

# BRIDGEND COUNTY BOROUGH COUNCIL

## INFORMATION REPORT TO COUNCIL

11 MARCH 2020

### REPORT OF THE INTERIM HEAD OF FINANCE

#### RELATED PARTY TRANSACTIONS 2019-20 & 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 2019-20 by completing the declaration attached at **Appendix A** by Thursday 9<sup>th</sup> April 2020.

#### 2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

- 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 the Chartered Institute of Public Finance and Accountancy (CIPFA's) 'Code of Practice on Local Authority Accounting in the United Kingdom' 2019-20 (the Code).
- 3.2 The Code 2019-20 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. The Wales Audit Office (WAO) scrutinise these returns closely as part of their audit of the Statement of Accounts and have recommended that:

"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 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 Thursday 9<sup>th</sup> April 2020.

## **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 well-being goals identified in the Act were considered in the preparation of this report. As the report is for information only, it is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

## **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 2019-20 and the return deadline of Thursday 9<sup>th</sup> April 2020.

**Gill Lewis**  
**Interim Head of Finance**  
**04 March 2020**

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## **Background documents**

None