

Presented to Parliament pursuant to Industrial Organisation and Development Act 1947 10 & 11, Chapter 40,
Section 9(4)

Wool Textile Industrial (Wool Levy) Account 2009-2010

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Foreword

- 1 Under the powers conferred by Section 9 of the Industrial Organisation and Development Act 1947 the following order was made imposing levies on the wool textile industry for the purpose of financing the promotion of export trade:

The Wool Textile Industry (Export Promotion Levy) Order 1970, SI No 348 as amended by SI 1971, No 880 and further amended by SI 1982, No 485.

- 2 These levies were payable half-yearly by firms in the woollen yarn and wool industry. Amounts were based on a percentage of the annual salary costs for wool processors and the weight of wool handled by raw fibre suppliers. Monies received were paid into a deposit account kept by HM Paymaster General. Funds were periodically issued from this account to the National Wool Textile Export Corporation.
- 3 Under Section 9(4) of the Act, the Secretary of State is required in respect of each financial year to prepare, in such form and manner as HM Treasury may direct, accounts for audit by the Comptroller and Auditor General of the sums recovered under orders made under that section and of the disposal of those sums. The 2009-10 accounts are the final accounts prepared under the Act. They record the final payment of the levies received during 2008-09, to the National Wool Textile Corporation in Liquidation. No levies were collected during 2009-10.
- 4 A Statutory Instrument came into force on the 12th November 2008 revoking The Wool Textile Industry (Export Promotion Levy) Order 1970, the Wool Textile Industry (Export Promotion Levy) (Amendment) Order 1971 and the Wool Textile Industry (Export Promotion Levy) (Amendment) Order 1982. Under the terms of the Revocation Order, only levies payable up to 30th September 2008 would be collected as well as any outstanding amounts from previous Levy periods.
- 5 As Accounting Officer, as far as I am aware there is no relevant audit information of which the auditors are unaware. I have taken all of the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

Martin Donnelly
Principal Accounting Officer and
Permanent Secretary

7 July 2011

Statement of Principal Accounting Officer’s responsibilities with respect to Financial Statements

Under Section 9(4) of the Industrial Organisation and Development Act 1947 the Secretary of State is required to prepare a statement of accounts for each financial year in a form directed by HM Treasury. The accounts are prepared on a cash basis and must properly present the receipts and payments for the financial year and the balances held at the year end.

HM Treasury has appointed the Permanent Secretary for the Department for Business, Innovation and Skills, as Accounting Officer for the account. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable, and for the keeping of proper records, are set out in “Managing Public Money” as published by HM Treasury.

Statement on Internal Control

Scope of responsibility

As Accounting Officer, my predecessor had responsibility for maintaining a sound system of internal control during 2009-10, to support the achievement of the Wool Textile Industry Export Promotion Levy's (Wool Levy) policies, aims, and objectives, whilst safeguarding the public funds and departmental assets for which he was personally responsible, in accordance with the responsibilities assigned to him in Managing Public Money.

The Business Relations Directorate within the Department jointly maintained policy responsibility for the Wool Levy with UK Trade & Investment (UKTI). Amey Accounting and Business Services (Amey) administered the levy on behalf of the Department with Finance Group maintaining oversight of the process. Levies were payable half-yearly by firms in the woollen and wool industry. Amounts were based on a percentage of the annual salary costs for wool processors and the weight of wool handled by raw fibre suppliers. Monies received were paid into a deposit account kept by HM Paymaster General. Funds were periodically issued from this account to the National Wool Textile Export Corporation (NWTEC).

The purpose of the system of internal control

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 achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. During the financial year 2009-10 and following the cessation of operations in March 2009, the system of internal control was incorporated into the wider system of internal control operating in the Department for Business, Innovation and Skills. The system of internal control within the Department accords with Treasury guidance.

Capacity to handle risk

In BIS, general guidance on risk management is available to staff through the Risk Management Intranet site. This site includes the Department's risk management policy and has specific guidance on undertaking risk self-assessment. Risk management workshops are available to all staff and practical guidance on its application has been incorporated into a wide range of internal training courses that staff in BIS can attend. These courses cover all ranges of staff and are tailored to be appropriate to their authority and duties. Amey have their own risk management procedures in place and work in partnership with the Department to jointly manage shared risks.

The risk and control framework

During the financial year 2009-10 and following the cessation of operations in March 2009, the risk and control framework was included in the risk management framework of the Department. The risk management framework operates, within the Department, through the initial identification of risks that threaten achievement of objectives. These risks are then evaluated in terms of impact and probability. Consideration is then given to the actions required to effectively manage each risk. This process establishes the level of residual risk against which the Department is exposed which is monitored over time.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

On the 12th November 2008, a Statutory Instrument came into force revoking The Wool Textile Industry (Export Promotion Levy) Order 1970, the Wool Textile Industry (Export Promotion Levy) (Amendment) Order 1971 and the Wool Textile Industry (Export Promotion Levy) (Amendment) Order 1982. There was no further trading following the entry into administration of the National Wool Textile Export Corporation (NWTEC). A balance of £5,000 owed to NWTEC at the commencement of the financial year 2009-10 was paid to “The National Wool Textile Export Corporation in Liquidation” and cashed on 16 March 2010.

Martin Donnelly
Principal Accounting Officer and
Permanent Secretary

7 July 2011

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of The Wool Textile Industry Export Promotion Levy (Wool Levy) for the year ended 31 March 2010 under the Industrial Organisation and Development Act 1947. These comprise the Receipts and Payments Account and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Principal Accounting Officer and Auditor

As explained more fully in the Statement of Principal Accounting Officer's Responsibilities, the Principal Accounting Officer is responsible for the preparation of the financial statements in accordance with the Industrial Organisation and Development Act 1947 and HM Treasury directions made thereunder. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit and the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Wool Levy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Wool Levy; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the receipts and payments reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the receipts and payments have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements properly present the receipts and payments of the Wool Levy for the year then ended; and
- the financial statements have been properly prepared in accordance with the Industrial Organisation and Development Act 1947 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the information given in the Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General

14 July 2011

National Audit Office
157-197 Buckingham Palace Road
Victoria,
London SW1W 9SP

Account of the Receipts and Payments of the Secretary of State for Business, Innovation and Skills for the year ended 31 March 2010

Wool Textile Industry (Export Promotion Levy) Account

| Receipts | 2009-10 | 2008-09 |
|---|----------------|----------------|
| | £ | £ |
| Balance at 1 April | 5,000 | 11,117 |
| Levies collected | - | 144,207 |
| | 5,000 | 155,324 |
| | | |
| Payments | | |
| To the National Wool Textile Export Corporation | 5,000 | 149,987 |
| Refunds to Levy Payers | - | 337 |
| Bank Charges | - | - |
| Balance at 31 March | - | 5,000 |
| | 5,000 | 155,324 |

Notes

1. These accounts have been prepared in the form directed by HM Treasury. They have been prepared on a cash basis and record the receipts and payments for the financial year and the balances held at the year end.
2. The payment of £5,000 in 2009-10 was paid to "The National Wool Textile Export Corporation in Liquidation" and cashed on 16th March 2010.
3. During the financial year 2009-10 no levies were collected or recovered.
4. At 31 March 2010 the Department estimated that levies due but uncollected amounted to £32,800. £12,900 of this amount was owed by companies that were dissolved or had gone into liquidation and that the remaining £19,900 is considered to be irrecoverable.

The Accounting Officer has authorised these accounts to be issued on 14 July 2011

Martin Donnelly
Principal Accounting Officer and
Permanent Secretary

7 July 2011

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