

Report of the Treasurer of Joint Crematorium Committee

To

Mansfield and District Joint Crematorium Committee

28 May 2019

MANSFIELD AND DISTRICT JOINT CREMATORIUM COMMITTEE

ANNUAL STATEMENT OF ACCOUNTS 2018/2019

1. SUMMARY

This report presents the Annual Report and Statement of Accounts for 2018/2019 showing the Committee's financial position as at the 31 March 2019 and the revenue and capital activity during the financial year.

2. RECOMMENDATIONS

- (i) The Statement of Accounts as presented in Appendix A for the financial year 2018/2019 is approved.
- (ii) The 2018/2019 budgeted surplus distribution as detailed in Appendix A, page 8, 3.6, is approved.
- (iii) That revenue budgets for equipment acquisitions £22,000, grounds maintenance £4,000 and books/publications £2,000 currently held in general reserves, to be carried forward into 2019/2020 is approved.
- (iv) The financial information provided in Appendix D and usage information provided in Appendix E, is for noting only.
- (v) That the cremation fee income in excess of the budgeted surplus for 2018/2019 totalling £35,991 is transferred to the Capital Fund, as approved at the JCC meeting held on 15 December 2017, is for noting only.
- (vi) The revenue expenditure for the CAMEO non-abatement fees for £51,535 previously approved to be financed from general reserves; is for noting only.
- (vii) The accounting for VAT as detailed in 3.7, is for noting and that the constitution of the JCC is to be amended to reflect this change.

3. BACKGROUND

- 3.1 The Annual Statement of Accounts is a statutory document which must be produced and approved by the Committee, Appendix A. The statement informs interested parties of the financial position of the Mansfield and District Joint Crematorium as at the end of the financial year i.e. 31 March 2019 and

shows the financial activity during that period (1 April 2018 to 31 March 2019) together with any significant factors affecting the Committee and its finances.

- 3.2 Assurance Lincolnshire has reviewed the Accounts and has issued a certificate which states that the statement of accounts presents fairly the Crematorium's Comprehensive Income and Expenditure Account and Balance Sheet and that the statements are fully supported with the underlying financial records; this is included within Appendix A, page 53.
- 3.3 The Joint Crematorium Committee is required to produce an Annual Governance Statement, which includes the future actions required on internal control issues; this is included within Appendix A, pages 44-50.
- 3.4 The actuary report produced by Barnett Waddingham is included within Appendix B. The actuary is instructed by Nottinghamshire County Council, the administering authority to the Nottinghamshire County Council Pension Fund, to undertake pension expense calculations in respect of pension benefits provided by the Local Government Pension Scheme to employees of Mansfield and District Joint Crematorium as at 31 March 2019.
- 3.5 The Statement of Accounts for the year ending 31 March 2019 have been prepared in accordance with the latest Code of Practice on Local Authority Accounting in order to provide the necessary detail for subsequent consolidation into the accounts of the constituent authorities. The format reflects the requirements of the Code of Practice in Local Authority Accounting in the United Kingdom 2018/2019 and the Service Accounting Code of Practice published by Chartered Institute of Public Finance and Accounting (CIPFA). This is supported by the International Financial Reporting Standards (IFRS).
- 3.6 A detailed revenue and capital financial information table for 2018/2019 is included within Appendix C and the 2018/2019 usage breakdown by area table and chart is included within Appendices D and E.
- 3.7 As detailed in the Financial Management Report 1 April 2018 to 31 December 2018, 3.4, written consent has now been received from HM Revenue and Customs (HMRC), please see Appendix F. Concerns had been raised that when large capital works are undertaken by the Crematorium this impacts significantly on Mansfield District Council's VAT partial exemption calculation and could cause this to be breached resulting in significant amounts of VAT to be repaid. The three constituent authorities agreed to change the accounting for VAT from a lead body partnership to a management board or committee structure. This would enable each constituent authority to account for income and expenditure between the partners on an annual throughput basis, so that each authority could account for only their share in their VAT partial exemption calculations, thus reducing the risk of an authority breaching its test of insignificance for partial exemption.

4. OPTIONS AVAILABLE

- 4.1 Members of the Committee could not approve the Statement of Accounts or request amendments to the contents therein. However, there is a statutory requirement to approve by 31 May 2019.

5. RISK ASSESSMENT OF RECOMMENDATIONS AND OPTIONS

Risk	Risk Assessment	Risk Level	Risk Management
The statement is not approved by 31 May 2019.	This is a statutory deadline; not meeting this deadline will result in a qualification of the audit report	Low	Ensure that the date set for Members of the Committee to consider this report is met

The preparation of the Statement of Accounts is a statutory requirement.

6. IMPLICATIONS

- (a) Relevant Legislation: The accounts are produced in accordance with the requirements of the Accounts and Audit Regulations 2015. The format reflects the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2018/2019 and the Service Accounting Code of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA). This is supported by the International Financial Reporting Standards (IFRS).
The audit is carried out in accordance with the Accounts and Audit Regulations 2015.
- (b) Human Rights: It is not considered that individual human rights will be infringed.
- (c) Equality and Diversity: No direct impact
- (d) Climate change and environmental sustainability: No direct impact
- (e) Crime and Disorder: No direct impact
- (f) Budget /Resource: There are no budget / resource implications.

7. BACKGROUND PAPERS

A full set of working papers, Statements of Recommended Practice, CIPFA standards and regulations are held within the Finance Department.

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