Director**

**Ann-Marie Harkin**