



ANNUAL REPORT

2023-24

» CONTENTS

Chair's Foreword	3
Introduction	5
Key activities and deliverables	6
Overview	7
Progress against objectives	8
Compliance	14
Finance Reporting	15
Alignment with Welsh Government policy	16
Well-being of Future Generations Act (WBFGA)	17
Governance	19
Appendix A: Annual Accounts	
Appendix B: Audit findings	

» CHAIR'S FOREWORD

In April 2023, we presented a Business Proposition to the Welsh and UK Governments which evidenced the feasibility of developing a Small Modular Reactor (SMR) project at the site of the former power station in Trawsfynydd and be one of the projects to achieve a Final Investment Decision (FID) in the next Parliament (i.e. by 2030). The Proposition would deliver Cwmni Egino's core purpose of enabling socio-economic growth locally, regionally and nationally, as well as the urgent need for low carbon electricity to meet growing demand, achieve net zero emissions of carbon, and increase energy security.

Since presenting the Proposition, there have been a number of important developments at UK level impacting the UK nuclear programme, including the formal launch of Great British Nuclear (GBN), the commencement of the SMR technology selection process, publication of the 'Civil Nuclear: Roadmap to 2050' policy paper, consultations on siting and alternative routes to market and the announcement of an agreement to purchase the Wylfa and Oldbury nuclear sites from Hitachi.

These developments are positive for the nuclear sector as a whole, however they impact Cwmni Egino and the priority of Trawsfynydd as a site for new nuclear. GBN intends to focus initially on sites designated for development of new nuclear within the existing National Policy Statement for Nuclear (NPS) which does not include Trawsfynydd. Cwmni Egino carried out a strategic review in Q4 2023 and concluded that the prospects for

development at Trawsfynydd as part of the GBN programme are limited in the near term.

Recognising that it is important to safeguard the option for deployment of new nuclear at Trawsfynydd in the longer term, Cwmni Egino has continued to assess key aspects of site suitability and feasibility, the development programme, and social value strategy to enable development at the earliest opportunity.

We presented an update to the Business Proposition which reflects the further work undertaken during the year to our sponsorship team in Welsh Government (WG) and the Department of Energy Security and Net Zero (DESNZ). It provides a formal record of the status of the work undertaken by Cwmni Egino since 2021 that can be used as a reference for development in the future.

Delivery of the Civil Nuclear Roadmap will involve significant investment in nuclear over the next few decades – creating a demand for products and services and requiring substantial growth in the workforce, creating thousands of job and business opportunities. It presents a huge opportunity to deliver social and economic growth regionally and across Wales, and to help reverse the trend of outward migration by retaining and attracting back local talent. There is potential for substantial economic benefits for North Wales to support socially, culturally and environmentally sustainable communities.

Cwmni Egino offers a vehicle – rooted within the region – to facilitate partnership working, capitalise on the opportunities presented by new nuclear, and deliver on our mission to deliver a lasting, positive legacy for people in North Wales.

As we enter our fourth year, the focus of Cwmni Egino is broadening to look at ways to maximise the benefits of nuclear development more widely – regionally, and for the rest of Wales. Our activities will be targeted at embedding and sharing our social value driven approach to new nuclear development, promoting the regional opportunity from new nuclear, and working collaboratively to understand and maximise the scope of the opportunity.

In parallel with the work being undertaken by Cwmni Egino, WG is engaging with DESNZ on the future role of Cwmni Egino within the UK new nuclear programme. We are seeking early resolution of these discussions to clarify the future strategy of the company and ensure ongoing commitment and support for Cwmni Egino to help secure socio-economic benefits for North Wales.



Alan Raymant,
Chair - Cwmni Egino



» INTRODUCTION

This is the third Annual Report prepared by Cwmni Eginio covering the period from 1st April 2023 to 31st March 2024. It summarises key highlights and progress against our core objectives and includes our Governance Statement and Audited Accounts for the year.

Cwmni Eginio was established by Welsh Government in 2021 to build on the work of the Snowdonia Enterprise Zone by exploring options for sustainable job creation and socio-economic regeneration – with a core aim of facilitating future development at the former nuclear power station site in Trawsfynydd. The development of Small Modular Reactors (SMR) was identified as the most credible near-medium term option to deliver this objective and produced a Business Proposition setting out the merits of developing SMR at Trawsfynydd as one of the projects for approval in the next Parliament.

Over the past twelve months, it is has become apparent that it is unlikely that our proposition for Trawsfynydd to be one of the first UK sites to deploy SMR can be delivered as envisaged due to two key factors:

1. GBN has confirmed it is focusing on sites that are designated in the existing NPS and has purchased two of those sites (Wylfa and Oldbury) from Hitachi; and
2. It is unlikely private developers will fund project development before DESNZ has responded to its consultation on alternative routes to market.

Therefore, new nuclear at Trawsfynydd is unlikely to be developed before the 2030s. The work undertaken over the last financial year has focused on retaining the option for development at a later date. Cwmni Eginio has ceased further development work at the site until its future within the UK nuclear programme is confirmed.

In light of the near-term prospects for development of Trawsfynydd, Cwmni Eginio is re-focussing its activities to support and promote the wider opportunity for North Wales from the new nuclear programme.

Cwmni Eginio has established a good relationship with GBN and there is strong potential for partnership working for mutual benefit. Positive discussions are taking place between the two Governments at Ministerial and Official level to explore how our working relationship could evolve over the coming months and years. In the meantime, Welsh Government has extended sponsorship of Cwmni Eginio for 2024/25 whilst these discussions evolve.

KEY ACTIVITIES AND DELIVERABLES

» OVERVIEW

Site & Project Development

We have made strong progress in relation to site and project development work:

1. With support from WSP we carried out a Construction and Options Appraisal which explored deployment of a range of SMR and AMR technologies on the Trawsfynydd site. This work confirmed that the site can host small scale nuclear and identified the key issues that need to be addressed in the detailed development stage.
2. With support from Mace we refined and updated previous work on the development programme.
3. With support from Mott MacDonald we carried out further ecology and habitat surveys across the site, which provides further data about the Trawsfynydd site to complement the desk-based assessment carried out previously.

The output from these three work programmes were collated and presented as an update to the Business Proposition.

Construction & Options Appraisal

As part of the Construction and Options Appraisal conducted by WSP, Cwmni Eginio held three workshops during January, February and March 2024 which were attended by representatives from NDA, NRS, Natural Resources Wales (NRW), Ambition North Wales, Eryri National Park Authority and Gwynedd Council.

The objective of these workshops was to engage statutory and regulatory stakeholders at the early conceptual stage to understand key drivers from a project development perspective. Their thoughts were progressively captured and where possible reflected upon as part of the WSP work.

Social Value

We made significant progress in developing the social value strategy and plan with support from specialist suppliers. This work will be a core part of the development programme and will be relevant to any development in North Wales as well as Trawsfynydd.

Impact Assessment

Local Partnerships were commissioned to review what has been achieved by Cwmni Eginio to date (i.e. up to the end of March 2024) and how it has been perceived by the organisation's key stakeholders. The review provides an independent, objective assessment based upon a mix of document review and semi-structured conversations with a list of key stakeholder representatives.

Encouragingly, the review concluded that Cwmni Eginio has been on a successful pathway and proving its effectiveness as a model for delivering a new nuclear future for a decommissioned site. It also highlighted that Cwmni Eginio appears to have been successful at engaging a wide variety of stakeholders with different interests, perspectives and technical understanding to make progress and keep them on board and satisfied.

Operational & governance matters

We have made steady progress on operational, governance matters including responding to the HR policy audit, progressing HSE arrangements, operational policy updates and work to revise the risk management policy and Scheme of Delegations.

Developments at UK policy level

Finally, three key critical policy documents were published by the UK Government on 11th January:

1. Civil nuclear: roadmap to 2050
2. Approach to siting new nuclear power stations beyond 2025 (Consultation)
3. Alternative routes to market for new nuclear projects (Consultation)

All of these impact the future strategic direction of Cwmni Eginio, and we submitted a response to the consultation on siting within the 2023/24 period.

» PROGRESS AGAINST OBJECTIVES

» Confirm sponsorship for development programme to a Final Investment Decision (FID)

- Discussions between WG and DESNZ officials regarding the future role and sponsorship are ongoing but have not reached a conclusion.
- As at the end 2023-24 the sponsorship of Cwmni Eginio from October 2024 is not determined.

» Secure approval for the Development Programme to FID and budget

- WG agreed to provide funding as the sole sponsor until end September 2024.
- Strategic options have been presented to the Board and WG to inform discussions between WG and UK Government regarding future sponsorship and budget requirements.

» Progression of Programme Development capability and capacity to support work programme requirements

PMO Support

- A PMO specialist was appointed to review both the programme to commence main construction (reviewing differing scenarios in doing so) and the capability and expected scale of organisation needed to deliver this.
- A report has been produced which validates the historic programme work, through benchmarking durations for a scenario inside and outside of GBN/DESNZ approval. It also focuses on key topic areas such as delivering proportionate design to the programme, re-forecasting cost information generated against scenarios explored, maturing the project estimate concurrently with this and explored the potential shape the organisation could take looking at the specific circumstances of Cwmni Eginio.

Siting

- An initial remote sensing based topographical study was completed to help inform a siting work package.
- WSP were appointed to undertake a Construction and Options Appraisal to inform the further development of Cwmni Egino's Business Proposition.
- WSP conducted desk-based studies, such as geology and flood risk, to underpin the site feasibility study and produced a high-level cost estimate for preparing the site up to First Nuclear Concrete.
- In addition, Mott MacDonald were appointed to carry out site-based ecology and habitat surveys to support the feasibility assessment of the site.

Consents and Licensing

- A detailed scoping consents and licensing study was completed to help shape and inform a critical package of work to develop a comprehensive Consents and Licensing Strategy once the future of the site is understood.
- Close dialogue has been maintained with both Snowdonia National Park Authority (SNPA) and Natural Resources Wales (NRW), along with other statutory bodies in the region, through stakeholder workshops associated with the Construction and Options Appraisal. During these, it was identified that a review of the Eryri Enterprise zone at Trawsfynydd should be undertaken to ensure that it encompasses the entirety of the development area.

Technology Selection

- GBN continued to progress with its technology selection for the first tranche of SMR roll out and we understand timescales are being maintained for Summer 2024.
- Whilst GBN progresses with its decision-making, the siting exercise mentioned above will support future engagement with technology vendors to establish if there is interest in SMR/AMR deployment at Trawsfynydd outside the GBN programme.

Target Operating Model (TOM)

- Cwmni Egino's PMO partner, Mace, developed options for organisational design which could be adopted to deliver a new nuclear programme. This can inform future discussions with GBN once the future role of Cwmni Egino has been clarified.

» Progression of Organisational Development to provide fit for purpose capability and capacity

- Successful appointment of Head of Project Development on secondment from Mace.
- Recruitment of Head of Commercial role paused pending confirmation of the future strategic option and discussions between DESNZ and WG on sponsorship.
- Appointment of a Business Manager in light of departure of previous role holder.
- Organisational design options developed by PMO specialist (see above).

» Continued effective stakeholder engagement and communications

- Core narrative and messaging updated to reflect current position and shared with key stakeholders.
- Strategic engagement framework established.
- Ongoing engagement with regional, industry and Government stakeholders through email correspondence, briefings and meetings.
- Developed and implemented a political engagement strategy ahead of the General Election, as well as supporting North West Nuclear Arc (NWWNA) political engagement activities, including stakeholder mailshot & online briefing.
- Held a drop-in event at the Senedd, attended by over 20 MSs.
- Hosted a number of Ministerial and stakeholder visits to Trawsfynydd, inc. the WG Minister for Economy & WG Minister for Climate Change.
- Sponsorship of and participation in a number of industry events, e.g. NIA, Wales Nuclear Forum.
- Visits to supply chain companies in north, mid & south Wales to develop relationship and gather information and insights.
- Established Memorandum of Understanding with Bangor University to formalise working relationship.
- Media interviews for various industry and news outlets.
- Participated in the BBC Bitesize Careers Roadshow to promote career opportunities in nuclear/low carbon energy.
- Brand development including revised brand guidelines, production of company brochure and collateral, launch of website and LinkedIn page.

» Continued delivery of the NDA/Cwmni Eginio MoU to support Cwmni Eginio's development work programme

- Joint workshop held to address and discuss relevant current interfaces across the decommissioning programme and Cwmni Eginio's 2023-24 programme.
- 4 meetings of the Strategic Advisory Group (SAG) held throughout the year.
- Worked closely with the NDA and NRS to coordinate site based non-intrusive surveys, coordinating with their tenants to enable their progression.
- Attendance by NDA and NRS at interactive workshops (along with other key stakeholders) to help shape and provide feedback on early siting studies.
- Site-based information shared by NDA/ NRS to support the Construction and Options Appraisal work.
- Monthly calls established to discuss communications & engagement related matters.

» Further development of Cwmni Eginio's Social Value (SV) approach

- Stakeholder and community workshops held to gather feedback on draft strategy and priorities, and one-to-one stakeholder meetings to discuss SV approach and potential areas for collaboration.
- Cwmni Eginio visit to NDA/Sellafield projects in Cumbria, inc. meetings with local stakeholders, to learn from their experiences of designing and delivering Social Value initiatives.
- Appointed Useful Projects and Anglesey-based Ynys Resources to develop a Social Value Framework and Handbook for Cwmni Eginio.
- Initial skills mapping completed by National College for Nuclear (commissioned by Gwynedd Council).
- Launched the STEM Egni schools outreach project (in collaboration with Gwynedd Council & M-SParc) - 4 Gwynedd primary schools and 119 pupils engaged in the programme (to be rolled out to 6 additional schools in the area in the remainder of the academic year and further extended in 2024-25).
- Delivered a Community Narrative Project (in collaboration with Gwynedd Council & Lafan Consulting) to gain deeper insight into the value that the Trawsfynydd site holds for people locally – historically, currently and potentially in the future.
- Commissioned Anglesey-based consultancy Ateb Cyf to develop a revised Welsh Language policy.

- Commissioned Bangor University to conduct research into global examples of successful/inspirational social value delivery to inform further development of initiatives.
- Draft versions of animated videos produced by M-SParc to promote basic understanding of nuclear-related concepts. (Brief was instigated and developed by Cwmni Eginio and work commissioned by Cyngor Gwynedd.)
- Invitation to tender published on Sell2Wales for a Supply Chain Capability Study to inform future supply chain engagement and interventions.

» Further enhancement and development of Corporate Governance arrangements

Board

- Board undertook initial work on its future needs to support delivery of the Business Proposition. This work was suspended pending clarity on the future strategy and sponsorship of the company.
- WG Minister for Economy approved the appointment of Alan Raymant as Chair with effect from 1 October 2023 at the end of term of the previous Chair, Dr John Idris Jones.

Assurance, governance and relevant corporate governance

- Work will begin in Q2 to develop the governance system, ensuring it is proportionate and fit for purpose.
- Audit of statutory accounts for 2023-24 completed (see Appendix A).
- Audit of relevant policies by HR specialist completed and all policies updated where required. Policy register created to ensure future timely policy reviews.
- Risk Management Policy, Scheme of Delegations and HSE arrangements in place and added to the register to be reviewed annually.
- Local Partnerships were commissioned to carry out an independent review of progress made by Cwmni Eginio since it was established.
- SWAP were appointed to conduct an internal audit of key business controls. The Board has approved the action plan.

» COMPLIANCE

The primary focus during the reporting period was a review of company policies to ensure they remain current and consistent with legislation. Staff undertook mandatory awareness training on Freedom of Information, Anti-bribery, Data Protection and GDPR.

We have appointed specialists to assist with any HR matters that may arise.

Based on the checks and audits conducted, the company is not unaware of any material non-compliance with policies.

» FINANCE REPORTING

The audited statutory accounts for 2023-24 accompany this report (see Appendix A).

Out-turn expenditure for the year was in line with budget.

The main areas of expenditure relate to:

- Directors and staffing costs;
- Cost of investigative studies; and
- Administration costs.

» ALIGNMENT WITH WELSH GOVERNMENT POLICY

Cwmni Eginio recognises the need to promote and support the Welsh Government’s broad ambitions set out within the ‘Programme for Government’ and other key policy areas. The following provides a summary of how Cwmni Eginio has responded to the most relevant high level ambitions within the five year plan (aspects of which are also covered in the next section).

Programme for Government broad commitment	Cwmni Eginio Response
Build a stronger, greener economy as we make maximum progress towards decarbonisation	Cwmni Eginio is establishing itself as an integral part of the low carbon energy eco-system in North Wales, working with partners to help progress its vision for contributing to the decarbonisation of the economy and achieving net zero targets. The company has developed a Social Value approach that focuses on ensuring sustainable jobs and economic growth, and a just transition to a low carbon economy.
Embed our response to the climate and nature emergency in everything we do	Cwmni Eginio will consider the environmental impact of all its work and has already started work to commission relevant studies on any impact or mitigation that will be required as part of a development. On a corporate basis, the company is actively developing a meaningful sustainability policy and ensure that it is applied across the business.
Celebrate diversity and move to eliminate inequality in all of its forms	The company is committed to ensuring that diversity is a key component of its work and values. On a corporate level there is already an equality and diversity policy in place – further work will involve embedding such values in our overall objectives.
Push forward towards a million Welsh speakers, and enable our tourism, sports and arts industries to thrive	Cwmni Eginio aims to play a critical role in ensuring the long-term development of the Welsh language and help develop thriving Welsh speaking communities. Emphasis will be placed on working in partnership to develop local skills and local supply chains throughout any future nuclear development. The company has also developed a Welsh language policy statement which sets out Cwmni Eginio’s commitments.
Make our cities, towns and villages even better places in which to live and work	Reflecting Welsh Government’s ambitions, Cwmni Eginio will, through partnership working, aim to make ‘places’ work for the people living in surrounding communities and try to assist with developing or contributing to local plans whilst supporting the development of future project(s).

» WELL-BEING OF FUTURE GENERATIONS ACT (WBFGA)

Cwmni Egino, like other Welsh Government sponsored bodies, is required to give due regard to the WBFGA. The table below provides a summary of how the company is contributing to the achievement of the seven Well-being Goals and five Ways of Working.

Well-being Goals

Well-being Goals	Cwmni Egino contribution
A prosperous Wales	Cwmni Egino has been established to secure socio-economic opportunities in North Wales. The company's main purpose and proposition further supports this ambition. Extensive work has been undertaken on developing our Social Value approach which will help provide a clear strategic framework for making a difference to people's lives through improved social, economic and environmental conditions.
A resilient Wales	In any work that Cwmni Egino takes forward, environmental considerations will be fundamental and critical in ensuring the successful delivery of a large scale infrastructure project. Work has already taken place to scope regulatory considerations for an SMR project at Trawsfynydd including the completion of a Constraints and Opportunities report. Importantly, the development of a power generating nuclear reactor would provide circa 60 years of low carbon electricity which will help reduce harmful carbon emissions and provide critical energy security.
A healthier Wales	Any future new nuclear project would be required to carry out a Health Impact Assessment, but given the status of Trawsfynydd and Cwmni Egino, this has not been undertaken to date. The socio-economic benefits that Cwmni Egino aims to secure will play a key role in making communities healthier and more prosperous – addressing challenges in relation to some of the determinants of health that can cause poor health outcomes. The company has developed a suite of policies that can help staff wellbeing such as agile working.
A more equal Wales	The company is committed to ensuring that diversity is a key component of its work and values. Our Social Value approach identifies the importance of considering how we can ensure that socio-economic benefits are spread equally across communities and help tackle some of the key challenges that some sections of society are facing. As noted above, on a corporate level there is already an Equality and Diversity policy in place.

A Wales of cohesive communities	We will work with partners and communities to ensure that the company and its work can help address some of the challenges that they face. In the future, this could include, for example, opportunities to use infrastructure investment to help address identified community needs.
A Wales of vibrant culture and thriving Welsh language	Cwmni Eginio acknowledges that socially and culturally vibrant communities will be a critical part of a successful nuclear project in the region – as already noted the company will work with key partners to help address some of the key challenges facing communities such as outward migration of young people and help contribute to some of the objectives noted within Cymraeg 2050.
A globally responsible Wales	The company believes that its unique and innovative model, which is primarily focused on socio-economic regeneration, will attract global interest and be regarded in a positive light by international peers and stakeholders. The ability to develop and promote new nuclear technology safely on an international basis will also help address critical climate change issues by reducing fossil fuel use/decarbonisation of transport and industry.

Ways of working

Ways of Working	Cwmni Eginio contribution
Long term	The company is working to ensure a long-term socio-economic legacy for the North Wales region. Power generating deployment will also provide low carbon electricity for up to 60 years.
Prevention	The project will secure long term socio-economic benefits, helping to address some of the determinants of health and preventing poor health outcomes. In deploying low carbon electricity, the company will of course be preventing further harmful carbon emissions.
Integration	Cwmni Eginio will endeavour to ensure that the work it takes forward will be integrated with other key partners and/or public bodies and complement key strategic policies and activities of national, regional and local partners.
Collaboration	The company has been actively engaging and working with key regional and local partners to help deliver its goals and will need to develop a range of further formal collaborative working relationships over time.
Involvement	The company has been actively involved and engaged with key stakeholders and community representatives – with its evolving development it will aim to work with surrounding communities to help ensure they are engaged and involved in any future development.

GOVERNANCE

» ANNUAL GOVERNANCE STATEMENT, 2023-24

» **Scope & Purpose**

The Annual Governance Statement (AGS) is mandatory for all public sector bodies and reports on the arrangements in place for ensuring that business is conducted in accordance with the law, regulations and proper practices and that money is safely and properly accounted for. In essence, it is an accountability statement which sets out how well the business has delivered on Governance over the course of the previous year and details any current challenges and areas for improvement.

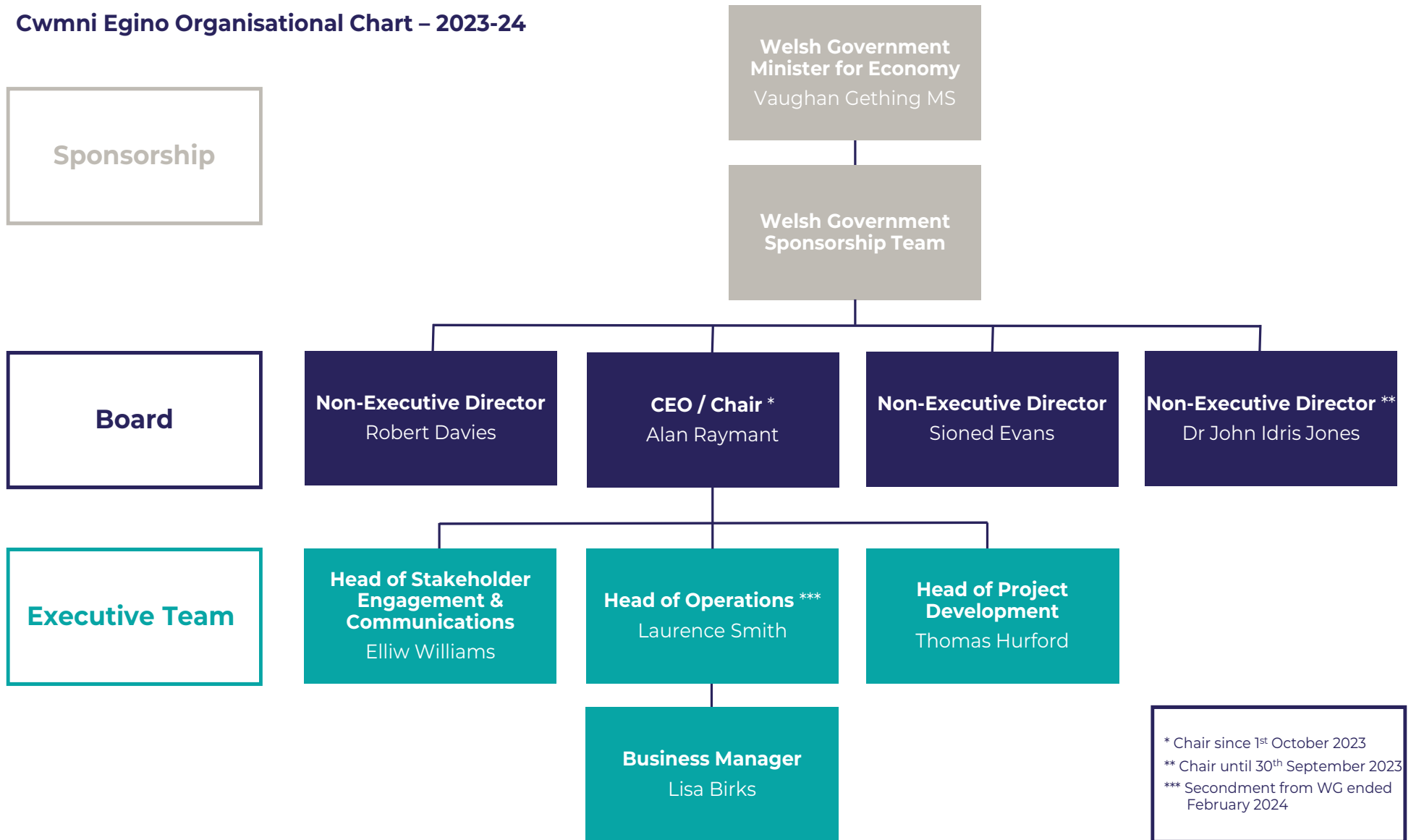
Welsh Government issues a remit letter for the financial year setting out the objectives for the year and the budget. The objectives and budget are agreed with the company in advance of formal issue.

» **Governance framework**

The company structure and governance arrangements are described overleaf.

Given the business is small and is not providing operational services, the Board has decided to retain oversight of governance matters itself and not to establish sub-committees. This will be reviewed as the business develops.

Cwmni Eginio Organisational Chart – 2023-24



Board Meetings

The Board held 8 meetings during the financial year 2023-24.

Board meetings are attended by directors, officers of the company and the Welsh Government sponsorship team.

Attendance of directors was as follows:

Board Members	Eligible to attend	Attended
Alan Raymant	8	8
Sioned Evans	8	7
Rob Davies	8	8
Dr John Idris Jones	8	8

The Board focuses on operational governance, management and strategic matters for Cwmni Egino, ensuring that the activities in the annual remit. It supports the CEO in providing leadership and strategic direction to the organisation.

The Board's work focuses on the external environment and implications for the future strategy of the company and progress towards the objectives set out in Cwmni Egino's remit letter.

The executive produces a quarterly performance report that is used by the Board to assess progress and identify any corrective actions. The quarterly performance report is also shared with the WG sponsorship team.

Board's performance

Board members reviewed its effectiveness as a Board as part of the performance management review.

The review for 2023-24 concluded that the Board members work well together and provide effective challenge and support to the Executive. The Board routinely considers both operational matters and longer term strategic issues, including the business environment. The discussion highlighted that whilst the Board has the skills and experience needed currently, it is small and does not offer much resilience which is a vulnerability. The same was noted for the executive team. Whilst the board has sufficient breadth of experience and knowledge currently, it will need to review this during 2024/25 to ensure this remains the case as the company strategy develops.

Highlights of Board Committee reports

The company has not established sub-committees. All governance related matters are dealt with by the Board.

» Corporate governance

The CEO has undertaken compliance checks with staff and has found no material areas of non-compliance.

The internal audit undertaken by SWAP Internal Audit Services identified a small number of improvement actions but found no material areas of non-compliance. The improvement actions will be addressed during 2024-25 in line with the auditors' recommendations.

The audit findings can be found in Appendix B.

» Risk Assessment

Risks and issues facing the company are reviewed by the executive on a quarterly basis and presented to the Board in the quarterly performance report.

Risks and issues are considered under 2 categories:

1. Corporate Risks relating to compliance and ability to function as a going concern; and
2. Programme risks relating to delivery of the annual work programme

As at the end of the year the most significant and material issue facing the business is its long term sponsorship and strategic direction following confirmation that Trawsfynydd will not be one of the first UK sites to be developed for SMR.

The company is taking the following actions in mitigation:

- Cwmni Eginio has updated its strategic plan in light of the above and identified the opportunity to broaden its focus to North Wales to capture benefits arising from any nuclear development in North Wales, including Wylfa and other technologies at Trawsfynydd;
- Maintain active dialogue with GBN on possible future role of Cwmni Eginio in support of the GBN programme; and
- WG sponsorship team are discussing with DESNZ the long-term role of Cwmni Eginio and its future sponsorship.

These mitigating actions are embedded in the remit letter and work programme for 2024-25.

APPENDIX A : ANNUAL ACCOUNTS

Cwmni Eginio Limited
Report of the Directors and
Financial Statements
for the Year Ended 31 March 2024

Cwmni Eginio Limited

**Contents of the Financial Statements
for the year ended 31 March 2024**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Income Statement	6
Balance Sheet	7
Notes to the Financial Statements	8
Trading and Profit and Loss Account	11

Cwmni Egino Limited
Company Information
for the year ended 31 March 2024

DIRECTORS:

Mr R S B Davies
Ms S Evans
Mr A P Raymant

REGISTERED OFFICE:

Welsh Government
Doc Fictoria
Caernarfon
Gwynedd
LL55 1TH

REGISTERED NUMBER:

13475029 (England and Wales)

ACCOUNTANTS:

Salisbury & Company Business Solutions Limited
Statutory Auditors
Chartered Accountants
Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

Cwmni Eginno Limited
Report of the Directors
for the year ended 31 March 2024

The directors present their report with the financial statements of the company for the year ended 31 March 2024.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Development of building projects

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2023 to the date of this report.

Mr R S B Davies
Ms S Evans
Dr J I Jones
Mr A P Raymant

Other changes in directors holding office are as follows:

Dr J I Jones ceased to be a director after 31 March 2024 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Mr A P Raymant - Director

Date: 22nd July 2024

Report of the Independent Auditors to the Members of Cwmni Eginio Limited

Opinion

We have audited the financial statements of Cwmni Eginio Limited (the 'company') for the year ended 31 March 2024 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Cwmni Eginio Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our 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 a Report of the Auditors that includes our 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Cwmni Eginio Limited

**Report of the Independent Auditors
for the year ended 31 March 2024**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Steven Barrett (Senior Statutory Auditor)
for and on behalf of Williams Denton Cyf
Chartered Certified Accountants
Statutory Auditors
Glaslyn
Ffordd y Parc
Parc Menai
Bangor
Gwynedd
LL57 4FE

22 July 2024

Cwmni Eginio Limited

**Income Statement
for the year ended 31 March 2024**

Notes	2024 £	2023 £
GRANTS	1,677,656	1,088,028
Professional fees for program delivery	<u>(1,022,396)</u>	<u>(391,555)</u>
GROSS PROFIT	655,260	696,473
Administrative expenses	<u>(655,260)</u>	<u>(696,473)</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	-	-
Tax on profit	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	<u><u>-</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

Cwmni Eginio Limited (Registered number: 13475029)

Balance Sheet
31 March 2024

	Notes	2024	2023
		£	£
FIXED ASSETS			
Tangible assets	5	2,571	4,625
CURRENT ASSETS			
Debtors	6	9,835	11,454
Cash at bank		<u>43,659</u>	<u>22,268</u>
		53,494	33,722
CREDITORS			
Amounts falling due within one year	7	<u>53,494</u>	<u>33,721</u>
NET CURRENT ASSETS		<u>-</u>	<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,571	4,626
CREDITORS			
Amounts falling due after more than one year	8	<u>2,570</u>	<u>4,625</u>
NET ASSETS		<u><u>1</u></u>	<u><u>1</u></u>
CAPITAL AND RESERVES			
Called up share capital		<u>1</u>	<u>1</u>
		<u><u>1</u></u>	<u><u>1</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:



.....
Mr A P Raymant - Director

Date : 22nd July 2024

Cwmni Eginio Limited

**Notes to the Financial Statements
for the year ended 31 March 2024**

1. STATUTORY INFORMATION

Cwmni Eginio Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Grants is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.
Plant and machinery etc - 33% on reducing balance

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 6 (2023 - 6).

4. OPERATING PROFIT

The operating profit is stated after charging:

	2024	2023
	£	£
Depreciation - owned assets	<u>2,054</u>	<u>1,603</u>

Cwmni Egino Limited

**Notes to the Financial Statements - continued
for the year ended 31 March 2024**

5. TANGIBLE FIXED ASSETS

Plant and
machinery
etc
£

COST

At 1 April 2023
and 31 March 2024

6,228

DEPRECIATION

At 1 April 2023
Charge for year

1,603
2,054

At 31 March 2024

3,657

NET BOOK VALUE

At 31 March 2024

2,571

At 31 March 2023

4,625

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

2024
£

2023
£

Other debtors

9,835

11,454

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

2024
£

2023
£

Trade creditors

-

2,298

Other creditors

53,494

31,423

53,494

33,721

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

2024
£

2023
£

Capital grants

2,570

4,625

9. CAPITAL GRANTS

31 March 2024 31 March 2023

£

£

Balance at 1 April 2023

4,625

4,809

Increase / (Decrease) in the year

(2,055)

(184)

Balance as 31 March 2024

2,570

4,625

10. FRC'S ETHICAL STANDARD - PROVISION AVAILABLE FOR SMALL ENTITIES

In common with other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

11. AUDIT INFORMATION

Williams Denton Cyf
Chartered Certified Accountants
Statutory Auditors
13 Trinity Square
Llanudno, Conwy
LL30 2RB

Cwmni Eginio Limited

**Notes to the Financial Statements - continued
for the year ended 31 March 2024**

12. GENERAL INFORMATION

Cwmni Eginio Limited is a private company, limited by shares, incorporated in England & Wales, registered number 13475029.

The registered office is Welsh Government, Doc Fictoria, Caernarfon, Gwynedd, LL55 1TH.

13. GOING CONCERN

Welsh Government entered dialogue with UK Government to discuss the long-term sponsorship and funding of the Company and its relationship with GBN. These discussions are on-going.

In the meantime, WG is continuing to support Cwmni Eginio and has provided a remit and budget for 2024/25 that is predicated on reaching an agreement with UK Government to provide match funding. The current funding commitment from WG of £500k is sufficient to cover forecast expenditure until 31 October 2024.

On the assumption that match funding will not materialise (or be confirmed in time to ensure the Company remains in funds), Cwmni Eginio has re-developed its plan to 31 March 2025 and recommended an increase in funding from WG of £200k to ensure the business remains a going concern for the whole annual budget period. We have requested confirmation by 31 July 2024 so we have sufficient time (3 months) to terminate contracts and close the business within the existing funding commitment.

There is currently no certainty of funding from 1 April 2025. Approval of the business plan for 2025/26 is expected by 31 December 2024 when WG agrees its funding allocation and commitment to Cwmni Eginio.

APPENDIX B : AUDIT FINDINGS




Audit Objective

To review Cwmni Eginio against the corporate governance, financial management, and commissioning and procurement themes of a 'Healthy Organisation'.

Executive Summary

	Assurance Opinion	Management Actions	Organisational Risk Assessment	Medium
	<p>There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.</p>	Priority 1 1	<p>Our audit work includes areas that we consider have a high organisational risk and potential significant impact.</p> <p>Both senior management and the Board should consider key audit conclusions and resulting outcomes.</p>	
		Priority 2 5		
		Priority 3 2		
		Total 8		

Key Conclusions

	Key Conclusions	Audit Scope
	Cwmni Eginio (CE) is not signed up to the Code of Practice: Ethical Employment in Supply Chains and does not demonstrate compliance with the Code. Welsh Government expects organisations in receipt of public funds to sign up to the Code, and CE's procurement and modern slavery policies state they will comply with the Code.	<p>Following discussions with key officers, we reviewed the following three Healthy Organisation themes as part of this audit:</p> <p>Financial Management Budget setting; Medium term financial plan; Budget management; Budget monitoring; Financial resilience; Financial systems; Value for money</p> <p>Corporate Governance Organisation leadership; Corporate plan; Governance documentation; Policies and procedures; Openness and transparency; Decision making; Overview and scrutiny; Communications strategy; Stakeholder consultation</p> <p>Commissioning & Procurement Strategy; Policies and procedures; Value for money; Supplier management; Social value</p>
	Five Priority 2 actions have been raised, relating to: CE's annual reports and statutory accounts do not contain an Annual Governance Statement, which is a requirement for arms-length bodies such as CE; Value for Money is not defined and targets are not set; There is no complaints procedure; Procurement outside the agreed internal thresholds has occurred without formal documentation of approval; Records are not maintained to demonstrate staff have read and agreed to abide by the Code of Conduct.	
	CE have a strong focus on social value and stakeholder engagement in alignment with their corporate objectives. They actively seek advice and assurance from a range of external parties to help them achieve their objectives. A summary of areas of good practice is included in the Good Practice section on page 1 of the Findings and Action Plan.	

Next Steps

While we have included both retrospective and future-focused recommendations, as continued funding for this project is uncertain due to changes in UK Government nuclear priorities, management may choose to focus on the elements that would enable CE to have a complete set of governance and procurement records. The future-focused recommendations could be used to form CE policies and procedures should the project progress.

Good Practice

The following areas of good practice were noted:

- **Corporate Governance**

- The Business Proposition, Project Development Plan and Forward Work Programme clearly set out how Cwmni Eginio (CE) plans to achieve the high-level objectives set by Welsh Government (WG).
- CE actively seek advice and assurance from external parties. For example, a review was undertaken by Local Partnerships to take stock of what has been achieved in the project and how this has been perceived by CE's stakeholders, and to assess what CE's future role could or should be. Local Partnerships also provided advice during the creation of key policies.
- The Code of Conduct promotes a culture of trust and responsibility, and requires staff to communicate openly, transparently, and to avoid and report conflicts of interest.
- An appropriate level of discussion and challenge was noted in the minutes provided for the Strategic Advisory Group and CE Board meetings.
- The Engagement Handbook and Social Value Handbook set out the communication approach for stakeholders and is linked to high-level objectives and the National Principles for Public Engagement in Wales.

- **Financial Management**

- The budget is discussed and approved at Board level, and the Business Proposition sets out the capital strategy in terms of timings, land purchase, plant development and budget.
- The Business Proposition and Project Development Plan align with the Remit Letter set by WG.
- Quarterly reports are prepared by the Business Manager, CEO and external accountant, with financial results share with the Board and WG. Management accounts are attached to the Board minutes for review, with an explanation of the financial position for the previous two quarters.
- CE have remained within their permitted 2% carry-over limit for 2022-23 and 2023-24.
- The financial systems in use have some built-in controls regarding segregation of duties, and where these are not built-in, management have established mitigating controls and processes via alerts and monitoring to reduce the opportunity for error and fraud.

- **Procurement**

- The Procurement policy is approved by the CEO and available to all staff via a SharePoint site.
- CE uses a range of procurement frameworks, platforms and programmes to procure services, such as Constellia Neutral Vendors Programme, SEWTAPS and Sell2Wales. Social value is included within the assessment criteria for Sell2Wales.
- CE commissioned Arup to undertake a Local Needs Analysis to define the needs in the local area, which demonstrates that CE invest in research to progress their social value objectives.
- CE's procurement thresholds are in line with the most recent procurement thresholds from UK Government (Procurement Policy Note 11/23)
- A call-off contract reviewed against the Procurement policy and Corporate Contracts Register was found to be in accordance with the policy.

Finding 1 Code of Practice Ethical Employment in Supply Chains	Action		
<p>The CE Modern Slavery and Procurement policies state that all procurement activity is aligned with the ‘Code of Practice Ethical Supply Chain’.</p> <p>The Code of Practice (CoP) referred to in both the Procurement Policy and the Modern Slavery policy is called the ‘Code of Practice: Ethical Employment in Supply Chains’¹</p> <p>Welsh Government confirmed via email that they expect public bodies in receipt of public funding to sign up to the CoP, as per p7 of the CoP. Furthermore, it is a requirement of the CoP to have an Action Plan and to submit the following Written Statement to Welsh Gov (p12 CoP):</p> <ul style="list-style-type: none"> • The number of staff involved in procurement who have undertaken training on modern slavery and ethical employment practices (as both a number & percentage); and • The number of suppliers who have signed up to the Code of Practice as a result of action taken by the organisation. <p>As CE are not signed up to the CoP, these documents have not been produced.</p> <p>The reason Welsh Government expect organisations in receipt of public funding to sign up to the Code is to ensure compliance with UK, EU and international laws. The impact of not demonstrating compliance with the CoP could be that Welsh Government may decide to withhold public funding from organisations who cannot demonstrate these funds are being used in accordance with the CoP.</p>	<p>SWAP recommends:</p> <ol style="list-style-type: none"> Review the Procurement Policy and Modern Slavery Policy to ensure the correct Code of Practice is reflected, as the Code in question is the Code of Practice: Ethical Employment in Supply Chains. Sign up to the Code of Practice: Ethical Employment in Supply Chains, create an Action Plan and submit a Written Statement to Welsh Government. <p>Cwmni Eginio response: We will review the Procurement Policy and review the requirements of the Code of Practice.</p>		
	1	SWAP Reference	AP#4575
Responsible Officer	Lisa Birks, Business Manager		
Timescale	6 months		

¹ [Code of Practice Ethical Employment in Supply Chains \(gov.wales\)](https://gov.wales/code-of-practice-ethical-employment-in-supply-chains)

Finding 2 Annual Governance Statement	Action		
<p>Arms-Length Bodies, like CE, are required to include a Governance Statement in their annual report and accounts, according to the National Audit Office². While governance is mentioned in the 2021-22 and 2022-23 annual reports, the context is of providing an update on the current and future progress with governance arrangements. The National Audit Office Fact Sheet above details the essential elements of a Governance Statement, and this criteria has not been met within the two annual reports reviewed during the audit.</p> <p>The Local Government Association also states that an Annual Governance Statement is required in the statutory accounts³. The audit did not find a Governance Statement in CE's accounts from 2021-22 and 2022-23.</p>	<p>We will create a Governance Statement that meets the essential criteria for a Governance Statement for all future annual reports and statutory accounts.</p>		
	Priority	2	SWAP Reference AP#4548
	Responsible Officer		Lisa Birks, Business Manager
	Timescale		3 months

Finding 3 Value for Money	Action		
<p>Review of the suite of procurement policies found that there is no definition of value for money. Furthermore, discussion with key staff confirmed that there are no Value for Money targets in place, and Value for Money is not reflected in the tender and guidance documents provided to suppliers.</p>	<p>We will:</p> <ol style="list-style-type: none"> Review the Procurement policy to include a definition of Value for Money Determine Value for Money targets Reflect Value for Money considerations in the tender and guidance documents provided to suppliers 		
	Priority	2	SWAP Reference AP#4610 / AP#4566
	Responsible Officer		Lisa Birks, Business Manager
	Timescale		Within the next 6 months

² [Fact sheet: Governance statements - good practice observations from our audits \(nao.org.uk\)](#)

³ [Must know guide: The statement of accounts | Local Government Association](#)

Finding 4 Complaints Procedure	Action		
<p>Review of the Policy Register showed that there is no complaints policy, and key staff confirmed that there is no formal process for responding to complaints. Despite CE not dealing directly with the public in terms of service, they have a strong social element to their remit, and as such may encounter complaints from the public.</p> <p>CE would benefit from formally creating a complaints policy to ensure complaints are identified and addressed, dealt with in a consistent manner and within a specific timescale.</p>	<p>We will create a formal complaints procedure that defines what a complaint is, how this will be handled, who will be responsible for handling the complaint, what the timescale for handling the complaint will be, what the escalation process will be, and who will be responsible for monitoring that complaints are handled in a consistent and fair manner.</p>		
	Priority	2	SWAP Reference AP#4519
	Responsible Officer		Lisa Birks, Business Manager
	Timescale		Within the next 12 months

Finding 5 Procurement	Action		
<p>Two instances of procurement occurring outside the pre-agreed CE procurement thresholds were found during a review of the Corporate Contracts Register against the Procurement policy:</p> <ul style="list-style-type: none"> Contract 1 was valued at £125,000. It was a direct award via SEWTAPS. However, the Procurement policy states that the permissible limit for direct awards via SEWTAPS is £100,000. While the CEO has approved the spend, there does not appear to be a formal record of recognition that this amount is above the limit set in the Procurement policy. Contract 2 was valued at £10,920, which was just over the agreed Procurement threshold of £10,000. A verbal conversation was held internally to discuss this, but no formal documentation was recorded to recognise the amount is above the limit set in the Procurement policy. <p>The Corporate Contracts Register is incomplete for 2022-2023, with many of the fields blank, including contract value. It is noted that there has since been a change of staff which has improved the recording of contracts for 2023-24 and 2024-25.</p> <p>CE are signed up to the Sell2Wales platform, which is an information source and procurement portal set up by the Welsh Government. Sell2Wales do not undertake financial probity or business analysis checks of the suppliers who register with them. The Corporate Governance Code states it is good practice to undertake due diligence checks with suppliers.</p>	<p>We will:</p> <ol style="list-style-type: none"> Ensure all procurement activity that is over pre-approved limits is approved by CEO with a documented assessment. Review the contracts register to ensure a full record of contracts is maintained. Ensure due diligence checks are performed on any suppliers found via Sell2Wales. Undertake an assessment of suppliers to demonstrate consideration of the impact of supplier failure on CE's operations. 		
	Priority	2	SWAP Reference AP#4609
	Responsible Officer		Lisa Birks
<p>CE do not currently risk-rate their suppliers by business-criticality. It is necessary for organisations to demonstrate that they understand the impact supplier failure will have on their operations and ability to achieve their objectives.</p>	Timescale		Within the next 3 months for A & B, within the next 6 months for C & D

Finding 6 Code of Conduct	Action		
<p>A Code of Conduct is an essential governance tool that sets out an organisations' expectations with regards staff behaviour. The CE Code of Conduct is contained within the Staff Handbook, which is currently in draft format. It states:</p> <p><i>'By continuing employment with Cwmni Eginio, employees acknowledge that they have read, understood, and agree to comply with the provisions of this Code of Conduct. Failure to adhere to these principles may result in appropriate disciplinary action.'</i></p> <p>At present, no record is kept of who has read and agreed to abide by the Code of Conduct. The impact of this is that staff can claim they have never read nor agreed to abide by the Code, and therefore cannot be disciplined for not adhering to it.</p> <p>Furthermore, the Code of Conduct contains the following provision regarding reporting violations of the Code:</p> <p><i>'Employees are encouraged to report any suspected violations of this Code of Conduct, company policies, or legal requirements. Reports can be made anonymously through established reporting channels. Retaliation against whistleblowers will not be tolerated.'</i></p> <p>There is currently no functioning anonymous reporting channel.</p> <p>The Code, and the Staff Handbook, does not include a preparer, approver or date on the document.</p>	<p>We will:</p> <ol style="list-style-type: none"> Maintain a record that all staff have read and agree to abide by the Code of Conduct. Review the mechanisms for reporting suspected violations of the Code of Conduct. Review the Code of Conduct and Staff handbook to include a preparer, approver, date of last review and date of next review. 		
	Priority	2	SWAP Reference AP#4608
	Responsible Officer		Lisa Birks, Business Manager
	Timescale		Within the next 12 months

Finding 7 Leadership Action Tracking	Action		
Weekly meetings are held between the leadership team at CE. However, there is no Terms of Reference in place that governs the meetings of the leadership team.	We will: <ol style="list-style-type: none"> Consider the benefit of creating a Terms of Reference to govern the weekly meetings. Review the Action Log to include timescales for completion of actions and the progress / completion of the action. 		
While an action log is maintained of actions and outcomes of these weekly meetings, timescales for completion of the actions is not included, and tracking of completion of actions is not defined within the log.	Priority	3	SWAP Reference AP#4607
	Responsible Officer		Lisa Birks, Business Manager
	Timescale		3 months

Finding 8 Policy Templates	Action		
The Company Credit Card Policy is not in the usual CE policy format and does not have dates or approvers written on the document – this information is recorded in the Policy Register. It is noted that CE have recently invested in rebranding and are waiting for the outcome of this before aligning all of the policies.	We will: <ol style="list-style-type: none"> Review the Company Credit Card Policy to ensure it is in a template consistent with all CE policies, with all key governance information fully populated. Include job titles in policies to ensure reviewers can see that the appropriate people are creating and approving the documents. 		
The current CE template for policies only requires an individual’s name, not their job title, to be recorded on the document. It is therefore unclear to an external reviewer who each individual is and whether they have the correct authority to create or approve the policy. Using job titles on policies also reduces the administrative burden when reviewing policies.	Priority	3	SWAP Reference AP#4599
	Responsible Officer		Lisa Birks, Business Manager
	Timescale		3 months