

**BRIDGEND COUNTY BOROUGH COUNCIL**

**INFORMATION REPORT TO COUNCIL**

**20 MARCH 2019**

**REPORT OF THE INTERIM HEAD OF FINANCE**

**RELATED PARTY TRANSACTIONS 2018-19 & STATEMENT OF ACCOUNTS**

**1. Purpose of Report**

- 1.1 The purpose of this report is to inform Council of the requirement for Members to formally declare any related party transactions for the financial year 2018-19 by completing the declaration attached at **Appendix A**.

**2. Connection to Corporate Improvement Objectives / Other Corporate Priority**

- 2.1 This report assists in the achievement of the following corporate priority:-
- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

**3. Background**

- 3.1 The preparation of the Statement of Accounts is a requirement of the Accounts and Audit (Amendment) (Wales) Regulations 2014 as amended and its content is defined by CIPFA's 'Code of Practice on Local Authority Accounting in the United Kingdom' 2018-19 (the Code).
- 3.2 The Code 2018-19 states that "Authorities shall identify related party relationships and transactions, identify outstanding balances between the authority and its related parties, and identify the circumstances in which disclosures are required". Any related party transactions must then be disclosed within the Statement of Accounts.

**4. Current situation / proposal**

- 4.1 The requirement to declare related party transactions is not new within the Statement of Accounts. However it was identified within Wales Audit Office (WAO)'s Audit of Financial Statements 2016-17 Report that this was an area where improvements could be made on the timeliness of returns from Elected Members. The recommendation from WAO was:-

"The Council should:

- formally remind all councillors of the importance of completing and submitting their annual related-party return by the deadline set by the Finance Department; and
- ensure that any outstanding related party returns are always pursued promptly."

- 4.2 In their Financial Statements 2017-18 Report the WAO acknowledged that 'the Council has strengthened its processes' and this report is therefore to remind Elected

Members of the requirement to complete the declaration attached at **Appendix A** with reference to the guidance attached at **Appendix B** by Friday 12<sup>th</sup> April 2019.

**5. Effect upon Policy Framework& Procedure Rules**

5.1 There is no effect upon the Policy Framework and the Procedure Rules.

**6. Equality Impact Assessment**

6.1 There are no equality implications in respect of this report.

**7. Well-being of Future Generations (Wales) Act 2015 implications**

7.1 The report supports all the wellbeing objectives.

**8. Financial Implications**

8.1 There are no financial implications in this report.

**9. Recommendation**

9.1 That Council notes the requirement for Members to formally declare any related party transactions for the financial year 2018-19 and the return deadline of Friday 12<sup>th</sup> April 2019.

**Gill Lewis**  
**Interim Head of Finance**  
**06 March 2019**

**Contact Officer:** Mary Williams, Group Manager Chief Accountant  
**Telephone:** (01656) 643605  
**E-mail:** [mary.williams2@bridgend.gov.uk](mailto:mary.williams2@bridgend.gov.uk)  
**Postal Address** Raven's Court, Brewery Lane, Bridgend, CF31 4AP

**Background documents**

None