



**Uned Ewropeaidd / European Unit**

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Mr Ian Owen  
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Ein Cyf / Our Ref: **BB/P5M8/CESR**

Eich Cyf / Your Ref: **54811**

Dyddiad / Date: **23 July 2009**



Dear Mr Owen

**Financial Control of European Structural Fund Assistance  
European Regional Development Fund, Objective 1, 2000-2006 Programme  
Visit to Conwy County Borough Council  
Project Title: Conwy Estuary Strategic Route**

Further to your letter dated 17<sup>th</sup> July 2009 in respect of the above.

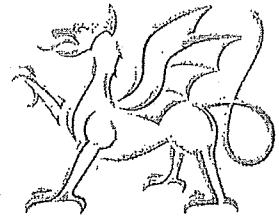
Please find attached a signed copy of the letter, duly returned as requested.

Please do not hesitate to contact me if you require any further information.

Yours sincerely

Barbara Burchell  
**Principal European Officer**

Yr Is-adran Llywodraethu Corfforaethol a Sicrwydd  
Corporate Governance And Assurance Division  
Yr Adran Gyllid  
Finance Department



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

Mr Geraint Edwards  
Conwy County Borough Council  
Civic Centre  
Colwyn Bay  
Conwy  
LL29 8AR

Amgylcheddol a Thechnegol Environmental & Technical		
21 JUL 2009 DFR CCGBE		
Corresp No. 62077	File Ref:	Action: R

Ein Cyf/Our Ref:54811

17<sup>th</sup> July 2009

Dear Mr Edwards,

**Financial Control of European Structural Fund Assistance  
European Regional Development Fund, Objective 1, 2000-2006 Programme  
Visit to Conwy County Borough Council  
Project Title: Conwy Estuary Strategic Route**

Please pass on my thanks to your staff for their assistance during the above control visit.

I am now able to provide the Audit Team's detailed findings, which are recorded in the enclosed report. As the visiting team had not identified any issues during the visit, we are now able to formally sign off the visit. Please **complete and return the final section of the report to this Office, by the 24<sup>th</sup> July 2009.**

The European Funding Branch report is made without prejudice to any action that may be required by the European Commission or European Court of Auditors should they independently select the above project for a financial control visit.

It is also our policy to re-visit a number of organisations to ensure they continue to comply with ERDF rules and regulations. You will of course be notified should your organisation be selected for a follow up visit.

Yours sincerely

**Ian Owen  
Head of Branch  
European Funds Branch  
Welsh Assembly Government**

European Funds Branch  
Corporate Governance and Assurance Division

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**European Funds Branch  
Report on review of Conwy County  
Borough Council  
54811 – Conwy Estuary Strategic Route**

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Report published: 17<sup>th</sup> July 2009

Author: Owen Morgan



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

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## 1. Introduction

- 1.1. This report summarises the key findings of the review carried out by the European Funds Branch of Conwy County Borough Council (Conwy CBC), consistent with Article 10 of EC Regulation 438/2001. The purpose of the review is to ensure compliance with EC Regulations in the administration of the Conwy Estuary Strategic Route funded by Objective 1 ERDF. We undertook our review in accordance with International Standards on Auditing (UK & Ireland).
- 1.2. Conwy CBC is a Local Authority in Wales. The Welsh European Funding Office (WEFO) approved the Conwy Estuary Strategic route project in June 2004, and it completed in December 2008. Approved eligible expenditure was £5,680,245 with a grant rate of 47.97%. Its main objectives were to;
- Provide a coastal path suitable for pedestrians and cyclists that will link communities of Llandudno, Conwy, Deganwy and Llandudno Junction; and
  - Provide improvements at Conwy Quay that will encourage tourism through the provision of an improved pedestrian open space.

## 2. Scope

- 2.1. The scope of the review was;
- To seek assurance that the systems and controls employed by Conwy CBC to manage Structural Funds operate effectively; and
  - On a sample basis, to verify the expenditure, funding and achievements declared.
- 2.2. The audit considered if the following key assurance areas were in accordance with EC regulations and project approval;
- Management and financial systems;
  - Expenditure claimed;
  - Match funding declared;
  - Outcomes declared;
  - Procurement procedures;
  - Cross cutting themes; and
  - Publicity.

### **3. Overall Conclusion**

- 3.1. Our review and sample testing has not identified any significant areas of concern. We have made no amendments to the claim.

### **4. Key Assurance Areas**

#### **Key assurance area 1 - Management and financial systems**

- 4.1. We reviewed Conwy CBC to confirm the following policies and procedures were in place for the project;
- Project management and reporting;
  - Procedures to ensure the achievement of targets;
  - Managing relationships with third parties;
  - Financial Regulations;
  - Financial management and reporting;
  - Document retention policy;
  - Adequate segregation of project expenditure in the ledger system; and
  - Audit trail from the claim expenditure headings to a full transaction listing.

The above policies and procedures were found to be adequate and in line with EC regulations.

#### **Key assurance area 2 - Expenditure claimed**

- 4.2. We sample tested 41.41% of eligible project expenditure to original documentation to confirm the following;
- Eligibility of expenditure;
  - Correct defrayment of expenditure within the project period;
  - Correct treatment of VAT;
  - Appropriate authorisation; and
  - Appropriate bases, and correct calculation of apportionments.

The sample tested was found to comply with all of the above criteria.

#### **Key assurance area 3 - Match funding declared**

- 4.3. Our testing covered a sample of match funding. We confirmed receipt of cash funding by obtaining remittance advices and bank statements.

**Key assurance area 4 - Outputs declared**

- 4.4. We checked targets to WEFO approval, and verified all achievements declared by agreement to third party evidence.

**Key assurance area 5 - Procurement procedures**

- 4.5. We reviewed the Conwy CBC procurement policy and its implementation to ensure its compliance with EC regulations. We conclude that the procurement and tendering procedures undertaken were adequate.

**Key assurance area 6 - Cross cutting themes**

- 4.6. We reviewed the following policies and conclude that they are in line with EC regulations;
- Equal Opportunities;
  - Welsh Language Scheme;
  - Information Technology; and
  - Environmental sustainability.

**Key assurance area 7 - Publicity**

- 4.7. We reviewed the publicity policy and confirmed it is in line with EC requirements.
- 4.8. We also checked and confirmed appropriate use of the EU logo, and that publicity gave appropriate reference to EC funding.

## 5.A ction Plan

The table below summarises the actions Conwy CBC are required to undertake to address the areas of non-compliance with EC regulations identified in Section 4. Conwy CBC certifying officers for claims purposes must complete the Management Response column. It must explain what documents the officers have attached to satisfy the requirements, or agree any requirements for future projects. These officers must also sign the end of the section to confirm they have addressed all findings.

Report Ref.	Finding	Requirements	Management Response
	No issues of concern were noted.	There are no recommendations contained within this report.	

I confirm I have fully addressed all requirements listed above in the management response column, and all supporting information is attached.

Claims or Authorising Officer

Signed.....  ..... Position held..... *H. H. of exubernet* .....



European Funds Branch  
Corporate Governance and Assurance Division  
Welsh Assembly Government

Name..... *S. Edwards* ..... Date..... *21.07.09* .....

Director of Finance or equivalent

Signed..... *Andrew Kirkham* ..... Position held..... *HEAD OF FINANCIAL SERVICES* .....

Name..... *ANDREW KIRKHAM* ..... Date..... *22-7-09* .....

