

MARGAM CREMATORIUM JOINT COMMITTEE

22 JUNE 2018

REPORT OF THE TREASURER - HYWEL JENKINS

MATTER FOR DECISION

WARDS AFFECTED - ALL

OUTTURN REPORT AND ANNUAL RETURN 2017/18

1. Purpose of Report

- 1.1 This report provides details of the Margam Crematorium Joint Committee Outturn position for 2017/18. It also includes the Annual Return required to comply with proper accounting practices.

2. Outturn Report 2017/18

- 2.1 The Outturn Report shows that during 2017/18 the Crematorium provided 1,551 funeral services compared to the original estimate of 1,400 services. This increased the cremation fee income by £78,520.
- 2.2 Members will recall from its meeting on 19th January 2018 that the revised budget position had improved, with total income projections increased to £941,570, based upon 1,450 services. The actual income for the year was £998,080, mainly due to the further increase in services to 1,551.
- 2.3 This report shows the actual gross expenditure as £590,530, as opposed to £667,650 at revised stage, a decrease in expenditure of £77,120, giving a net expenditure of £407,550. The final position has allowed a contribution to the General Reserve of £208,598, a contribution to the Cremator Renewals Reserve of £100,000 and a contribution to the constituent authorities of £100,000, apportioned on the council tax basis. Full details of the pre-audited Final Accounts are included in Appendices 1 and 2.
- 2.4 The main variances between the Original Budget and the Actual Expenditure can be summarised as follows:

Expenditure

Salaries +£9,660

Two new members have been employed to cover vacant posts and have undergone training. Additional pension contributions payable to the City and County of Swansea Pension Fund have been assessed as part of the triennial actuarial valuation and costs have increased by £4,000 to £9,400. Overtime increased during the early part of 2017 due to staff covering vacant posts and long term sickness. An amount of £10,000 was added to the budget at Revised Estimate stage to cover these costs.

Organist fees +£17,420

The organist fees have increased due to the number of cremations increasing to 1,551 from the original estimate of 1,400.

The final payment for holiday leave for 2016/17 has also been paid in this financial year, this amounted to £1,348.

Staff Training +£700

Two new members of staff have been trained with Facultative Technologies. At revised estimate stage, the budget was increased to £10,300 to give all existing staff refresher courses. This training did not take place during 2017/18 so will be arranged in 2018/19. The budget will be updated at revised stage.

Repair & Maintenance – Buildings -£7,638

There was a general underspend on repair and maintenance of the buildings at the Crematorium.

Gas & Electricity +£3,652, +£1,357

Gas and electricity consumption has increased in line with the number of cremations. However, the gas consumption has increased since September 2017 and this is under investigation by the Superintendent.

Conference fees -£430

The original budget contained a provision for two delegates to attend the Annual Conference. However, as the Chairman was President of the Federation of Burial and Cremation Authorities, the Chairman's conference fees were paid for by the Federation.

Audit fees -£2,343

The audit fee was less than expected last year, generating a credit this financial year.

Brochures +£679

Additional brochures were required for use in the crematorium which were not in the original budget.

Palm Sunday Service +£227

There were two Palm Sunday services in this financial year. The budget was increased at revised stage to take account of additional cleaning in preparation for the service.

Memorials & Benches +£5,920

The installation and fitting of eight granite benches has exceeded the original budget. An additional kerb stone vase block has also been fitted to accommodate the demand for the Memorials. These costs have been recovered as shown in the increase in income.

Provision for Capital works -£57,819

The original budget was set at £100,000, at revised stage the committed projects were £70,410. However, the Automatic charging machine, detailed in the original and revised estimate, was not delivered before the 31st March 2018. The expenditure on this item will now fall in the new financial year.

The schedule below is a list of capital works that has been carried out during 2017/18.

	£
Original Estimate	<u>100,000</u>
Actual expenditure	
Sewage system installation	30,325
Cadw listing	1,448
Ventilation System crematory area	4,280
3 double doors, crematory area	6,128
Total	<u>42,181</u>

Income.

Cremation Fees +£78,520

The number of cremations set in the original budget was 1,400, this was increased at revised stage to 1,450. The actual number of cremations during 2017/18 was 1,551. This included 21 cremations for those under the age of 17 and seven public health funerals.

Memorials + £13,635

The income for memorials is difficult to predict, though this year, we have seen an increase in demand, resulting in additional expenditure and income. Included in the income is the lease of granite benches and the ongoing 10 year lease proceeds for the memorial blocks.

Palm Sunday and Bulb donations +£595 & £334

These are voluntary donations made by the public to the crematorium in relation to Palm Sunday and Bulbs. The donations received contribute to any expenditure in relation to the service during the financial year, any surplus or deficit is then transferred to the reserve at year end.

Media Services income +£4,483

The additional services offered to the public from the media system introduced in November 2017 have been very popular. This includes streamlining funeral services all over the world. The demand for these additional services is increasing, resulting in more income than anticipated at revised budget.

Investment Income £3,441

All the Crematorium's income and expenditure is transacted via Neath Port Talbot Council and interest paid on the net funds held for the Crematorium.

CAMEO -£2,458

The Crematoria Abatement of Mercury Emissions organisation (CAMEO) provides a 'Burden sharing' scheme, charging Crematoria that have not installed Abatement equipment an environmental surcharge. This fee, less any administrative charges, is then redistributed to the other Crematoria that have installed Abatement equipment.

This sum is based on the net surplus tradeable mercury abatement of cremations for the period 1st January 2016 to 31st December 2016. The crematorium had 758 surplus cremations at £9.95 which generated income of £7,542.

The level of any future income is uncertain as the fund to be distributed will reduce as more Crematoria throughout the country install abatement equipment. Income has already reduced by 33% since last year's surplus tradeable cremations.

It is anticipated that there will be a refund for 2017, but this will not be known until late in 2018 and will be built into the accounts when known.

Summary

During the financial year the Crematorium has generated income in excess of the budgeted position which is chiefly due to the increase in the number of cremations and underspend on the Provision for Capital Works budget. The surplus income has been transferred to reserves.

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 2017	Transfers to/from Reserve	Balance at 31st March 2018
	£	£	£
General Reserve	Cr 392,271	Cr208,598	Cr 600,869
Cremator Renewals	Cr 200,000	Cr100,000	Cr 300,000
Memorial Bulb Account	Cr 5,737	Cr284	Cr6,021
Palm Sunday Fund	Cr 4,184	Cr-332	Cr3,852
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Cr602,192	Cr 308,550	Cr 910,742

4. Annual Report for the Year Ended 31st March 2018

- 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 2018 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 2nd May 2018, prior to the 30th June deadline. A copy of this report and Annual Return has been forwarded to the Wales Audit Office for their attention. A

formal copy also signed by the Chair will be forwarded after the Committee meeting.

- 4.4 The Accounts and Audit (Wales) (Amendment) Regulations 2018 mean that the date for signing and auditing the accounts will come forward in future years, as follows:

Year	Accounts drafted	Accounts audited
2017/18	30 th June 2018	30 th September 2018
2018/19	15 th June 2019	15 th September 2019
2019/20	15 th June 2020	15 th September 2020
2020/21	31 st May 2021	31 st July 2021

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 2017/18.
- The Annual Return, prior to Audit Certificate for the year ended 31st March 2018, 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 2017/18 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 31st 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
2016/17		2017/18	2017/18	2017/18	2017/18
£	Expenditure	£	£	£	£
	Employees				
157,775	Salaries & Wages	165,960	178,170	175,620	9,660
36,672	Organists fees	27,905	40,115	45,325	17,420
595	Staff Training	1,600	10,300	2,300	700
	Premises				
58,342	R&M Grounds	60,000	60,000	57,851	-2,149
23,973	R&M Buildings	24,100	24,620	16,462	-7,638
4,830	R&M Maintenance Contract	4,900	4,850	4,849	-51
52,296	R&M Maintenance Cremators	52,260	53,120	53,178	918
15,718	Gas	17,000	23,550	20,652	3,652
12,369	Electricity	12,050	13,520	13,407	1,357
2,195	Water	1,700	1,370	1,373	-327
20,898	Non Domestic Rates	32,000	31,840	31,836	-164
11,935	Cleaning	11,880	11,970	12,105	225
	Supplies & Services				
2,447	Printing & Stationery	2,400	2,700	2,945	545
1,183	Telephones	1,020	1,200	1,222	202
4,665	Insurance	5,760	4,665	4,665	-1,095
230	Travel and Subsistence	600	180	217	-383
860	Conference fees	870	440	440	-430
0	Car Allowance	750	750	0	-750
52,083	Support Services	52,600	52,605	52,605	5
2,245	Audit Fees	3,000	2,290	657	-2,343
1,723	Licences	1,740	1,775	1,145	-595
532	Floral Decoration	540	540	543	3
4,510	Computer & Equipment	7,400	7,400	6,634	-766
511	Brochures	0	700	679	679
1,657	Equipment	1,360	1,820	1,224	-136
1,845	Urns & Caskets	1,550	1,550	1,294	-256
0	Palm Sunday	600	920	827	227
2,293	Entries in Book of Remembrance	2,530	2,530	2,263	-267
13,671	Medical Referees	12,600	13,050	13,824	1,224
882	Clothing	1,000	1,000	882	-118
932	Subscriptions	1,395	1,400	1,414	19
0	Media Services	7,500	8,010	9,841	2,341
7,228	Memorials & Benches	4,150	8,700	10,070	5,920

Margam Crematorium Income & Expenditure Account

Actual		Original Estimate	Revised Estimate	Actual	Variance Actual to Original
2016/17		2017/18	2017/18	2017/18	2017/18
£	Expenditure	£	£	£	£
	Capital Costs				
3,794	Loan charges - Interest	0	0	0	0
60	Debt Management	0	0	0	0
72,626	Provision for Capital Works	100,000	100,000	42,181	-57,819
111,939	Repayment of Cremator project & historical debt	0	0	0	0
685,514	Gross Expenditure	620,720	667,650	590,530	-30,190
£	Income	£	£	£	£
-885,886	Cremation Fees	-819,000	-848,250	-897,520	-78,520
-3,402	Urns & Caskets	-3,180	-4,240	-4,271	-1,091
-7,392	Book of Remembrance	-6,940	-6,110	-5,451	1,489
-48,990	Memorials Income	-30,000	-40,000	-43,635	-13,635
-166	Bulb Donations	50	-120	-284	-334
-488	Palm Sunday Donations	100	-120	-495	-595
-30,395	Miscellaneous Income	-29,540	-28,790	-30,808	-1,268
-335	Income for Water usage - Cemeteries	-190	-140	-150	40
0	Media Services income	0	-2,800	-4,483	-4,483
-2,715	Investment Income	0	-3,460	-3,441	-3,441
-11,184	CAMEO refund	-10,000	-7,540	-7,542	2,458
-990,953	Gross Income	-898,700	-941,570	-998,080	-99,380
-305,439	Net spend before reserves	-277,980	-273,920	-407,550	-129,570
	Dividend payment to Local Authorities				
0	- Neath Port Talbot	0	55,900	55,900	55,900
0	- Bridgend	0	44,100	44,100	44,100
-305,439	Net Spend after Dividend payment	-277,980	-173,920	-307,550	-29,570

Margam Crematorium Income & Expenditure Account

Actual		Original Estimate	Revised Estimate	Actual	Variance Actual to Original
2016/17		2017/18	2017/18	2017/18	2017/18
£		£	£	£	£
Transfers to/-from Reserves					
205,785	General Reserve	178,830	74,680	208,598	29,768
100,000	Cremators Renewals Reserve	100,000	100,000	100,000	0
166	Bulb Fund	50	120	284	234
488	Palm Sunday Reserve	100	120	-332	-432
<hr/> 1,000	Net position funded by Authorities	<hr/> 1,000	<hr/> 1,000	<hr/> 1,000	<hr/> 0
Funding from Joint Authorities Contributions					
-561	Neath Port Talbot	-559	-559	-559	0
-439	Bridgend	-441	-441	-441	0
<hr/> 0	Final Position after precept	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 0
1,517	Number of Cremations	1,400	1,450	1,551	151

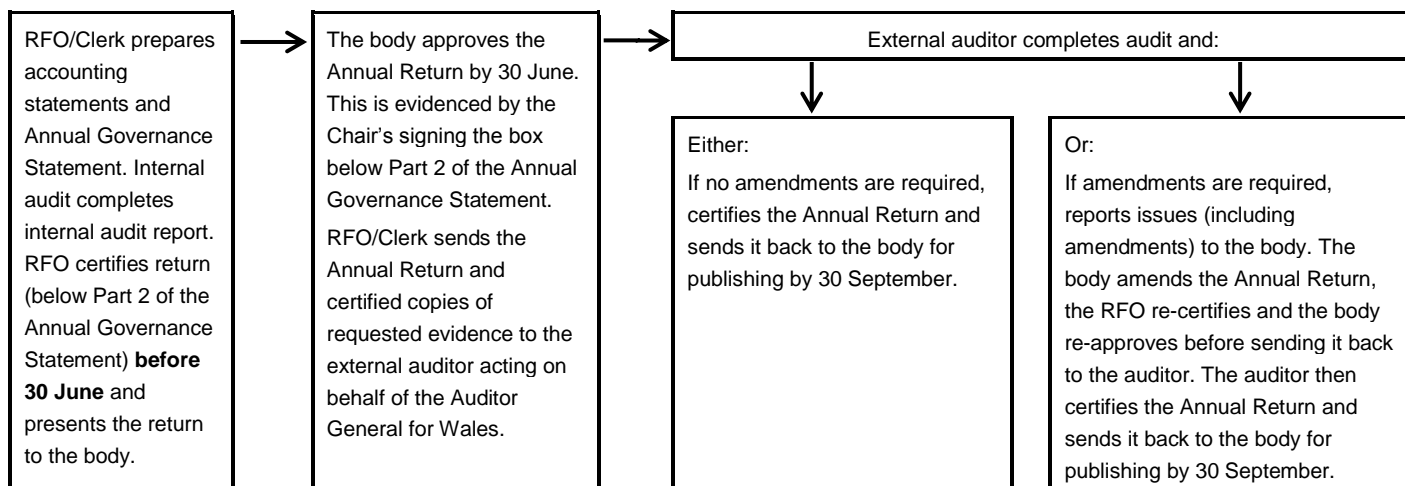
Margam Crematorium Balance Sheet

31st March 2017		31st March 2018
£		£
5,737	Memorial Bulb Account	6,021
4,184	Palm Sunday Reserve	3,852
392,271	General Reserve	600,869
200,000	Cremator Renewals reserve	300,000
602,192	Total Reserves	910,742
	Represented by:	
-12,304	Sundry Creditors	-13,893
0	Debtors	0
87	Petty Cash Account	87
-7,110	Receipts in Advance	-14,985
621,519	Cash Balance	939,533
602,192		910,742

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 read the guidance on completing this Annual Return and complete all sections highlighted in red including both sections of the Annual Governance Statement.

PLEASE PRINT THIS DOCUMENT FOR SIGNATURE AND SEND IT TO YOUR AUDITOR

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. Unless requested, please **do not** send any original financial or other records to the external auditor.

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
Accounts	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 2018?	<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 2018 agree to line 9?	<input type="checkbox"/>	<input type="checkbox"/>
All sections	Have all red boxes been completed and explanations provided where needed?	<input type="checkbox"/>	<input type="checkbox"/>
Evidence	Has all the information requested by the external auditor been included?	<input type="checkbox"/>	<input type="checkbox"/>

Accounting statements 2017-18 for:

Annual Governance Statement (Part 1)

We acknowledge as the members of the Margam Joint Crematorium 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 2018, that:

	Agreed?		'YES' means that the Margam Joint Crematorium Committee:	PG Ref	
	Yes	No*			
<p>1. We have put in place arrangements for:</p> <ul style="list-style-type: none"> effective financial management during the year; and the preparation and approval of the accounting statements. 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as 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 Margam Joint Crematorium 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 Margam Joint Crematorium 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 Margam Joint Crematorium 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

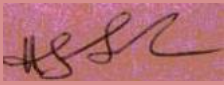
* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Annual Governance Statement (Part 2)

	Agreed?		'YES' means that the Margam Joint Crematorium Committee:
	Yes	No*	
1. We have considered the adequacy of reserves held by the body in setting the budget for 2017-18 and 2018-19 and have appropriate plans in place for the use of these reserves.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has met the requirements of the Local Government Finance Act 1989 in setting the budget requirement and precept for the financial years.
2. When awarding grants under section 137 of the Local Government Act 1972, we have kept a separate account of such grants and considered whether or not the benefits arising from such payments are commensurate with the sums paid.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Not applicable as no grants given.
3. The Margam Joint Crematorium Committee has no obligation or intention to pay a gratuity to employees.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has ensured that where it has an arrangement to provide a gratuity to staff, it has ensured that there is a legal obligation to provide the gratuity.

Margam Joint Crematorium Committee approval and certification

The Margam Joint Crematorium 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.

Certification by the RFO I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Margam Joint Crematorium Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2018.	Approval by the Margam Joint Crematorium Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Margam Joint Crematorium Committee under minute reference:
	Minute
RFO signature: 	Chair signature:
Name: Mr Hywel Jenkins	Name: Cllr Edward Latham
Date: 2 nd May 2018	Date:

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

Certification by the RFO I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Margam Joint Crematorium Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2018.	Approval by the Margam Joint Crematorium Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Margam Joint Crematorium Committee under minute reference:
	Minute
RFO signature:	Chair signature:
Name:	Name:
Date:	Date:

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 2018 of:

Margam Joint Crematorium Committee

External auditor's report

<p>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.</p>
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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 Margam Joint Crematorium 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 2018.

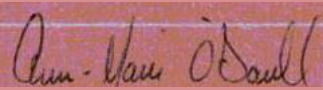
The internal audit has been carried out in accordance with the Margam Joint Crematorium Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the 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 Margam Joint Crematorium 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Areas to be audited are risk assessed and as a result MJCC is not audited annually. The last audit undertaken was undertaken during 2015/16 and a report issued on 18.11.2015. During the last audit robust controls were found to be in place in relation to all areas of financial management. In addition to this all of the data in relation to MJCC is held within NPTCBC corporate financial systems which are audited annually and the work of Internal Audit is reviewed annually by WAO. The next annual audit of MJCC is due to be undertaken during 2018/2019.
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8. Asset and investment registers were complete, accurate, and properly maintained.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	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**	
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"/>	
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"/>	
11. Trust funds (including charitable trusts). The Margam Joint Crematorium Committee has met its responsibilities as a trustee.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

Internal audit confirmation

I confirm that as the Margam Joint Crematorium Committee'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 2016-17 and 2017-18. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: Anne Marie O'Donnell	
Signature of person who carried out the internal audit:	
Date: 25 th April 2018	

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) 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 2017) equals the balance brought forward in the current year (line 1 of 2018). Explain any differences between the 2017 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 the accounting statements. 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.**