

# MARGAM CREMATORIUM JOINT COMMITTEE

17<sup>th</sup> JUNE 2016

## REPORT OF THE TREASURER - HYWEL JENKINS

### MATTER FOR DECISION

### WARDS AFFECTED - ALL

### OUTTURN REPORT AND ANNUAL RETURN 2015/16

#### 1. Purpose of Report

1.1 This report provides details of the Margam Crematorium Joint Committee Outturn position for 2015/16. It also includes the Annual Return required to comply with proper accounting practices.

#### 2. Outturn Report 2015/16

2.1 The Outturn Report shows that during 2015/16 the Crematorium provided 1,455 funeral services compared to the original estimate of 1,350 services. This increased the cremation fee income by £66,647.

2.2 Members will recall from its meeting on 22nd January, 2016 that the revised budget position had improved with total income projections increased to £914,480 based upon 1,400 services. The actual income for the year was £965,793, mainly due to the further increase in services to 1,455.

2.3 This report shows the actual gross expenditure as £764,847. The original budget included a contribution to repay funds to Neath Port Talbot of £238,377, the actual repayment has been £278,915, repaying all funds in full, ahead of time. In addition, there is a contribution to the General Reserve of £103,478 and the creation of a new Cremator Renewals Reserve of £100,000. Full details of the pre-audited Final Accounts are included in Appendices 1 and 2.

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

## **Expenditure**

### Organist fees +£12,322

There has been an increase in Cremations, which resulted in more demand for the service of the organist.

There has been a change in the way employers must calculate holiday pay so that any payment made for part time staff employees reflects an entitlement to holiday pay, this amounted to £3,946, back dated to April 2015.

An additional member of staff has also been added to the pension scheme, increasing the Crematorium's contribution.

### Staff Training +£765

A member of staff in the Crematorium is studying towards the qualification for a Certificate in the Institute of Cemetery and Crematorium Management over the next two years. This was partially funded from the saving in the advertising fees.

### Repair & Maintenance Grounds +£6,654

Additional hours have been added to the budget to support work during the winter months.

### Repair & Maintenance Cremators -£6,497

The final quarter of the initial year's warranty of £6,378 and 3 payments of £12,875 are included in this fiscal year. This covers full maintenance costs including filter replacement.

### Gas -£15,115

The reduction in expenditure is mainly due to the new cremators being more efficient and a reduction in price per unit.

### Air Quality Sampling -£3,000

The air quality sampling forms part of the mechanical and maintenance contract with Facultatieve Technologies (FT), providing a single annual emissions test.

### Advertising -£1,446

Future advertising of the Audit of Accounts and Completion of Accounts will be done via notice boards and websites in Neath Port Talbot and Bridgend CBC, free of charge

### Conference fees -£1,515

No delegates attended the annual conference during the year.

CAMEO -£3,000

There was no fee to pay in relation to the calendar year 2014, therefore the provision created has been brought forward to 2015/16 and there is no further liability to pay.

Brochures -£1,560

Brochures were not required this year.

Equipment +£938

A new trolley has been purchased for use in the chapel. An additional specialised trolley has been ordered and will be delivered in 2016/17. The increase in spend was approved at revised budget stage.

Medical referees +£1,044

The medical referees costs have increased in line with the cremations.

Clothing -£684

There was a general under-spend on this account this year as replacement clothing was not necessary.

Subscriptions +£370

A new subscription to the Institute of Cemetery and Cremation Management was commenced this year. This will enable a member of staff to complete future studies. The membership will also allow the Crematorium to participate in recycling.

Memorials +£404

The memorials expenditure was increased at revised estimate stage to purchase eight granite benches, however, the company could not guarantee the delivery of all the benches before the end of the financial year. The expenditure will therefore fall in 2016/17.

Loan Charges – Principal, Interest & Debt Management fee - £44,632

Principal and Interest fees are calculated on the historical debt only, not on any additional capital spend on the new cremators and abatement equipment. This was made apparent in the 2014/15 external audit. This is reflected in the actual costs being lower and with a corresponding increase in the contribution to Neath Port Talbot County Borough Council to repay the Cremator Debt.

### Provision for Capital Works - -£11,845

The original budget and actual spend is shown below:

<b>Provision for Capital Works</b>	<b>Original Estimate</b>	<b>Revised Estimate</b>	<b>Actual</b>
	£	£	£
Budget Provided	25,000	25,000	
Footpath/ Car park works			12,805
Outside toilet cable repairs			349
<b>Total</b>	<b>25,000</b>	<b>25,000</b>	<b>13,154</b>

### Contributions to repay NPT Council – Cremator Project +£40,538

Increased income levels at the Crematorium, together with reductions in the loan charges budget, made funds available to make a final repayment to NPT CBC. The original budget assumed £238,377 could be repaid, but by year end £278,915 was available to repay the full amount outstanding.

### **Income**

#### Cremation fees +£66,647

This increase in fees reflects the increase in cremations from a budgeted 1,350 to 1,455, an increase of 105 cremations in the year.

#### Urns & Caskets +£756

The sale of urns and caskets have increased in line with the cremations.

#### Memorials Income + £43,691

This sum is unpredictable, however the income received has significantly exceeded the amount in the original budget. It also includes a one off repayment of VAT on Memorials from HMRC of £29,639, backdated to 2010.

#### Miscellaneous Income +£4,321

This sum includes the first time income of £2,820 from the Crematoria Abatement of Mercury Emissions organisation, CAMEO, a “Burden Sharing” scheme.

#### Refund of Water usage from Cemeteries +£374

It was previously agreed that 20% of all water usage in the Crematorium was to be apportioned to Margam Cemetery for the

use of water. This was not allocated in 2014/15, therefore credit for two years has been recovered in this financial year.

## Summary

During the financial year the Crematorium has been able to generate additional income and make a final payment towards repaying the capital costs incurred for the new cremators.

### 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.

	<b>Balance at 31st March 2015</b>	<b>Transfers to/from Reserve</b>	<b>Balance at 31st March 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>
General Reserve	Cr 83,008	Cr 103,478	Cr 186,486
Cremator Renewals Reserve	0	Cr 100,000	Cr 100,000
Memorial Bulb Account	Cr 5,378	Cr 192	Cr 5,570
Palm Sunday Fund	Cr 3,420	Cr 276	Cr 3,696
	<u>Cr 91,806</u>	<u>Cr 203,946</u>	<u>Cr 295,752</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 and Accounts.

3.3 The following table shows the historical debt outstanding for the Joint Committee and 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.

		<b>2015/16</b>
		<b>£</b>
Brought forward from 2014/15		263,103
In year spend	12,989	
MRP adj re 2013/14	2,823	
	<hr/>	15,812
		<hr/> 278,915
Revenue Contributions to loan repayment		278,915
Balance as at 31st March 2016		<hr/> <hr/> 0.00

### **Historical Debt Outstanding**

Historical Debt outstanding		116,603
less MRP Correction from 13/14	-2,823	
less Principal repaid 15/16	-1,841	
	<hr/>	-4,664
Total Debt		<hr/> <hr/> 111,939

## **4. Annual Report for the Year Ended 31st March 2016**

- 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 31<sup>st</sup> March 2016 is enclosed at Appendix 1 and the Balance Sheet at 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 and Audit Regulations, Members should note that I have signed the Responsible Financial Certificate on the 26<sup>th</sup> May 2016, 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 External Auditor 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 2015/16.
- The Annual Return, prior to Audit Certificate for the year ended 31st March 2016, be approved and signed by the Chairman of this Committee for consideration by the external auditor.
- The Annual Governance Statement is confirmed.

## **7. Reasons for Proposed Decision**

To approve the Outturn report for Margam Crematorium for 2015/16 and to confirm the Annual Return and Annual Governance Statement.

## **8. Implementation of Decision**

The decision is proposed for immediate implementation.

## **9. Appendices**

1. Margam Crematorium Income and Expenditure Account
2. Margam Crematorium Balance Sheet as at 31<sup>st</sup> March
3. Draft Annual Return including Annual Governance Statement

## **10. List of Background Papers**

Margam Crematorium Financial Records.

**11. Officer Contact:**

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## Margam Crematorium Income & Expenditure Account

Actual		Original Estimate	Revised Estimate	Actual	Variance Actual to Original
2014/15		2015/16	2015/16	2015/16	2015/16
£	Expenditure	£	£	£	£
	<b>Employees</b>				
141,960	Salaries & Wages	152,073	149,140	150,404	-1,669
28,636	Organists fees	24,800	28,940	37,122	12,322
975	Staff Training	850	1,590	1,615	765
	<b>Premises</b>				
-778	Carbon Reduction Tax	0	0	0	0
44,375	R&M Grounds	45,180	51,835	51,834	6,654
16,457	R&M Buildings	23,100	23,540	15,645	-7,455
4,268	R&M Maintenance Contract	5,000	4,500	4,513	-487
19,231	R&M Maintenance of Cremators	51,500	45,000	45,003	-6,497
28,129	Gas	33,610	19,095	18,495	-15,115
11,126	Electricity	11,110	12,500	12,140	1,030
1,470	Water	1,700	1,515	1,623	-77
20,339	Non Domestic Rates	20,800	20,725	20,726	-74
11,769	Cleaning	11,715	11,700	11,678	-37
0	Air Quality Sampling	3,000	3,000	0	-3,000
	<b>Supplies &amp; Services</b>				
2,344	Printing & Stationery	2,400	2,400	2,770	370
758	Advertising	730	0	-716	-1,446
2,045	Telephones	1,795	1,090	914	-881
4,665	Insurance	4,665	4,665	4,665	0
221	Travel and Subsistence	600	230	212	-388
0	Conference fees	1,515	0	0	-1,515
183	Car Allowance	750	750	61	-689
200	Debt Management	330	55	56	-274
50,860	Support Services	51,880	51,570	51,569	-311
2,026	Audit Fees	3,000	2,920	2,804	-196
1,679	Licences	1,680	1,705	1,704	24
506	Floral Decoration	520	525	521	1
1,710	Computer & Equipment	2,400	2,400	1,895	-505
3,000	CAMEO	0	0	-3,000	-3,000
1,948	Brochures	1,560	0	0	-1,560
554	Equipment	1,360	3,810	2,298	938
1,769	Urns & Caskets	1,550	1,550	1,146	-404
530	Palm Sunday	300	300	287	-13
2,094	Entries in Book of Remembrance	2,130	2,500	2,307	177
13,383	Medical Referees	12,150	12,150	13,194	1,044

## Margam Crematorium Income & Expenditure Account

<b>Actual</b>		<b>Original Estimate</b>	<b>Revised Estimate</b>	<b>Actual</b>	<b>Variance Actual to Original</b>
		<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>
<b>£</b>	<b>Expenditure</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
2014/15					
1,091	Clothing	1,000	1,000	316	-684
812	Subscriptions	990	1,350	1,360	370
3,688	Memorials	4,070	9,790	4,474	404
	<b>Capital Costs</b>				
4,858	Loan charges - Principal	26,720	4,665	1,841	-24,879
22,234	- Interest	30,780	5,225	11,301	-19,479
2,591	Provision for Capital Works	25,000	25,000	13,155	-11,845
371,535	Contributions to the Council-Cremator Project	238,377	278,915	278,915	40,538
<b>825,241</b>	<b>Gross Expenditure</b>	<b>802,690</b>	<b>787,645</b>	<b>764,847</b>	<b>-37,843</b>
<b>£</b>	<b>Income</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
-868,968	Cremation Fees	-789,750	-818,650	-856,397	-66,647
-3,061	Urns & Caskets	-2,940	-3,480	-3,696	-756
-5,937	Book of Remembrance	-6,280	-7,215	-5,839	441
-35,115	Memorials Income	-22,110	-51,500	-65,801	-43,691
-392	Bulb Donations	0	-50	-192	-192
-547	Palm Sunday Donations	0	-115	-563	-563
-27,811	Miscellaneous Income	-28,610	-33,120	-32,931	-4,321
0	Income for Water usage - Cemeteries	0	-350	-374	-374
<b>-941,831</b>	<b>Gross Income</b>	<b>-849,690</b>	<b>-914,480</b>	<b>-965,793</b>	<b>-116,103</b>
<b>-116,590</b>	<b>Net spend before reserves</b>	<b>-47,000</b>	<b>-126,835</b>	<b>-200,946</b>	<b>-153,946</b>
	<b>Transfers to/-from Reserves</b>				
83,008	General Reserve	50,000	129,835	103,478	53,478
0	Cremators Renewals Reserve	0	0	100,000	100,000
392	Bulb Fund	0	0	192	192
17	Palm Sunday Reserve	0	0	276	276
<b>-33,173</b>	<b>Net position funded by Authorities</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>0</b>

## Margam Crematorium Income & Expenditure Account

<b>Actual</b>		<b>Original Estimate</b>	<b>Revised Estimate</b>	<b>Actual</b>	<b>Variance Actual to Original</b>
<b>2014/15</b>		<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>
<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Funding from Joint User Contributions</b>					
-1,657	Neath Port Talbot	-1,688	-1,688	-1,688	0
-1,343	Bridgend	-1,312	-1,312	-1,312	0
<u>-36,173</u>	<b>Net position after precept</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Additional / reduced Contributions from Joint User</b>					
20,413	Refunded Precept NPT	0	0	0	0
15,760	Refunded Precept Bridgend	0	0	0	0
<u>0</u>	<b>Final Position</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
1,485	Number of Cremations	1,350	1,400	1,455	105

### Margam Crematorium Balance Sheet

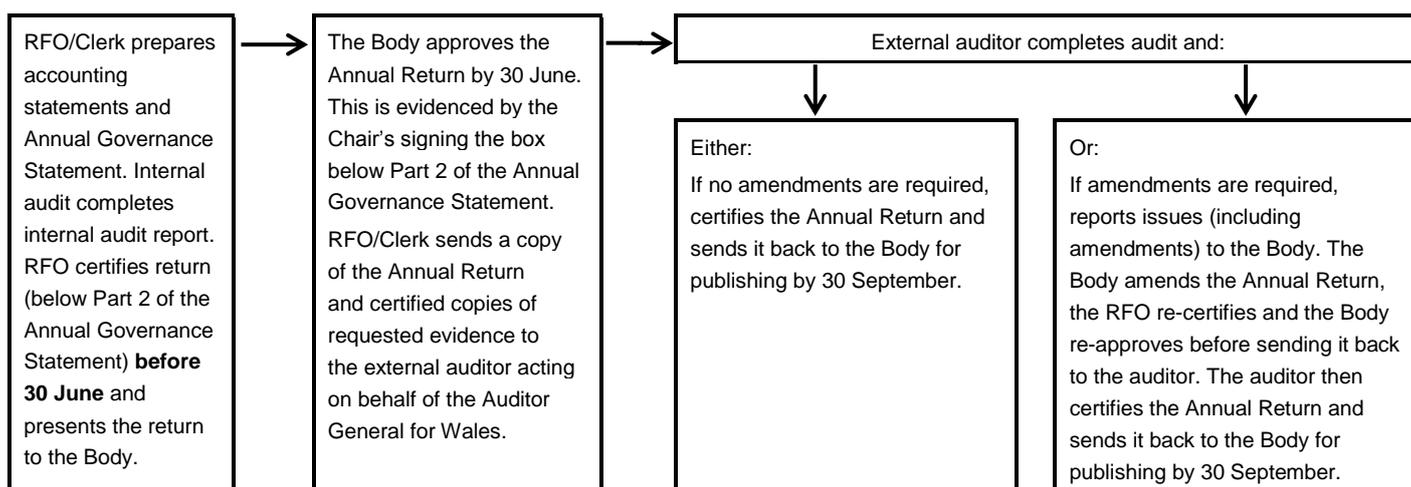
31st March 2015		31st March 2016
£		£
5,378	Memorial Bulb Account	5,570
3,420	Palm Sunday Reserve	3,696
83,008	General Reserve	186,486
0	Cremator Renewals reserve	100,000
<u>91,806</u>		<u>295,752</u>
-21,024	Sundry Creditors	-12,453
36,722	Investment Account	0
0	Debtors	532
87	Petty Cash Account	87
-9,658	Receipts in Advance	-13,236
27,996	General Deposit Account	0
57,683	Cash Balance	320,822
<u>91,806</u>		<u>295,752</u>

## Small Local Government Bodies in Wales Annual Return for the Year Ended 31 March 2016

Smaller local government bodies in Wales must prepare annual accounts following proper practices as set out in the One Voice Wales/SLCC publication **Governance and accountability for local councils in Wales – A Practitioners’ Guide** (the Practitioners’ Guide). The Practitioners’ Guide states that bodies may prepare their accounts in the form of an annual return prepared by the Wales Audit Office.

### The accounts and audit process

The accounts and audit arrangements follow the process as set out below.



**Please complete all sections highlighted in red.** Incomplete or incorrect returns may require additional external audit work and incur additional costs. Send the **original** Annual Return, together with all additional information requested, to the external auditor acting on behalf of the Auditor General for Wales. **Please note that copies of all documents provided for the purposes of the audit must be certified as true copies of the originals by the Clerk and Chair.** Unless requested, please **do not** send any original financial or other records to the external auditor.

Bodies should note the changes to the Annual Governance Statement. This is to be completed in full by all Bodies.

Audited and certified returns are sent back to the Body for publication or display of the accounting statements, Annual Governance Statement and the Auditor General for Wales’ certificate and report.

### Completion checklist

‘No’ answers mean that you may not have met requirements		Done?	
Initial submission to the external auditor		Yes	No
<b>Accounts</b>	Has the RFO certified the accounting statements and the body approved the Annual Return (as evidenced by the relevant signatures), no later than 30 June 2016?	<input type="checkbox"/>	<input type="checkbox"/>
	Do the accounts add up and does the balance carried forward from last year equal the opening balance this year?	<input type="checkbox"/>	<input type="checkbox"/>
	Do the papers to be sent to the external auditor include an explanation of significant variations, including a quantified analysis of the changes from last year to this year?	<input type="checkbox"/>	<input type="checkbox"/>
	Does the bank reconciliation as at 31 March 2016 agree to line 9?	<input type="checkbox"/>	<input type="checkbox"/>
<b>All sections</b>	Have all red boxes been completed and explanations provided where needed?	<input type="checkbox"/>	<input type="checkbox"/>
	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.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Supporting evidence</b>	Have all items and pages of supporting evidence provided to the audit been certified as a true copy of the original by the Clerk and Chair?	<input type="checkbox"/>	<input type="checkbox"/>

## Accounting statements 2015-16 for:

Name of body: Margam Joint Crematorium Committee

	Year ending		Notes and guidance for compilers				
	31 March 2015 (£)	31 March 2016 (£)					
<b>Statement of income and expenditure/receipts and payments</b>							
1. Balances brought forward	8,389	91,806	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/levy	-33,173	+3,000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.				
3. (+) Total other receipts	+941,831	+965,793	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.				
4. (-) Staff costs	-171,571	-189,141	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 eg termination costs.				
5. (-) Loan interest/capital repayments	-9,917	-13,142	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).				
6. (-) Total other payments	-643,753	-562,564	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	91,806	295,752	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).				
<b>Statement of balances</b>							
8. (+) Debtors and stock balances	0	+532	<b>Income and expenditure accounts only:</b> Enter the value of debts owed to the body and stock balances held at the year-end.				
9. (+) Total cash and investments	+122,488	+320,909	<b>All accounts:</b> 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	-30,682	-25,689	<b>Income and expenditure accounts only:</b> Enter the value of monies owed by the body (except borrowing) at the year-end.				
11. (=) Balances carried forward	91,806	295,752	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).				
12. Total fixed assets and long-term assets	0	0	The <b>original</b> asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.				
13. Total borrowing	116,603	111,939	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).				
14. Trust funds disclosure note	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	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).

## Annual Governance Statement (Part 1)

We acknowledge as the members of the Joint Committee, 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 accounting statements for the year ended 31 March 2016, that:

	Agreed?		'YES' means that the Joint Committee:	PG Ref	
	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.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	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 Council/Board/Committee to conduct its business or on its finances.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has given all persons interested the opportunity to inspect and to ask questions about the Body's accounts.	6, 23	
5. We have carried out an assessment of the risks facing the Joint Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	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 accounting records and control systems throughout the year and have received a report from the internal auditor.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	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 considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Joint Committee and, where appropriate, have included them on the accounting statements.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6	
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23	
9. Trust funds – in our capacity as trustee, we have: Discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	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.

## Annual Governance Statement (Part 2)

	Agreed?		'YES' means that the Joint Committee:	PG Ref
	Yes	No*		
1. We calculated and approved the Joint Committee's budget requirement for the 2015-16 financial year in accordance with the Local Government Finance Act 1992 and proper practices and issued the precept in accordance with Sections 39 to 42 of the Local Government Finance Act 1992.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Properly planned its financial activities for the year and set a budget in accordance with statutory requirements.	13
2. We have received detailed financial reports setting out a summary of the Committee's financial position on a regular basis throughout the year.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Effectively monitored its financial position, income and expenditure against that budget throughout the financial year.	13
3. We have ensured that the Joint Committee's internal audit is independent of its day-to-day decision-making process and maintenance of the accounting records and have agreed appropriate terms of reference for the internal audit.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Ensured that its internal audit function is able to undertake its work without potential conflicts of interest and with sufficient scope to provide an adequate and effective service.	8

## Joint Committee approval and certification

The Joint Committee 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 the Annual Governance Statement.

<b>Certification by the RFO</b> I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Joint Committee, and its income and expenditure for the year ended 31 March 2016.	<b>Approval by the Joint Committee</b> I confirm that these accounting statements and Annual Governance Statement were approved by the Joint Committee under minute reference:
<b>RFO signature:</b> 	<b>Chair signature:</b>
<b>Name:</b> Hywel Jenkins	<b>Name:</b>
<b>Date:</b> 26 <sup>th</sup> May 2016	<b>Date:</b> 17 <sup>th</sup> June 2016

## Joint Committee re-approval and re-certification (only required if the annual return has been amended at audit)

<b>Certification by the RFO</b> I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Joint Committee, and its income and expenditure for the year ended 31 March 2016.	<b>Approval by the Joint Committee</b> I confirm that these accounting statements and Annual Governance Statement were approved by the Joint Committee under minute reference:
<b>RFO signature:</b>	<b>Chair signature:</b>
<b>Name:</b>	<b>Name:</b>
<b>Date:</b>	<b>Date:</b>



## **Auditor General for Wales’ Audit Certificate and report**

The external auditor conducts the audit on behalf of, and 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 2016 of:

**Margam Joint Crematorium 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 and our recommendations for improvement are included in our report to the body dated \_\_\_\_\_.]

### **Other matters and recommendations**

On the basis of our review, we draw the Body’s attention to the following matters and recommendations which do not affect our audit opinion but should be addressed by the Body.

(Continue on a separate sheet if required.)

**External auditor’s name:**

**External auditor’s signature:**

**Date:**

**For and on behalf of the Auditor General for Wales**

## Annual internal audit report to:

Name of body: **Margam Joint Crematorium Committee**

The Joint Committee'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 2016.

The internal audit has been carried out in accordance with the Joint Committee'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 Joint Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Examined during the course of the audit.
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	A sample of invoice payments was tested during the audit.
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	The current Business Plan was examined during the course of the audit. The November 2015 audit report has not been presented to the MJCC, however the Superintendent Registrar has confirmed that it will be reported at the next meeting.
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Budget monitoring procedures were examined during the audit.
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Income processes and procedures were examined and tested during the audit.
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Petty cash accounts were not tested as part of this audit. Annual petty cash audits take place across the Authority's petty cash accounts and this account will be covered as part of this.
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Controls are tested as part of the NPTCBC Payroll audit completed annually.

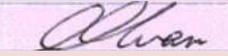
	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
requirements were properly applied.					
8. Asset and investment registers were complete, accurate, and properly maintained.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Asset management is controlled via NPTCBC Facilities Management.
9. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	A separate audit of the bank reconciliation processes is completed annually.
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.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Debtors and creditors were tested as part of the audit. Sufficient income records were available and could be traced to the financial ledger. Budget monitoring reports were also viewed, however the year end statements were not tested.
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	This will be looked at when the Treasury audit is completed. This is scheduled for March 2017.

\* 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.

**Internal audit confirmation**

I confirm that as the Council's internal auditor, I have not been involved in a management or administrative role within the body or as a member of the body during the financial years 2014-15 and 2015-16. I also confirm that there are no conflicts of interest surrounding my appointment.

<b>Name of person who carried out the internal audit:</b> Andrew Evans
<b>Signature of person who carried out the internal audit:</b> 
<b>Date:</b> 26 <sup>th</sup> May 2016

## Guidance notes on completing the Annual Return

1. You must apply proper practices when preparing this annual return. For guidance, please read the Practitioners' Guide (**Governance and accountability for local councils: A Practitioners' Guide (Wales)**) – available from One Voice Wales and SLCC. It contains everything you need for the financial year-end and the statutory audit.
2. The Wales Audit Office Good Practice Exchange ([www.audit.wales/good-practice/finance/community-council-money](http://www.audit.wales/good-practice/finance/community-council-money)) provides further information on the accounts and audit process along with guidance on governance matters.
3. Make sure that the Annual Return is fully completed ie, no empty red boxes. Please avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are drawn to the attention of the body, properly initialled and an explanation for them is provided to the external 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 and may incur additional costs.
4. **There are now two boxes for certification and approval by the Body. The second box is only required if the annual return has to be amended as a result of the audit. You should only complete the top box before sending the form to the auditor.**
5. Use a second pair of eyes, perhaps the Chair or a member, to review your Annual Return for completeness before sending the original form to the auditor.
6. Make sure that your accounting statements add up, that the balance carried forward from the previous year (line 7 of 2015) equals the balance brought forward in the current year (line 1 of 2016). Explain any differences between the 2015 figures on this annual return and the amounts recorded in last year's annual return.
7. Explain fully any significant variances in the accounting statements. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a detailed analysis to support your explanation and be specific about the values of individual elements making up the variances.
8. Make sure that the copy of the bank reconciliation you send to your auditor with the 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 Council holds any short-term 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\*.
9. **Every** small body is now required to send to the external auditor, information to support the assertions made in the Annual Governance Statement. Your auditor will tell you what information you need to provide. Please read the audit notice carefully to ensure you include all the information the auditor has asked for. You should send **copies** of the original records (certified by the Clerk and Chair as accurate copies) to the external auditor and not the original documents themselves.
10. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
11. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances or receives original documents that must be returned, the auditor will incur additional costs for which they are entitled to charge additional fees.
12. **Do not complete the Auditor General for Wales' Audit Certificate and report.** The external auditor completes this on behalf of the Auditor General for Wales on completion of the audit.
13. **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.
14. **Please note that if completing the electronic form, you must print the form for it to be certified by the RFO and signed by the Chair before it is sent to the auditor.**