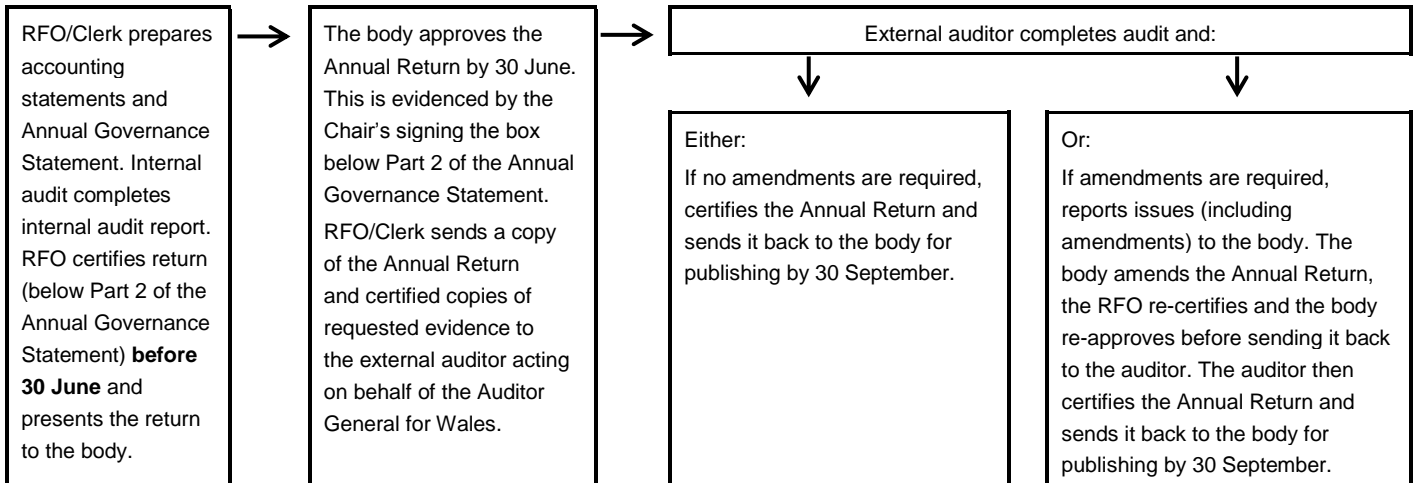


Smaller local government bodies in Wales Annual Return for the Year Ended 31 March 2017

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.

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 2017? | <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 2017 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"/> |
| Supporting evidence | Has all the information requested by the external auditor been sent with this Annual Return? Please refer to your notice of audit and any additional schedules provided by your external auditor. | <input type="checkbox"/> | <input type="checkbox"/> |

Accounting statements 2016-17 for:

Name of body: Margam Joint Crematorium Committee

| | Year ending | | Notes and guidance for compilers | | | | |
|--|---------------------------------|--------------------------------|---|---------------------------------|--------------------------------|--|--|
| | 31 March 2016 (£) | 31 March 2017 (£) | | | | | |
| Statement of income and expenditure/receipts and payments | | | | | | | |
| 1. Balances brought forward | 91,806 | 295,752 | 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 | +3,000 | +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 | +965,793 | +990,953 | Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants. | | | | |
| 4. (-) Staff costs | -189,141 | -195,042 | Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg termination costs. | | | | |
| 5. (-) Loan interest/capital repayments | -9,887 | -115,733 | Total expenditure or payments of capital and interest made during the year on external borrowing (if any). | | | | |
| 6. (-) Total other payments | -565,819 | -374,739 | 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 | 295,752 | 602,191 | Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6). | | | | |
| Statement of balances | | | | | | | |
| 8. (+) Debtors and stock balances | +532 | 0 | Income and expenditure accounts only: Enter the value of debts owed to the body and stock balances held at the year-end. | | | | |
| 9. (+) Total cash and investments | +320,909 | +621,605 | All accounts: 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 | -25,689 | -19,414 | Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end. | | | | |
| 11. (=) Balances carried forward | 295,752 | 602,191 | Total balances should equal line 7 above: Enter the total of (8+9-10). | | | | |
| 12. Total fixed assets and long-term assets | 0 | 0 | The original asset and investment register value of all fixed assets and any other long-term assets held as at 31 March. | | | | |
| 13. Total borrowing | 111,939 | 0 | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB). | | | | |
| 14. Trust funds disclosure note | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> | The body acts as sole trustee for and is responsible for managing assets (readers should note that the figures above do not include any trust transactions). |

Annual Governance Statement (Part 1)

We acknowledge as the members of the 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 2017, 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="radio"/> | <input checked="" 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 checked="" 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 Margam Joint Crematorium Committee to conduct its business or on its finances. | <input checked="" type="radio"/> | <input checked="" 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 checked="" type="radio"/> | 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="radio"/> | <input checked="" 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 checked="" 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 Margam Joint Crematorium Committee and, where appropriate, have included them on the accounting statements. | <input checked="" type="radio"/> | <input checked="" 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 checked="" 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 |
| <p>9. Trust funds – in our capacity as trustee, we have:</p> <ul style="list-style-type: none"> discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit. | Yes | No | Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts. | 3, 6 |
| | <input checked="" type="radio"/> | <input checked="" type="radio"/> | | |


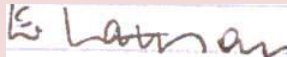
* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Annual Governance Statement (Part 2)

| | Agreed? | | 'YES' means that the Margam Joint Crematorium Committee: | PG Ref |
|--|-------------------------------------|--------------------------|---|--------|
| | Yes | No* | | |
| 1. We have registered through the local authority as an employer with HM Revenue and Customs and properly operate Pay As You Earn as part of our payroll arrangements | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Has registered as an employer and properly operates PAYE unless all of the exemption criteria are met. | 13 |
| 2. We have maintained proper payroll records for each of our employees including deductions of tax and national insurance. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Has kept records of payments made to employees including taxable expenses or benefits and of payments made to HMRC. | 13 |
| 3. We have adopted a Code of Conduct through the local authorities setting out proper standards of behaviour expected of councillors and individually, have agreed to abide by the code. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The body and its members have adopted and agreed to abide by a Code of Conduct as required by law. | 8 |

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.

| | |
|--|--|
| <p>Certification by the RFO</p> <p>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 2017.</p> | <p>Approval by the Margam Joint Crematorium Committee</p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Margam Joint Crematorium Committee under minute reference:</p> |
| | Minute 4 16 th June 2017 |
| RFO signature:  | Chair signature:  |
| Name: Mr Hywel Jenkins | Name: Cllr Edward Latham |
| Date: 15 th May 2017 | Date: 16 th June 2017 |

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

| | |
|--|--|
| <p>Certification by the RFO</p> <p>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 2017.</p> | <p>Approval by the Margam Joint Crematorium Committee</p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Margam Joint Crematorium Committee under minute reference:</p> |
| | Insert minute reference and date of meeting |
| RFO signature: | Chair signature: |
| Name: name required | Name: name required |
| Date: dd/mm/yyyy | Date: dd/mm/yyyy |

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 2017 of:

Margam Joint Crematorium Committee

External auditor's report

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.

External auditor's name: R J Harries

External auditor's signature:



Date: 28th July 2017

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 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 2017.

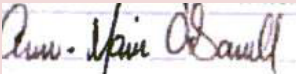
The internal audit has been carried out in accordance with the Margam Joint Crematorium Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the 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 checked="" type="checkbox"/> | <p>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.</p> <p>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.</p> <p>The next annual audit of MJCC is due to be undertaken during 2019/2020</p> |
| 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 accounted for. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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 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 type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 8. Asset and investment registers were complete, accurate, and properly maintained. | <input type="checkbox"/> | <input type="checkbox"/> | <input 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 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 Council's internal auditor, I have not been involved in a management or administrative role within the body or as a member of the body during the financial years 2015-16 and 2016-17. I also confirm that there are no conflicts of interest surrounding my appointment.

| |
|--|
| Name of person who carried out the internal audit comments: Anne-Marie O'Donnell |
| Signature of person who carried out the internal audit:  |
| Date: 11 th May 2017 |

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 2016) equals the balance brought forward in the current year (line 1 of 2017). Explain any differences between the 2016 figures on this annual return and the amounts recorded in last year's annual return.
7. Explain fully any significant variances in the accounting statements. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a detailed analysis to support your explanation and be specific about the values of individual elements making up the variances.
8. Make sure that the copy of the bank reconciliation you send to your auditor with the Annual Return covers **all** your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your Council holds any short-term investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to line 9 in section 1. More help on bank reconciliation is available in the Practitioners' Guide*.
9. **Every** small body is now required to send to the external auditor, information to support the assertions made in the Annual Governance Statement. Your auditor will tell you what information you need to provide. Please read the audit notice carefully to ensure you include all the information the auditor has asked for. You should send **copies** of the original records (certified by the Clerk and Chair as accurate copies) to the external auditor and not the original documents themselves.
10. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
11. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances or receives original documents that must be returned, the auditor will incur additional costs for which they are entitled to charge additional fees.
12. **Do not complete the Auditor General for Wales' Audit Certificate and report.** The external auditor completes this on behalf of the Auditor General for Wales on completion of the audit.
13. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit.
14. **Please note that if completing the electronic form, you must print the form for it to be certified by the RFO and signed by the Chair before it is sent to the auditor.**