

## **Committee: MERTON AND SUTTON JOINT CEMETERY BOARD**

**Date:** 12 June 2017

**Agenda item:**

**Wards:** Borough Wide Merton and Sutton

**Subject:** ABSTRACT OF ACCOUNTS 2016/17

**Lead officer:** Zoe Church

**Lead member:**

**Key decision reference number:**

### **Recommendations:**

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- A. To receive and approve the Draft Abstract of Accounts for 2016-17
  - B. To approve the Annual Audit Return for 2016-17
  - C. To review, amend and approve the Risk Register attached as Appendix H
  - D. To approve the revised revenue estimates for 2017/18 at Appendix I
  - E. To arrange an autumn 2017 meeting to review the operation of the contract and review the budgetary position
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### **1. Purpose of report and executive summary**

- 1.1 This report presents MSJCB's Accounts for 2016-17 which comply with the CIPFA Accounting Code of Practice which is compliant with International Financial Reporting Standards (IFRS). In addition, this report proposes a revised 2017-18 Budget for Approval

### **2. Details**

- 2.1 The statement of accounts for 2016-17 is attached to this report. It includes the details of actuals for 2015/2016 for comparison purposes. The accounts are subject to external audit. The cemetery has made a slight gain this year of £18,320.66. The accounts were compiled using the base contractual income. In light of this, officers would recommend a further meeting of the Board in the Autumn of 2017 to review the mid-year financial position.

2.2 The principal under/over spending areas when compared to budget are as follows: -

<b><u>Item</u></b>	<b><u>£</u></b>	<b><u>Reason</u></b>
Income underachieved	19,208	Mainly underachievement of interment fees from April – Jan.
Employee expenditure	7,316	Overspend on Salaries and Wages offset by no spend on Agency
Running expenses	5,915	Overspends in Rubbish Disposal and Legal Services is offset by underspend in Maintenance
Special Projects	(20,639)	Underspend mainly due to roofing works being capitalised (£15k)
Net overspend	<u>11,799</u>	

### 2.3 Breakdown of Debtors/Pre Payments

The table below provides a breakdown of debtors and pre payments as at 31<sup>st</sup> March 2017

#### **Sundry Debtors/Prepayments**

IDVERDE Income due	90,833
<b><u>Total Sundry Debtors/Prepayments</u></b>	<b><u>90,833</u></b>

### 2.4 Breakdown of Sundry Creditors

The table below provides a breakdown of sundry creditors as at 31st March 2017

#### **Sundry Creditors**

Cemetery & Chapel Maintenance	5,942
Surrey County Council - Pension Management Fee	18,000
Surrey County Council – Pensions Report	6,000
IDVERDE charges Feb – Mar	19,500
<b><u>Total Sundry Creditors</u></b>	<b><u>49,442</u></b>

- 2.5 **Fund balances and reserves**
- 2.6 Members should note the overall level of the Common Fund Balance to be £513,298. A distribution to Constituent Boroughs for 2016-17 is not recommended due to proposed capital projects and the future of the pension fund.
- 3. **Alternative options**
  - 3.1 None for the purposes of this report
- 4. **Consultation undertaken or proposed**
  - 4.1 None for the purposes of this report
- 5. **Timetable**
  - 5.1 None for the purposes of this report
- 6. **Financial, resource and property implications**
  - 6.1 As contained in the body of the report
- 7. **Legal and statutory implications**
  - 7.1 None for the purposes of this report
- 8. **Human rights, equalities and community cohesion implications**
  - 8.1 None for the purposes of this report
- 9. **Risk management and health and safety implications**
  - 9.1 Attached as Appendix H for review and approval.

**10. Appendices – the following documents are to be published with this report and form part of the report**

Appendices	A – Movement in Reserves B – Balance Sheet as at 31 March 2017 C – Income and Expenditure Account 2016-17 D – Cash Flow Statement E – Copy of Annual Return 2016-17 to Auditors F – Capital Accounts G – Precept History H – Risk Register I – Revised 2017/18 Estimates
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**11. Background Papers – the following documents have been relied on in drawing up this report but do not form part of the report**

11.1 Closing files, Budget files and Budgetary Control files in the Corporate Services Department

**12. Contacts**

- Report author:
  - Name: Name: Zoe Church
  - Tel: 0208 545 3451
  - email: [zoe.church@merton.gov.uk](mailto:zoe.church@merton.gov.uk)
- Meeting arrangements - Democratic Services:
  - email: [democratic.services@merton.gov.uk](mailto:democratic.services@merton.gov.uk)
  - Tel: 020 8545 3356/3357/3359/3361/3616
- All press contacts - Merton's Press office:
  - email: [press@merton.gov.uk](mailto:press@merton.gov.uk)
  - Tel: 020 8545 3181
- London Borough of Merton:
  - Address: Civic Centre, London Road, Morden, SM4 5DX
  - Tel: 020 8274 4901

**13. Useful links**

13.1 Merton Council's Web site: <http://www.merton.gov.uk>

13.2 Readers should note the terms of the legal information (disclaimer) regarding information on Merton Council's and third party linked websites.

13.3 <http://www.merton.gov.uk/legal.htm>

13.4 This disclaimer also applies to any links provided here.

**MERTON AND SUTTON JOINT CEMETERY BOARD**

**ABSTRACT OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2017**

Treasurer of the Board

Merton Civic Centre  
London Road  
Morden  
Surrey  
SM4 5DX

# **MERTON AND SUTTON JOINT CEMETERY BOARD**

## **ABSTRACT OF ACCOUNTS 2016/17**

### **STATEMENT OF MAIN ACCOUNTING PRINCIPLES**

The accounts have been prepared in accordance with the latest Accounts and Audit Regulations. There was a change in the basis of accounting during 1995/96. In prior years accounts have been prepared on an income and expenditure basis. Since 1996/97, the accounts have been prepared on an accruals basis. The Revenue Account therefore includes all sums due to the Board in respect of the financial year and all sums payable for work done or goods received during the year.

The accounts have been produced in accordance with CIPFA's Code of Practice which is based on International Financial Reporting Standards (IFRS).

Capital expenditure defined as expenditure relating to assets in excess of £1,000. Capital expenditure is financed from the capital fund and loans, the redemption of which is provided for by the annual setting aside of sums in the Movement of Reserves Statement to repay the principal and the charging of interest on the loan in the revenue account.

A precept can be levied on the London Boroughs of Merton and Sutton to meet the net expenditure of the Board (after adjusting for contributions to or from balances held in the Board's Common Fund). No precept was levied in 2016-17. This is to be reviewed in the 2017-18 budget setting process.

## AREA OF CEMETERY'S LAND

Areas	Narrative	Acres
N/A	Utilised for Burial Purposes	26.35
B, B1 & C	Let for stabling and grazing of horses at a rent of £75 per annum (plus share of profit once a threshold is reached)	24.74
C1	Grazing land taken back temporarily for regarding and consolidation (expected future rental £25.p.a.)	1.34
A	Let to Royal Borough of Kingston-upon-Thames for school playing fields at a rent of £4,000 per annum.	2.64
CC	ARQIVA rent of £7,875 per annum (plus 25% site share)	0.03
	Service Tenancy £2,964.24	n/a
<b>Total</b>		<b>55.10</b>



**MSJCB Movement in Reserves Statement 1 April 2015 to 31 March 2016**

Type of Funding	Usable				Unusable		Combined
Fund Narrative	Purchasing Graves Reserves Fund	Maintenance of Graves Fund	Common Fund	Capital Fund	Capital Adjustment Account	Revaluation Reserve Account	Total
Balance at 1 April 2015 b/fwd	(26,040)	(252)	(354,315)	(3,919)	(408,262)	0	(792,788)
(Surplus)/Deficit of the Year			(140,661)	0	0	0	(140,661)
<b>Adjustments between statutory Accounting and Proper Accounting Practice</b>							
Depreciation			93,752	0	(93,752)	0	0
<b>Appropriations</b>							
Provision for loan repayment			(70,532)	0	70,532	0	0
Minimum Revenue Provision			(23,220)	0	23,220	0	0
Contribution to Capital Fund							
Application of Money to Fund Capital							
Balance at 31 March 2013 c/fwd	(26,040)	(252)	(494,976)	(3,919)	(408,262)	0	(933,449)

**MSJCB Movement in Reserves Statement 1 April 2016 to 31 March 2017**

Type of Funding	Usable				Unusable		Combined
Fund Narrative	Purchasing Graves Reserves Fund	Maintenance of Graves Fund	Common Fund	Capital Fund	Capital Adjustment Account	Revaluation Reserve Account	Total
Balance at 1 April 2015 b/fwd	(26,040)	(252)	(494,976)	(3,919)	(408,262)	0	(933,449)
(Surplus)/Deficit of the Year			(18,321)				(18,321)
<b>Adjustments between statutory Accounting and Proper Accounting Practice</b>							
Depreciation			98,925		(98,925)		0
<b>Appropriations</b>							
Provision for loan repayment			(70,534)		70,534		0
Minimum Revenue Provision			(28,391)		28,391		0
Contribution to Capital Fund							
Application of Money to Fund Capital							
Balance at 31 March 2013 c/fwd	(26,040)	(252)	(513,297)	(3,919)	(408,262)	0	(951,771)

# MERTON AND SUTTON JOINT CEMETERY BOARD

## APPENDIX B

### BALANCE SHEET AS AT 31st MARCH 2017

31st March 2016		31st March 2017
	<b>LONG TERM ASSETS</b>	
1,771,777	Land and Building	1,713,327
79,168	Vehicles, Plant Furniture & Equipment	54,978
<u>0</u>	Long Term Debtors	0
<u>1,850,946</u>		1,768,305
	<b>CURRENT ASSETS</b>	
249	Investment at cost	249
34,984	Sundry Debtors / Prepayments	90,833
0	Provision of Bad Debt	0
656,752	Cash Balance	623,025
<u>691,985</u>		714,107
	<b>CURRENT LIABILITIES</b>	
57,748	Sundry Creditors	49,442
<u>634,237</u>		
	<b>NET CURRENT ASSETS</b>	664,665
	<b>LONG TERM LIABILITIES</b>	
775,866	Loans from London Borough of Merton	740,600
775,866	Loans from London Borough of Sutton	740,600
<u>0</u>	Loans from the Public Works Loans Board	
<u>1,551,733</u>		<u>1,481,199</u>
<b>933,450</b>	<b>NET ASSETS</b>	<b>951,771</b>
	<b>UNUSABLE RESERVES</b>	
408,262	Capital Adjustment account	408,262
	<b>USABLE RESERVES</b>	
494,977	Common Fund	513,298
3,919	Capital Fund	3,919
26,040	Purchasing Graves In Reserve Fund	26,040
252	Graves maintained in perpetuity	252
<u>525,188</u>		<u>543,509</u>
<b>933,450</b>	<b>TOTAL RESERVES</b>	<b>951,771</b>

# MERTON AND SUTTON JOINT CEMETERY BOARD

## APPENDIX B

### BALANCE SHEET AS AT 31st MARCH 2017

31st March 2016

31st March 2017

<u>Sundry Debtors/Prepayments</u>		
34,984.00	Net Burial Income due	0
0	IDVERDE income due	90,833
<u>34,984</u>	<u>Total Sundry Debtors/Prepayments</u>	<u>90,833</u>
<u>Sundry Creditors</u>		
0	Cemetery & Chapel Maintenance	5,942
18,000	Surrey County Council - Pension Management Fees	18,000
	Surrey County Council - Pensions Report	6,000
0	IDVERDE charges Feb - Mar	19,500
34,550	Prepayment of Graves Maintenance 2016/17	0
5,198	Other	0
<u>57,748</u>	<u>Total Sundry Creditors</u>	<u>49,442</u>

## MERTON AND SUTTON JOINT CEMETERY BOARD

APPENDIX C

### REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2017

Actual to date 2015/16 £		REVENUE ESTIMATE 2016/17 £	Actual to date 2016/17 £	Variance Act-Est
<b>Employees</b>				
70,263	Salaries	54,590	70,967	16,377
133,865	Wages	105,710	116,400	10,689
18,000	Pensions	18,000	24,250	6,250
10	Training	0	-	0
2,385	Advertisements	0	-	0
	Gratuities	0		0
	Agency	26,000		(26,000)
<b>224,523</b>		<b>204,300</b>	<b>211,616</b>	<b>7,316</b>
<b>Running Expenses</b>				
0	Contract Sum	19,500	19,500	0
0	Client Side Costs	10,000	10,000	0
8,919	Maintenance - Buildings	13,000	7,802	(5,198)
2,937	Maintenance - Mechanical	13,500	2,404	(11,096)
155	Maintenance - Electrical	2,000	-	(2,000)
1,862	Maintenance - Grounds and Paths	12,000	14,523	2,523
3,536	Electricity	2,710	2,862	152
1,993	Gas	2,050	2,088	38
0	Cleaning Materials	0	12	12
20,000	Rubbish Disposal	9,500	14,550	5,050
3,148	Water	3,550	2,377	(1,173)
7,560	Rates	7,620	7,623	3
3,718	Equipment	5,560	4,337	(1,223)
0	Tools	0	-	0
1,739	Materials	0	961	961
1,011	Memorial Seats - Purchase	0	1,372	1,372
18	Laundry	0	-	0
140	Clothing and Uniforms	0	765	765
581	Car Allowances	700	505	(195)
238	Petrol and Oil	400	237	(163)
6,654	Repair and Maintenance - Vehicles and Plant	5,440	5,391	(49)
1,658	Printing and Stationery	830	1,408	578
0	Advertising	900	640	(260)
0	Postage	0	-	0
1,326	Telephones & IT	460	3,229	2,769
0	Training & Conference Expenses	10	445	435
300	Subscriptions	340	-	(340)
0	Affiliation fees	250	104	(146)
2,371	Software Licence	1,650	-	(1,650)
3,070	Insurance	3,070	3,070	0
4,307	Legal Services	3,990	13,457	9,467
57,740	Management and Administration Expenses	57,740	57,769	29
0	Members Allowances	0	-	0
1,300	Audit Fee	1,300	1,350	50
0	Travel Expenses	0	36	36
0	Loss on Disposal	0	-	0
93,752	Depreciation	93,754	98,925	5,171
56,292	Loan Interest	53,846	53,844	(2)
<b>286,325</b>		<b>325,670</b>	<b>331,585</b>	<b>5,915</b>

## REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016

Actual to date 2015/16 £		REVENUE ESTIMATE 2016/17 £	Actual to date 2016/17 £	Variance Act-Est
<b>Special Projects</b>				
	Soil Clearance		4,500	4,500
24,330	Concrete Headstone Bearers/Front Entrance		-	0
	Chapel Works			
	Roof	15,000		(15,000)
	Scaffolding and Redecoration	25,000	28,180	3,180
	External Redecoration	5,000	4,400	(600)
	Toilets	1,000	960	(40)
	Maintenance of Paths	15,000		(15,000)
	Cemetery Office	5,000	2,151	(2,849)
10,130	Yard Improvements		-	0
11,520	Essential Tree Works		5,170	5,170
12,840	Chapel Meter Exchange	0	-	0
<b>58,820</b>		<b>66,000</b>	<b>45,361</b>	<b>(20,639)</b>
<b>569,668</b>	<b>TOTAL EXPENDITURE</b>	<b>595,970</b>	<b>588,562</b>	<b>(7,408)</b>
<b>INCOME</b>				
	0 Income from Contractor	0	(90,833)	(90,833)
(615,625)	Interment Fees	(545,580)	(423,184)	122,396
(36,181)	Memorial Fees	(30,000)	(26,461)	3,539
	0 Memorial Seats	0		0
(29,502)	Maintenance of Graves	(30,000)	(33,978)	(3,978)
	0 Grave Rights Transfer Fees			0
	0 Telephone Coin Box			0
(18,335)	Rents	(17,450)	(17,603)	(153)
(3,182)	Interest	(3,000)	(8,600)	(5,600)
(7,505)	Miscellaneous Fees	(60)	(6,223)	(6,163)
	0 Sponsorship/Commercial Options			0
	Miscellaneous ( Use of balances )			0
<b>(710,329)</b>	<b>TOTAL INCOME</b>	<b>(626,090)</b>	<b>(606,882)</b>	<b>19,208</b>
<b>(140,661)</b>	<b>NET EXPENDITURE/(INCOME)</b>	<b>(30,120)</b>	<b>(18,321)</b>	<b>11,799</b>

## REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016

### (1) PURCHASING GRAVES IN RESERVE FUND

26,040 Balance Brought Forward	26,040
0 Add Surplus	-
<b>26,040</b>	<b>26,040</b>
	<b>26,040</b>

### (2) COMMON FUND

354,316 Balance Brought Forward	494,977
0 Contribution to - London Borough of Merton	-
0 London Borough of Sutton	-
354,316	494,977
140,661 Add Surplus (Deficit) for the year	18,321
93,752 Transfer depreciation to capital adjustment account	98,925
Loss on Disposal	
0 Provision for Repayment of Loan	-
(93,752) Minimum Revenue Provision	(98,925)
Contribution to Capital Fund	
<b>494,977 Common Fund Balance</b>	<b>513,297</b>
	<b>513,297</b>

### (3) CAPITAL FUND

3,919 Balance Brought Forward	3,919
0 Add Loan from LBM	-
0 Add Contribution from Common Fund	-
0 Less Capital Investment Programme	-
<b>3,919</b> Balance Carried Forward	<b>3,919</b>
<b>524,936</b> TOTAL FUNDS AND BALANCES	<b>543,256</b>
	<b>543,256</b>

## APPENDIX D

<b>MSJCB Cash Flow Statement 2015-16</b>	<b>£</b>
Net (surplus) or deficit on the provision of services	(140,661)
Adjustment to the net surplus or (deficit) on the provision of services for non-cash movements	(93,753)
Adjustments for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities	126,345
<b>Net cashflows from Operating Activities</b>	<b>(108,069)</b>
Investing activities	0
Financing activities	70,532
<b>Net increase or decrease in cash and cash equivalents</b>	<b>(37,537)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(619,215)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(656,752)</b>

<b>MSJCB Cash Flow Statement 2016-17</b>	<b>£</b>
Net (surplus) or deficit on the provision of services	(18,321)
Adjustment to the net surplus or (deficit) on the provision of services for non-cash movements	
+ Depreciation	(98,925)
+ Accrual	8,306
- Prepayment	55,849
Adjustment for cash items not in the net surplus or (deficit) on the provision of services	16,284
Adjustments for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities	0
<b>Net cashflows from Operating Activities</b>	<b>(36,806)</b>
Investing activities	0
Financing activities	70,534
<b>Net increase or decrease in cash and cash equivalents</b>	<b>33,728</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(656,752)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(623,025)</b>

# Joint Committees

## Annual return for the financial year ended 31 March 2017

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The annual return on pages 2 to 5 is made up of four sections:

- Sections 1 and 2 are completed by the person nominated by the Joint Committee.
- Section 3 is completed by the PKF Littlejohn LLP as the reviewer appointed by the Joint Committee.
- Section 4 is completed by the Joint Committee's internal audit provider.

### Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all sections highlighted in red. Do not leave any red box blank. Incomplete or incorrect returns require additional work and so may incur additional costs.

Send the annual return, together with your bank reconciliation as at 31 March 2017, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to us, PKF Littlejohn LLP, by the due date.

We will identify and ask for any additional documents needed for our work. Therefore, unless requested, do not send any original financial records.

Once we have completed our work, certified annual returns will be returned to the Joint Committee.

It should not be necessary for you to contact us for guidance.

Additional information can be found on our website ([www.pkf-littlejohn.com](http://www.pkf-littlejohn.com)) under Services, Limited Assurance Regime.



# Section 1 – Annual governance statement 2016/17

We acknowledge as the members of

Enter name of reporting body here

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 2017, that:

	Agreed –		‘Yes’ means that the body
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the guidance notes within this Annual Return.	✓		prepared its accounting statements and approved them.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with generally accepted good practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances.	✓		has only done what it has the legal power to do and has complied with generally accepted good practice.
4 We provided opportunity during the year for interested persons to inspect and ask questions about the accounts.	✓		has given all persons interested the opportunity to inspect and ask questions about these joint committee accounts.
5 We carried out an assessment of the risks facing the body and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the body’s accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the body.
7 We took appropriate action on all matters raised in reports from internal audit and external reviews.	✓		responded to matters brought to its attention by internal and external reviewers.
8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

This annual governance statement is approved by the Joint Committee and recorded as minute reference

dated

Signed by:

Chair

dated

Signed by:

Clerk

dated

\*Note: Please provide explanations on a separate sheet for each ‘No’ response. Describe how the joint committee will address the weaknesses identified.

## Section 2 – Accounting statements 2016/17 for:

reporting body here:

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
			Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
1 Balances brought forward	470,107	633,988	Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation and/or levy	0	0	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body. Excluding any grants received.
3 (+) Total other receipts	710,329	606,882	Total income or receipts as recorded in the cashbook less the taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	224,523	211,616	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 employment expenses.
5 (-) Loan interest/capital repayments	126,824	124,378	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
6 (-) All other payments	195,102	240,461	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	633,988	664,416	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	656,752	623,025	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>to agree with bank reconciliation.</b>
9 Total fixed assets plus other long term investments and assets	1,851,195	1,768,554	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the body as at 31 March
10 Total borrowings	1,551,733	1,481,199	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

I certify that for the year ended 31 March 2017 the accounting statements in this annual return present fairly the financial position of the Joint Committee and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

Date

I confirm that these accounting statements were approved by the Joint Committee on:

and recorded as minute reference:

Signed by Chair of meeting approving these accounting statements:

Date

## Section 3 – Review report 2016/17 Certificate

We present the findings from our review of the annual return for the year ended 31 March 2017 in respect of:

Enter name of reporting body here:

### Respective responsibilities of the Joint Committee and the reviewer

The Joint Committee is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The Joint Committee prepares an annual return which:

- summarises the accounting records for the year ended 31 March 2017; and
- confirms and provides assurance on various governance matters in accordance with generally accepted good practice.

We have reviewed the annual return and set out our findings below. Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and therefore does not provide the level of assurance of a statutory audit.

### Report

Matters arising from our review

(continue on a separate sheet if required)

Reviewer signature

Reviewer

PKE Littlejohn LLP

Date

## Section 4 – Annual internal audit report 2016/17 to

Enter name of reporting body here

The Joint Committee's internal audit service provider, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

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 alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Joint Committee.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. The Joint Committee's financial regulations have been met, payments were approved and VAT was appropriately accounted for.	✓		
C. The Joint Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The annual taxation or levy or funding requirements resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with the body approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded.	✓		

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

Name of person who carried out the internal audit:

MARGARET COLLETON

Signature of person who carried out the internal audit:



Date:

30/5/17

\*Note: 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)

\*\*Note: 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 (add separate sheets if needed)

## Guidance notes on completing the 2016/17 annual return

1. Make sure that your annual return is complete (i.e. no empty red boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of and approved by the body, properly initialled and an explanation provided to us. Annual returns containing unapproved or unexplained amendments will be returned and may incur additional costs.
2. Use the checklist provided below. Use a second pair of eyes, perhaps a member or the Chair, to review your annual return for completeness before sending it to us.
3. Do not send us any information not specifically asked for. Doing so is not helpful. However, you must notify us of any change of Clerk, Responsible Financial Officer or Chair.
4. Make sure that the copy of the bank reconciliation which you send with the annual return covers all your bank accounts. If the joint committee holds any short-term investments, note their value on the bank reconciliation. We must be able to agree your bank reconciliation to Box 8 on the Accounting statements. You must provide an explanation for any difference between Box 7 and Box 8.
5. Explain fully significant variances in the accounting statements on page 3. Do not just send in a copy of your detailed accounting records instead of this explanation. We want to know that you understand the reasons for all variances. Include a complete analysis to support your explanation.
6. If we have to review unsolicited information, or receive an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which we will make a charge.
7. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2016) equals the balance brought forward in the current year (Box 1 of 2017).
8. Do not complete section 3. We will complete it at the conclusion of our work.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All red boxes have been completed?	
	All information requested has been sent with this annual return?	
Section 1	For any statement to which the response is 'no', an explanation is provided?	
Section 2	Approval by the body confirmed by signature of Chair of meeting approving the accounting statements?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2017 agrees to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Section 4	All red boxes completed by internal audit and explanations provided?	

## CAPITAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

**Capital and Finance leases**

There are no finance leases as at 31st march 2016  
There are no capital leases as at 31st march 2016

	Valuation to 31/3/2015 £	Depreciation at 31/03/2016	Disposals during year	Additions during year £	Valuation at 31/3/2016 £
Land acquired from constituent authorities -					
Carshalton UDC	22,220	0			22,220
Merton & Morden UDC	29,975	0			29,975
acquired from Merton & Morden UDC	18,621	0			18,621
Layout of new section	3,971	107			3,864
Superintendent's house & office	3,497	95			3,403
Waiting room and lavatories	6,133	166			5,967
Drawing room for works staff	189	5			184
Greenhouses	2,528	68			2,460
Chapel	11,174	302			10,872
Chapel heating	441	12			429
Layout of Roman Catholic section	796	22			774
Potting shed conversion	480	69			412
Cemetery extension	1,622,265	70,532			1,551,733
Mess room	3,572	97			3,475
Boundary Wally, Layout, Fencing & Elect. Works	120,650	3,261			117,389
Tractor	2,898	725			2,174
Grave Digger	23,161	5,790			17,371
Vehicle equipment & potting sheds	2,366	592			1,775
Ivenco Tipper Truck	7,446	1,862			5,585
Indexing & Digitization DB	9,115	4,558			4,558
Dumper Truck	4,740	2,370			2,370
Cemetery Grounds	14,908	877			14,031
Sub Transformer	30,321	1,784			28,537
Store shed	98	14			84
Backlog Depreciation	0				0
Repairs to Service Yard & Storage	3,133	448			2,686
<b>TOTAL</b>	<b>1,944,698</b>	<b>93,751.93</b>	<b>0</b>	<b>0</b>	<b>1,850,946</b>
Land and Buildings	1,846,511	74,734	0	0	1,771,777
Vehicles, Plant and Equipment	1,944,697	93,752	0	0	1,850,945

## CAPITAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

**Capital and Finance leases**

There are no finance leases as at 31st March 2017  
There are no capital leases as at 31st March 2017

	Valuation to 31/3/2016 £	Depreciation at 31/03/2017	Disposals during year	Additions during year £	Valuation at 31/3/2017 £
Land acquired from constituent authorities -					
Carshalton UDC	22,220	0.00			22,220
Merton & Morden UDC	29,975	0.00			29,975
acquired from Merton & Morden UDC	18,621	0.00			18,621
Layout of new section	3,864	107.33			3,757
Superintendent's house & office	3,403	94.52			3,308
Waiting room and lavatories	5,967	165.75			5,801
Drawing room for works staff	184	5.10			178
Greenhouses	2,460	68.33			2,392
Chapel	10,872	301.99		16,284.00	26,854
Chapel heating	429	11.91			417
Layout of Roman Catholic section	774	21.50			753
Potting shed conversion	412	68.60			343
Cemetery extension	1,551,733	70,532.00			1,481,201
Mess room	3,475	96.53			3,379
Boundary Wally, Layout, Fencing & Elect. Works	117,389	3,260.81			114,128
Tractor	2,174	2,174.00			0
Grave Digger	17,371	5,790.26			11,581
Vehicle equipment & potting sheds	1,775	591.50			1,183
Ivenco Tipper Truck	5,585	5,585.00			0
Indexing & Digitization DB	4,558	4,557.50			0
Dumper Truck	2,370	2,370.00			0
Cemetery Grounds	14,031	876.97			13,154
Sub Transformer	28,537	1,783.59			26,754
Store shed	84	14.07			70
Backlog Depreciation	0				0
Repairs to Service Yard & Storage	2,686	447.61			2,238
<b>TOTAL</b>	<b>1,850,946</b>	<b>98,924.87</b>	<b>0</b>	<b>16,284</b>	<b>1,768,305</b>
Land and Buildings	1,771,776	74,734.37	0	16,284	1,713,327
Vehicles, Plant and Equipment	79,169	24,190.50	0	0	54,977
	1,850,945	98,924.87	0	16,284	1,768,304

Year ended 31st March	Interments	Expenditure	Income (excluding precepts)	Net Expenditure/ (Income)	Precepts	Surplus / (Deficit) C/Fwd
		£	£	£	£	£
1974	346	37,703	15,871	21,832	20,104	14,853
1975	322	46,775	17,103	29,672	19,785	4,966
1976	323	57,495	24,559	32,936	35,180	7,210
1977	295	67,119	24,308	42,811	42,084	6,483
1978	313	67,444	25,799	41,645	36,636	1,424
1979	301	75,975	28,991	46,984	53,581	8,071
1980	325	91,654	34,860	56,794	60,155	11,432
1981	304	107,837	43,524	64,313	69,434	16,553
1982	304	117,461	48,842	68,619	69,784	17,718
1983	325	129,798	48,909	80,889	71,163	7,992
1984	303	137,921	51,307	86,614	80,920	2,298
1985	306	129,955	61,550	68,705	88,640	22,533
1986	311	134,485	66,690	67,795	80,560	35,298
1987	333	148,940	71,782	77,158	67,860	26,000
1988	320	146,533	75,728	70,805	73,442	28,637
1989	340	159,704	80,465	79,239	69,058	18,456
1990	327	162,053	88,208	73,845	75,565	20,176
1991	314	179,929	92,042	87,887	85,149	17,438
1992	343	188,624	110,025	78,599	68,365	7,204
1993	312	191,312	107,427	83,885	76,192	(489)
1994	387	189,687	152,926	36,761	79,444	42,194
1995	379	231,725	167,181	64,544	79,444	36,261
1996	358	207,870	197,191	10,679	80,795	106,377
1997	348	198,678	204,958	(6,280)	40,000	152,658
1998	364	194,514	236,535	(42,021)	0	194,679
1999	356	211,242	244,542	(33,300)	0	227,979
2000	312	216,869	248,694	(31,825)	0	259,804
2001	314	230,329	255,315	(24,987)	0	284,791
2002	317	218,613	286,709	(68,096)	(194,064)	158,823
2003	320	260,664	302,866	(42,202)	0	201,025
2004	320	285,719	336,688	(50,970)	0	251,995
2005	302	291,487	351,113	(59,626)	(150,000)	161,621
2006	290	329,568	394,944	(65,376)	0	226,997
2007	290	357,500	374,118	(16,619)	0	243,616
2008	264	363,008	361,033	1,975	0	241,641
2009	267	503,040	447,967	55,073	0	186,568
2010	228	467,356	385,789	81,567	0	98,340
2011	243	347,679	402,080	(54,401)	0	139,969
2012	212	361,096	500,971	(139,876)	0	279,845
2013	224	539,401	549,024	(9,622)	0	289,468
2014	216	508,926	538,540	(29,614)	0	319,082
2015	217	555,404	590,638	(35,235)	0	354,316
2016	262	569,668	710,329	(140,661)	0	494,977
2017	237	588,562	(606,882)	(18,321)	0	513,298

MSJCB risk register - February 2017

Risk No	Short Name	Risk Issue	Issue	Cause	Consequences	Likelihood	Risk Score	RAG	Director	FI	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
MSJCB2	Pandemic	✓		Reduction in Burials as population has reduced	Reduction in Burial Income	1	4	G	→	R	MSJCB	Cllr Draper (M) Cllr Whitehead (S)	<a href="#">Corporate Pandemic (swine flu) plan</a>	LBM will update plans as and when any new pandemic arises
MSJCB3	Rental Income		✓	Unable to maximise income through rents	The bulk of MSJC Land rented out at a peppercorn rent	6	6	A	→	FI	MSJCB	Cllr Draper (M) Cllr Whitehead (S)	Rents reviewed regularly	The Board receives regular reports on this issue - need to optimise new contracting arrangements
MSJCB7a	Contracting out of Merton and Sutton Services		✓	The contracting out of Merton and Sutton office administration, grounds maintenance and grave digging services	Impact on the operation and management of the cemetery	6	6	A	→	S/R	MSJCB	Cllr Draper (M) Cllr Whitehead (S)	N/A	New contract went live on 1/2/17 - budgets compiled utilising current information - financial position to be reviewed at June 17 Meeting
MSJCB7b	Contracting out of Merton and Sutton Services		✓	The contracting out of Merton and Sutton office administration, grounds maintenance and grave digging services	Short, Medium and Long Term Pension Implications	6	6	A	→	FI	MSJCB	Cllr Draper (M) Cllr Whitehead (S)	N/A	Have received feedback from pension provider and pension contributions within estimates increased to reflect draft Actuarial Evaluation

Emerging risks														
Risk	Issue													



	OUTTURN 2016/17	ORIGINAL ESTIMATE 2017/18	Estimate Movement	REVENUE ESTIMATE 2017/18	Comment
		£		£	
<b>Employees</b>					
Salaries	70,967	6,960		6,960	
Wages	116,400	0		0	
Pensions	24,250	37,000		37,000	
	<b>211,616</b>	<b>43,960</b>	<b>0</b>	<b>43,960</b>	
<b>Running Expenses</b>					
Contract Sum	19,500	117,000		117,000	
Client Side Costs	10,000	60,000		60,000	
General Maintenance - Buildings	7,802	13,000		13,000	
General Maintenance -Mechanical	2,404	13,500		13,500	
General Maintenance - Electrical	0	1,000		1,000	
General Maintenance - Grounds & Paths	14,523	6,000		6,000	
Electricity	2,862	2,710		2,710	
Gas	2,088	2,050		2,050	
Rubbish Disposal	14,550	5,000		5,000	
Water	2,377	3,550		3,550	
Rates	7,623	7,560		7,560	
Equipment	4,337	1,730		1,730	
Laundry	0	0		0	
Cleaning Materials	12	0		0	
Materials	961	0		0	
Memorial Seats - Purchase	1,372	0		0	
Clothing and Uniforms	765	0		0	
Travel Expenses	36	0		0	
Car Allowances	505	0		0	
Petrol and Oil	237	40		40	
Repair and Maintenance - Vehicles (SLA)	5,391	0		0	
Postage/Printing/Stationery	1,408	600		600	
Advertising	640	560		560	
LBM Legal Services	13,457	5,440		5,440	
Telephones	3,229	0		0	
Affiliation fees	104	2,200		2,200	
Training/Conference Expenses	445	500		500	
Subscriptions	0	0		0	
Software Licence	0	0		0	
Insurance	3,070	4,000		4,000	
Management and Administration Expenses	57,769	39,290		39,290	
Audit Fee	1,350	1,400		1,400	
Depreciation	98,925	23,220	61,018	84,238	updated based on asset register
	<b>277,741</b>	<b>310,350</b>	<b>61,018</b>	<b>371,368</b>	
<b>Interest and MRP Loan</b>	53,844	121,930	(70,532)	51,398	reduced by principle repayment
<b>Interest / Minimum Revenue Provision</b>	<b>53,844</b>	<b>121,930</b>	<b>(70,532)</b>	<b>51,398</b>	
<b>Special Projects</b>					
Chapel Works					
Roof	0	0		0	
Scaffolding and Redecoration	28,180	0		0	
External Redecoration	4,400	0		0	
Toilets	960	0		0	
Maintenance of Paths	0	0	15,000	15,000	Breakdown due to additional information from Idverde
Cemetery Office	2,151	0		0	
Chapel Meter Exchange	0	0		0	
Soil Clearance	4,500	0		0	
Essential Tree Works	5,170	0		0	
New Water Mains	0	0	7,000	7,000	Breakdown due to additional information from Idverde
Green House Glass Replacement	0	0	1,000	1,000	Breakdown due to additional information from Idverde
New Bearer Installation	0	0	40,000	40,000	Breakdown due to additional information from Idverde
Other	0	70,000	(63,000)	7,000	Breakdown due to additional information from Idverde
	<b>45,361</b>	<b>70,000</b>	<b>0</b>	<b>70,000</b>	
<b>Total Expenditure</b>	<b>588,562</b>	<b>546,240</b>	<b>(9,514)</b>	<b>536,726</b>	
<b>Income</b>					

	OUTTURN 2016/17	ORIGINAL ESTIMATE 2017/18	Estimate Movement	REVENUE ESTIMATE 2017/18	Comment
		£		£	
Income from Contractor	(90,833)	0	(558,620)	(558,620)	Income from IDEVERDE based on bid
Interment Fees	(423,184)	(513,590)	513,590	0	
Memorial Fees	(26,461)	(33,090)	33,090	0	
Memorial Seats	0	0		0	
Maintenance of Graves	(33,978)	(35,770)	35,770	0	
Rents	(17,603)	(13,910)	0	(13,910)	
Interest	(8,600)	(2,591)	0	(2,591)	
Miscellaneous Fees	(6,223)	(8,220)	8,220	0	
<b>TOTAL INCOME</b>	<b>(606,882)</b>	<b>(607,172)</b>	<b>32,050</b>	<b>(575,122)</b>	
<b>Budget Total</b>	<b>(18,321)</b>	<b>(60,932)</b>	<b>22,536</b>	<b>(38,395)</b>	