

# Merton Council

## Merton and Sutton Joint Cemetery Board Agenda

### Membership

#### Councillors:

Stan Anderson  
Agatha Mary Akyigyina OBE  
Councillor Jean Crossby  
Nick Draper  
Councillor Trish Fivey  
Councillor Drew Heffernan  
Simon McGrath  
David Williams

#### Substitute Members:

Councillor Annie Moral

**Date:** Tuesday 5 June 2018

**Time:** 2.00 pm

**Venue:** Committee room E - Merton Civic Centre, London Road, Morden SM4 5DX

This is a public meeting and attendance by the public is encouraged and welcomed. For more information about the agenda please contact [democratic.services@merton.gov.uk](mailto:democratic.services@merton.gov.uk) or telephone [020 8545 3616](tel:02085453616).

All Press contacts: [press@merton.gov.uk](mailto:press@merton.gov.uk), 020 8545 3181

# Merton and Sutton Joint Cemetery Board Agenda

## 5 June 2018

- 1 Election of Chair and Vice-Chair for 2018-19
- 2 Apologies for Absence
- 3 Declarations of Pecuniary Interest
- 4 Minutes of the Previous Meeting 1 - 4
- 5 Annual Governance Report 5 - 16
- 6 Abstract of Accounts 2017-18 17 - 42
- 7 Performance Report from Contractor  
REPORT TO FOLLOW
- 8 Exclusion of Public  
To RESOLVE that the public are excluded from the meeting during consideration of the following reports on the grounds that they are exempt from disclosure for the reasons stated in the agenda.
- 9 Exempt Minutes of Previous Meeting 43 - 44
- 10 Report of the Client Side Manager  
REPORT TO FOLLOW

### **Note on declarations of interest**

Members are advised to declare any Disclosable Pecuniary Interest in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that matter and must not participate in any vote on that matter. If members consider they should not participate because of a non-pecuniary interest which may give rise to a perception of bias, they should declare this, withdraw and not participate in consideration of the item. For further advice please speak with the Assistant Director of Corporate Governance.

# Agenda Item 4

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library or online at [www.merton.gov.uk/committee](http://www.merton.gov.uk/committee).

## MERTON AND SUTTON JOINT CEMETERY BOARD 20 FEBRUARY 2018

(2.00 pm - 3.10 pm)

PRESENT Councillors Agatha Mary Akyigyina (in the Chair),  
Councillor Agatha Mary Akyigyina, Councillor Nick Draper,  
Councillor Geraldine Stanford, Councillor Jill West,  
Councillor Richard Marston and Councillor Graham Whitham

ALSO PRESENT Zoe Church – Treasurer to the Board  
Howard Joy – Surveyor to the Board  
Mark Robinson - Registrar to the Board  
Russ Kirk – idverde Contract Director  
Lisa Jewell – Clerk to the Board

### 1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from:  
Councillor Nick Emmerson  
Councillor Trish Fivey  
Councillor David Williams  
And Doug Napier

### 2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

No Declarations of Pecuniary Interest were received

### 3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

Before the meeting started the Chair asked the Committee to have a one minute silence in memory of Councillor Adrian Davey who had been a LB Sutton substitute member of the Board.

RESOLVED: That the minutes of the meeting held on 14 November 2017 are agreed as an accurate record.

### 4 UPDATE AND REVIEW BY IDVERDE (Agenda Item 4)

The Registrar to the Board and the Contract Director of idverde presented a verbal review of the idverde contract to the Board. The Registrar reported that operations were running smoothly and that burial numbers matched the previous year's. He reported that complaints were about the usual subjects mainly grass cutting. Members asked if staff and staff cuts had caused any issues. The Contract Director for idverde explained that idverde had been able to amalgamate cemetery teams across the contract, creating one team that could cover all the required operations at all cemeteries. Although there were less staff they were no longer static thus giving more productivity. This was a more joined up and streamlined approach to staff deployment with no change to service delivery. He assured members that the

administration team could still deliver its services. He explained that staff would now concentrate on their area of skill, for example rather than cemetery staff cutting the grass, skilled horticultural staff would now travel between sites to carry out grass cutting.

Members commented to the Contract Manager that it would be good to have a written report from the contractors, so that Members had the information they required. The Treasurer added that it would be helpful if there was reporting on key performance indicators. The idverde Contract Manager said he would look at this issue.

The Registrar stated that there were complaints regarding the condition of the toilets and the Treasurer replied that the Board would set aside money for this refurbishment, but the provision of the office needs to be reviewed.

The Registrar informed the Board of the urgent need for new Bearer Beams and for the creation of a bearer beam mapping system. The costs associated with both do not form part of the contract, and the responsibility for organising this lies with the client side.

During the later confidential section of the Meeting Members again expressed a strong view that in future they would like to receive a written report on performance from idverde representatives and that this should contain key performance indicators.

#### 5 EXCLUSION OF THE PUBLIC (Agenda Item 5)

RESOLVED: That the public are excluded from the meeting during consideration of the following report(s) on the grounds that it is (they are) exempt from disclosure for the reasons stated in the report(s).

#### 6 EXEMPT MINUTES OF THE PREVIOUS MEETING (Agenda Item 6)

RESOLVED: That the Exempt minutes of the meeting held on 14 November 2017 are agreed as an accurate record.

#### 7 BUDGET MONITORING 2017/18 AND REVENUE ESTIMATES 2018/19 (Agenda Item 7)

The minutes for this item are not for Publication  
By Virtue of paragraph 1 and 3 of Part 1 of Schedule 12A  
Of the Local Government Act 1972

#### 8 UPDATE ON REVIEW OF MANAGEMENT AND OPERATION OF MERTON AND SUTTON CEMETERY (Agenda Item 8)

The minutes for this item are not for Publication  
By Virtue of paragraph 1 and 3 of Part 1 of Schedule 12A  
Of the Local Government Act 1972

9 UPDATE ON MSJCB CEMETERY LODGE TENANCY (Agenda Item 9)

The minutes for this item are not for Publication  
By Virtue of paragraph 1 and 3 of Part 1 of Schedule 12A  
Of the Local Government Act 1972

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## MERTON AND SUTTON JOINT CEMETERY BOARD

5 June 2018

**Wards: Borough Wide Merton and Sutton**

**Subject:** Annual Governance Statement 2017/18

**Lead officer:** Zoe Church

### **Recommendation:**

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That the Annual Governance Statement be noted and agreed

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## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 The Merton and Sutton Joint Cemetery Board (MSJCB) is required to prepare an Annual Governance Statement (AGS) for the year 2017/18. This statement is required in order to comply with Regulation 6 (1b) of the Accounts and Audit Regulations 2015. As a Joint Committee, MSJCB is one of the scheduled bodies for the purposes of these regulations.
- 1.2 This statement provides assurance to all stakeholders that MSJCB by utilising the established processes and systems of Merton Council's processes and systems ensure that decisions are properly made and scrutinised, and that public money is being spent economically and effectively to ensure maximum benefit to all citizens of the borough.
- 1.3 MSJCB has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework "Delivering Good Governance in Local Government"
- 1.4 The AGS explains how MSJCB has complied with the code and also meets the requirements of the 2015 Regulations. It is worthy of note at this point that MSJCB utilises the systems and procedures of the London Borough of Merton (the Council/Authority) and as such utilises the work undertaken by this organisation to demonstrate good governance.

## **2 DETAILS**

- 2.1 MSJCB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 2.2 In discharging this overall responsibility, MSJCB is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

- 2.3 The governance framework comprises the systems and processes, culture and values by which the authority is directed and the activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.4 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of MSJCB policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

### **3 The Governance Framework**

- 3.1 MSJCB has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates
- 3.2 The Authority has established a Corporate Governance steering group and terms of reference agreed to undertake this review. Regular meetings have been held and an evidence pack compiled to review the seven principles which are:
- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
  - Ensuring openness and comprehensive stakeholder engagement
  - Defining outcomes in terms of sustainable economic, social, and environmental benefits
  - Determining the interventions necessary to optimise the achievement of the intended outcomes
  - Developing the entity's capacity, including the capability of its leadership and the individuals within it
  - Managing risks and performance through robust internal control and strong public financial management.

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

### **4 ALTERNATIVE OPTIONS**

- 4.1 There are no alternative options as the AGS is a statutory requirement.



**5 CONSULTATION UNDERTAKEN OR PROPOSED**

5.1 No external consultation has taken place or is planned for this document.

**6 TIMETABLE**

6.1 This report has been prepared to meet the timetable for the approval of the Statement of Accounts.

**7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

7.1 There are no specific financial, resource or property implications.

**8 LEGAL AND STATUTORY IMPLICATIONS**

8.1 The AGS is a statutory requirement.

**9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

9.1 There are no specific human rights, equalities or community cohesion implications.

**10 CRIME AND DISORDER IMPLICATIONS**

10.1 None for the purposes of this report.

**11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

11.1 There are no specific risk management or health and safety implications.

**12 APPENDICES – the following documents are to be published with this report and form part of the report**

12.1 Appendix I: Annual Governance Statement 2017/18

**13 12.BACKGROUND PAPERS – the following documents have been relied on in drawing up this report but do not form part of the report**

13.1 CIPFA / SOLACE Framework Delivering Good Governance in Local Government 2016



### ANNUAL GOVERNANCE STATEMENT 2017/18

In compiling the AGS the Board has adhered to the Solace/CIPFA Guidance which is deemed best practice and addressed their seven key principles:

#### **Principle 1 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

##### **1. Codes of Conduct**

- 1.1 The Council has an Employee Code of Conduct that applies to all council employees without exception, as well as to non-employees who are engaged (e.g. agency workers) or contracted by the council. The summary code of conduct is available on the intranet, is given to all new members of staff and discussed as part of the induction process. This code includes a requirement for staff to declare any conflicts of interest.
- 1.2 The Members' Code of Conduct is included in the council's Constitution and includes the principles of public life and information on declaring and registering interests. Each year (after Annual Council) Members are asked to declare their interests and mechanisms are in place to update these regularly when there are changes.
- 1.3 The Standards and General Purposes Committee receives annual reports on gifts and hospitality declared by staff and Members.
- 1.4 The whistleblowing policy was last reviewed in 2016 and is available on the intranet and internet. Leaflets are distributed within the civic centre and to schools and other organisations.

##### **2. Principle 2: Ensuring openness and comprehensive stakeholder engagement**

###### **Transparency agenda**

- 2.1 The council publishes the information specified by the government's Open Data requirements on the council's Open Data webpage. The current data published on the council's website includes:
  - Spending over £500
  - Senior employees' salaries
  - Job descriptions of staff earning over £50k
  - Pay multiple
  - Pay policy statement
  - Payments to councillors – allowances and expenses
  - Councillors attendance at meetings
  - Democratic data including the Constitution, minutes, decisions and election results
  - The Business Plan, policies, performance, audit and inspections

- Finance data and counter fraud statistics
  - Merton's contract register
  - Funding to the voluntary and community sector
  - Structure charts
  - Parking income and expenditure
  - Details of on-street and off-street parking spaces
  - List of property assets
  - Trade union activity
- 2.2 The Protection of Freedoms Act 2012 requires the council to publish certain datasets that are requested.
- 2.3 Merton Council publishes an information requests disclosure log which gives brief details of the requests received each week under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.
- 2.4 Under the Freedom of Information (FOI) Act, a public authority must respond to FOI requests within 20 working days. The council is measured against a corporate target of 85% of FOI requests dealt with in time and performance for 2017/18 was 76%. Plans are in place to improve performance. Performance is reported to the Corporate Management team monthly and is also published on the council's website via the performance monitoring dashboard.

### **Complaints**

- 2.5 The Complaints policy is reviewed periodically to ensure it remains relevant and supports improvement in the way the council deals with complaints. New staff are introduced to effective complaints handling through their departmental inductions and all new managers receive through their specific managers induction. Training and advice is provided on request to teams and targeted training is provided for teams which regularly deal with complaints.
- 2.6 Work is on-going with service departments to identify policy complaints so departments can deal with them appropriately. Departments receive feedback to help them identify areas for improvement and departmental actions are monitored to assess whether changes that are made make a difference. The number of complaints received by the council has increased in the past year with 39% more complaints received between 2016/17 and 2017/18. Performance over the same period shows 6% of complaints were escalated to Stage 2, compared with 7% in 2016/17.
- 2.7 The council's performance in responding to complaints is reported to the Corporate Management team on a monthly basis and is published on the council's website via the performance monitoring dashboard.

### **3. Principle 3: Defining outcomes in terms of sustainable economic, social, and environmental benefits**

3.1 The Merton Community Plan has been developed by the Merton Partnership and sets the overall direction and vision for the borough until 2019. This is supported by the Council's Business Plan and Departmental Service Plans. These are reviewed and updated annually.

3.2 The Council's Business Plan 2017-21 sets out the following vision:

By 2020 Merton Council will be transformed by the fruition of a number of change projects which will maximise the use of information technology and streamline processes and service provision. Providing value for money services to our residents is at the heart of our business and we must be able to demonstrate that all of our services represent best value for money. We will do this by continuing to finding innovative solutions to maximise future efficiency.

The financial reality facing local government dominates the choices the council will make for the future of the borough. The development of the Business Plan 2017/21 is therefore based on the set of guiding strategic priorities and principles, as adopted by the council on 13 July 2011:

- Merton should continue to provide a certain level of essential services for residents. The order of priority of 'must' services should be:
  - i) Continue to provide everything that is statutory.
  - ii) Maintain services – within limits – to the vulnerable and elderly.
  
- After meeting these obligations Merton should do all that it can to help residents who aspire. This means we should address the following as priorities in this order:
  - i) Maintain clean streets and keep council tax low.
  - ii) Keep Merton as a good place for young people to go to school and grow up.
  - iii) Be the best it can for the local environment.
  - iv) All the rest should be open for discussion.

The financial pressures facing Merton mean we should no longer aim to be a 'place-maker' but be a 'place-shaper'. The council should be an enabler, working with partners to provide services.

Our top priority will continue to be to provide safe services of the best possible quality within financial constraints and the July 2011 principles. We will deliver services that customers want and need and, where possible, involve our customers in service specification and design.

The Authority is utilising best practice in project management/ transformation to assess the future direction of services and the required staff, process and IT development to deliver this change. Internal decision making structures have been established to maximise Authority wide assessment and development.

#### **4. Principle 4: Determining the interventions necessary to optimise the achievement of the intended outcomes**

## **Delegations**

- 4.1 The council's constitution sets out the roles and responsibilities of the executive, non-executive, scrutiny and officer functions.
- 4.2 The functions of Council are set out in Article 4 of the constitution. These include responsibility for adopting and changing the constitution, policy framework and budget
- 4.3 Cabinet (Article 7) has responsibility for carrying out all of the Council's functions which are not the responsibility of any other part of the local authority.

## **Financial strategy and financial management**

- 4.4 Both Merton and Sutton have well established procedures for compiling their multi-year financial and business strategies. These are reviewed and updated annually. Implicit within these plans is the need for MSJCB to break even so that they do not need to precept constituent authorities.
- 4.5 Over the last few years the Board has had to extend the cemetery at a cost of just over £1.6 million. This cost has been met by matching loans from the constituent authorities. The embedding of the new contract and maintaining a workable budget has been completed during 2017/18.

## **Policy and decision making**

- 4.6 Policy and decision making is undertaken by the Board which is compiled from 5 Merton and 5 Sutton Councillors. Normally there are two meetings of the Board each year.

## **Performance management**

- 4.7 The Board are requesting detailed reports from the Client and Contractor to each meeting of the Board.

## **5. Principle 5: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

- 5.1 The Board are responsible for the governance of the Cemetery.
- 5.2 The authority's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).
- 5.3 Development needs members/officers
- 5.4 Members –A members' development plan is in place and this is adapted to meet arising needs. Induction training is provided for all new members.
- 5.5 Officers – All council employees (except those on probation) will have an annual appraisal. Training needs are identified through staff appraisals and training can

now be booked on the council's iTrent System. The Council has Induction workshops throughout the year for new starters and for employees who change their roles. There is a managers' induction session for managers new to the Council or new to role. Training is available to all staff to ensure they have the skills and knowledge to undertake their roles. The leadership behaviours have been included in the appraisals for the Collective Departmental Management Teams for 2016/17 with the view to rolling it out all staff in April 2017. As part of the Council's ambition to be London's Best Council in 2020 a development programme was launched for the Collective DMTs and the Leadership Team.

**6. Principle 6: Managing risks and performance through robust internal control and strong public financial management.**

**Risk management**

- 6.1 Risk management is a central part of the organisation's system of internal control. The focus of the risk management strategy is to ensure the identification and treatment of risk as part of everyday management.
- 6.2 The Board utilises Merton's approach to Risk Management and has adopted a Risk Management Strategy that is based on the Merton Risk Management Model. The Risk Register is reviewed at each meeting of the Board.
- 6.3 The council has an anti-fraud and corruption strategy. Integral to these arrangements is the Whistleblowing Policy which is communicated to staff via the intranet, leaflets and posters to outbuildings. All Whistleblowing cases and action are reported annually to the General Purposes committee.
- 6.4 The council also participates in the National Fraud Initiative (NFI) a computerised data matching exercise, led by the Cabinet Office to detect fraud perpetrated on public bodies.

**7. Principle 7 Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

**Internal Audit**

- 7.1 Internal Audit is an assurance function that provides an independent and objective opinion on the control environment. It operates to defined standards as set out in the Public Sector Internal Audit Standards. An external assessment was carried out in March 2014, which concluded that Merton's Internal Audit function complied with the standard.
- 7.2 An annual report is produced by the Head of Audit which provides an opinion on the adequacy and effectiveness of the internal control environment.
- 7.3 A review has been undertaken on the 5 elements of the CIPFA statement on the role of the Head of Audit in public sector organisations. These elements are all met.

**Data Security**

7.4 The council holds a significant amount of personal data across its many business areas and has put in place actions to manage the risk of possible loss of this data. These include annual mandatory training for all council and partner staff with access to council systems, publication of guidance and an Information Security policy. Staff are required to report any security incident promptly to the Information Governance team so an investigation and appropriate remedial or mitigating action can be taken. Each reported incident is followed up by the Information Governance team to identify lessons to be learned and to implement changes to reduce the risk of further similar incidents in the future. Security breaches are reported to the Information Governance Board quarterly. The Head of Information Governance assesses each security breach, in line with the Information Commissioners guidance, to identify whether an incident should be reported to the Information Commissioner's Office. During 2017/18 no enforcement action or monetary penalties were issued against the council, reflecting the effectiveness of the policies and procedures in place.

## **8. Other areas of corporate governance and assurances**

8.1 A review of the effectiveness of the governance arrangements for the council have been carried out also using the following areas:

- Performance management
- Internal Audit
- External Audit
- Risk management
- Other Inspection Reports

8.2 This evidence has been considered by the Steering Group as the review of effectiveness of the Corporate Governance Framework and Internal Control. Internal Audit Annual Report.



**9. Follow up of 2017/18 Improvement Plan and Improvement Plan 2018-19**

9.1 The improvement actions below have been identified as part of the AGS for 2017-18 and Improvement Plan for 2018-19.

<b>Action</b>	<b>Lead</b>	
Further Review of Financial Position Mid-Year	Treasurer/ Client Side Function	Report submitted to a November 2017 meeting of the Board. Detailed reports have been requested to be submitted to each meeting of the Board. <b>Reporting needs to be established and embedded during 2018-19.</b>
Review of Roles and Responsibilities	Treasurer/ Client Side Officer Client Side Officer only in 2018/19	Report submitted to November 2018 meeting of the Board. Restructuring is outstanding <b>Restructuring to be progressed during 2018-19.</b>
<b>New in 2018-19</b>		
Valuation of Fixed Assets and Establishment of a Formal Asset Register	Treasurer/Surveyor to the Board	Information to be utilised for 2018/19 account close

11. **Chair of the Board**

**Registrar to the Board**

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

**Date:** 5 June 2018

**Wards:** Borough Wide Merton and Sutton

**Subject:** ABSTRACT OF ACCOUNTS 2017/18

**Lead officer:** Zoe Church

### **Recommendations:**

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- A. To receive and approve the Draft Abstract of Accounts for 2017-18
  - B. To approve the Annual Audit Return for 2017-18
  - C. To approve the revised revenue estimates for 2018/19 at Appendix H
  - D. To arrange an autumn 2017 meeting to review the operation of the contract and further review the budgetary position
  - E. Review and Agree the Risk Register as at June 2018
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### **1. Purpose of report and executive summary**

- 1.1 This report presents MSJCB's Accounts for 2017-18 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 2018-19 Budget for Approval

### **2. Details**

- 2.1 The statement of accounts for 2017-18 is attached to this report. It includes the details of actuals for 2016/2017 for comparison purposes. The accounts are subject to external audit. The cemetery has made a gain this year of £148,380. The new contract for grounds maintenance has been running for 14 months.

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

<u>Item</u>	<u>£</u>	<u>Reason</u>
Salary Costs	1,017	Residual pre-contract Staffing Costs
Running expenses	(41,369)	Cautious reduction of budgets
Contact Sum/Client Side Costs	34,588	Rental passed through as contract costs
Management & Administration	(18,010)	Arboricultural Works moved to client side costs
Special Projects	(70,000)	Boiler replacement £53k capitalised
Income	6,244	
Net overspend/(underspend)	<u>(87,530)</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 2018

#### Sundry Debtors/Prepayments

IDVERDE income due (February & March 2018)	70,939
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<u>Total Sundry Debtors/Prepayments</u>	<u>70,939</u>
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### 2.4 Breakdown of Sundry Creditors

The table below provides a breakdown of sundry creditors as at 31st March 2018

#### Sundry Creditors

Surrey County Council - Pension Management Fees	37,000
IDVERDE Rental Pre-payment	5,500

<u>Total Sundry Creditors</u>	<u>42,500</u>
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- 2.5 **Fund balances and reserves**
- 2.6 Members should note the overall level of the Common Fund Balance to be £661,678. A distribution to Constituent Boroughs for 2017-18 is not recommended due to proposed capital projects and the future of the pension fund.
- 2.7 **Revised Estimates 2018-19**
- 2.8 Attached as Appendix H is the Revised Estimates for the Cemetery for 2018-19 for approval by the Board. Estimates have been revised to reflect a full year of operation of the new contract
- 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 Review of risks and issues in relation to the Board are considered as part of the Client Side Report.

**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 2018 C – Income and Expenditure Account 2017-18 D – Cash Flow Statement E – Copy of Annual Return 2017-18 to Auditors F – Capital Accounts G – Precept History H – Revised 2018/19 Estimates I – Risk Register May 2018
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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:
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  - Tel: 020 8545 3181
- London Borough of Merton:
  - Address: Civic Centre, London Road, Morden, SM4 5DX
  - Tel: 020 8274 4901

**MERTON AND SUTTON JOINT CEMETERY BOARD**

**ABSTRACT OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2018**

Treasurer of the Board

Merton Civic Centre  
London Road  
Morden  
Surrey  
SM4 5DX

# **MERTON AND SUTTON JOINT CEMETERY BOARD**

## **ABSTRACT OF ACCOUNTS 2017/18**

### **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 2017-18. This is to be reviewed in the 2019-20 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	24.74
C1	Grazing land	1.34
A	Let to Royal Borough of Kingston-upon-Thames for school playing fields	2.64
CC	ARQIVA	0.03
	Service Tenancy	n/a
<b>Total</b>		<b>55.10</b>

**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)

**MSJCB Movement in Reserves Statement 1 April 2016 to 31 March 2018**

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)	(513,297)	(3,919)	(408,262)	0	(951,771)
(Surplus)/Deficit of the Year			(148,380)				(148,380)
<b>Adjustments between statutory Accounting and Proper Accounting Practice</b>							
Depreciation			84,238		(84,238)		0
<b>Appropriations</b>							
Provision for loan repayment			(70,532)		70,532		0
Minimum Revenue Provision			(13,706)		13,706		(0)
Contribution to Capital Fund							
Application of Money to Fund Capital							
Balance at 31 March 2013 c/fwd	(26,040)	(252)	(661,677)	(3,919)	(408,262)	0	(1,100,151)

# MERTON AND SUTTON JOINT CEMETERY BOARD

## APPENDIX B

### BALANCE SHEET AS AT 31st MARCH 2018

31st March 2017		31st March 2018
	<b>LONG TERM ASSETS</b>	
1,713,327	Land and Building	1,638,592
54,978	Vehicles, Plant Furniture & Equipment	98,129
<u>0</u>	Long Term Debtors	0
<u>1,768,305</u>		1,736,721
	<b>CURRENT ASSETS</b>	
249	Investment at cost	249
90,833	Sundry Debtors / Prepayments	70,939
0	Provision of Bad Debt	0
623,025	Cash Balance	745,408
<u>714,107</u>		816,596
	<b>CURRENT LIABILITIES</b>	
49,442	Sundry Creditors	42,500
<u>664,665</u>		774,096
	<b>NET CURRENT ASSETS</b>	774,096
	<b>LONG TERM LIABILITIES</b>	
740,599	Loans from London Borough of Merton	705,333
740,599	Loans from London Borough of Sutton	705,333
<u>0</u>	Loans from the Public Works Loans Board	<u>1,410,666</u>
<u>1,481,198</u>		
<b>951,771</b>	<b>NET ASSETS</b>	<b>1,100,151</b>
	<b>UNUSABLE RESERVES</b>	
408,262	Capital Adjustment account	408,262
	<b>USABLE RESERVES</b>	
513,298	Common Fund	661,678
3,919	Capital Fund	3,919
26,040	Purchasing Graves In Reserve Fund	26,040
<u>252</u>	Graves maintained in perpetuity	252
<u>543,509</u>		<u>691,889</u>
<b>951,771</b>	<b>TOTAL RESERVES</b>	<b>1,100,151</b>

**Sundry Debtors/Prepayments**

90,833	IDVERDE income due	70,939
<b><u>90,833</u></b>	<b><u>Total Sundry Debtors/Prepayments</u></b>	<b><u>70,939</u></b>

**Sundry Creditors**

5,942	Cemetery & Chapel Maintenance	
18,000	Surrey County Council - Pension Management Fees	37,000
6,000	Surrey County Council - Pensions Report	0
19,500	IDVERDE charges Feb - Mar	0
0	IDVERDE Rental Pre-payment	5,500
0	Other	0
<b><u>49,442</u></b>	<b><u>Total Sundry Creditors</u></b>	<b><u>42,500</u></b>

**MERTON AND SUTTON JOINT CEMETERY BOARD**

APPENDIX C

**REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018**

<b>Actual to date 2016/17 £</b>		<b>REVENUE ESTIMATE 2017/18 £</b>	<b>Actual to date 2017/18 £</b>	<b>Variance Act-Est</b>	<b>Variance Act-Act</b>
	<b>Employees</b>				
70,967	Salaries	6,960	7,977	1,017	(62,989)
116,400	Wages	0	0	0	(116,400)
24,250	Pensions	37,000	37,000	0	12,750
<b>211,616</b>		<b>43,960</b>	<b>44,977</b>	<b>1,017</b>	<b>(166,639)</b>
	<b>Running Expenses</b>				
29,500	Contract Sum/Client Side Costs	177,000	211,588	34,588	182,088
7,802	Maintenance - Buildings	13,000	1,577	(11,423)	(6,226)
2,404	Maintenance - Mechanical	13,500	212	(13,288)	(2,192)
0	Maintenance - Electrical	1,000	40	(960)	40
14,523	Maintenance - Grounds and Paths	6,000	250	(5,750)	(14,273)
2,862	Electricity	2,710	1,684	(1,026)	(1,177)
2,088	Gas	2,050	1,400	(650)	(688)
12	Cleaning Materials	0	0	0	(12)
14,550	Rubbish Disposal	5,000	0	(5,000)	(14,550)
2,377	Water	3,550	2,405	(1,145)	28
7,623	Rates	7,560	8,747	1,187	1,124
4,337	Equipment	1,730	0	(1,730)	(4,337)
0	Consultants	0	1,250	1,250	1,250
961	Materials	0	0	0	(961)
1,372	Memorial Seats - Purchase	0	0	0	(1,372)
765	Clothing and Uniforms	0	0	0	(765)
505	Car Allowances	0	0	0	(505)
237	Petrol and Oil	0	0	0	(237)
5,391	Repair and Maintenance - Vehicles and Plant	0	0	0	(5,391)
1,408	Printing and Stationery	1,700	4,481	2,781	3,073
640	Advertising	0	0	0	(640)
3,229	Telephones & IT	0	1,320	1,320	(1,909)
445	Training & Conference Expenses	0	0	0	(445)
104	Affiliation fees	2,200	35	(2,165)	(69)
3,070	Insurance	4,000	4,000	0	930
13,457	Legal Services	5,440	10,283	4,843	(3,174)
57,769	Management and Administration Expenses	39,290	21,280	(18,010)	(36,489)
1,350	Audit Fee	1,400	1,300	(100)	(50)
36	Travel Expenses	0	0	0	(36)
98,925	Depreciation	23,220	84,238	61,018	(14,687)
53,844	Loan Interest	121,930	51,398	(70,532)	(2,446)
<b>331,585</b>		<b>432,280</b>	<b>407,488</b>	<b>(24,792)</b>	<b>75,903</b>

**REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018**

<b>Actual to date 2016/17 £</b>		<b>REVENUE ESTIMATE 2017/18 £</b>	<b>Actual to date 2017/18 £</b>	<b>Variance Act-Est</b>	<b>Variance Act-Act</b>
	<b>Special Projects</b>				
4,500	Soil Clearance	0	0	0	(4,500)
	Road Repairs			0	0
	Trees and Bedding			0	0
0	Concrete Headstone Bearers/Front Entrance			0	0
	<b>Chapel Works</b>				
28,180	Scaffolding and Redecoration	0	0	0	(28,180)
4,400	External Redecoration	0	0	0	(4,400)
960	Toilets/Restructuring	20,000	0	(20,000)	(960)
2,151	Cemetery Office	0	0	0	(2,151)
0	Bearer Beams	50,000	0	(50,000)	0
5,170	Essential Tree Works	0	0	0	(5,170)
<b>45,361</b>		<b>70,000</b>	<b>0</b>	<b>(70,000)</b>	<b>(45,361)</b>
<b>588,562</b>	<b>TOTAL EXPENDITURE</b>	<b>546,240</b>	<b>452,466</b>	<b>(93,774)</b>	<b>(136,096)</b>
	<b>INCOME</b>				
(90,833)	Income from Contractor	(590,650)	547,124	43,526	(456,290)
(423,184)	Residual Interment Fees Pre-Contract	0	(10,128)	(10,128)	413,056
(26,461)	Residual Memorial Fees Pre-Contract	0	(1,062)	(1,062)	25,399
(33,978)	Maintenance of Graves	0	0	0	33,978
(17,603)	Rents	(13,910)	(39,553)	(25,643)	(21,949)
(8,600)	Interest	(2,530)	(2,779)	(249)	5,821
(6,223)	Residual Miscellaneous Fees	0	(200)	(200)	6,023
<b>(606,882)</b>	<b>TOTAL INCOME</b>	<b>(607,090)</b>	<b>(600,845)</b>	<b>6,245</b>	<b>6,037</b>
<b>(18,321)</b>	<b>NET EXPENDITURE/(INCOME)</b>	<b>(60,850)</b>	<b>(148,380)</b>	<b>(87,530)</b>	<b>(130,059)</b>

## REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018

### (1) PURCHASING GRAVES IN RESERVE FUND

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

### (2) COMMON FUND

494,977 Balance Brought Forward	513,298
0 Contribution to - London Borough of Merton	0
0 London Borough of Sutton	0
494,977	513,298
18,321 Add Surplus (Deficit) for the year	148,380
98,925 Transfer depreciation to capital adjustment account	84,238
Loss on Disposal	
0 Provision for Repayment of Loan	0
(98,925) Minimum Revenue Provision	(84,238)
Contribution to Capital Fund	
<b>513,298 Common Fund Balance</b>	<b>661,678</b>

### (3) CAPITAL FUND

3,919 Balance Brought Forward	3,919
0 Add Loan from LBM	0
0 Add Contribution from Common Fund	0
0 Less Capital Investment Programme	0
<b>3,919 Balance Carried Forward</b>	<b>3,919</b>
<b>543,257 TOTAL FUNDS AND BALANCES</b>	<b>691,637</b>

## CASHFLOW STATEMENT

## APPENDIX D

<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>

<b>MSJCB Cash Flow Statement 2017-18</b>	<b>£</b>
Net (surplus) or deficit on the provision of services	(148,380)
Adjustment to the net surplus or (deficit) on the provision of services for non-cash movements	
+ Depreciation	(84,238)
+ Accrual	6,942
- Prepayment	(19,894)
Adjustment for cash items not in the net surplus or (deficit) on the provision of services	52,655
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>(192,915)</b>
Investing activities	0
Financing activities	70,532
<b>Net increase or decrease in cash and cash equivalents</b>	<b>(122,383)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(623,025)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(745,408)</b>



# Joint Committees

## Annual return for the financial year ended 31 March 2018

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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 2018, 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 using the following link (<https://www.pkf-littlejohn.com/joint-committees-independent-review>).

# Section 1 – Annual governance statement 2017/18

We acknowledge as the members of

Enter name of reporting joint committee

Merton and Sutton Joint Cemetery Board

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2018, that:

	Agreed –		'Yes' means that the joint committee:
	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 joint committee 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 joint committee 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 joint committee'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 joint committee.
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 joint committee 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

[Signature box]

dated 05/06/2018

Signed by:

Chair [Signature box]

dated 05/06/2018

Signed by:

Clerk [Signature box]

dated 05/06/2018

\*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 2017/18 for:

Enter name of reporting joint committee here:

Merton and Sutton Joint Cemetery Board

	Year ending		Notes and guidance 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.
	31 March 2017 £	31 March 2018 £	
1 Balances brought forward	633,988	664,416	Total balances and reserves at the beginning of the year as recorded in the joint committee'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 joint committee. Excluding any grants received.
3 (+) Total other receipts	606,882	600,845	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	211,616	44,977	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	124,378	121,930	Total expenditure or payments of capital and interest made during the year on the joint committee's borrowings (if any).
6 (-) All other payments	240,461	324,507	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	664,416	773,847	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	623,025	745,408	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	1,768,554	1,736,970	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the joint committee as at 31 March
10 Total borrowings	1,481,199	1,410,666	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 2018 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:

SIGNATURE REQUIRED

Date 05/06/2018

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

05/06/2018

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chair of meeting approving these accounting statements:

SIGNATURE REQUIRED

Date 05/06/2018

## Section 3 – Review report 2017/18 Certificate

We present the findings from our review of the annual return for the year ended 31 March 2018 in respect of:

Enter name of reporting joint committee here:

Merton and Sutton Joint Cemetery Board

### 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 2018; 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

PKF Littlejohn LLP

Date

## Section 4 – Annual internal audit report 2017/18 to

Enter name of reporting joint committee here:

Merton and Sutton Joint Cemetery Board

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 2018.

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 joint committee 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 CULLETON

Signature of person who carried out the internal audit:



Date: 24/05/2018

**\*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 2017/18 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 joint committee, 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 joint committee 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 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
	<b>1,850,945</b>	<b>98,924.87</b>	<b>0</b>	<b>16,284</b>	<b>1,768,304</b>
MRP (non Loan)		28,391.31			
Loan Management Expense		70,533.56			

## CAPITAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

### Capital and Finance leases

There are no finance leases as at 31st March 2018

There are no capital leases as at 31st March 2018

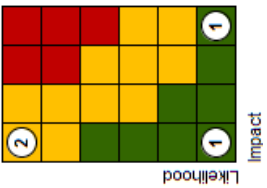
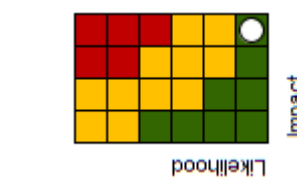
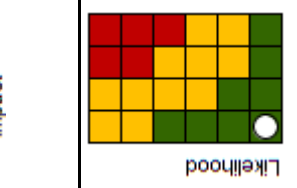
	Valuation to 31/3/2017 £	Depreciation at 31/03/2018	Disposals during year	Additions during year £	Valuation at 31/3/2017 £
Land acquired from constituent authorities -					
Carshalton UDC	22,220	0.00			22,220
Merton & Morden UDC	29,975	0.00			29,975
acquired from Merton & Morden UDC	18,621	0.00			18,621
Layout of new section	3,757	107.33			3,649
Superintendent's house & office	3,308	94.52			3,214
Waiting room and lavatories	5,801	165.75			5,635
Drawing room for works staff	178	5.10			173
Greenhouses	2,392	68.33			2,323
Chapel	26,854	301.99		-	26,552
Chapel heating	417	11.91			405
Layout of Roman Catholic section	753	21.50			731
Potting shed conversion	343	68.60			274
Cemetery extension	1,481,201	70,532.00			1,410,669
Mess room	3,379	96.53			3,282
Boundary Wally, Layout, Fencing & Elect. Works	114,128	3,260.81			110,868
Grave Digger	11,581	5,790.26			5,790
Vehicle equipment & potting sheds	1,183	591.50			592
Cemetery Grounds	13,154	876.97			12,278
Sub Transformer	26,754	1,783.59			24,970
Store shed	70	14.07			56
New Boilers	0			52,655	52,655
Repairs to Service Yard & Storage	2,238	447.61			1,790
<b>TOTAL</b>	<b>1,768,305</b>	<b>84,238.37</b>	<b>0</b>	<b>52,655</b>	<b>1,736,722</b>
Land and Buildings	1,713,326	74,734.37	0	0	1,638,593
Vehicles, Plant and Equipment	54,978	9,503.99	0	52,655	98,128
	<b>1,768,304</b>	<b>84,238.37</b>	<b>0</b>	<b>52,655</b>	<b>1,736,721</b>
MRP (non Loan)		13,705.37			
Loan Management Expense		70,533.00			

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
2018		452,466	600,845	(148,380)	0	661,678



## Merton and Sutton Joint Cemetery Board - Revised Budget 2018-19

Description	Budget 2017-18	Outturn	Original Budget 2018-19	Movement	Revised Budget 2018-19
<b>Employee Costs</b>					
Salaries	6,960	7,977	4,960	0	4,960
Super Fund Revaluation Costs	37,000	37,000	37,000	0	37,000
<b>Total Employee Costs</b>	<b>43,960</b>	<b>44,977</b>	<b>41,960</b>	<b>0</b>	<b>41,960</b>
<b>Running Costs</b>					
Contract Sum?Client Side Fee	177,000	211,588	215,820	0	215,820
Building Improvements	19,000	1,577	3,000	0	3,000
Building Maint - Mechanical	13,500	212	5,000	(2,000)	3,000
Building Maint - Electrical	1,000	40	150	0	150
Nature Conservation Works	0	250	0	0	0
Gas	2,050	1,400	600	900	1,500
Electricity	2,710	1,684	3,250	(1,250)	2,000
NNDR	7,560	8,747	7,790	210	8,000
Use of Water	3,550	2,405	3,800	2,500	6,300
Equipment/Tools Purchase	1,730	0	0	0	0
Food and Other Provisions	1,700	0	5,500	0	5,500
Multi-Functional Printers	0	281	0	0	0
Stationery	0	4,200	0	0	0
Fees	39,290	21,280	21,770	0	21,770
External Audit Fees	1,400	1,300	1,500	0	1,500
Affiliation Fees	2,200	0	1,000	(500)	500
Consultants	0	1,250	0	0	0
Insurance Premiums	4,000	4,000	4,120	0	4,120
External Waste Charges	5,000	0	1,500	0	1,500
Internal Legal Hard Charge	5,440	10,283	2,250	8,050	10,300
Telephone - Call Charges	0	1,098	1,000	200	1,200
Mobile Phones - Call Plans	0	222	0	0	0
Subscriptions	0	35	0	0	0
Valuation Report etc.	0	0	0	10,000	10,000
Depreciation	23,220	84,238	23,220	66,290	89,510
Interest	121,930	51,398	119,490	(70,540)	48,950
<b>Total Running Costs</b>	<b>432,280</b>	<b>407,488</b>	<b>420,760</b>	<b>13,860</b>	<b>434,620</b>
<b>Special Projects</b>					
Toilet Block Refurbishment/Restructuring	20,000	0	20,000	12,850	32,850
Restructuring	10,000	0	10,000	0	10,000
Bearer Beams	40,000	0	40,000	19,130	59,130
<b>Special Projects</b>	<b>70,000</b>	<b>0</b>	<b>70,000</b>	<b>31,980</b>	<b>101,980</b>
<b>Total Expenditure</b>	<b>546,240</b>	<b>452,466</b>	<b>532,720</b>	<b>45,840</b>	<b>578,560</b>
<b>Income</b>					
Contributions Income	0	(200)	0	0	0
Rental Income	(13,910)	(39,553)	(41,710)	0	(41,710)
Interment Fees	(590,650)	(557,252)	(567,020)	0	(567,020)
Memorial Fees	0	(1,062)	0	0	0
Interest Income	(2,530)	(2,779)	(3,170)	0	(3,170)
<b>Total Income</b>	<b>(607,090)</b>	<b>(600,845)</b>	<b>(611,900)</b>	<b>0</b>	<b>(611,900)</b>
<b>(Surplus)/Deficit</b>	<b>(60,850)</b>	<b>(148,380)</b>	<b>(79,180)</b>	<b>45,840</b>	<b>(33,340)</b>

Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments
<b>Merton &amp; Sutton Joint Cemeteries Board Risk Register 25 May 2018</b>								
MSJCB02 Pandemic leading to reduction in income	Risk	The risk is that income will be reduced in the long term. Initially there will be a surge in income from the mass grave at the cemetery. Subsequently it is envisaged that demand for burial services will be reduced for a number of years.	It is envisaged that the unitary income would be lower than that generated from individual burials. In addition, the Board may need to reconsider the length of time over which the extension loans are paid off. The initial surge in income would be offset by lower expected income levels for a period of time, and the Board may struggle to break even over this period.		4 25-May-2018 20-Mar-2018 14-Nov-2017 4 13-Jun-2017	R	Action Plan in place: Corporate Pandemic (swine flu) plan. LBM will update plans as and when any new pandemic arises.	19 Dec 2017
MSJCB03 Rental Income affected	Issue	The risk is that we will be unable to maximise our income through rents.	Reduced rental incomes. The need to achieve higher income from interments. Regular rentals reviews required to maximise rental income from land.		1 25-May-2018 21-Mar-2018 6 14-Nov-2017 6 13-Jun-2017	FI	REQUEST TO REMOVE THIS ISSUE. However, a succinct update report is required for each meeting of the Board to ensure continued review.	25 May 2018
MSJCB07a Contracting out of Merton & Sutton services (operational implications)	Issue	The risk is that there will be a negative operational effect from contracting out of Merton and Sutton office administration, grounds maintenance and grave digging services.	Negative impact on the operation and management of the cemetery.		6 25-May-2018 21-Mar-2018 6 14-Nov-2017 6 13-Jun-2017		The Board have requested detailed Client and Contractor reports to be presented to each meeting of the Board. The risk rating will be reduced once this information is received by the Board and embedded.	25 May 2018

Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments												
MSJCB07b Contracting out of Merton & Sutton services (pension implications)	Issue	The risk is that the mature pension fund for which we anticipate the deficit will increase at each Actuarial revaluation.	Short, Medium and Long Term Pension implications		<table border="1"> <tr> <td>6</td> <td>25-May-2018</td> <td>▲</td> </tr> <tr> <td>6</td> <td>25-May-2018</td> <td>▲</td> </tr> <tr> <td>6</td> <td>21-Mar-2018</td> <td>▲</td> </tr> <tr> <td>6</td> <td>14-Nov-2017</td> <td>▲</td> </tr> </table>	6	25-May-2018	▲	6	25-May-2018	▲	6	21-Mar-2018	▲	6	14-Nov-2017	▲		The financial situation will continue to be monitored. This is a mature fund for which Surrey County Council is unable to provide a detailed breakdown of former staff. The next Actuarial Revaluation is due in 2020.	25 May 2018
6	25-May-2018	▲																		
6	25-May-2018	▲																		
6	21-Mar-2018	▲																		
6	14-Nov-2017	▲																		

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By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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