

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:

- 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 31st 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

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 - email: press@merton.gov.uk
 - 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
Total		55.10

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)
Adjustments between statutory Accounting and Proper Accounting Practice							
Depreciation			98,925		(98,925)		0
Appropriations							
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)
Adjustments between statutory Accounting and Proper Accounting Practice							
Depreciation			84,238		(84,238)		0
Appropriations							
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
	LONG TERM ASSETS	
1,713,327	Land and Building	1,638,592
54,978	Vehicles, Plant Furniture & Equipment	98,129
0	Long Term Debtors	0
<u>1,768,305</u>		<u>1,736,721</u>
	CURRENT ASSETS	
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>		<u>816,596</u>
	CURRENT LIABILITIES	
49,442	Sundry Creditors	42,500
<u>664,665</u>		<u>774,096</u>
	NET CURRENT ASSETS	774,096
	LONG TERM LIABILITIES	
740,599	Loans from London Borough of Merton	705,333
740,599	Loans from London Borough of Sutton	705,333
0	Loans from the Public Works Loans Board	
<u>1,481,198</u>		<u>1,410,666</u>
951,771	NET ASSETS	1,100,151
	UNUSABLE RESERVES	
408,262	Capital Adjustment account	408,262
	USABLE RESERVES	
513,298	Common Fund	661,678
3,919	Capital Fund	3,919
26,040	Purchasing Graves In Reserve Fund	26,040
252	Graves maintained in perpetuity	252
<u>543,509</u>		<u>691,889</u>
951,771	TOTAL RESERVES	1,100,151

Sundry Debtors/Prepayments

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

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
<u>49,442</u>	<u>Total Sundry Creditors</u>	<u>42,500</u>

MERTON AND SUTTON JOINT CEMETERY BOARD

APPENDIX C

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018

Actual to date 2016/17 £		REVENUE ESTIMATE 2017/18 £	Actual to date 2017/18 £	Variance Act-Est	Variance Act-Act
	Employees				
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
211,616		43,960	44,977	1,017	(166,639)
	Running Expenses				
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)
331,585		432,280	407,488	(24,792)	75,903

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018

Actual to date 2016/17 £		REVENUE ESTIMATE 2017/18 £	Actual to date 2017/18 £	Variance Act-Est	Variance Act-Act
	Special Projects				
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
	Chapel Works				
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)
45,361		70,000	0	(70,000)	(45,361)
588,562	TOTAL EXPENDITURE	546,240	452,466	(93,774)	(136,096)
	INCOME				
(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
(606,882)	TOTAL INCOME	(607,090)	(600,845)	6,245	6,037
(18,321)	NET EXPENDITURE/(INCOME)	(60,850)	(148,380)	(87,530)	(130,059)

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
26,040	26,040

(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	
513,298 Common Fund Balance	661,678

(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
3,919 Balance Carried Forward	3,919
543,257 TOTAL FUNDS AND BALANCES	691,637

CASHFLOW STATEMENT

APPENDIX D

MSJCB Cash Flow Statement 2016-17	£
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
Net cashflows from Operating Activities	(36,806)
Investing activities	0
Financing activities	70,534
Net increase or decrease in cash and cash equivalents	33,728
Cash and cash equivalents at the beginning of the period	(656,752)
Cash and cash equivalents at the end of the period	(623,025)

MSJCB Cash Flow Statement 2017-18	£
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
Net cashflows from Operating Activities	(192,915)
Investing activities	0
Financing activities	70,532
Net increase or decrease in cash and cash equivalents	(122,383)
Cash and cash equivalents at the beginning of the period	(623,025)
Cash and cash equivalents at the end of the period	(745,408)

Joint Committees

Annual return for the financial year ended 31 March 2018

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 – to agree with bank reconciliation.
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 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
TOTAL	1,850,946	98,924.87	0	16,284	1,768,305
Land and Buildings	1,771,776	74,734.37	0	16,284	1,713,327
Vehicles, Plant and Equipment	79,169	24,190.50	0	0	54,977
	1,850,945	98,924.87	0	16,284	1,768,304
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
TOTAL	1,768,305	84,238.37	0	52,655	1,736,722
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
	1,768,304	84,238.37	0	52,655	1,736,721
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
Employee Costs					
Salaries	6,960	7,977	4,960	0	4,960
Super Fund Revaluation Costs	37,000	37,000	37,000	0	37,000
Total Employee Costs	43,960	44,977	41,960	0	41,960
Running Costs					
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
Total Running Costs	432,280	407,488	420,760	13,860	434,620
Special Projects					
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
Special Projects	70,000	0	70,000	31,980	101,980
Total Expenditure	546,240	452,466	532,720	45,840	578,560
Income					
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)
Total Income	(607,090)	(600,845)	(611,900)	0	(611,900)
(Surplus)/Deficit	(60,850)	(148,380)	(79,180)	45,840	(33,340)

Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments												
Merton & Sutton Joint Cemeteries Board Risk Register 25 May 2018																				
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.		<table border="1"> <tr><td>4</td><td></td><td>25-May-2018</td></tr> <tr><td>4</td><td></td><td>20-Mar-2018</td></tr> <tr><td>4</td><td></td><td>14-Nov-2017</td></tr> <tr><td>4</td><td></td><td>13-Jun-2017</td></tr> </table>	4		25-May-2018	4		20-Mar-2018	4		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
4		25-May-2018																		
4		20-Mar-2018																		
4		14-Nov-2017																		
4		13-Jun-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.		<table border="1"> <tr><td>1</td><td></td><td>25-May-2018</td></tr> <tr><td>1</td><td></td><td>21-Mar-2018</td></tr> <tr><td>6</td><td></td><td>14-Nov-2017</td></tr> <tr><td>6</td><td></td><td>13-Jun-2017</td></tr> </table>	1		25-May-2018	1		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
1		25-May-2018																		
1		21-Mar-2018																		
6		14-Nov-2017																		
6		13-Jun-2017																		
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.		<table border="1"> <tr><td>6</td><td></td><td>25-May-2018</td></tr> <tr><td>6</td><td></td><td>21-Mar-2018</td></tr> <tr><td>6</td><td></td><td>14-Nov-2017</td></tr> <tr><td>6</td><td></td><td>13-Jun-2017</td></tr> </table>	6		25-May-2018	6		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
6		25-May-2018																		
6		21-Mar-2018																		
6		14-Nov-2017																		
6		13-Jun-2017																		

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	<p>Likelihood</p> <p>Impact</p>	<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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