

MARGAM CREMATORIUM JOINT COMMITTEE

26TH JUNE 2015

REPORT OF THE TREASURER HYWEL JENKINS

SECTION A – MATTER FOR DECISION

WARDS AFFECTED - ALL

OUTTURN REPORT AND ANNUAL RETURN 2014/15

1. Purpose of Report

- 1.1 This report provides details of the Margam Crematorium Joint Committee Outturn position for 2014/15. It also includes the Annual Return required to comply with proper accounting practices.

2. Outturn Report 2014/15

- 2.1 The Outturn Report shows that during 2014/15 the Crematorium provided 1,485 funeral services compared to the original estimate of 1,160 services. This increased the income received by £210,000.
- 2.2 Members will recall from its meeting of 6th February that the revised budget position had significantly been improved with income projections increased to £849,830 and based upon 1,350 services. The actual income for the year was £941,831, mainly due to the further increase in services to 1,485.
- 2.3 This report shows the actual gross expenditure as £825,241. The original budget included a contribution to repay funds to Neath Port Talbot of £116,364 whilst the actual amount repaid was £371,535. In addition, there was a contribution to the General reserve of £83,008. Full details of the pre-audited Final Accounts are included in Appendices 1 and 2.
- 2.4 There are some significant variances shown in the accounts, many of which have arisen as the cremator came back into operation in time for this financial year and costs and income have varied to reflect this change in the service.

2.5 The material variances between the Original Budget and the Actual Expenditure can be summarised as follows:

Expenditure

Organist fees +£10,408

This increase arose because of the increased number of cremations, which resulted in more demand for the service of the organist.

Carbon Reduction Tax -£2,778

The Council's officers have undertaken further work in relation to the Carbon Reduction Tax and have provided enough evidence to prove that Carbon Reduction Tax is not due.

Repairs and Maintenance—all -£19,337

An element of this underspend was because the cremators were under warranty for the year and the maintenance contract costs were only due for nine months. There was a general reduction in repairs and maintenance following the major capital works at the Crematorium as well as reduced contract costs at renewal for the mechanical and electrical maintenance contract.

Gas -£5,871

The reduction in gas costs reflects the benefits arising from the introduction of the new, more efficient, cremators.

Air Quality Sampling -£2,910

Air quality sampling formed part of the first year new cremator installation contract conditions, so there was no additional charge in the year. There will be air quality sampling costs in future.

Conference fees -£1,756

No delegates attended the annual conference during the year.

CAMEO – Environmental Surcharge -£7,000

Prior to the installation of abatement equipment, an environmental surcharge had to be paid on 50% of all cremations conducted during each calendar year. The Crematorium was liable for this surcharge between 17th March 2014, when the Crematorium reopened and 9th June 2014, when the implementation of the abatement plant became operational. There will be no further surcharges following the successful introduction of the abatement equipment.

Loan charges Interest +£16,579

This interest charge reflects the cost of using Council funds for the major works at the Crematorium. Significant repayments of funds used were made in 2014/15 and will continue going forward.

Provision for Capital Works -£22,409

The original budget and actual spend is shown below:

Provision for Capital Works	Original Estimate	Revised Estimate	Actual
	£	£	£
Budget Provided	25,000	25,000	
DDA path			2,591
Total	<u>25,000</u>	<u>25,000</u>	<u>2,591</u>

Contributions to repay NPT Council – Cremator Project +£255,171

Increased income levels at the Crematorium, together with reductions in some budget heads, made funds available to make an additional repayment against the costs of the rebuilding work at the Crematorium. The original budget assumed £116,364 could be repaid, but by year end £371,535 was available. Please note that the 2013/14 debt outstanding figure has been restated by £2,823 which was charged in error. The refund will be actioned in 2015/16.

Income

Cremation fees +£189,208

This increase in fees reflects the increase in cremations from a budgeted 1,160 to 1,485, an increase of 325 cremations in the year.

Memorials Income + £13,437

This sum is unpredictable, however the income received has significantly exceeded the amount in the original budget.

Audit Adjustment to Annual Report

Please note that the 2013/14 debt outstanding figure has been restated down from £139,225 to £121,461. There will also be a refund of £2,823 in 2015/16 relating to a capital funding adjustment.

Summary

The Crematorium has completed its first full year of operation since the instalment of the new cremators. During this time, they have been able to generate additional income and made a considerable contribution towards repaying the capital costs incurred for the new cremators.

The current budget provision for 2015/16 includes a further significant contribution towards the repayment of the funds advanced by Neath Port Talbot Council to meet the costs incurred during redevelopment and, if income generation continues as it has in the past twelve months, the Crematorium should recover its financial position within the next two years. Funds will

continue to be invested to repay the existing balance to Neath Port Talbot and will then be used to rebuild balances for any future investment.

3. Reserve Position

3.1 The planned contributions to and from reserves, are reflected in the Margam Crematorium Accounts. The position for the year is outlined below.

	Balance at 31st March 2014 £	Transfers to Reserve £	Transfers from Reserve £	Balance at 31st March 2015 £
General Reserve	0	Cr 83,008	0	Cr 83,008
Memorial Bulb Account	Cr 4,986	Cr 392	0	Cr 5,378
Palm Sunday Fund	Cr 3,403	Cr 547	530	Cr 3,420
	<u>Cr 8,389</u>	<u>Cr 83,947</u>	<u>530</u>	<u>Cr 91,806</u>

3.2 In line with Statutory accounting requirements, the Cremators are included as Neath Port Talbot Council assets and their costs are included within the Council's Capital Budget.

3.3 The following table shows the expenditure on the replacement cremator scheme since 31st March last year, along with a detailed analysis of funds used to reduce the outstanding balance. It is now anticipated that the Crematorium will generate sufficient funds within the next two years to enable the full repayment of these costs.

	2014/15 £
Brought forward from 2013/14	547,953.71
New Project costs	
Project costs	357,178.00
Design fees	<u>9,924.00</u>
	367,102.00
Contributions from Revenue	
MRP	-2,823.00
Revenue Contributions to loan repayment	<u>-371,535.00</u>
	-374,358.00
Insurance Settlement	-277,595.00
	<u>263,102.71</u>
Cremator Replacement – debt outstanding	
Historical Debt outstanding	-116,603.00
	<u>-379,705.71</u>
Total Debt	<u><u>-379,705.71</u></u>

4. Annual Report for the Year Ended 31st March 2015

- 4.1 The Accounts and Audit (Wales) Regulations 2014 allow for small relevant bodies with gross income or expenditure (whichever is greater) of no more than £2.5M to complete an Annual Return for audit purposes. This summarises the annual activities at the year end of each financial year.
- 4.2 The draft Annual Accounts for the year ending 31st March 2015 is enclosed as Appendix 1 and the Balance Sheet as Appendix 2.
- 4.3 The Local Councils in Wales Annual Return will be used by the Wales Audit Office for scrutiny and audit. The draft Annual Return, which incorporates the Annual Governance Statement, is included at Appendix 3. In line with the requirements of the Accounts & Audit Regulations Members, should note that I have signed the Responsible Financial Certificate on the 8th June 2015, prior to the 30th June deadline. A copy of this report and Annual Return has been forwarded to the Wales Audit Office for their information. A formal copy also signed by the Chair will be forwarded after the Committee meeting.

5. External Audit

- 5.1 Any material changes resulting from the examination of the Annual Return by the Authority's External Auditors will be reported back to this Committee for consideration prior to signing off the final version of the Annual Return before the end of September.

6. Recommendations

- 6.1 It is recommended that Members:
- Approve the Outturn report for 2014/15.
 - The Annual Return, prior to Audit Certificate for the year ended 31st March 2015, be approved and signed by the Chairman of this Committee for consideration by the external auditor.
 - The Annual Governance Statement is confirmed.

7. Appendices

Appendix 1 – Margam Crematorium Income and Expenditure Account

Appendix 2 – Margam Crematorium Balance Sheet as at 31st March

Appendix 3 – Draft Annual Return including Annual Governance Statement

8 List of Background Papers

Margam Crematorium Financial Records.

9. Officer Contact:

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Margam Crematorium Income & Expenditure Account

Actual		Original Estimate	Revised Estimate	Actual	Variance Actual to Original	Variance Actual to Original
2013/14				2014/15		
£	Expenditure	£	£	£	£	%
	Employees					
137,517	Salaries & Wages	160,781	145,497	141,960	-18,821	-12%
9,628	Organists fees	18,228	24,800	28,636	10,408	+57%
0	Staff Training	850	975	975	125	+15%
17,662	Contracted Staff	0	0	0	0	-
	Premises					
658	Carbon Reduction Tax	2,000	0	-778	-2,778	-139%
42,669	R&M Grounds	43,479	44,375	44,375	896	+2%
17,508	R&M Buildings	22,948	22,650	16,457	-6,491	-28%
8,792	R&M Maintenance Contract	11,241	5,000	4,268	-6,973	-62%
0	R&M Maintenance Cremators	26,000	25,900	19,231	-6,769	-26%
14,917	Gas	34,000	33,000	28,129	-5,871	-17%
5,736	Electricity	10,440	10,895	11,126	686	+7%
1,356	Water	1,750	1,670	1,470	-280	-16%
-68,174	Non Domestic Rates	20,340	20,340	20,339	-1	-0%
9,249	Cleaning	11,982	11,485	11,769	-213	-2%
0	Air Quality Sampling	2,910	0	0	-2,910	-100%
	Supplies & Services					
769	Printing & Stationery	2,400	2,400	2,344	-56	56
724	Advertising	700	715	758	58	+8%
1,791	Telephones	2,000	1,760	2,045	45	+2%
4,665	Insurance	4,722	4,665	4,665	-57	-1%
149	Travel and Subsistence	600	230	221	-379	-63%
0	Conference fees	1,756	0	0	-1,756	-100%
213	Car Allowance	730	730	183	-547	-75%
70	Debt Management	100	345	200	100	+100%
50,240	Support Services	50,858	50,860	50,860	2	+0%
2,181	Audit Fees	4,047	2,860	2,026	-2,021	-50%
1,679	Licences	1,711	1,680	1,679	-32	-2%
497	Floral Decoration	506	510	506	0	+0%
1,100	Computer & Equipment	1,975	2,350	1,710	-265	-13%
18,793	CAMEO	10,000	10,000	3,000	-7,000	-70%
0	Brochures	1,530	1,530	1,948	418	+27%
127	Equipment	1,358	1,360	554	-804	-59%
220	Urns & Caskets	1,520	1,520	1,769	249	+16%
0	Palm Sunday	740	600	530	-210	-28%
2,388	Entries in Book of Remembrance	2,129	2,130	2,094	-35	-2%
4,104	Medical Referees	12,150	12,150	13,383	1,233	+10%

Margam Crematorium Income & Expenditure Account

Actual		Original Estimate	Revised Estimate	Actual	Variance Actual to Original	Variance Actual to Original
2013/14				2014/15		
£	Expenditure	£	£	£	£	%
151	Clothing	1,352	1,350	1,091	-261	-19%
867	Subscriptions	996	990	812	-184	-18%
4,047	Memorials	4,076	4,070	3,688	-388	-10%
	Capital Costs					
7,884	Loan charges - Principal	4,858	26,665	4,858	0	0%
7,988	- Interest	5,655	32,065	22,234	16,579	+293%
9,915	Provision for Capital Works	25,000	25,000	2,591	-22,409	-90%
50,000	Contributions to the Council-Cremator Project	116,364	231,535	371,535	255,171	+219%
368,080	Gross Expenditure	626,782	766,657	825,241	198,459	+32%
£	Income	£	£	£	£	%
-229,429	Cremation Fees	-679,760	-789,750	-868,968	-189,208	+28%
-1,234	Urns & Caskets	-2,949	-2,880	-3,061	-112	+4%
-6,688	Book of Remembrance	-5,196	-6,150	-5,937	-741	+14%
-19,777	Memorials Income	-21,678	-23,000	-35,115	-13,437	+62%
-183	Bulb Donations	0	0	-392	-392	
-495	Palm Sunday Donations	-250	0	-547	-297	+119%
-13,379	Miscellaneous Income	-22,170	-28,050	-27,811	-5,641	+25%
0	Bank Interest	0	0	0	0	
-8,400	Payment for Water usage - Cemeteries	0	0	0	0	
-279,585	Gross Income	-732,003	-849,830	-941,831	-209,828	+29%
88,495	Net spend before reserves	-105,221	-83,173	-116,590	-11,369	
	Transfers to/-from Reserves					
183	Bulb Fund	0	0	392	392	
495	Palm Sunday Reserve	0	0	17	17	
-50,000	General Reserve	15,000	50,000	83,008	68,008	
39,173	Net position funded by Authorities	-90,221	-33,173	-33,173	57,048	

Margam Crematorium Income & Expenditure Account

Actual		Original Estimate	Revised Estimate	Actual	Variance Actual to Original	Variance Actual to Original
2013/14				2014/15		
£		£	£	£	£	%
Funding from Joint User Contributions						
-1,693	Neath Port Talbot	-1,693	-1,693	-1,657	36	
-1,307	Bridgend	-1,307	-1,307	-1,343	-36	
<u>36,173</u>	Net position after precept	<u>-93,221</u>	<u>-36,173</u>	<u>-36,173</u>	<u>57,048</u>	
Additional / reduced Contributions from Joint User						
-20,413	Additional Precept NPT	51,676	20,413	20,413	-31,263	
-15,760	Additional Precept Bridgend	41,545	15,760	15,760	-25,785	
<u>0</u>	Final Position	<u>0</u>	<u>0</u>	<u>-0</u>	<u>-0</u>	
1,338	Number of Cremations	1,160	1,350	1,485	325	+28%

Balance Sheet as at 31st March

31/03/2014		31/03/2015
£		£
4,986	Memorial Bulb Account	5,378
3,403	Palm Sunday Reserve	3,420
0	General Reserve	83,008
<u>8,389</u>		<u>91,806</u>
-12,494	Sundry Creditor	-21,024
3,066	Investment Account	36,722
36,175	Debtors	0
87	Petty Cash Account	87
-7,829	Payments in Advance	-9,658
13,448	General Deposit Account	27,996
-24,064	NPT outstanding remittances	57,683
<u>8,389</u>		<u>91,806</u>

Small Local Government Bodies in Wales Annual Return for the Year Ended 31 March 2015

Section 12 of the Public Audit (Wales) Act 2004 requires local government bodies in Wales to make up accounts each year to 31 March and to have those accounts audited by the Auditor General for Wales. Regulation 14 of the Accounts and Audit (Wales) Regulations 2014 states that smaller local government bodies (ie, those with annual income and expenditure below £2.5 million) must prepare their accounts in accordance with proper practices.

The following legislation defines proper practices as the One Voice Wales/SLCC Guidance publication *Governance and accountability for local councils in Wales – A Practitioners' Guide (2011)* (the Practitioners' Guide):

Port health authorities: Accounts and Audit (Wales) Regulations 2014, Regulation 4(b)

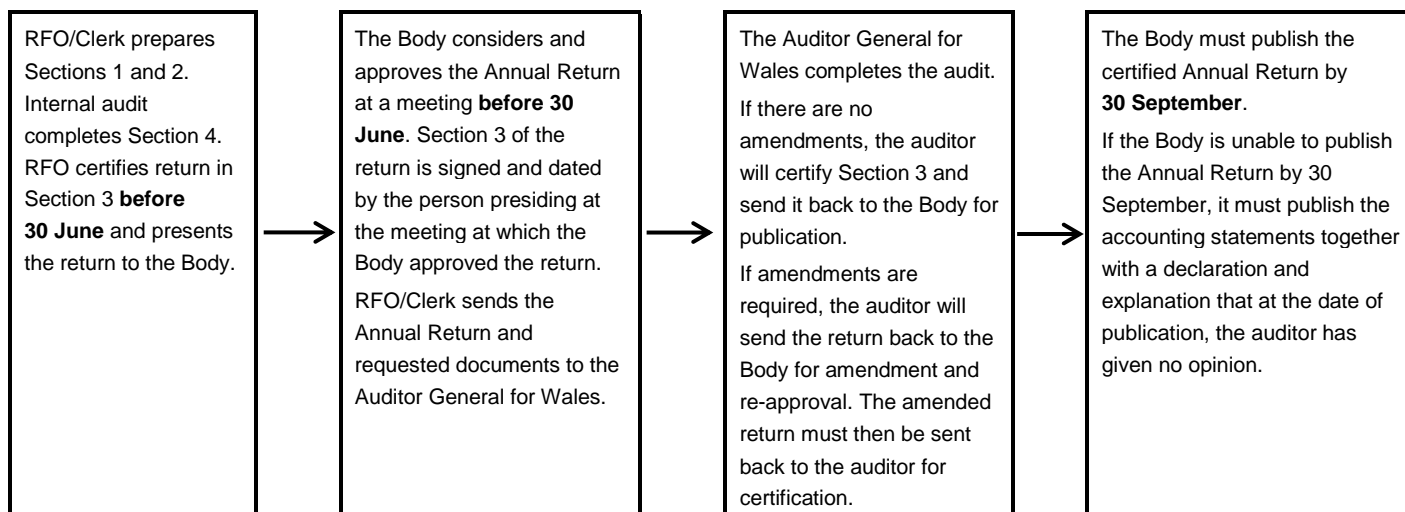
Small joint committees: Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, Regulation 25(1)

The Practitioners' Guide requires that smaller bodies prepare their accounts in the form of an annual return.

This Annual Return meets the requirements of the Practitioners' Guide.

Please complete all sections highlighted in pink. Incomplete or incorrect returns may require additional external audit work and incur additional costs. Further guidance is included in Section 5 and in Section 2 which includes references to where the Practitioners' Guide has further information.

Under the Accounts and Audit (Wales) Regulations 2014, the Body must formally approve the return and certify Section 3 before the return is sent to the auditor. The Body must approve the Annual Return by 30 June. Unless the Annual Return needs to be amended, the auditor will certify the return and send it back to the Body for publication with no further approval by the Body required. The accounts approval and audit arrangements follow the process as set out below.



Your external audit team will advise you what additional information is needed for the audit.

Please send the original Annual Return (ie, not a photocopy), together with any additional information requested, to your external auditor by the date specified by the auditor. Unless requested, please do not send any original financial records to the external auditor.

Audited and certified returns are sent back to the Body for publication or display of Sections 1, 2 and 3.

Section 1 – Accounting statements for: **Margam Crematorium**

	Year ending		Notes and guidance for compilers				
	Restated 31 March 2014 (£)	31 March 2015 (£)	Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the Body's underlying financial records for the relevant year.				
1. Balances brought forward	57,711	8,389	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to Line 7 of the previous year.				
2. (+) Income from local taxation and/or levy	+39,173	-33,173	Total amount of local taxation, rates and/or levy received or receivable in the year including funding from a sponsoring body.				
3. (+) Total other receipts	+279,585	+941,831	Total income or receipts as recorded in the cashbook less income from local taxation and/or levy (Line 2). Include any grants received here.				
4. (-) Staff costs	-164,807	-171,571	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses.				
5. (-) Loan interest/capital repayments	-15,872	-27,092	Total expenditure or payments of capital and interest made during the year on the Body's borrowing (if any).				
6. (-) Total other payments	-187,401	-626,578	Total expenditure or payments as recorded in the cashbook minus staff costs (Line 4) and loan interest/capital repayments (Line 5).				
7. (=) Balances carried forward	8,389	91,806	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).				
8. (+) Debtors and stock balances	+36,175	0	Income and expenditure accounts only: Enter the value of debts owed to and stock balances held at the year-end.				
9. (+) Total cash and investments	-7,463	+122,488	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.				
10. (-) Creditors	-20,323	-30,682	Income and expenditure accounts only: Enter the value of monies owed by the Body (except borrowing) at the year-end.				
11. (=) Balances carried forward	8,389	91,806	Total balances should equal Line 7 above: Enter the total of (8+9-10).				
12. Total fixed assets and long-term assets	0	0	The original Asset and Investment Register value of all fixed assets, plus other long-term assets owned by the Body as at 31 March.				
13. Total borrowing	121,461	116,603	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).				
14. Trust funds disclosure note	Yes	No	N/A	Yes	No	N/A	The Body acts as sole trustee for and is responsible for managing (a) trust fund(s)/assets (readers should note that the figures above do not include any trust transactions).

Section 2 – Annual Governance Statement

We acknowledge as the members of the Body, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the Body's accounting statements for the year ended 31 March 2015, that:

	Agreed?		'YES' means that the Body:	PG Chap.
	Yes	No*		
1. We have approved the accounting statements which have been prepared in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and proper practices.	√		Prepared its accounting statements in the way prescribed by law.	6, 12
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.	√		Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Body to conduct its business or on its finances.	√		Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.	√		Has given all persons interested the opportunity to inspect and ask questions about the Body's accounts.	6, 23
5. We have carried out an assessment of the risks facing the Body and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	√		Considered the financial and other risks it faces in the operation of the Body and has dealt with them properly.	6, 9
6. We have maintained an adequate and effective system of internal audit of the Body's accounting records and control systems throughout the year and have received a report from the internal auditor.	√		Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the Body.	6, 8
7. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	√		Has responded to matters brought to its attention by internal and external audit.	6, 8, 23
8. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Body and, where appropriate, have included them on the accounting statements.	√		Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
9. Trust funds – in our capacity as trustee, we have: <ul style="list-style-type: none"> Discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit. 			Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6


* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Section 3 – Certification and approval

Approval and certification of the accounts and annual governance statement

The Body is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and for the preparation of an Annual Return which:

- summarises the Body's accounting records for the year ended 31 March 2015; and
- confirms and provides assurance on those matters that are important to the external auditor's responsibilities.

<p>Certification by the RFO</p> <p>Certificate under Regulation 15(1) Accounts and Audit (Wales) Regulations 2014</p> <p>I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Body, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2015.</p>	<p>Approval by the Body</p> <p>Approval of accounting statements under Regulation 15(2) Accounts and Audit (Wales) Regulations 2014 and the Annual Governance Statement</p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Body under body minute reference:</p>
<p>RFO signature: SIGNATURE REQUIRED</p> 	<p>INSERT MINUTE REFERENCE</p> <p>Chair signature: SIGNATURE REQUIRED</p>
<p>Name: Hywel Jenkins</p>	<p>Name: Cllr. Edward Latham</p>
<p>Date: 08/06/2015</p>	<p>Date: 26/06/2015</p>

External Audit Certificate

The external auditor conducts the audit in accordance with guidance issued by the Auditor General for Wales. On the basis of their review of the Annual Return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met. We certify that we have completed the audit of the Annual Return for the year ended 31 March 2015 of:

Margam Crematorium Joint Committee

External auditor's report

[Except for the matters reported below]* On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

[[These matters along with]* Other matters not affecting our opinion which we draw to the attention of the Body/meeting are included in our report to the Body dated _____.]

(* Delete as appropriate)

External auditor's signature:

For and on behalf of the Auditor General for Wales

External auditor's name:

Date:

Section 4 – Annual internal audit report to: Margam Crematorium Joint Committee

The Body's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2015.

The internal audit has been carried out in accordance with the Body's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Body.

	Agreed?			
	Yes	No*	N/A	Not covered**
1. Appropriate books of account have been properly kept throughout the year.				√
2. The Body's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.				√
3. The Body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.				√
4. The annual precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.				√
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.				√
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.				√
7. Salaries to employees and allowances to members were paid in accordance with Body approvals, and PAYE and NI requirements were properly applied.				√
8. Asset and investment registers were complete and accurate, and properly maintained.				√
9. Periodic and year-end bank account reconciliations were properly carried out.				√
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.				√
11. Trust funds (including charitable trusts). The Body has met its responsibilities as a trustee.			√	
For any risk areas identified by the Body (list any other risk areas below or on separate sheets if needed) adequate controls existed:	Agreed?			
	Yes	No*	N/A	Not covered**
13. The Crematorium accounts are audited on a rolling basis every five years and were last audited in 2010/11. This is considered as a low risk area and only minor recommendations arose from this audit. Items 1,2,6,7 and 9 are included within the Neath Port Talbot Council audit plan and undertaken on an annual basis.	√			

* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

** If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

Name of person who carried out the internal audit: Anne-Marie O'Donnell

Signature of person who carried out the internal audit: SIGNATURE

Date: 08/06/2015

Section 5 – Guidance notes on completing the 2015 Annual Return

1. **Please note the changes to the accounts approval and audit process for this year. These are described on the front cover of this Annual Return.**
2. For guidance please read the Practitioners' Guide (*Governance and accountability for local councils: A Practitioners' Guide 2011 (Wales)*) – available from One Voice Wales and SLCC. It contains everything you need for the financial year-end and the statutory audit.
3. **The Wales Audit Office Good Practice Exchange (www.wao.gov.uk/good-practice/finance/community-council-money) provides further information on the accounts and audit process along with guidance on governance matters.**
4. Please make sure that all sections are completed (ie, no empty pink boxes) by the appropriate person and the certificates in Section 3 are properly signed and dated. Avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are properly initialled and an explanation for them is provided to the auditor. **Please do not use correction fluid.** Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited.
5. Use the checklist provided below. Use a second pair of eyes, perhaps your internal auditor or the Chair, to review your Annual Return for completeness before sending a copy to the auditor.
6. Make sure that the copy of the bank reconciliation you send to your auditor with the copy Annual Return covers **all** your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your Body holds any investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to Line 9 in Section 1. More help on bank reconciliation is available in the Practitioners' Guide*.
7. Please **explain fully** any significant variances in the accounting statements. The auditor wants to know that **you** understand the reasons for the change. Please include a relevant and quantified analysis as shown in the Practitioners' Guide examples and not just a copy of your detailed accounts.
8. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful. Please ensure that you enclose all the information that the auditor has asked for. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances this may incur additional costs for which the auditor is entitled to charge additional fees.
9. Please make sure that Section 1 adds up! Also please ensure that the balance carried forward from the previous year (Line 7 of 2014) equals the balance brought forward in the current year (Line 1 of 2015).
10. **Do not complete the External Audit Certificate in Section 3.** The external auditor completes this after the external audit work has been completed.
11. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit to the Body.

Completion checklist – 'No' answers mean that you may not have met requirements		Done?	
On submission to the external auditor		Yes	No
Accounts	Do the papers to be sent to the external auditor include an explanation of significant variations from last year to this year?	√	
	Does the bank reconciliation as at 31 March 2015 agree to Line 9?	√	
Approval	Has the RFO certified Section 3 (Regulation 15 (1)) no later than 30 June 2015?	√	
	Has the Body approved the accounting statements before 30 June 2015 and has Section 3 been signed and dated by the person presiding at the meeting at which approval was given?	√	
All sections	Have all pink boxes in Sections 1 and 2 been completed and explanations provided where needed?	√	
	Has all the information requested by the external auditor been sent with this Annual Return? Please refer to your notice of audit and any additional schedules provided by your external auditor.	√	
If accounts are amended after receipt of external auditor's report on matters arising		Yes	No
Accounts	Have the amended accounting statements been approved and Section 3 re-signed and re-dated as evidence of the Body's approval of the amendments before re-submission to the auditor?		