
**The Welsh Consolidated Fund
Receipts and Payment Account**

1 April 2018 to 31 March 2019

FOREWORD

Background

1. The Welsh Consolidated Fund (the Fund) was established on 1 April 2007 under the Government of Wales Act 2006 (the Act). The Act provided a formal legal separation between the National Assembly for Wales and the Welsh Government and created a new body, called the National Assembly for Wales Commission. The Fund holds the funds for the following:
 - the Welsh Government;
 - the National Assembly for Wales Commission (NAWC);
 - the Wales Audit Office (WAO); and
 - the Public Services Ombudsman for Wales (PSOW).
2. The Auditor General for Wales (AGW) authorises payments out of the Fund. Each of the four bodies listed above is able to draw down funds from the Fund, provided they are in accordance with an approved Budget Motion. The total authorised by Budget Motion for drawdown from the Fund for 2018 -19 was £16,376,559,000 (2017-18 was £15,717,989,000).

Scope of the Account

3. This Account has been prepared under Section 132(1) of the Government of Wales Act 2006 which requires the Welsh Ministers to prepare an account showing payments into and out of the Fund and in accordance with the Accounts Direction issued by HM Treasury, under that Act.
4. The Fund receives, from the Wales Office, sums which have been voted by Parliament. Receipts received by the above mentioned bodies that are not authorised to be used to support their expenditure are also, by virtue of Section 120(1) of the Government of Wales Act 2006, payable into the Fund.
5. Under devolved powers from the Wales Act 2014, devolved taxes in respect of Land Transaction Tax and Landfill Disposals Tax have been managed in Wales from 2018-19 onwards. The Welsh Revenue Authority (WRA) was established by the Tax Collection and Management (Wales) Act 2016 to administer and collect both taxes. The taxes collected by the WRA are paid into the Fund under Section 25 of the Tax Collection and Management (Wales) Act 2016.
6. The Devolved Tax Statement account is prepared and published separately and can be accessed at <https://gov.wales/welsh-revenue-authority-annual-report-and-accounts-2017-2019>.
7. Section 121 of the Government of Wales Act 2006 (as amended by the Wales Act 2014 and 2017) grants Welsh Ministers enhanced borrowing powers, with any sums borrowed and repaid (including interest) to be paid into and out of the Fund respectively. These powers were exercised during 2018-19.
8. Payments are made out of the Fund if they have been charged on the Fund by any enactment, or if they are authorised by a Budget Resolution of the Assembly. Budget Resolutions may be passed in respect of relevant persons, namely those mentioned in paragraph 1 above. Approval to draw funds must be obtained from the AGW in accordance with Sections 124 and 129 of the Act.

9. Those bodies that draw down funding from the Fund provide annual accounts reporting their stewardship of those funds.

Welsh Consolidated Fund Receipts and Payments

10. These accounts show the transactions relating to the statutory purposes set out above. The Fund had a brought forward a balance of £9,000 as at 31 March 2018, with receipts totalling £16,249,878,000 paid in and payments of £16,249,841,000 made during the year, leaving the Fund with a closing balance as at 31 March 2019 of £46,000. During 2017-18 receipts paid into the Fund during the year totalled £15,469,432,000 with payments from the Fund of £15,469,786,000.

Audit

11. As Principal Accounting Officer (PAO), I have taken all the steps I ought to have taken to make myself aware of any relevant audit information and to establish that the Fund's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the Fund's auditors are unaware.
12. The Account is audited by the AGW in accordance with Section 132 of the Government of Wales Act 2006.

Shan Morgan
Permanent Secretary and Principal Accounting Officer
24th September 2019

STATEMENT OF PRINCIPAL ACCOUNTING OFFICER'S RESPONSIBILITY

1. Section 132(1) of the Government of Wales Act 2006 requires the Welsh Ministers to prepare an account of the payments into and out of the Fund. The accounts are prepared on a cash basis and must properly present the Fund's transactions for the period 1 April 2018 to 31 March 2019. Section 132(5) of the Act requires the AGW to lay before the National Assembly for Wales a certified copy of the account.
2. The responsibilities of the PAO, including their responsibility for the propriety and regularity of the public finances for which the PAO is answerable, and for the keeping of proper records, are set out in the Welsh Government's Accounting Officers' Memorandum, issued by HM Treasury.

Shan Morgan
Permanent Secretary and Principal Accounting Officer
24th September 2019

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

As PAO, I am responsible for ensuring there is a high standard of probity in the management of public funds. I am responsible for maintaining a sound system of internal control that supports the management of the Fund whilst safeguarding the public funds and assets for which I am personally responsible and which includes effective arrangements for the management of risk.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to: identify and prioritise the risks to the effective operation of the Fund; evaluate the likelihood of those risks being realised and the impact should they be realised; and manage them efficiently, effectively and economically.

The system of internal control has been in place for the year ended 31 March 2019 and up to the date of approval of the accounts and accords with HM Treasury guidance.

The Risk and Control Framework

The operation of the Fund is governed by the provisions of the Government of Wales Act 2006, the Wales Act 2014 and 2017, and the Tax Collection and Management (Wales) Act 2016 which set out the conditions for payments to be made out of the Fund and sums to be paid into the Fund. Approvals to draw on the Fund by Welsh Ministers must be approved by the AGW. The Welsh Ministers are accountable for the Fund and requests for withdrawals are made on behalf of the Welsh Government, the WAO, the NAWC and the PSOW, under authority of the Budget Resolutions passed by the National Assembly for Wales. The Welsh Government administers the Fund. Hence, the PAO for the Welsh Government is also responsible for producing and signing the accounts for the Fund.

The Welsh Government is only able to draw funds with the approval of the AGW (under Sections 124 and 129) who must grant an approval to draw if the request relates to a valid amount charged on the Fund by any enactment (a Direct Charge) or if the amount requested has been authorised or has been deemed to be authorised by a Budget Resolution of the Assembly for the purposes of meeting expenditure of the Welsh Government, NAWC, WAO or the PSOW. The AGW may also grant an approval to draw in respect of an amount which has been paid into the Fund by mistake.

Before any money can be released from the Fund, Ministers must request, and the AGW must grant, an approval to draw. Section 129 allows Ministers and the AGW to agree on the form of such requests. In granting such approvals to draw, the AGW is merely verifying statutory authority exists to make such payments. This check does not amount to a pre-audit of the amount being requested.

The operation of the Fund is reliant on the core financial management systems of the Welsh Government to carry out its accounting and payment functions on behalf of the Welsh Ministers and, thereby, on the controls operating around those systems. To review the control environment, I require all Directors within the Welsh Government to complete an annual internal control questionnaire. The Directors General also provide me with an Assurance Statement annually setting out their assessment of the effectiveness of their Group's internal controls frameworks. I have received satisfactory assurances, principally from the Director of Governance & Ethics and the

Director of Finance, in respect of the operation of the central finance and corporate systems, and services on which the operation of the Fund relies.

The Welsh Government's approach to risk management is set out in its Risk Management Policy and associated guidance documents. Risks are identified, evaluated and managed at different levels within the organisation. The Welsh Government Board is responsible for overseeing the implementation of the risk management policy and process and for oversight and scrutiny of the mitigations for key risks facing the Welsh Government which might otherwise prevent or hinder the organisation from achieving its strategic objectives. The Corporate Risk Register was reviewed on a periodic basis by the Board.

With respect to the other bodies funded through the Fund, and the WRA for the remittance of taxation receipts to the Fund, I rely on their Accounting Officers to maintain effective systems of internal control and to ensure there is capacity to manage risk in an appropriate and proportionate manner within their organisations.

Information Governance

As PAO, I am responsible for ensuring appropriate arrangements are in place to comply with the core set of mandatory minimum measures to protect information in Government Departments which require me to assess our risk and ensure appropriate mitigation strategies are in place.

The Welsh Government's corporate IT systems and associated security policies continue to be compliant with ISO 27001, the international standard for information security management, and are aligned with recommended practice and procedures. This was confirmed by the programme of audit work carried out by Internal Audit's compliance audits and by the positive assurance I have received from the Welsh Government Senior Information Responsible Owner (SIRO).

Assurances

As PAO, I have responsibility for reviewing the effectiveness of the governance framework including the system of internal control relevant to the Fund. With respect to the Welsh Government, I take assurance from a wide range of assurance providers, who were brought together this year at an "assurance stocktake" held in May 2019 to review the operation of the key controls on which I rely. I am informed principally by the work of Internal Audit and those Welsh Government officials with responsibility for the development and maintenance of the internal control framework. I also take assurance from management responses to issues identified by the External Auditor (the AGW) in his various reports on Welsh Government operations and activities. I have been advised on the effectiveness of the system of internal control by the Board and Audit and Risk Assurance Committee.

The Welsh Government has an Internal Audit Service, which operates in conformance with Public Sector Internal Audit Standards. It undertook a full programme of work based upon an analysis of the major risks facing the organisation. The Head of Internal Audit submitted regular reports to the Audit and Risk Assurance Committee on progress in implementing this audit plan and I met regularly with her through the year to discuss audit activity and specific internal control issues. The Head of Internal Audit, in her Annual Assurance report, provided me with "reasonable assurance" on the operation of the framework of governance, control and risk management.

With respect to the other bodies funded through the Fund, and the WRA for the remittance of taxation receipts to the Fund, I rely on their Accounting Officers to undertake their own review of the effectiveness of control their own organisations, supported by the range of assurances available to them, and I have sought their written confirmation that they have sufficient assurance as to the effectiveness of their own systems of governance, risk management and internal control in respect of matters affecting the operation of the Fund.

All Accounting Officers have confirmed that they have sufficient assurance in respect of matters affecting the operation of the Fund.

With respect to the WRA, I have an Accounting Officer agreement in place with the WRA Chief Executive setting out the responsibilities both in regard of the WRA, and the Devolved Tax Statement.

I note that in the first year of taxation collection, an internal audit was undertaken of the End-to-End process for the collection, receipt and payments to the Fund, and that a 'substantial assurance' audit opinion was issued providing an additional source of assurance in the first year of remittance that the systems of internal control affecting the operation of the Fund for taxation receipts are effective.

Specific assurances have been provided by the Chief Executive and Clerk of the Assembly. The specific assurances are in respect of the payroll processes operated by the NAWC and an assurance in respect of the completeness, accuracy and validity of the figures in the accounts as Direct Charges against the Fund. The assurance framework for payroll payments undertaken as Direct Charges is also informed by specific testing undertaken by WAO on the Direct Charges as part of the NAWC external audit.

The NAWC has also undertaken a review of arrangements for public appointments. The review concluded that whilst it was clear in legislation that the Assembly was responsible for the appointments of the AGW, the PSOW, the Standards Commissioner and the Chair of the WAO and the terms of conditions associated with them, in some cases there was an absence of clear delegation from the Assembly to the NAWC, where the Assembly chose to make this delegation. The roots of this are historical, going back to the time before the implementation of the Government of Wales Act 2006.

The NAWC has taken external legal advice to confirm that nothing irregular has resulted from this technical deficiency and this advice has confirmed that the appointments are made and the requirement to pay the appointees appropriately are both regular and legal. The NAWC intends to take the opportunity as it arises to add this clarity to the legislation, so that delegation, where the Assembly agrees to do so, is explicitly granted as part of the Assembly agreeing to a new appointment. This has already been done in the Public Service Ombudsman (Wales) Act 2019.

The NAWC has also taken the opportunity to review and revise the procedures for monitoring the linkages that set the pay for such public appointments, to ensure that when the linked scales change, the pay of the appointee is duly revised. In addressing the issues identified the NAWC engaged with the Welsh Government and the WAO, and the NAWCs Head of Governance and Assurance provides updates to the NAWC Audit and Risk Committee on these issues.

The WAO Annual Report and Accounts note a change for 2018-19 and future years regarding the balance of cash held by the WAO being shown as due to the Fund. In previous years, at the year-end the WAO has only returned the element specifically relating to the budget for 'resources, other than accruing resources' in their approved budget ambit i.e. Welsh Consolidated Fund funded activities. Other WAO cash balances relate to fee income and timing of invoicing and cash receipts.

The WAO has agreed a revised accounting approach with Welsh Government Finance officials and its external auditors which, from 2018-19 onwards, notionally returns the full cash balance to the Fund at the year-end then re-draws it the following year. This is a notional return and re-draw rather than a physical transfer of cash and is in line with HM Treasury's Financial Reporting Manual.

Based on my review of internal controls within the Welsh Government and the assurances available to me from the other bodies funded by the Fund, I am satisfied the Fund had in place during the year a sound governance framework and appropriate controls to support the achievement of its objectives and to safeguard public funds. They supported the achievement of the Welsh Government's policies, aims and objectives; facilitated effective exercise of Welsh Ministers' functions; and safeguarded public funds and assets for which I, as PAO, was personally responsible. These matters of governance and control are in accordance with the responsibilities assigned to the PAO in HM Treasury's Welsh Government Accounting Officers' Memorandum.

Shan Morgan
Permanent Secretary and Principal Accounting Officer
24th September 2019

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of the Welsh Consolidated Fund for the year ended 31 March 2019 under Government of Wales Act 2006. These comprise the Receipts and Payments Account and the related notes. These financial statements have been prepared on a cash basis under Section 132 of the Government of Wales Act 2006.

In my opinion the financial statements:

- properly present the receipts and payments of the Welsh Consolidated Fund for the year ended 31 March 2019; and
- have been properly prepared in accordance with Section 132 of the Government of Wales Act 2006 and HM Treasury directions issued thereunder.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body 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.

Other information

The Principal Accounting Officer is responsible for the other information in the account. The other information comprises the Foreword and Annual Governance Statement. 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.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on regularity

In my opinion, in all material respects:

- the sums paid out of the Welsh Consolidated Fund were in accordance with the authorities set out in Sections 124 or 130 of the Government of Wales Act 2006;
- money which is required to be paid into the Welsh Consolidated Fund has been paid into that Fund; and
- the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- 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. I am unable to confirm that it has been properly prepared because directions do not specify its content or form; and
- the information given in the Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements and the Foreword has been prepared in accordance with the directions issued by HM Treasury.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of the Principal Accounting Officer

As explained more fully in the Statement of Principal Accounting Officer's Responsibilities, the Principal Accounting Officer is responsible for the preparation of financial statements in accordance with the Government of Wales Act 2006 and HM Treasury directions made thereunder and for such internal control as the Principal Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

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.

Responsibilities for regularity

The Principal Accounting Officer is responsible for ensuring the regularity of financial transactions.

I am responsible for expressing an opinion on whether the receipts and payments have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

I am also responsible for expressing an opinion on whether the sums paid out of the Welsh Consolidated Fund were in accordance with the authorities set out in sections 124 or 130 of the Government of Wales Act 2006 and that money which is required to be paid into the Welsh Consolidated Fund has been paid into that Fund.

Anthony Barrett
For and on behalf of the Auditor General for Wales
26th September 2019

24 Cathedral Road
Cardiff
CF11 9LJ

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

		2018-19	2017-18
<u>Receipts</u>	Note	£000	£000
Receipts from the Wales Office under Section 118(1) of the Government of Wales Act 2006		14,582,040	14,130,162
Non Domestic Rating receipts	2	99,776	99,124
Principal repayments of loans from the National Loans Fund	3	-	-
Borrowing by Welsh Ministers	4	65,000	-
HMRC Distribution from National Insurance Fund in respect of Social Security	5	1,234,859	1,208,865
Devolved Tax Receipts	6	250,750	-
Other receipts	7	17,453	31,281
Total Receipts		16,249,878	15,469,432
<u>Payments</u>			
Issues authorised under Assembly Budget Resolutions	8	16,168,641	15,391,695
Direct Charges:			
Salaries, related costs and pensions	9	742	688
Expenses of returning officers at Assembly elections	10	-	-
National Loans Fund repayments of Principal and Interest	3	1,745	1,745
Non Domestic Rating payments by Welsh Ministers	2	61,260	45,621
Surrender to the Secretary of State of receipts designated under Section 120(3) of the 2006 Act	7	17,453	30,037
Total Payments		16,249,841	15,469,786
Net (decrease) /increase in Fund balance		37	(354)
Balance brought forward at 1 April		9	363
Balance carried forward at 31 March		46	9

The notes on pages 12 to 21 form part of this account

Shan Morgan
Permanent Secretary and Principal Accounting Officer
24th September 2019

Note 1

STATEMENT OF ACCOUNTING POLICIES

These accounts are prepared on a cash basis under Section 132 of the Government of Wales Act 2006. In addition, balances to and from the Welsh Government are disclosed at Note 12 to assist preparation of the Whole of Government Accounts.

Note 2

NON DOMESTIC RATING

The Welsh Ministers receive non-domestic rates (NDR) collected from ratepayers by Billing Authorities or paid directly to the Welsh Ministers by ratepayers on the Central Rating list. The Welsh Ministers are required to redistribute the contributions to Receiving Authorities in proportion to the resident adult population (aged 18 or over) in each administrative area (Local Government Finance Report 2018-19 No's 1 and 2 Section 4.1). The NDR received are thus pooled and redistributed. The operation of the pool is governed by Schedule 8 to the Local Government Finance Act 1988 and regulations made under Section 141 of that Act. Under the Government of Wales Act 2006 non-domestic rates income must be paid into the Fund and any related non-domestic rates expenditure is a direct charge on the Fund.

With the approval of HM Treasury, in order to avoid unnecessary cash transfers between the Welsh Government and authorities, local authorities are permitted to net off the NDR they collect against the funding they require, with differences from one year to the next being allowed for in determining the amount of Revenue Support Grant to be provided for any given year. During the period 1 April 2018 to 31 March 2019 gross NDR contributions into the pool totalled £1,000,954,000 (2017-18 £961,043,000).

The payments made through the Fund of £61,260,000 (2017-18 £45,621,000) represent payments to authorities and central list ratepayers as a result of the final recalculations of contributions for 2017-18 and previous years following receipt of billing authority audited claims and reductions in rateable values for central list ratepayers. This figure includes payments totalling £1,019,000 (2017-18 £2,700,000) to cover payments made by Welsh Government during 2017-18 to central list ratepayers as a result of reductions in rateable values.

Receipts into the Fund of £99,776,000 (2017-18 £99,124,000) represent contributions from central list ratepayers and additional receipts as a result of final recalculations of contributions for 2017-18 and previous years following receipt of audited claims from authorities.

Further information on NDR is contained in the Welsh Government Consolidated Annual Report and Accounts 2018-19 and the Non-Domestic Rating Account (Wales) 2018-19.

Note 3

NATIONAL LOANS FUND

These balances represent loans from the National Loans Fund (NLF) lent onwards by the Secretary of State for Wales originally to the Mid-Wales Development Corporation. They were then passed to the Development Board for Rural Wales in the 1980's; and to the Welsh Development Agency (WDA) when DBRW was abolished in 1998. Following WDA abolition in 2006, responsibility for the repayment of principal and interest falls on the Welsh Government. Payments of £1,745,000 were made by the Welsh Government to the Wales Office in 2018-19. As the repayment of both interest and principal to the NLF is a direct charge on the Fund, the Welsh Government received £1,745,000 from the Fund to fund the loan repayments.

Note 4

BORROWING BY WELSH MINISTERS

Under Section 121 of Government of Wales Act 2006 (as amended by the Wales Act 2014 and 2017) additional borrowing powers were conferred on Welsh Ministers with effect from 1st January 2017. Any sums borrowed and repaid under these provisions must be done via the Fund and therefore reflected in these accounts. The first sums borrowed from the NLF were received by the Fund in 2018-19. A summary of the borrowing position is set out as follows:

	Principal £000	Accrued Interest £000	Total £000
At 1 April 2018	-	-	-
New Borrowing	65,000	-	65,000
Interest Incurred	-	25	25
Repayments	-	-	-
Interest Paid	-	-	-
At 31 March 2019	65,000	25	65,025

No repayments were made in 2018/19. No sums were borrowed or repaid in 2017/18.

The repayment of borrowing is scheduled as follows:

	Principal £000	Interest £000	Total £000
Less than 1 year	1,090	787	1,877
1-5 years	9,001	3,361	12,362
More than 5 years	54,909	8,438	63,347
Total	65,000	12,586	77,586

Note 5

HMRC DISTRIBUTION FROM NATIONAL INSURANCE FUND IN RESPECT OF SOCIAL SECURITY

As of 2017-18 the HMRC distribution from National Insurance in respect of Social Security was paid in to the Fund. In previous years this was paid directly to Welsh Government. In 2018-19 the amount paid in to the Fund in respect of this was £1,234,859,000 (2017-18: £1,208,865,000).

Note 6

DEVOLVED TAXES

The Wales Act 2014 devolved a range of new financial powers to the National Assembly for Wales, including in relation to taxation. Subsequently, the Tax Collection and Management (Wales) Act 2016 provided for the establishment of the WRA. Since April 2018 the WRA has collected and managed two devolved Welsh taxes - Land Transaction Tax and Landfill Disposals Tax - on behalf of the Welsh Government. Section 25 of the 2016 Act requires the WRA to pay the taxes collected into the Fund.

During the year 2018-19, the WRA paid £251 million to the Fund in respect of the two Devolved Taxes:

	2018 – 19
	£000
Landfill Disposal Tax	34,628
Land Transaction Tax	216,122
<hr/>	
Total Devolved Taxes	250,750
<hr/> <hr/>	

Note 7

OTHER RECEIPTS

The Government of Wales Act 2006 (Designation of Receipts) Order 2007 designates certain receipts (designated receipts). Under the Government of Wales Act 2006 the Welsh Ministers must pay to the Secretary of State sums equal to the amount of the designated receipts. Section 120(6) of the Act provides that sums required for the Welsh Ministers to make payments under this Order are charged on the Fund.

	Receipts paid into fund 2018-19 £000	Receipts surrendered to the Secretary of State 2018-19 £000	Receipts paid into fund 2017-18 £000	Receipts surrendered to the Secretary of State 2017-18 £000
Welsh Government	17,453	17,453	30,786	30,037
Wales Audit Office	-	-	495	-
Total Designated Receipts	17,453	17,453	31,281	30,037
Total Non-Designated Receipts	-	-	-	-
TOTAL	17,453	17,453	31,281	30,037

Note 8

ISSUES AUTHORISED UNDER BUDGET MOTIONS

The Annual Budget Motion is passed under Section 125 of the Government of Wales Act 2006. For the period of this account the National Assembly for Wales approved: The Annual Budget Motion 2018-19 (GEN-LD11336) as amended by the Supplementary Budget Motion 2018-19 (GEN-LD12123).

The following amounts were paid out of the Fund under the authority of the Budget Motions. See also Note 11, which details amounts drawn down and unspent at 31 March 2019.

	2018-19	2017-18
	£000	£000
Welsh Government	16,107,550	15,330,322
National Assembly for Wales Commission	50,375	50,171
Wales Audit Office	6,338	7,031
Public Service Ombudsman for Wales	4,378	4,171
Total	16,168,641	15,391,695

Note 9

SALARIES, RELATED COSTS AND PENSIONS 2018-19

	National Assembly for Wales			Wales Audit Office		Ombudsman	Total £000
	Presiding Officer £000	Deputy Presiding Officer £000	Standards Commissioner £000	Auditor General for Wales £000	Wales Audit Office Chair £000	Public Service Ombudsman £000	
Salaries	110	89	28*	157*	25	150	559
National Insurance Contributions	14	11	3	20	2	20	70
Pension Costs	22	18	0	33	0	37	110
Apprenticeship Levy	1	0	0	1	0	1	3
TOTAL	147	118	31	211	27	208	742

Note 9 above shows direct charges of £741,550 on the Welsh Consolidated fund during 2018-19 in respect of Salary Costs. These salaries were paid by the National Assembly Commission for Wales. These costs include £13,438 in relation to amounts accrued by the National Assembly Wales Commission in their 2017-18 accounts and paid in the 2018-19 financial year.

*These payments reflect a change of appointment in the year. In respect of the Standards Commissioner, the balance of payments for the two post occupants in year is £23,688 and £4,272. In respect of the Auditor General for Wales, the balance of payments for the two post occupants in year is £58,227 and £98,866.

SALARIES, RELATED COSTS AND PENSIONS 2017-18

	National Assembly for Wales			Wales Audit Office		Ombudsman	Total £000
	Presiding Officer £000	Deputy Presiding Officer £000	Standards Commissioner £000	Auditor General for Wales £000	Wales Audit Office Chair £000	Public Service Ombudsman £000	
Salaries	107	87	18	153	25	144	534
National Insurance Contributions	14	11	1	20	2	19	67
Pension Costs	17	14	-	18	-	35	84
Apprenticeship Levy	1	-	-	1	-	1	3
TOTAL	139	112	19	192	27	199	688

Note 10

EXPENSES OF RETURNING OFFICERS AT ASSEMBLY ELECTIONS

The remaining expenses of the returning officer for Flintshire in respect of the by-election for Alyn & Deeside on 6 February 2018 were £11,285 (of this £4,811 related to postal charges). As at 31 March 2019 the Welsh Government had yet to draw £594,741 to cover expenses and surrender excess payments of £48,892, as detailed in note 12.

Note 11

AMOUNTS DRAWN AND UNSPENT AND EXCESS OF INCOME OVER AMOUNTS AUTHORISED

The amounts drawn down and received by bodies covered by the Fund but unspent as at 31 March 2019, and receipts in excess of income authorised repayable to the Fund, are detailed below:

Welsh Government

Welsh Government Consolidated Annual Report and Accounts 2018-19 for the year end 31 March 2019 reported the following amounts due to the Fund:

Excess of funding drawn not spent – £nil
Receipts in excess of income authorised – £nil

National Assembly for Wales Commission

The National Assembly for Wales Commission Resource Account for the year end 31 March 2019 reported the following amounts due to the Fund:

Excess of funding drawn not spent – £292,000
Receipts in excess of income authorised – £nil

The excess funding drawn not spent for 2017-18 was £73,000 these were deemed as drawn against 2018-19 authorised grants.

Public Services Ombudsman for Wales

The Public Services Ombudsman for Wales's annual account for the year end 31 March 2019 reported the following amount due to the Fund:

Excess of funding drawn not spent – £20,000
Receipts in excess of income authorised – £nil

For 2017-18 the excess funding drawn not spent of £32,000 and the receipts in excess of income of £nil, were not repaid to the Fund but deemed as drawn against 2018-19 authorised grants.

Note 11 cont'd

Wales Audit Office

The Wales Audit Office annual account for the year end 31 March 2019 reported the following amounts due to the Fund:

Excess of funding drawn not spent – £1,608,000
Receipts in excess of income authorised – £168,000

The excess funding drawn not spent for 2017-18 was £723,000 these were deemed as drawn against 2018-19 authorised grants.

In previous years, WAO has returned only the element of the underspend which specifically relates to the budget for 'resources other than accruing resources' in their approved budget ambit. The WAO therefore only returned the element of cash relating to WCF funded activities.

The WAO cash balances are largely in respect of fee income from audited bodies, which creates year – end cash balances for income received in March for work undertaken in April and beyond. A revised accounting approach has been put in place for 2018-19 onwards whereby the full WAO cash balance is noted as due to the Fund to be deemed as drawn against the 2019-20 approved cash requirement.

Note 12

WELSH GOVERNMENT BALANCE

The accounts for the Fund are prepared on a cash basis under Section 132(1) of the Act. If this WCF account were to be prepared on a resource basis, the balance sheet would include a debtor for the Welsh Government made up as below, reflecting transfers arising from 2018-19 activity still to be made as at 31 March 2019.

	2018-19	2017-18
	£000	£000
Funding drawn not spent	-	-
Designated Receipts	16,095	2,483
Returning officers expenses not drawn down	(595)	(424)
Excess of Returning officers expenses drawn	49	49
TOTAL	15,549	2,108

Note 13

AUTHORISED FOR ISSUE

The Principal Accounting Officer has authorised these financial statements to be issued on the same day as the Auditor General for Wales signs the audit certificate.

Appendix

WELSH CONSOLIDATED FUND

**ACCOUNTS DIRECTION GIVEN BY HM TREASURY IN ACCORDANCE WITH
SECTIONS 132(2) AND (3) OF THE GOVERNMENT OF WALES ACT 2006**

1. The account of payments into and out of the Welsh Consolidated Fund for the financial year ended 31 March 2008 and subsequent financial years shall properly present those payments.

2. When preparing the account of the payments into and out of the Welsh Consolidated Fund for the financial year ended 31 March 2008 and subsequent financial years the Welsh Ministers shall comply with cash (receipts and payments) accounting principles and the account will contain the following:
 - A Foreword (explaining the background and scope of the account);
 - A Statement of Accounting Officer's Responsibilities;
 - A Statement on Internal Control;
 - A Receipts and Payments Account; and
 - Such notes as are required to ensure a proper understanding of the account, including an explanation of the movement on financial year-end balances.

3. This direction shall be reproduced as an appendix to the statement of account.



DAVID WATKINS
Head of the Financial Reporting Policy Team, HM Treasury

04 January 2007