

# **MARGAM CREMATORIUM JOINT COMMITTEE**

**18<sup>th</sup> JUNE 2021**

## **REPORT OF THE TREASURER - HYWEL JENKINS**

**MATTER FOR: DECISION**

**WARDS AFFECTED: ALL**

### **OUTTURN REPORT AND ANNUAL RETURN 2020/21**

#### **1. Purpose of Report**

- 1.1 This report provides details of the Margam Crematorium Joint Committee Outturn position for 2020/21. It also includes the Annual Return required to comply with proper accounting practices.

#### **2. Outturn Report 2020/21**

- 2.1 2020/21 has been an extraordinary year due to the impact of the Covid19 pandemic on the lives of people in every country across the world. The UK went into its first lockdown on the 23 March 2020, just before the beginning of the 2020/21 financial year, with various interruptions to normal living and working arrangements throughout the financial year. Margam Crematorium, as a critical service, has continued to operate safely throughout the financial year and to date without service interruption and in line with Welsh Government Regulations and guidance. It is a testament to the Management and all crematorium staff that they have delivered a quality service during this period. The availability of Wesley media services at the Crematorium and the ability to relay services on line to those who were unable to attend has been invaluable during this period.
- 2.2 This Outturn Report provides details of the variances in service levels, income and expenditure since this Committee approved the revised budget on the 20<sup>th</sup> January 2021. Members will note that there were 1,817 services provided in 2020/21 of which 1,804 were paid for. This is 217 services more than the 1,600 budgeted for in January.

- 2.3 In summary, the actual position shows that the net amount available to transfer to the reserves is £150,716 more than anticipated at revised budget, made up from a reduction in expenditure of £10,125 and an increase in income of £140,591.
- 2.4 Full details of all variances to the revised budget is shown in Appendix 1, with the main variances between the Revised Budget and the Actual position further explained as follows:

### **Expenditure**

#### **Salaries & Wages +£11,441**

There has been an increase in the anticipated staff costs due to the increased volume of cremations during the financial year.

#### **Organist fees +£3,069**

This represents the increase in the cost of organists due to the increased volume of cremations during the financial year.

#### **Repair & Maintenance – Buildings +£7,544**

There was an overspend on repair and maintenance at the Crematorium, which is due to an increased demand for work relating to COVID including temporary lighting to enable the provision of additional timeslots for cremations throughout the winter months.

#### **Gas & Electricity -£2,328, -£1,195**

There was a decrease in the anticipated cost of gas and electricity for the financial year despite the increase in cremations.

#### **Printing & Stationery +£770**

There was an increase in printing costs due to the need for additional signage to ensure compliance with Covid restrictions.

#### **Telephones +£411**

The telephone system has been upgraded to provide a more reliable connection and service within the Crematorium, this has led to an increased cost.

#### **Audit Fees -£793**

Audit fees were overestimated, the actual cost for the financial year provides for notified audit rates for Margam Crematorium.

**Brochures -£710**

Brochures were not ordered this financial year and will now be ordered in the next financial year, the anticipated costs will be included in the next revised budget.

**Medical referees +£1,630**

Medical referee expenditure has increased in line with the increased number of cremations.

**Multi-media system +£14,051**

The multi-media system service is becoming more popular. The additional media services costs are offset by increased income received from this service.

**Water -£364**

There has been a change of policy during this financial year and Cemeteries are now recharged 20% of the cost of water directly instead of a recharge being actioned at the financial year end and treated as income to the Joint Committee.

**Provision for Capital works -£43,662**

The schedule below analyses the capital works undertaken during 2020/21. The extension was completed, new telephone installed and trolley acquired. Work on identifying a new till system to assist with managing and billing for service activity has been delayed into the current financial year as has the ventilation works in the cremator area.

<b>Capital Works</b>	<b>Revised Estimate</b>	<b>Actual</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Ventilation upgrade for cremator area	19,000	0	-19,000
New till system	5,000	0	-5,000
Extension to the building	47,000	46,960	-40
New phone system installation	5,700	5,631	-69
Infant charging trolley	3,350	3,340	-10
Other capital works	19,950	408	-19,543
	<b>100,000</b>	<b>56,338</b>	<b>-43,662</b>

## **Income**

### **Welsh Government Grant +£2,004**

A WG Hardship grant was received to reimburse a proportion of the additional expenditure incurred due to Covid.

### **Cremation Fees +£120,575**

The revised budget estimated that there would be 1,590 paid cremations during the year, but the total number of services provided in-year was 1,817. This included 13 cremations for those under the age of 17 for which no cremation fee was payable.

### **Palm Sunday and Bulb donations £0 and -£11**

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, with any surplus or deficit transferred to the reserve at year end.

### **Media Services income +£12,966**

The additional services offered to the public from the media system have been very popular. This includes streaming funeral services all over the world, service recordings, music and visual tributes. The demand for these additional services is increasing, resulting in more income than anticipated at revised budget.

### **Memorials -£1,092**

The income for memorials is difficult to predict, as it is demand led. This year, we have seen a reduction in the expenditure and income for memorials and benches.

### **Miscellaneous income +£5,541**

There has been an increase in the miscellaneous income in line with the increased number of cremations.

### **CAMEO -£5**

The Crematoria Abatement of Mercury Emissions organisation (CAMEO) operates a trading pool that receives contributions from those crematoria that have not installed abatement equipment. This fee, less any administrative charges, is then redistributed to the crematoria that have installed abatement equipment.

This sum is based on the net surplus tradable mercury abatement of cremations for the period of 1<sup>st</sup> January 2019 to 31<sup>st</sup> December

2019. The Crematorium had surplus cremations which generated income of £5,305. The level of any future income cannot be predicted with any accuracy, as the funds to be distributed are dependent on the demand from crematoria for tradable mercury abated cremations.

### 3. Reserves Position

3.1 The contributions to and from reserve were £150,716 more than anticipated, resulting in the closing position for reserves shown below:

	<b>Balance at 31st March 2020</b>	<b>Transfers to/from Reserve</b>	<b>Balance at 31st March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
General Reserve	Cr 462,864	Cr 283,814	Cr 746,678
Cremator Renewals	Cr 500,000	Cr 100,000	Cr 600,000
Memorial Bulb Account	Cr 6,292	Cr 41	Cr 6,333
Palm Sunday Fund	Cr 4,523	89	Cr 4,434
	<b>Cr 973,679</b>	<b>Cr 383,766</b>	<b>Cr 1,357,445</b>

### 4. Annual Report for the Year Ended 31<sup>st</sup> March 2021

- 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 Local Councils in Wales Annual Return will be used by 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 as the responsible financial officer I signed the Annual Return on the 29<sup>th</sup> April 2021, prior to the 31<sup>st</sup> May deadline. A copy of this report and Annual Return has been provided to the Wales Audit Office for their attention and a formal copy also signed by the Chair will be forwarded after the Committee meeting.

4.3 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:

<b>Year</b>	<b>Accounts drafted</b>	<b>Accounts audited</b>
2019/20	15 <sup>th</sup> June 2020	15 <sup>th</sup> September 2020
2020/21	31 <sup>st</sup> May 2021	31 <sup>st</sup> July 2021
Annually thereafter	31 <sup>st</sup> May	31 <sup>st</sup> July

Despite the ongoing Covid-19 pandemic the final date for auditing these accounts remains on course to meet the statutory timetable.

## **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 deadline. Members should note that if the External Auditor does not identify any material changes there will be no need for the accounts to be represented to the Joint Committee and then re-signed by the Chair.

## **6. Recommendations**

6.1 It is recommended that Members:

- Approve the Outturn report for 2020/21.
- The Annual Return, prior to external audit certification, for the year ended 31<sup>st</sup> March 2021, be approved and signed by the Chair of this Committee.
- The Annual Governance Statement is confirmed.

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

To approve the Outturn report for Margam Crematorium for 2020/21 and to confirm the Annual Return and Annual Governance Statement in line with statutory requirements.

## **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:**

Mr Hywel Jenkins – Treasurer  
E-mail: [h.jenkins@npt.gov.uk](mailto:h.jenkins@npt.gov.uk)

Miss Carina Langdon – Accountant – Technical  
E-mail: [c.langdon1@npt.gov.uk](mailto:c.langdon1@npt.gov.uk)

### Margam Crematorium Income & Expenditure Account

Actual		Original Estimate	Revised Estimate	Actual	Variance Actual to Revised
2019/20		2020/21	2020/21	2020/21	2020/21
£	Expenditure	£	£	£	£
	<b>Employees</b>				
199,738	Salaries & Wages	213,520	230,400	241,841	11,441
46,206	Organists fees	39,970	39,970	43,039	3,069
745	Staff Training	2,000	900	759	-141
	<b>Premises</b>				
60,209	Grounds Maintenance	61,410	61,410	62,039	629
29,635	Buildings/Maintenance	26,350	19,210	26,754	7,544
56,308	Maintenance Cremators	57,560	61,510	63,001	1,491
24,515	Gas	26,360	26,360	24,032	-2,328
21,136	Electricity	19,760	19,760	18,565	-1,195
1,179	Water	1,210	1,000	636	-364
33,559	Non Domestic Rates	34,230	34,140	34,133	-7
12,677	Cleaning	12,800	12,710	12,927	217
	<b>Supplies &amp; Services</b>				
3,041	Printing & Stationery	3,570	5,370	6,140	770
1,384	Telephones	1,680	1,500	1,911	411
4,758	Insurance	4,860	4,860	4,758	-102
0	Travel and Subsistence	200	0	0	0
1,128	Conference fees	1,150	0	0	0
16	Car Allowance	350	350	0	-350
55,343	Support Services	56,450	55,350	56,450	1,100
1,500	Audit Fees	1,840	1,500	707	-793
1,145	Licences	1,170	1,140	1,145	5
567	Floral Decoration	580	590	584	-6
3,025	IT Equipment & website	3,570	3,540	3,948	408
0	Brochures	710	710	0	-710
1,181	Equipment	1,610	1,610	1,591	-19
3,387	Urns & Caskets	3,750	5,000	4,030	-970
253	Palm Sunday	520	130	129	-1
2,695	Entries in Book of Remembrance	2,820	2,000	1,720	-280
13,626	Medical Referees	13,310	14,660	16,290	1,630
1,276	Clothing	1,840	1,840	548	-1,292
1,583	Subscriptions	1,520	1,530	1,549	19
15,606	Multi-media system	14,060	13,960	28,011	14,051
3,298	Memorials and Benches	6,000	3,770	3,080	-690
1,092	Defibrillator	0	0	0	0
0	Christmas Carol Service	250	0	0	0
3,588	50th Anniversary celebration (2019)	0	0	0	0



### Margam Crematorium Income & Expenditure Account

Actual		Original Estimate	Revised Estimate	Actual	Variance Actual to Revised
2019/20		2020/21	2020/21	2020/21	2020/21
£	Expenditure	£	£	£	£
	<b>Capital Costs</b>				
403,603	Provision for Capital Works	100,000	100,000	56,338	-43,662
<b>1,009,002</b>	<b>Gross Expenditure</b>	<b>716,980</b>	<b>726,780</b>	<b>716,655</b>	<b>-10,125</b>
£	Income	£	£	£	£
0	Government Grants	0	0	-2,004	-2,004
-936,993	Cremation Fees	-888,480	-981,030	-1,101,605	-120,575
-6,087	Urns & Caskets	-5,880	-4,670	-5,146	-476
-5,207	Book of Remembrance	-6,290	-3,620	-3,725	-105
-14,412	Media Services income	-11,060	-20,000	-32,966	-12,966
-20,342	Memorials Income	-27,000	-25,000	-23,908	1,092
-199	Bulb Donations	-50	-30	-41	-11
-376	Palm Sunday Donations	-160	-40	-40	0
-32,685	Miscellaneous Income	-33,130	-18,000	-23,541	-5,541
-6,120	Investment income	-6,130	-1,140	-1,140	0
-5,800	CAMEO refund	-3,000	-5,300	-5,305	-5
-236	Water recharge	-240	0	0	0
<b>-1,028,457</b>	<b>Total Income</b>	<b>-981,420</b>	<b>-1,058,830</b>	<b>-1,199,421</b>	<b>-140,591</b>
<b>-19,455</b>	<b>Net spend before reserves</b>	<b>-264,440</b>	<b>-332,050</b>	<b>-482,766</b>	<b>-150,716</b>

Dividend payment to Local Authorities					
55,900	Neath Port Talbot	55,300	55,300	55,300	0
44,100	Bridgend	44,700	44,700	44,700	0
<b>80,545</b>	<b>Net Spend after Dividend payment</b>	<b>-164,440</b>	<b>-232,050</b>	<b>-382,766</b>	<b>-150,716</b>

## Margam Crematorium Income & Expenditure Account

Actual		Original Estimate	Revised Estimate	Actual	Variance Actual to Revised
2019/20		2020/21	2020/21	2020/21	2020/21
£		£	£	£	£
	<b>Transfers to/from(-) Reserves</b>				
-179,866	General Reserve	65,750	133,110	283,814	150,704
100,000	Cremator Renewal Reserve	100,000	100,000	100,000	0
199	Bulb Fund Reserve	-360	30	41	11
122	Palm Sunday Reserve	50	-90	-89	1
<b>1,000</b>	<b>Net position funded by Authorities</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>0</b>

### Funding from Joint Authorities Contributions

-559	Neath Port Talbot	-553	-553	-553	0
-441	Bridgend	-447	-447	-447	0
<b>0</b>	<b>Final Position after precept</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>1,527</b>	<b>Number of Cremations</b>	<b>1,450</b>	<b>1,600</b>	<b>1,817</b>	<b>+217</b>
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### Margam Crematorium Balance Sheet

<b>31<sup>st</sup> March 2020</b>		<b>31<sup>st</sup> March 2021</b>
£		£
6,292	Memorial Bulb Account	6,333
4,523	Palm Sunday Reserve	4,434
462,864	General Reserve	746,678
500,000	Cremator Renewals reserve	600,000
<b>973,679</b>	<b>Total Reserves</b>	<b>1,357,445</b>
	<b>Represented by:</b>	
-48,257	Sundry Creditors	-17,724
34,174	Debtors	14,468
87	Petty Cash Account	87
-517	Receipts in Advance	-6,458
988,192	Cash Balance	1,367,072
<b>973,679</b>		<b>1,357,445</b>

## Minor Joint Committees in Wales Annual Return for the Year Ended 31 March 2021

### LANGUAGE PREFERENCE

Please indicate how you would like us to communicate with you during the audit. Note that audit notices will be issued bilingually.

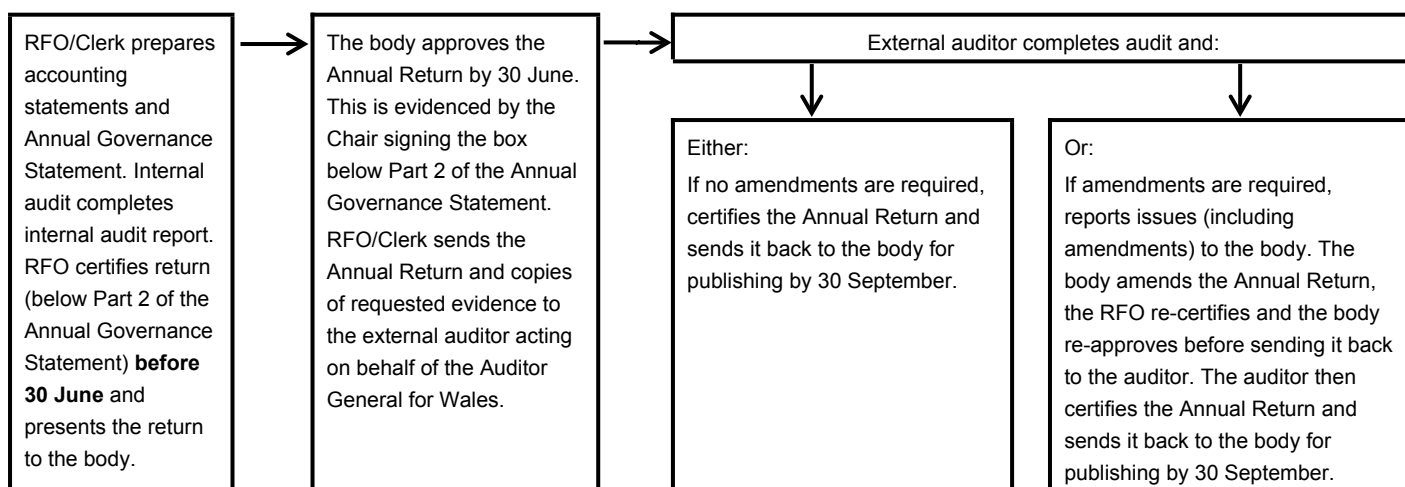
	Yes	No		Yes	No		Yes	No
ENGLISH	<input checked="" type="radio"/>	<input type="radio"/>	WELSH	<input type="radio"/>	<input type="radio"/>	BILINGUALLY	<input type="radio"/>	<input type="radio"/>

### THE ACCOUNTS AND AUDIT PROCESS

Section 12 of the Public Audit (Wales) Act 2004 requires local government bodies in Wales (including joint committees) to make up their 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 i.e. those with annual income and expenditure below £2.5 million must prepare their accounts in accordance with proper practices.

For minor joint committees with income and expenditure below £2.5 million, proper practices are set out in the One Voice Wales/Society of Local Council Clerks publication, **Governance and accountability for local councils in Wales – A Practitioners' Guide** (the Practitioners' Guide). The Practitioners' Guide requires that they prepare their accounts in the form of an Annual Return. This Annual Return meets the requirements of the Practitioners' Guide.

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 pink**.

### APPROVING THE ANNUAL RETURN

The Committee must approve the Annual Return **BEFORE** the accounts and supporting documents are made available for public inspection under section 30 of the Public Audit (Wales) Act 2004.

If it is unable to complete the approval process by 30 June 2021 or publish the audited return by 30 September, the Committee must publish notices as required by the Regulations.

The Auditor General for Wales' Audit Certificate and report is to be completed by the auditor acting on behalf of the Auditor General. It **MUST NOT** be completed by the Clerk/RFO, the Chair or the internal auditor.

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

## Accounting statements 2020-21 for:

Name of body: Margam Joint Crematorium Committee

	Year ending		Notes and guidance for compilers
	31 March 2020 (£)	31 March 2021 (£)	
<b>Statement of income and expenditure/receipts and payments</b>			
1. Balances brought forward	1,053,224	973,679	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	+1,000	+1,000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	+1,028,457	+1,199,421	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	-246,689	-285,639	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 e.g. termination costs.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	-862,313	-531,016	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	973,679	1,357,445	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	+34,174	+14,468	<b>Income and expenditure accounts only:</b> Enter the value of debts owed to the body.
9. (+) Total cash and investments	+988,279	+1,367,159	<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	-48,774	-24,182	<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	973,679	1,357,445	<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 asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

## Annual Governance Statement (Part 1)

We acknowledge as the members of the 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 2021, that:

	Agreed?		'YES' means that the Joint Committee	PG Ref
	Yes	No*		
<p>1. We have put in place arrangements for:</p> <ul style="list-style-type: none"> <li>effective financial management during the year; and</li> <li>the preparation and approval of the accounting statements.</li> </ul>	<input checked="" type="radio"/>	<input type="radio"/>	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="radio"/>	<input type="radio"/>	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 Committee to conduct its business or on its finances.	<input checked="" type="radio"/>	<input type="radio"/>	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="radio"/>	<input type="radio"/>	Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23
5. We have carried out an assessment of the risks facing the 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="radio"/>	<input type="radio"/>	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="radio"/>	<input type="radio"/>	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 Committee and, where appropriate, have included them on the accounting statements.	<input checked="" type="radio"/>	<input type="radio"/>	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="radio"/>	<input type="radio"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23

\* 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.

## Additional disclosure notes\*

The following information is provided to assist the reader to understand the accounting statement and/or the Annual Governance Statement

1.


2.

3.

\* Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statement and/or the annual governance statement.

## Committee approval and certification

The Committee is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

<p><b>Certification by the RFO</b></p> <p>I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2021.</p>	<p><b>Approval by the Joint Committee</b></p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference:</p>
<p><b>RFO signature:</b> </p>	<p><b>Minute ref: Meeting 18<sup>th</sup> June 2021. Minute No.</b></p>
<p><b>Name:</b> Mr Hywel Jenkins</p>	<p><b>Chair of meeting signature:</b></p>
<p><b>Date:</b> 29/04/2021</p>	<p><b>Name:</b></p> <p><b>Date:</b></p>

## Auditor General for Wales' Audit Certificate and report

I report in respect of my audit of the accounts under section 13 of the Act, whether any matters that come to my attention give cause for concern that relevant legislation and regulatory requirements have not been met. My audit has been conducted in accordance with, guidance issued by the Auditor General for Wales.

I certify that I have completed the audit of the Annual Return for the year ended 31 March 2021 of:

### Auditor General's report

#### Audit opinion

[Except for the matters reported below]\* On the basis of my review, in my opinion no matters have come to my attention giving cause for concern that in any material respect, the information reported in this Annual Return:

- has not been prepared in accordance with proper practices;
- that relevant legislation and regulatory requirements have not been met;
- is not consistent with the Committee's governance arrangements; and
- that the Committee does not have proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

#### Other matters arising and recommendations

I draw the Committee's attention to the following matters and recommendations which do not affect my audit opinion but should be addressed by the body. / There are no further matters or recommendations that I wish to draw to the Committee's attention.\*

External auditor's name:

External auditor's signature:

Date:

For and on behalf of the Auditor General for Wales

\* Delete as appropriate.



## Annual internal audit report to:

Name of body: Margam Joint Crematorium Committee

The 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 2021.

The internal audit has been carried out in accordance with the 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 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 checked="" 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 2018/19 and a report issued on 17.08.2018.  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.  The next annual audit of MJCC will be undertaken during this financial year 2021/22
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 checked="" 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 checked="" 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 checked="" type="checkbox"/>	
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

## Appendix 3

	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**	
accounted for.					
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"/>	
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
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"/>	

	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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	
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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	

**For any risk areas identified by the Joint Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:**

	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**	
11. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	
12. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	
13. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	

\* 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/we confirm that as the Committee's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2019-20 and 2020-21. 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: 11/05/2021

## Guidance notes on completing the Annual Return

1. You must apply proper practices when preparing this Annual Return. Proper practices are set out in the Practitioners' Guide.
2. 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. Ask your auditor for an electronic copy of the form if required.
3. 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.
4. Make sure that your accounting statements add up, that the balance carried forward from the previous year (line 7 of 2020) equals the balance brought forward in the current year (line 1 of 2021). Explain any differences between the 2020 figures on this Annual Return and the amounts recorded in last year's Annual Return.
5. 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.
6. 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. The auditor should also be able to agree your bank reconciliation to line 9 in the accounting statements. More help on bank reconciliations is available in the Practitioners' Guide.
7. **You must 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 to the external auditor and not the original documents themselves.
8. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
9. 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.
10. **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.
11. **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.**

Completion checklist – 'No' answers mean that you may not have met requirements		Done?	
Initial submission to the external auditor		Yes	No
<b>Accounts</b>	Do the papers to be sent to the external auditor include an explanation of significant variations from last year to this year?	<input checked="" type="checkbox"/>	
	Does the bank reconciliation as at 31 March 2021 agree to Line 9?	<input checked="" type="checkbox"/>	
<b>Approval</b>	Has the RFO certified the accounting statements and Annual Governance Statement (Regulation 15 (1)) no later than 30 June 2021?	<input checked="" type="checkbox"/>	
	Has the body approved the accounting statements before 30 June 2021 and has Section 3 been signed and dated by the person presiding at the meeting at which approval was given?	<input checked="" type="checkbox"/>	
<b>All sections</b>	Have all pink boxes in the accounting statements and Annual Governance Statement been completed and explanations provided where needed?	<input checked="" 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 checked="" type="checkbox"/>	
If accounts are amended after receipt of the Auditor General's report on matters arising		Yes	No
<b>Accounts</b>	Have the amended accounting statements been approved and Section 3 re-signed and re-dated as evidence of the Committee's approval of the amendments before re-submission to the auditor?		