

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

STATEMENT OF ACCOUNTS

2025/26

(1st April 2025 – 31st August 2025)

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Narrative Report

1. Introduction

The Central South Consortium Joint Education Service (CSC JES) 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. In line with the middle tier review the 5 local authorities have worked together to put in place the necessary arrangements to enable both the orderly close-down of CSCJES by 31st August 2025 and implementation of the new Professional Learning and Support Service (PLSS) from 1st September 2025.

This region is the most populous in Wales. It includes 377^[1] schools and serves 148,142^[2] 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 2025/26 have been prepared in accordance with:

- The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 based on International Financial Reporting Standards (IFRS); and
- The Accounts and Audit (Wales) Regulations 2014 (as amended).

The accounts of the 5 month period 1st April 2025 to 31st August 2025 set out on pages 13 to 41 comply with the above.

[1] [1] As of January 2025

[2] [2] As reported on StatsWales - <https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Pupil-Level-Annual-School-Census/Pupils/pupils-by-localauthorityregion-schoolgovernance> (2024/25)

2. School Improvement Partnership Program (SIPP)

Welsh Government commissioned a review of school improvement services (known as the 'Middle Tier Review'), led by Professor Dylan Jones and concluded that school improvement services should develop so that:

- School leaders have an opportunity to lead on school improvement matters through a greater focus on local collaboration and partnership working between school leaders and their local authority.
- Partnerships could develop between more than one local authority to support wider collaboration.
- There is stronger national leadership with clearer national priorities for schools and a simplification of the national funding mechanisms with as much resource as possible going directly to schools or supporting groups of schools to work together.

Cabinets in each of the five local authorities agreed the delivery of school improvement functions to be undertaken by the individual local authorities and that Professional Learning and Support should continue to be organised and delivered across the five local authorities within the CSC regional footprint. In developing new arrangements, it was noted that:

- The professional learning offer should be led by the priorities of schools and local authorities articulated through local governance arrangements.
- Support and promotion of school-to-school working within a revised self-improving system should continue to develop.
- The delivery model and the scope and breadth of the offer should continue to evolve to support greater school led delivery of professional learning opportunities, networking within the region and pan Wales.
- Simplified and streamlined governance arrangements should be developed to reflect the change in scope and complexity of regional working.
- Savings are realised to support greater value for money.

The revised arrangements have been in place since September 2025 with the active operation of the regional collaboration no longer being subject to Joint Committee arrangements.

3. Business Plan 2025/2026

A business plan for 2022 – 2025 was approved by Members of the Joint Committee in June 2022. An appendix to the business plan was then presented and approved at the meeting of Members in December 2023, and a further update to the Business Plan was approved in October 2024.

This detailed the Consortium's role 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 received its core and grant funding from the five local authorities to support specific activities in line with national priorities / initiatives.

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 priority areas during the 5 months of this report were:

- Curriculum
- Professional Learning Pathways
- Equity & Well-being
- School Evaluation and Improvement
- Leadership and Governance of CSC

4. Revenue Income and Expenditure 2025/26

The Comprehensive Income and Expenditure Statement provides an analysis of the Consortium's gross revenue expenditure and income in accordance with International Financial Reporting Standards (IFRS).

The Consortium's 2025/26 revenue budget strategy underpinned the following broad objectives:

- Support the delivery of key strategic priorities across the priorities identified within the CSC business plan 2022-2025;
- Continue to fund the elements of the CSC delivery strategy for a self-improving system, the Central South Wales Challenge (CSWC);

- Support and fund school-to-school improvement partnerships and broker support between schools;
- Work with Local Authorities & Welsh Government to deliver local and national priorities in the region.

The table below shows the budgeted controllable income and expenditure against the actual controllable income and expenditure for the period 1st April 2025 to 31st August 2025:

	Budget £'000	Actual £'000	Variance £'000
Expenditure			
Employees	3,277	4,882	1,605
Premises	47	38	(9)
Transport	24	24	0
Supplies & Services	280	274	(6)
Support Services	68	72	4
Third Party	0	4	4
	3,696	5,294	1,598
Income			
Local Authority Contributions	(3,696)	(3,696)	0
Grants and Other Income	0	(64)	(64)
Funding of Employees Exit costs	0	(1,854)	(1,854)
	(3,696)	(5,614)	(1,918)
Net Expenditure / (Income)	0	(320)	(320)

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

- Employees – Overspend of £1,605k due to £1,854k exit costs (funded from earmarked reserves) incurred due to the management of change process as a result of the middle tier review, offset by £249k underspend on staffing budgets due to associated staff turnover and inability to recruit to vacancies.
- Premises – £9k underspend attributable due to the reduced requirement of external room hire to support the professional learning offer.
- Supplies & Services – £6k lower than budgeted expenditure on costs and reduced engagement and take up of professional learning on offer.
- Third Party - £4k unbudgeted expenditure in respect of leadership bespoke support provided to a school in the region.

- Support Services – £4k increased support service costs received from the host authority to meet business need; and
- Income – £64k income received not budgeted, due to interest income from host authority balances, SLA income for Outdoor Education and recharge of costs for bespoke support provided in the region.

The net position of £320k is transferred to Earmarked Reserves as approved by Joint Committee.

Interest on the personal account balance (£41k) is included in the table above but not disclosed in Note 7: Income.

In addition, the consortium incurred £133k of NQT expenditure which was fully funded by the Education Workforce Council (EWC).

As at 31st March 2025, the Central South Consortium held General Reserves of £174k (£174k as at 31st March 2025). Movements on reserves are detailed within the Movement in Reserves Statement.

5. **Capital Expenditure 2025/26**

There has been no capital expenditure this financial year.

6. **Summary of Future Revenue Plans**

In line with the new arrangements, the five local authorities have put in place the necessary arrangements to implement the new Professional Learning and Support Service from 1st September 2025, the budget for which has been subject to each local authority's Cabinet approval.

6.1 **CSC JES - 2025/26 (April to August 2025)**

The [17th December 2024](#) Joint Committee agreed the 2025/26 (full year) core revenue budget, amounting to £3.449M:

Income and Funding	£M
Local Authority Core Contributions	3,218
Bank Interest	50
SLA Income	22
Transition Funding (one-off)	159
Total	3,449

Alongside the core revenue budget, the 17th December 2024 Joint Committee report also set out the working assumption that the 2025/26 local authority grant funding support to the CSC (via the Local Authority Education Grant - LAEG) will remain in line with 2024/25 levels (taking into account the part-year requirement for 2025/26 and any changes to service levels / responsibilities being delivered by the CSC). For information, the total full-year LAEG allocated to the CSC in 2024/25 was £6.8M.

Based on 2025/26 core and grant funded service activity planned to be delivered through to 31st August 2025, the projected outturn position for this period was £3.696M. In this regard, local authority core contribution levels are based on 5/12ths (April to August 2025) of the full year levels with the balance funded from external grant received by each local authority. However, it would be for each local authority to decide the mix of funding sources of its total contribution as detailed below:

Local Authority	IBA (%)	Total CSC Costs April - Aug	Funded By:	
			Core (agreed Dec 24)	Bal to be funded from Grant
Bridgend	15.08%	557,365	202,184	355,181
Cardiff	37.28%	1,377,889	499,828	878,061
Merthyr Tydfil	6.45%	238,395	86,478	151,918
RCT	26.35%	973,910	353,285	620,625
Vale of Glamorgan	14.84%	548,494	198,966	349,529
Total	100.00%	3,696,054	1,340,740	2,355,314

6.2 Professional Learning and Support Service from September 2025

The full year Revenue Budget for the new service (not subject to Joint Committee governance) has been agreed by each local authority as £5.021M, with the part-year budget for the 2025/26 financial year, covering the period 1st September 2025 to 31st March 2026, amounting to £3.085M.

Local Authority	IBA (%)	New Regional Service Sept - March
Bridgend	15.08%	465,158
Cardiff	37.28%	1,149,939
Merthyr Tydfil	6.45%	198,957
RCT	26.35%	812,792
Vale of Glamorgan	14.84%	457,755
Total	100.00%	3,084,601

6.3 Overall contributions 2025/26

In bringing together the financial information set out in 6.1 and 6.2 above to overall local authority contributions for 2025/26 are shown below:

Local Authority	IBA (%)	CSC Costs April - Aug	New Regional Service Sept - March	Annual combined cost
Bridgend	15.08%	557,365	465,158	1,022,523
Cardiff	37.28%	1,377,889	1,149,939	2,527,828
Merthyr Tydfil	6.45%	238,395	198,957	437,352
RCT	26.35%	973,910	812,792	1,786,703
Vale of Glamorgan	14.84%	548,494	457,755	1,006,249
Total	100.00%	3,696,054	3,084,601	6,780,655

7. 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 15.0 to the Core Financial Statements for further details.

Due to the Joint Committee arrangement ceasing with effect from 1st September, there is no Pension Reserve, Asset nor Liability retained in the closing balance sheet.

8. 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 Deputy Chief Executive / Group Director – Corporate Resources 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 Deputy Chief Executive / Group Director – Corporate Resources

This is the certificate of the true and fair presentation of the Accounts by the Deputy Chief Executive / Group Director – Corporate Resources.

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.

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.

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 Deputy Chief Executive / Group Director – Corporate Resources.
- 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**

The Deputy Chief Executive / Group Director – Corporate Resources’ Responsibilities

The Deputy Chief Executive / Group Director – Corporate Resources 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 August 2025.

In preparing the Statement of Accounts, the Deputy Chief Executive / Group Director – Corporate Resources has:

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

The Deputy Chief Executive / Group Director – Corporate Resources 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 Deputy Chief Executive / Group Director – Corporate Resources 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 August 2025 and its income and expenditure for the period then ended.

Signed:  _____ Date: **11 Feb 2026**

Barrie Davies

**Deputy Chief Executive / Group Director – Corporate Resources, 2 Llys
Cadwyn, Stryd Taf, Pontypridd, CF37 4TH**

Movement in Reserves Statement for the Period ended 31st March 2025

	General Reserves	Earmarked Reserves	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000
Notes:	13.1	13.2	13.0	14.0	
Balance as at 1st April 2024	174	1,570	1,744	4,902	6,646
Movement in reserves during 2024/25					
Total comprehensive income and expenditure	392	0	392	(4,684)	(4,292)
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	562	0	562	(562)	0
Employer's pensions contributions and direct payments to pensioners payable in the year	(356)	0	(356)	356	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	7	0	7	(7)	0
Net increase or (decrease) before transfers to Earmarked Reserves	605	0	605	(4,897)	(4,292)
Transfers to or (from) Earmarked Reserves	(605)	605	0	0	
Increase or (decrease) in the Year	0	605	605	(4,897)	(4,292)
Balance as at 31st March 2025	174	2,175	2,349	5	2,354

Movement in Reserves Statement for the Period ended 31st August 2025

	General Reserves	Earmarked Reserves	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000
Notes:	13.1	13.2	13.0	14.0	
Balance as at 1st April 2025	174	2,175	2,349	5	2,354
Movement in reserves during 2025/26					
Total comprehensive income and expenditure	(15,836)	0	(15,836)	14,456	(1,380)
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	15,398	0	15,398	(15,398)	0
Employer's pensions contributions and direct payments to pensioners payable in the year	(888)	0	(888)	888	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	(49)	0	(49)	49	0
Net increase or (decrease) before transfers to Earmarked Reserves	(1,375)	0	(1,375)	(5)	(1,380)
Transfers to or (from) Earmarked Reserves	1,375	(1,375)	0	0	0
Increase or (decrease) in the Period	0	(1,375)	(1,375)	(5)	(1,380)
Balance as at 31st August 2025	174	800	974	0	974

Comprehensive Income and Expenditure Statement for the Period ended 31st August 2025

Year ended 31/03/25 £'000		Period ended 31/08/25 £'000	Note
	Expenditure		
8,041	Employees	19,350	5.0
124	Premises	38	
52	Transport	24	
2,025	Supplies & Services	407	6.0
147	Third Party Payments	4	
174	Support Services	72	
10,563		19,895	
	Income		
(3,284)	Local Authority Contributions	(3,696)	
(7,340)	Grants & Other Income	(315)	
(10,624)		(4,011)	7.0
(61)	Net Cost of Services	15,884	
(86)	Interest Receivable and Similar Income	(41)	
(245)	Net Interest on Net Defined Asset/Liability	(7)	15.2
(392)	(Surplus)/Deficit on the Provision of Services	15,836	
4,684	Remeasurement of the Net Defined Benefit Liability	(14,456)	15.2
4,292	Total Comprehensive Income and Expenditure	1,380	

Balance Sheet as at 31st August 2025

31/03/25 £'000		31/08/25 £'000	Note
	Long-Term Assets		
54	Defined Benefit Pension Scheme Asset	0	15.5
54	Total Long-Term Assets	0	
	Current Assets		
2,810	Debtors	1,239	11.0
2,810	Total Current Assets	1,239	
	Current Liabilities		
(510)	Creditors	(265)	12.0
2,300	Net Current Assets	974	
2,300	Total Assets Less Current Liabilities	974	
2,354	Net Assets/(Liabilities)	974	
	Represented by:		
	Usable Reserves		
174	General Reserves	174	13.1
2,175	Earmarked Reserves	800	13.2
	Unusable Reserves		
54	Pensions Reserve	0	15.5
(49)	Short-Term Accumulating Compensated Absence Account	0	
2,354	Total Reserves	974	

Cash Flow Statement for the Period ended 31st August 2025

Year ended 31/03/25 £'000		Period ended 31/08/25 £'000	Note
	Operating Activities		
	Cash Outflows		
7,584	Cash Paid to and on Behalf of Employees	4,882	
2,457	Other Operating Cash Payments	741	
10,041	Total Cash Outflows	5,623	
	Cash Inflows		
(10,378)	Cash Received for Goods & Services	(4,361)	
(86)	Interest Received	(41)	
(10,464)	Total Cash Inflows	(4,402)	
(423)		1,221	
(423)	Net (Increase) or Decrease in Cash and Cash Equivalents	1,221	18.0
	Analysis of Changes in Cash and Cash Equivalents		
(2,037)	Balance as at 1 st April	(2,460)	
(423)	Net Cash (Inflows)/Outflows	1,221	
(2,460)	Cash Balance Owed To/(From) Host Authority	(1,239)	

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 debtors at 31st August.

Expenditure and Funding Analysis Statement for the year ending 31st March 2025

	2024/25		
	Net Expenditure Chargeable to the General Fund £'000	Adjustments Between Funding and Accounting Basis £'000	Net Expenditure for the Equivalent Amounts for CI&ES ¹ £'000
Employees	7,583	458	8,041
Premises	124	0	124
Transport	52	0	52
Supplies & Services	2,025	0	2,025
Third Party Payments	147	0	147
Support Services	174	0	174
Income	(10,019)	(605)	(10,624)
Cost of Services	86	(147)	(61)
Other Income and Expenditure	(86)	(245)	(331)
(Surplus) or Deficit	0	(392)	(392)
Opening General Fund at 31 st March 2024	(174)		
Add Surplus on General Fund in Year	0		
Closing General Fund at 31st March 2025	(174)		

¹ CI&ES – Comprehensive Income and Expenditure Statement

Expenditure and Funding Analysis Statement for the period ending 31st August 2025

	2025/26		
	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	4,882	14,468	19,350
Premises	38	0	38
Transport	24	0	24
Supplies & Services	407	0	407
Third Party Payments	4	0	4
Support Services	72	0	72
Income	(5,386)	1,375	(4,011)
Cost of Services	41	15,843	15,884
Other Income and Expenditure	(41)	(7)	(48)
(Surplus) or Deficit	0	15,836	15,836
Opening General Fund at 31 st March 2025	174		
Add Surplus on General Fund	0		
Closing General Fund at 31st August 2025	174		

² CI&ES – Comprehensive Income and Expenditure Statement

Notes to the Core Financial Statements

1.0 Significant Accounting Policies

The following accounting policies remain applicable within the context of the change in governance and functions of the regional arrangement as detailed in the Narrative Report, whereby Cabinets in each of the five local authorities agreed the delivery of school improvement functions to be undertaken by the individual local authorities and that Professional Learning and Support should continue to be organised and delivered across the five local authorities within the CSC regional footprint. The Code of Practice states that transfers of services do not negate the presumption of going concern, hence the transfer of the school improvement function results in no impact upon the going concern basis of accounts preparation. Residual balances will be held by the Host Authority and distributed to constituent authorities in accordance with the legal agreement.

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 6% (5.8% in 2024/25).
- 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/debited to the Comprehensive Income and Expenditure Statement.
 - Expected Return On Assets – the annual investment return on the fund assets attributable to the Joint Committee based on an average of the

- expected long-term return – credited to 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.
 - Net Benefits Paid Out – reducing the liability.

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. Due to the cessation of the Joint Committee with effect from 1st September 2025, there is no accrual for accumulated absences.

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.

For grants subject to audit, where a claim has yet to be signed off, Balance Sheet values in relation to grants are included on an unaudited draft claim basis.

1.7 Leases

The Code of Practice has adopted IFRS16 (Leases) with effect from 1st April 2024. The adoption of the new standard results in the balance sheet recognition of a right-of-use asset and related lease liability in relation to all former operating leases in addition to existing finance leases. The Consortium has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short-term leases i.e. existing leases with a duration of less than 12 months. The Consortium leases office space from the host authority. Due to materiality, the Consortium elects not to recognise the right to use asset and related liability.

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.

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 requires the disclosure of information relating to the expected impact of any accounting changes that will be required by a new standard that has been issued but not yet adopted. For 2025/26 reporting periods, required disclosures will be detailed in the year-end CIPFA bulletin which is not available at the time of the finalisation of this Statement of Accounts. Due to the fact that the CSCJES ceased operating as at 31st August 2025, it is not anticipated that any new standards would 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

4.1 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.

Goodwin Ruling

In June 2020 an Employment Tribunal ruled in relation to the Teachers' Pension Scheme, that provisions for survivor benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the

Treasury announced in a ministerial statement on 20th July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements. As these changes are yet to be reflected in the LGPS regulations and also on the basis of materiality, allowance has not been made in the calculations.

Pension Surplus Restriction

Recognition of a pension surplus in the Balance Sheet is detailed in Financial Reporting Standard (FRS) 102, which states “If the present value of the defined benefit obligation at the reporting date is less than the fair value of the plan assets at that date, the plan has a surplus. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan”. There is a requirement to disclose any restrictions on the current realisability of the surplus or the basis used to determine the amount of the economic benefit available.

The principles of International Financial Reporting Interpretations Committee (IFRIC) 14 have been applied to limit the economic benefit available through reduced contributions. The actuary has undertaken calculations of the potential surplus that could be recognised through reduced contributions in the future and not a surplus that could be recognised through future refunds as refunds are only possible when the employer exits the fund.

As the Joint Committee arrangement has ceased 31st August 2025, there is no Pension Fund Asset / Liability or Reserve disclosed hence there is no Asset Restriction as at the Balance Sheet Date.

5.0 Employees Costs

2024/25 £'000	Salaries & Wages	2025/26 £'000
6,154	Advisors	2,472
774	Administration	303
418	Management	161
166	Finance Team	73
32	Termination costs	1,854
36	Insurance	15
3	Advertising	4
7,583	Sub Total	4,882
7	Short-Term Accumulating Compensated Absences Account adjustment	(49)
451	IAS 19 adjustments	14,517
8,041	Total	19,350

6.0 Supplies and Services

2024/25 £'000		2025/26 £'000
94	Office Expenses	39
189	Consultants Fees	72
0	Computer Costs	0
8	Photocopying	1
4	Subscriptions	0
3	Marketing	1
28	Audit Fees	28
5	Telephones	0
104	Training	4
	<u>Grants paid to local authorities & schools:</u>	
1,176	Local Authority Education Grant (LAEG)	262
414	Other	0
2,025	Total	407

7.0 Income

2024/25 £'000		2025/26 £'000
	Contributions	
(1,218)	Cardiff Council	(1,378)
(866)	Rhondda Cynon Taf CBC	(974)
(499)	Bridgend CBC	(557)
(490)	Vale of Glamorgan Council	(549)
(211)	Merthyr Tydfil CBC	(238)
(3,284)	Total Contributions	(3,696)
	Other Income	
(22)	Other	(23)
(7,318)	Grants	(292)
(7,340)	Total Other Income	(315)
(10,624)	Total Income	(4,011)

7.1 Grant Income

2024/25 £'000		2025/26 £'000
	Grant Programme	
(6,861)	Local Authority Education Grant (LAEG) – (Local Authority Award)	0
(457)	Other	(292)

(7,318)	Total Grant Income	(292)
	Allocation	
1,590	Paid to local authorities and schools (Note 6.0)	262
5,728	Retained by Central South Consortium	30
7,318	Total Allocation	292

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 reporting period, material transactions with these related parties arose as follows:

2024/25		Local Authority	2025/26	
Exp. £'000	Inc. £'000		Exp. £'000	Inc. £'000
847	(3,535)	Cardiff Council	178	(1,378)
503	(2,755)	Rhondda Cynon Taf CBC	184	(984)
311	(1,595)	Bridgend CBC	64	(557)
610	(1,544)	Vale of Glamorgan Council	152	(550)
102	(799)	Merthyr Tydfil CBC	15	(239)

Income received from Rhondda Cynon Taf CBC (£41k) due to interest received is included in the table above but is not included in Note 7.0 as it does 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 August 2025, Rhondda Cynon Taf CBC owed the Consortium £1,239k relating to these cash transactions (Rhondda Cynon Taf CBC owed the Consortium £2,460k as at 31st March 2025). During 2025/26 (April – August), Central South Consortium was charged £72k by Rhondda Cynon Taf CBC in respect of Central Establishment Charges (included in the table above, £174k in 2024/25).

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 15.0 and 16.0 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 or Senior Officer interest in them) with whom the Joint Committee has had dealings:

2024/25		Organisation	2025/26	
Exp. £'000	Inc. £'000		Exp. £'000	Inc. £'000
23	0	Association of Education Advisors	0	0
23	0	Total	0	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

2024/25 £'000		2025/26 £'000
28	Fees payable to the Auditor General for Wales in respect of external audit	28

10.0 Leases

A lease arrangement totalling £39k in 2025/26 (April to August) (£88k in 2024/25) exists between the Joint Committee and Rhondda Cynon Taf CBC in relation to office accommodation at the Valleys Innovation Centre. The lease arrangement expired 31st August 2025 in line with timescales for the introduction of the new collaboration arrangement for professional learning and support service.

11.0 Short Term Debtors

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

31/03/25 £'000		31/08/25 £'000
2,460	Host Authority	1,239
76	Other Entities and Individuals	0
274	Local Authority and Schools	0
2	Central Government Bodies	0
2,812		
(2)	Provision for Bad Debt	0
2,810	Balance as at 31st August 2025	1,239

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.

12.0 Creditors

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

31/03/25 £'000		31/08/25 £'000
(389)	Local Authorities and Schools	0
(72)	Other	(265)
(49)	Employee Absences Accrual	0
(510)	Balance as at 31st August 2025	(265)

13.0 Movement on Usable Reserves

	General Reserves £'000	Earmarked Reserves £'000	Total £'000
Balance as at 1 st April 2025	174	2,175	2,349
Increase/(Decrease)	0	(1,375)	(1,375)
Balance as at 31st August 2025	174	800	974

13.1 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 2025	174
Increase/(Decrease) 2025/26	0
Balance as at 31st August 2025	174

13.2 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 31/03/25 £'000	Transfers Out £'000	Transfers In £'000	Balance at 31/08/25 £'000
Revenue Grant Reserves	285	0	159	444
Funding for Specific Projects	1,890	(1,854)	320	356
Total	2,175	(1,854)	479	800

The Central South Consortium holds an earmarked reserve formerly held for the funding of specific projects, of which, £356k remains. £1,890k was held as at 31st March 2025 for ongoing service remodelling and medium-term financial planning.

14.0 Movements on Unusable Reserves

Reserve	Pension Reserve £'000	Short-Term Acc Comp Absence Account £'000	Total £'000
Balance as at 1 st April 2025	54	(49)	5
(Increase) / Decrease	(54)	49	(5)
Balance as at 31st August 2025	0	0	0

14.1 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 15.0 for further information.

14.2 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 August 2025. As Central South consortium ceases to exist further to 31st August 2025 there are no balances to report at the end of the period.

15.0 Retirement Benefits – Defined Benefit Schemes

15.1 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 16.0.
- 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".

15.2 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	2024/25 £'000	2025/26 £'000
Cost of Services:		
Current Service Cost	807	197
Past Service Cost	0	734

Settlements and curtailments	0	14,474
<i>Financing and Investment Income and Expenditure</i>		
Net Interest Expense / (income)	(423)	(300)
Interest on Unrecognised Asset	178	293
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	562	15,398
<i>Remeasurement of the Net Defined Benefit Liability Comprising:</i>		
Return on Plan Assets (Excluding the Amount included in the Net Interest Expense)	1,340	(1,685)
Actuarial (Gains) and Losses Arising on Liabilities – Demographic Assumptions	(190)	106
Actuarial (Gains) and Losses Arising on Liabilities – Financial Assumptions	(4,689)	(737)
Actuarial (Gains) and Losses Arising on Liabilities – Experience	42	222
Net increase in liabilities from disposals / acquisitions	0	
Surplus restriction	8,181	(12,362)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	4,684	(14,456)
<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	(562)	(15,398)
<i>Actual Amount Charged Against the General Fund Balance for Pensions in the Year:</i>		
Employers' Contributions Payable to Scheme	356	888

The total remeasurement of the Net Defined Benefit Liability recognised in Other Comprehensive Income and Expenditure to 31st August 2025 is a gain of £14,456k (£4,684k loss in 2024/25 restated).

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure statement to 31st August 2025 is a loss of £7,885k (£6,571k gain in 2024/25).

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.

15.3 Reconciliation of Present Value of the Scheme Liabilities

	2024/25 £'000	2025/26 £'000
Opening balance at 1 st April	26,093	22,695
Current Service Cost	807	197
Interest Cost on Defined Obligation	1,239	537
Contributions by Scheme Participants	390	156
<i>Remeasurement (Gains) and Losses:</i>		
Actuarial (Gains) and Losses Arising on Liabilities – Demographic Assumptions	(4,689)	106
Actuarial (Gains) and Losses Arising on Liabilities – Financial Assumptions	(190)	(737)
Actuarial (Gains) and Losses Arising on Liabilities – Experience	42	222
Benefits Paid	(997)	(667)
Past Service Costs	0	734
Settlements	0	(23,243)
Carried Forward	22,695	0

15.4 Reconciliation of Fair Value of the Scheme Assets

	2024/25 £'000	2025/26 £'000
Opening balance at as at 1 st April	34,747	34,818
Interest Income	1,662	837
<i>Remeasurement Gains and (Losses)</i>		
The Return on Plan Assets, Excluding the Amount Included in the Net Interest Expense	(1,340)	1,685
Employer Contributions	356	888
Contributions by Scheme Participants	390	156
Benefits paid	(997)	(667)
Net increase in assets from disposals/acquisitions		
Settlements	0	(37,717)
Carried Forward	34,818	0

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 gain of £2,522k (£322k gain in 2024/25).

15.5 Scheme History

	2024/25 £'000	2025/26 £'000
Present Value of Defined Obligation	(22,695)	0
Fair Value of Plan Assets	34,818	0
Unrecognised Asset	(12,069)	0
Surplus / (Deficit)	54	0

The liabilities show the underlying commitments that the Joint Committee has in the long run to pay retirement benefits. Due to the cessation of the Joint Committee as at 31st August 2025, there is no impact on the net worth of the Joint Committee recorded in the closing Balance Sheet.

15.6 Local Government Pension Scheme Assets

Local Government Pension Scheme Assets investments as at 31st July 2025 (full scheme not Central South Consortium element) are comprised as follows:

	Fair Value of Scheme Assets	
	2024/25 £'000	2025/26 £'000
UK Equities	159,387	160,914
Overseas Equities	3,014,977	3,158,910
UK Fixed Interest Gilts	530,651	542,784
UK Corporate Bonds	719,179	749,537
Property	296,374	310,423
Infrastructure	129,971	149,872
Cash and net current assets	25,590	21,554
Total	4,876,129	5,093,994

15.7 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:

	31/03/25	31/08/25
Long-Term Expected Rate of Return on Assets in the Scheme (in line with the discount rate)	4.3%	4.3%
Mortality Assumptions:		
Longevity at 65 for current pensioners:		
Men	20.9	21.2
Women	23.7	23.8
Longevity at 65 for future pensioners:		
Men	21.8	22.1
Women	24.8	24.9
CPI Inflation	2.50%	2.50%
Rate of Increase in Salaries	3.75%	3.75%
Rate of Increase in Pensions	2.50%	2.50%
Rate for discounting scheme liabilities	5.80%	6.00%
Option to Convert Annual Pension into Retirement Lump Sum	85%	85%
Pension accounts revaluation rate	2.50%	2.50%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has 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)	488	(511)
Rate of Increase in Salaries (increase or decrease by 0.1%)	46	(46)
Rate of Increase in Pensions (increase or decrease by 0.1%)	325	(302)
Rate for Discounting Scheme Liabilities (increase or decrease by 0.1%)	(349)	372

16.0 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 2025/26, the Joint Committee paid £38k to the Teachers' Pension Fund in respect of teachers' retirement benefits (April – August), representing 28.68% of pensionable pay (£90k was paid in 2024/25 representing of 28.68% pensionable pay). There were no contributions remaining payable at the year-end.

17.0 Events after the Balance Sheet Date

The Statement of Accounts will be authorised for issue by the Deputy Chief Executive and Group Director - Corporate Resources, as Chief Finance Officer, following approval by the Joint Committee. 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 August 2025, 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 August 2025 requiring disclosure

providing information that is relevant to an understanding of the Central South Consortium Joint Education Service's financial position.

18.0 Reconciliation of Comprehensive Income and Expenditure Account to Cash flow

2024/25 £'000		2025/26 £'000
(392)	(Surplus)/Deficit on the Provision of Services	15,836
(71)	(Increase)/Decrease in Creditors	245
246	Increase/(Decrease) in Debtors	(350)
(206)	IAS 19 Transactions	(14,510)
(423)	Cash (Inflow)/Outflow from Revenue Items	1,221

19.0 Contingent Liabilities

In June 2023, the High Court handed down a decision (Virgin Media Limited v NTL Pension Trustees II Limited and others) which potentially has implications for the validity of amendments made by pension schemes, including the LGPS, which were contracted-out on a salary-related basis between 6 April 1997 and the abolition of contracting-out in 2016. The ruling related to the requirement on the Trustees to obtain the Scheme's actuary confirmation that a Scheme continued to provide a minimum level of benefits (known as a 'reference scheme test') following certain types of rule amendments. Without this confirmation (sometimes referred to as a section 37 confirmation, by reference to section 37 of the Pension Schemes Act 1993, which sets out that scheme rules can only be altered as prescribed in the relevant regulations), the amendment may be void and ineffective. The Court of Appeal upheld the original decision.

In June 2025 the Department for Work and Pensions published the Government's intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards, resulting in the removal of risk of additional scheme obligations. Although the Government's intention has been published, until legislation is enacted, there remains a degree of uncertainty regarding scheme obligations and a contingent liability disclosure is appropriate. In addition to the uncertainty of a potential liability, any value of a possible obligation cannot be measured with sufficient reliability.

20.0 Officers' Remuneration

During 2025/26, the Consortium paid on average 75 employees every month (April – August) (101 in 2024/25). Over the period (April – August), salary

payments totalled £3,001k (excluding employer's national insurance and pension contributions) (£5,339k in 2024/25).

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 21.0) 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	2024/25			2025/26		
	No. of Employees			No. of Employees		
	At 31/03/25	Left in Year	Total	At 31/08/25	Left in Year	Total
£60,000 - £64,999	7	0	7	10	3	13
£65,000 - £69,999	25	0	25	5	26	31
£70,000 - £74,999	17	1	18	2	2	4
£75,000 - £79,999	4	0	4	1	9	10
£80,000 - £84,999	8	0	8	0	2	2
£85,000 - £89,999	0	0	0	0	1	1
£90,000 - £94,999	0	0	0	0	3	3
£95,000 - £99,999	0	0	0	0	3	3
£100,000 - £104,999	0	0	0	0	1	1
£105,000 - £109,999	0	0	0	0	0	0
£110,000 - £114,999	0	0	0	0	0	0
£115,000 - £119,999	0	0	0	0	1	1
£120,000 - £124,999	0	0	0	0	1	1
£125,000 - £129,999	0	0	0	0	2	2
Total	61	1	62	18	54	72

**2025/26 the remuneration costs incurred and presented in the above table have been inflated to annualised salaries to be comparable to prior year costs*

21.0 Senior Officers

The following table sets out the remuneration for specific Senior Officers who represent the Executive Leadership Team 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	2025/26				
	Salary	Taxable Benefits in Kind	Compensation for loss of employment	Employer's Pension Contributions	Total
	£'000	£'000	£'000	£'000	£'000
Acting Managing Director	53	0	0	5	58
Assistant Director – Standards & Improvement Planning	38	0	50	3	91
Assistant Director – Curriculum	40	0	0	3	43
Head of Curriculum and Assessment	39	0	0	3	42

The comparative figures for 2024/25 are shown in the following table:

Post Holder Information	2024/25				
	Salary	Taxable Benefits in Kind	Compensation for loss of employment	Employer's Pension Contributions	Total
	£'000	£'000	£'000	£'000	£'000
Managing Director *	52	0	0	4	56
Acting Managing Director *	72	0	0	5	77
Deputy Managing Director *	42	0	0	3	45
Assistant Director – Standards & Improvement Planning	90	0	0	7	97
Assistant Director – Curriculum	93	0	0	7	100
Head of Curriculum and Assessment	89	0	0	7	96

**The Managing Director left CSC in August 2024, the Deputy Managing Director was seconded into an Acting Managing Director role as a temporary measure due to the then pending middle tier review.*

22.0 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 £000s	
	24/25	25/26	24/25	25/26	24/25	25/26	24/25	25/26
£0 - £20,000	0	2	0	0	0	2	0	20
£20,001 - £40,000	1	1	0	0	1	1	32	24
£40,001 - £60,000	0	6	0	0	0	6	0	273
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	2	0	0	0	2	0	176
£100,001 - £150,000	0	6	0	0	0	6	0	795
£150,001 - £200,000	0	1	0	0	0	1	0	176
£200,001 - £250,000	0	0	0	0	0	0	0	0
£250,001 - £300,000	0	0	0	0	0	0	0	0
£300,001 - £350,000	0	0	0	0	0	0	0	0
£350,001 - £400,000	0	1	0	0	0	1	0	390
Total	1	19	0	0	1	19	32	1,854

CENTRAL SOUTH CONSORTIUM

ANNUAL GOVERNANCE STATEMENT 2025/26

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.

This region is the most populous in Wales. It includes 377^[1] schools and serves 148,142^[2] learners – nearly one third of the country's school-age children.

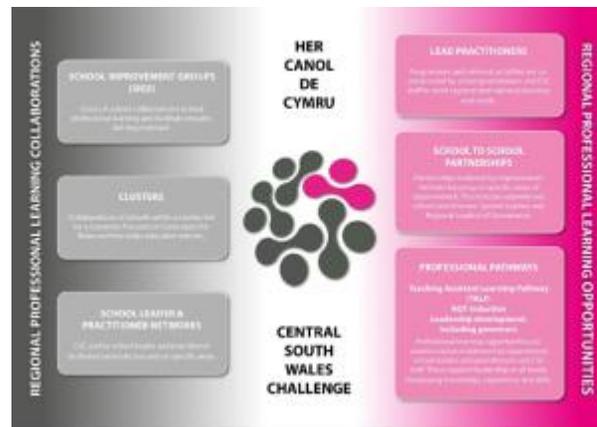
1.2 In January 2014, Central South Wales Challenge was launched with the aim of raising standards across all schools within the region and to stimulate the sharing of expertise amongst schools and joint efforts to innovate to:

- 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 model has developed and consists of a number of different strategies:

[1] [1] As of January 2025

[2] [2] As reported on StatsWales - <https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Pupil-Level-Annual-School-Census/Pupils/pupils-by-localauthorityregion-schoolgovernance> (2024/25)



*Revised April 2023

- 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, 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 CSC aims to provide an accurate representation of the governance arrangements in place for 5 month period ending 31st August 2025.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems, processes, and cultural values by which CSC is directed and controlled, and the activities through which it accounts to and engages with stakeholders. It enables 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 in achieving aims and objectives (of the organisation) 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 CSC's priorities, to evaluate the likelihood and impact of those risks materialising, and to manage them efficiently, effectively, and economically.

- 2.4 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 CSC for the 5 month period ended 31st August 2025.

3. THE GOVERNANCE FRAMEWORK

- 3.1 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 permeated implementation of the 'Supporting' principles with CSC previously committed to improving governance on a continual basis, through a process of self-evaluation and review.
- 3.3 CSC has applied these principles to structure its Annual Governance Statement for the 5 month period ending 31st August 2025 and to assess the arrangements in place.
- 3.4 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 CSC's legal agreement and / or are part of the governance arrangements of RCTCBC that have been adopted by CSC. Table 1 provides examples of the key systems, processes, and documents in place within CSC during 2025/26.

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 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 CSC. • Anti-fraud, Bribery & Corruption Strategy. • 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. • Appropriate governance systems (aligned to requirements of the legal agreement)
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 updates). • Risk Management Strategy. • Annual Revenue Budget Strategy.
Determining the interventions necessary to optimise the achievement of the intended outcomes	<ul style="list-style-type: none"> • Medium Term Financial Plan. • 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 • Staff Handbook. • Schemes of Delegation. • Self-evaluation process.
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 updates). • Internal Audit functions. • Budget and Policy Framework Procedure Rules and Contract and Financial Procedure Rules. • Medium Term Financial Plan.
Implementing good practices in transparency, reporting and audit to deliver effective accountability	<ul style="list-style-type: none"> • Statement of Accounts. • Annual Governance Statement. • Production of reports on key areas of business. • Internal Audit.

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 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 Central South Consortium Joint Education Service Joint Committee provides the governance framework within which the service operates and allocates responsibility and accountability.

3.5.2 Following the conclusion of the School Improvement Partnership Programme by Welsh Government, LAs across the CSC region proposed changes to school improvement services across the CSC footprint. Final proposals for change were considered by individual LA Members at Cabinet meetings in March 2025. As a result of the decisions made, and with the revised model no longer governed by Joint Committee, the legal agreement will need to be amended to reflect the change of scope for CSC.

3.5.3 The new service will move to a collaboration model whereby the inter-authority legal agreement establishes principles of collaboration between the five LAs to deliver services to support school improvement across the region. Whilst the service would continue to be hosted, it will remain accountable to all LAs as set out in the legal agreement with a Management Board as the

decision-making forum with chairing of this rotated between the Directors. The Lead Officer for the new service, would be accountable to this group / board.

3.6 The Host Authority

The Legal Agreement formally assigns RCTCBC as the Host Authority for 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;
- Democratic Services;
- Welsh Language;
- RCTCBC Internal Audit; and
- Procurement.

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

- 3.7 The Constitution of RCTCBC, 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 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 CSC'S GOVERNANCE ARRANGEMENTS

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

- Set out a brief description of the arrangements and procedures in place together with the key outcomes CSC is aiming to achieve;
 - Examine and document the main activities that have taken place around these areas, taking account of supporting evidence from CSC's internal processes and Audit Wales reports published on CSC;
 - Form a view on the extent to which the activities comply with the procedures in place,
- 4.2 The assessment of 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 2024/25 ANNUAL GOVERNANCE STATEMENT

The 2024/25 Annual Governance Statement made no proposals for improvement. Given the change in governance arrangements, there are no further recommendations to be taken forward by CSC JES.

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

Behaving with integrity

5.2.1 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](#)³ and [Protocols](#)⁴ that aim to ensure both elected Councillors and employees behave with integrity.

5.2.2 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'⁵; recording declarations of personal interest; publishing reports on RCT's website 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 confirmed that the above-mentioned procedures had been followed.

³ Rules – for example, Financial and Contract Procedure Rules

⁴ Protocols – for example, Gifts and Hospitality Policy

⁵ Meeting minutes – a formal and agreed record of the events that took place at each meeting.

CSC employees

- 5.2.3 CSC Legal Agreement outlines the role of RCTCBC as the host authority. As part of this agreement, CSC adopts the policies of RCT including an Officer Code of Conduct that has been used to create an easy to understand '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 start employment with CSC are provided with a local induction. In parallel, processes are in place to support personal development of officers, this being overseen by management within CSC and supported by the Human Resources Service within RCT CBC.

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 RCT'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 Governance and 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 the Governance and Audit Committee during the year in respect of these arrangements were:

Anti-Fraud, Bribery & Corruption

- 5.2.8 At the 17th December 2024 Governance and Audit Committee meeting, the Committee were provided with a progress update against the Anti-Fraud, Bribery and Corruption work programme for 2024/25 (this being an exempt item). This update provided assurance on the Council's arrangements to tackle potential fraud and covered the internal control environment that supports this area; the Committee resolved to note and review the outcome of the anti-fraud work progress during 2025/26.
- 5.2.9 The 31st March 2025 Governance and Audit Committee meeting considered the Anti-Fraud, Bribery and Corruption Annual Report for 2024/25, that provided an overview of the work undertaken during the year and a proposed work programme for 2025/26 (this being an exempt item). The report concluded that:

- The Governance and Audit Committee approval of the Anti-Fraud, Bribery and Corruption Strategy and ongoing monitoring will ensure the Council's commitment and "zero tolerance" approach towards any fraudulent activity.
- Delivery of the Anti-Fraud, Bribery & Corruption work programme for 2025/26 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.

Whistle-Blowing

- 5.2.10 The Whistleblowing Annual Report for 2024/25 was reported to the 31st March 2025 Governance and Audit Committee and concluded that 'the Council's whistleblowing arrangements are appropriate'
- 5.2.11 Gifts and Hospitality Policy – CSC aligns to the RCT Gifts and Hospitality Policy with arrangements in place, via registers, to record gifts and hospitality in line with the Policy.

Demonstrating strong commitment to ethical values

- 5.2.12 Ethical Values: CSC employees - 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.

Respecting the rule of law

- 5.2.13 The Managing Director position leads CSC's officers and chaired the Executive Leadership Team (ELT).

5.3 ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Openness

- 5.3.1 Members of 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

5.3.2 The General Data Protection Regulation (GDPR) came into force on the 25th May 2018. CSC took steps during 2022/23 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 2025/26, including: 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 CSC's website setting out how it uses information and how it delivers its services and statutory responsibilities.

During 2023/24 CSC, working closely with the RCTCBC Information Management team, completed a data protection review. This resulted in:

- Updating all Data Protection Registers (DPR), and
- Updating CSC Privacy Notice

As part of the review, 'Retention and Disposal Schedules' have also been created to ensure CSC comply with data retention policies. CSC have regular communication with RCT's Information Management team to seek advice when developing systems.

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

Freedom of Information and Subject Access Requests

5.3.3 CSC operates a Freedom of Information (FOI) Act 2000 publication scheme in accordance with legislative requirements. FOI updates are provided to Joint Committee on an annual basis and during 2025/26 1 FOI request was received and responded to within 20 working days. No Subject Access Requests (SARs) were received. These would normally receive a response within a one calendar month period.

Planning ahead

5.3.4 CSC consulted with stakeholders on its vision and priorities for 2025/26 and set these out in a document called 'Business Plan 2022-25'; this Plan was agreed by Joint Education Committee on 12th December 2023. An updated Appendix to the Business Plan (following identification of priorities for improvement from self-evaluation activity) was presented and approved by Joint Committee in October 2024.

During 2025/26, the Joint Committee received business plan priority updates as self-standing agenda items, the latest being in [June 2025](#).

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 CSC to account, up to 31st August, following which the Joint Committee no longer has strategic oversight of the consortium.

Following the conclusion of the School Improvement Partnership Programme, Cabinets in each of the five LAs agreed the delivery of school improvement functions to be undertaken by the individual LA. Cabinets also agreed that Professional Learning and Curriculum Support should continue to be organised and delivered across the five LA within the CSC regional footprint.

CSC was therefore focussed on financial planning to 31st August 2025, to support financial stability and inform service planning and delivery based upon the budget for 2025/26 as reported to the Joint Committee on 10th June 2025.

Each constituent authority's Cabinet report detailed financial implications of the new collaborative model from 1st September 2025 being an annual regional cost of £5.021M

Openness – Forward work programmes

- 5.3.5 CSC had in place a forward work plan of Committee meetings for 2025/26 together with the matters to be considered. This will now be informed by the needs of the Directors of Education in their role within the new regional collaborative service. The residual matter of the final Statement of Accounts and associated audit remains the responsibility of the Joint Committee.

Decision making and scrutiny of decisions made

- 5.3.6 During the year, Central South Consortium Joint Education Service Joint Committee made key decisions, for example, reviewing and agreeing CSC Core Revenue Budget, and Annual Governance Statement.

The Central South Consortium Joint Education Service Joint Committee is one of the main decision-making bodies within CSC and throughout 2025/26 received 10 reports all of which were made publicly available prior to the meetings.

Key decisions were also taken by the Directors of Education from each of the local authorities at the Director Steering Group meetings⁶.

⁶ Subsequently known as the CSC Management Board

Based on the above information it is considered that the decision-making arrangements that operated during 2025/26 were open and transparent, and compliant with CSC's Legal Agreement.

Finally, a review of a sample of Joint Education Committee Reports for 2025/26 has confirmed that a consistent format was used.

Engagement with stakeholders

5.3.7 The arrangements for engagement with stakeholders were originally as follows (as set out in the 2015 legal agreement):

- **CSC Management Board** – The Board comprised 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 Board are documented within Schedule 2 of the Legal Agreement.

- **Senior Leadership Group** - The Group comprised the Executive Leadership team of the CSC as well as Principal Improvement Partners for each local authority, Senior officers with strategic responsibilities were 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.

5.3.8 The Joint Committee agreed to commission an independent review of the Consortium at its October 2018 meeting. The context to the review was the national changes to the education system and the financial pressures facing schools and Local Authorities. As part of implementing agreed recommendations from the review, the Joint Committee meeting on the 16th of December 2020 agreed to amend the Governance structure in order to: -

- Consider the benefits of bringing different groups together into one overarching decision-making board.
- Review the role being played by Joint Consortium Committee.
- Strengthen its function as a forum to share and problem solve together; and
- Strengthen the connection between clusters, local heads groups and the Consortium.

5.3.9 A revised structure was agreed in order to ensure that all stakeholders have a voice in the system and there are opportunities for each stakeholder group to meet to focus on issues related to the sector. Each group had a revised terms of reference within the governance structure as follows:

- Joint Committee
- CSC Management Board
- Regional Stakeholder Group
- Senior Leadership Team
- Governor Stakeholder
- Partnership Group

The new service has moved to a collaboration model whereby the inter-authority legal agreement establishes principles of collaboration between the 5 LAs to deliver services to support school improvement across the region. Whilst the service would continue to be hosted, it will remain accountable to all LAs as set out in the legal agreement with a 'Strategic Group' or Management Board as the decision-making forum with chairing of this rotated between the Directors. The Lead Officer for the new service, would be accountable to this group / board.

5.3.10 There were a broad range of communication methods on offer to encourage stakeholders to express their views during the period to 31st August 2025.

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

Defining outcomes

5.4.1 CSC's 'Business Plan Appendix 2024-2025' was approved by the Joint Education Committee on the 8th October 2024 and identified five overarching improvement priorities: -

- Curriculum
- Professional Learning Pathways.
- Equity and Wellbeing
- School Evaluation & Improvement
- Leadership and governance of Central South Consortium

5.4.2 An updated CSC Revenue Budget for the 2025/26 (5 month period) was reported to the 10th June 2025 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, detailing outcome aims, 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 was a clear ambition for CSC to improve in its priority areas.

5.4.5 In June 2025, a delivery plan progress update was made public through the Joint Education Committee meeting that also contained information on financial performance, strategic risks and investment linked to Business Plan priorities.

5.4.6 For the 5 month period in 2025/26, 100% of CSC's Business Plan was funded from Local Authority Education Grant (LAEG).

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

Determining and planning interventions

5.5.1 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 5 month period of the 2025/26 financial year:

Performance reports were presented to the Joint Education Committee during the year providing 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 period provided opportunity for stakeholders to understand CSC's performance and hold it to account.

Optimising achievement of intended outcomes

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

Maximising impact

5.5.5 Following the Covid-19 pandemic, the information published by Welsh Government (WG) has changed, when compared to that available prior to 2020.

5.5.6 The National Data Collections (NDC) have been significantly reduced, with the submission of Foundation Phase assessment outcomes or Key Stage 2 assessment outcomes no longer a statutory requirement. The assessment outcomes for Key Stage 3 continue to be collected by WG, but these are only published at national level.

5.5.7 Statutory data collections for primary and secondary attendance were re-introduced for 2023 and these are reported at national level, Local

Authority (LA) level, regional level and school level on the various WG platforms (StatsWales, My Local School etc.).

- 5.5.8 WG have continued to collect the Pupil Level Annual School Census (PLASC) and Educated Other Than at School (EOTAS) data collections since 2020. However, due to the issues reported for the 2020 and 2021 data collections, comparisons across the period since 2020 should continue to be treated with an element of caution.
- 5.5.9 WG re-introduced the publication of performance measures relating to examination results for 2023 results onwards, based on the interim measures introduced in 2019 (prior to Covid-19)^[3]. Transitional arrangements were in place for 2021/22 and 2022/23, with results in 2022/23 being set to mid-way between 2018/19 and 2021/22 results. However, in 2023/24 these transitional arrangements ceased and Qualifications Wales returned to awarding results in line with pre-pandemic results. This resulted in a decrease in results in 2023/24 when compared to 2022/23.
- 5.5.10 The publication of performance data on My Local School^[4] was suspended from 2020 to 2022 but has been reintroduced for 2023 Key Stage 4 results. The attendance data since 2022/23 has also been included alongside school finance data, free school meal eligibility, teacher numbers and pupil teacher ratios. In line with the WG written statement^[5], the published school performance measures are to be used to support school and local authorities in understanding their own contexts and should not be used in isolation to judge performance or compare schools. The published performance measures at LA level from WG can be located [here](#)^[6]
- 5.5.11 Estyn introduced a new inspection framework for September 2024 in their “Estyn Annual Plan 2024/25”^[7].
- There will now be two types of inspections undertaken: Core and Interim.
 - Estyn have committed to engaging with maintained schools and PRUs twice within a six-year period – normally this will mean at least one core inspection and one interim visit.

[3] <https://www.gov.wales/sites/default/files/statistics-and-research/2023-12/examination-results-september-2022-to-august-2023-614.ods>

[4] <https://mylocalschool.gov.wales/?lang=en>

[5] <https://www.gov.wales/written-statement-school-improvement-and-information-landscape>

[6] <https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Examinations-and-Assessments/Key-Stage-4/interimexammeasuresforyear11pupils-by-lea>

[7] <https://estyn.gov.wales/estyn-annual-plan-2024-2025/>

- The follow-up category of “Estyn Review” has been discontinued, and Estyn will monitor the progress of providers placed in Estyn Review until 2026.
- Statutory follow-up categories of “Special Measures” and “Significant Improvement” will continue in line with current statutory guidance.

5.5.12 Between April 2025 and August 2025 19 core inspections and 19 interim inspections were undertaken in the region under the new 2024 inspection framework. A total of 120 schools were inspected between September 2024 and August 2025, which is just under one-third of schools in the region. 68 inspections were core inspections with a further 52 interim inspection visits.

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 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.

5.6.2 The self-evaluation processes within CSC ensured a rigorous assessment of the current position and areas for improvement. This evaluation continues to be incorporated into service level planning processes as well as ensuring alignment with national and local authority priorities.

5.6.3 Effectively managing the workforce – 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 in priority areas within the business plan (against approved success measures).
- Continue to operate a system of agile working arrangements that has taken advantage of digital technology to help 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.

- Aligned the on-going modernisation of its arrangements to RCTCBC's Digital Strategy.
- Aligned to the revised Digital & Communication Strategy at CSC.

5.7 **DEVELOPING THE CAPACITY OF THE ENTITY'S LEADERSHIP AND OTHER INDIVIDUALS**

CSC's Legal Agreement sets out the responsibilities of the Managing Director, the Joint Education Committee and CSC Management Board (Schedule 2).

5.7.1 **Developing the capabilities of employees**

CSC was committed to staff development in line with business needs, to help ensure it has a 'fit for purpose' workforce, and to smooth transition of school improvement to LAs, staff were offered opportunities to engage in national curriculum design programmes. All professional learning is underpinned by staff needs and regional priorities. Staff development has also been supported through RCT Manager Briefings and a range of relevant leadership training and accreditations from the Association of Education Advisers (AOEA).

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

Managing risk

5.8.1 During the period CSC continued with the regular updating of its risk change template in line with its business plan monitoring and risk policies.

5.8.2 This risk change template was updated by all risk owners and then presented for review by the Executive Leadership Team (ELT). Following agreement of the ELT, proposals were presented to Directors for consideration and then to Joint Committee meetings for final review and acceptance. Once this process was completed the risk register was finalised.

5.8.3 Any new risks were incorporated into the register during the period, with accompanying actions to address / mitigate risks, as far as practicable, and were reported to 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 CSC's Performance Management arrangements. Performance at strategic level was driven and measured through CSC's drive teams (members of the senior leadership team). Five drive teams were established to ensure the effective delivery and impact of the priority plans aligned to the 2022/25 CSC business plan.

Robust internal control

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

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 CSC. This work has been reviewed to ensure compliance with GDPR regulations.

5.8.7 A review of arrangements in place during the period identified that they were in line with laid down requirements because:

- Key responsibilities were formally designated within CSC: CSC's designated Senior Information Management Risk Officer (SIRO) was the Managing Director, 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 Council's 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 CSC) in accordance with the Council's responsibilities under the Freedom of Information Act 2000; and
- The Host Authority has a Public Sector Network (PSN) plan in place to meet the end of year timeframe for renewal 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.

Strong public financial management

5.8.8 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 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.

5.8.9 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.

5.8.10 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.”

5.8.11 Audit Wales⁷ audits CSC's annual statement of accounts and the outcome from the audit being reported to the Joint Committee.

5.8.12 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.

- 5.8.13 During 2025/26 the role of the Chief Financial Officer at RCTCBC continues to be compliant with the principles of the CIPFA Statement – Role of the Chief Financial Officer in Local Government 2016.

Internal Audit

- 5.8.14 The Head of Internal Audit presented the Internal Audit Annual Report 2024/25, based on the work of Internal Audit during the year, to the Council's Governance and Audit Committee on 31st March 2025.

External Audit

- 5.8.17 The latest audited statement of accounts (i.e. for the 2024/25 financial year) received an unqualified audit report (i.e. clean bill of health) and was approved at the meeting of the Joint Education Committee on 18th July 2025.

- 5.8.18 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:

- 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's Gross Revenue Budget, as reported to the Joint Committee on 10th June 2025 for the period of April – August 2025, was £3,696,054. Financial performance results were publicly reported during the year and scrutinised by the Joint Education Committee. The final outturn position, subject to Joint Committee approval at the December 2025 meeting, demonstrates the delivery of a balanced budget for the 2025/26 financial year after setting aside specific earmarked reserves to support the service remodelling.
- CSC is financially stable, based on: 2025/26 General Reserve balances being in line with the 2024/25 year-end position i.e. £174k (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.

- 5.8.19 The latest Audit Wales report 'Audit of Accounts Report' reported to Joint Education Committee on 18th July 2025 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 of 31 March 2025; and of its income and expenditure for the year then ended; and*
- *Have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.*

5.8.20 The Audit Wales report made no recommendations to be addressed by CSC or the Host Authority.

5.8.21 From April 2024, funding previously provided to consortia is being directly allocated to local authorities via the Local Authority Education Grant (LAEG) with four grant elements, namely: School Standards, Equity, Reform and Cymraeg 2050.

5.8.22 The CSC budget for the 5 month period to 31st August 2025 was noted by Joint Committee in June 2025 to ensure the on-going delivery of agreed school improvement priorities for the final accounting period 1st April 2025 to 31st August 2025.

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

Implementing good practice in transparency and reporting

5.9.1 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 with opportunity to challenge CSC's performance, plans and decisions.

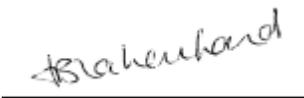
5.9.2 A review of a sample of information reported to the Joint Education Committee has revealed that:

- Annual Reports and Plans are reported publicly, providing an overview of performance, for example, the Council's audited Statement of Accounts 2024/25 reported and approved by Joint Education Committee on 18th July 2025; 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 several 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, the CSC's governance arrangements are deemed to have remained effective as evidenced through the comprehensive and timely updates provided to virtual Joint Committee meetings during this year; on-going compliance with the requirements of the Legal Agreement; robust financial planning and management arrangements; and the delivery of prioritised and tailored provision to schools in line with Welsh Government guidance.
- 6.2 Given the changes to the governance arrangements of CSC, the assessment has not identified any areas for improvement.
- 6.3 The robust governance arrangements which were in place within the CSC, were critical in supporting the move to a collaboration model from 1st September 2025, delivering a re-branded regional Professional Learning and Support Service whilst School Improvement responsibilities transfer to constituent local authorities.

Professional Learning and Support Director: 


Section 151 Officer:


Chair, Joint Education Committee
:

The report of the Auditor General for Wales to the Members of Central South Consortium

Opinion on financial statements

I have audited the financial statements of: Central South Consortium Joint Education Service Joint Committee for the period ended 31st August 2025 under the Public Audit (Wales) Act 2004.

Central South Consortium Joint Education Service Joint Committee (the Joint Committee) financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 25-26.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Joint Committee and of its income and expenditure for the period then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 25-26.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are 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.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Joint Committee's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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 is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 25-26;
- 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 is 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 Annual Governance Statement.

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

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

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 pages 11 to 12, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls 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;
- assessing the Joint Committee ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Joint Committee will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Joint Committee's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals.
- Obtaining an understanding of Joint Committee's framework of authority as well as other legal and regulatory frameworks that Joint Committee operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Joint Committee.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, those charged with governance and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Joint Committee's controls, and the nature, timing and extent of the audit procedures performed.

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.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

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



Adrian Crompton
Auditor General for Wales

13th February 2026

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

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.

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.

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.

Lease

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

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).

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.

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.

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.