

**CHILTERNS CREMATORIUM JOINT COMMITTEE
21 JUNE 2012**

REPORT OF THE TREASURER

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2011/12

(Contact Officer: Alison Howes 01494 732260)

RECOMMENDATION

- 1. To raise no objection to the appointment of Mazars LLP as the appointed auditor for future audits 2012/13 - 2017/18.**
- 2. That the Small Bodies Annual Return for the year ended 31 March 2012 be approved and signed by the Chairman of the Joint Committee, the Clerk and Treasurer.**
- 3. That the accumulated revenue surplus be retained by the Joint Committee for future capital investment.**

Accounts and Audit Regulations (England) 2011

Appointment of External Auditor and Audit Fee

1. The Audit Commission appointed Mazars LLP to audit the accounts of Chilterns Crematorium Joint Committee for a two year period, upto the year ending 31 March 2012.
2. The audit will be carried out under the Audit Commission's limited assurance audit approach. This requires the completion and submission of an annual return which must be approved by the relevant body by 30 June. In line with last year it is anticipated that all audit work will be continue to be carried out remotely via the Small Bodies Annual Return and supplementary supporting documents.
3. The fees for limited assurance audit for small bodies are based on bands of annual income or expenditure (whichever is the higher). The anticipated audit fee for the Joint Committee 2011/12 audit will be £2,500.
4. The Audit Commission is currently consulting on the appointment of external auditors for 2012/13 – 2017/18. Mazars LLP have been awarded the grouping in Buckinghamshire which includes the Crematorium, fees based on bands of annual income or expenditure (whichever is the higher) for 2012/13 currently quoted at £2,000 pa. Any objection to the appointment of Mazars LLP must be registered by Friday 29th June 2012.

Small Bodies Annual Return for the year ended 31 March 2012

5. The Small Bodies Annual Return for the year ended 31 March 2012 is attached at **Appendix 1**. It comprises the following sections:-
 - Section 1 – Accounting Statements
 - Section 2 – Annual Governance Statement
 - Section 3 – External Auditor’s certificate and opinion (to be added following completion of audit)
 - Section 4 – Annual Internal Audit report (to be completed prior to Committee Meeting)

6. It should be noted that Section 1 Accounting Statements has been formally certified by the Treasurer as presenting fairly the financial position of the Crematorium and requires formal approval by the Joint Committee and the signature of the Chairman. Section 2 Annual Governance Statement also requires formal approval by the Joint Committee and must be signed by both the Chairman and the Clerk.

7. To supplement the information contained in the Annual Return and to aid Members understanding of the financial position of the Joint Committee officers have included the Income and Expenditure Account and Balance Sheet at **Appendix 2**.

Income and Expenditure

8. The key points to note for 2011/12 are:-
 - A revenue surplus of £514,445 compared to a budgeted surplus of £366,545
 - Higher income from fees & charges as the actual number of cremations exceeded the budgeted assumption
 - An improvement in income from investments (2011 £12,461 2012 £33,093) but still significantly lower than in previous years due to the continuing low interest rates
 - A lower than anticipated VAT loss due to revenue expenditure being lower overall than budgeted
 - Crematory floor works were delayed into 2012/13 due to teething problems with the abatement filtration systems, budgeted at £10,000
 - The project for the scanning of hand written Cremation Registers was initially started but was placed on hold due to the long term sickness of the Senior Administrator. The process was resumed in the 4th quarter of 2011/12 but due to additional evaluation and clarification requirements on quotes received, the project and costs have slipped into 2012/13
 - Capital expenditure during the year of £350,588 is mainly attributable to the Mercury Abatement and Heat transfer works.

- An improved position on the General Fund balance, which as at 31 March 2012 was £2,914,646

Balance Sheet

9. The key points to note for 2011/12 are:-

- Fixed Assets – this represents the value of the Crematorium's assets and includes the site land, two chapels, offices, staff bungalows, crematory and other equipment and stands at almost £4.8 million. The Crematorium's assets were re-valued as at 1 April 2011. The revaluation (which includes the current capital spend on the abatement project) increased the net book value of the fixed assets by £1,626,148 as at 1st April 2011.
- Current Assets – this relates to items that could be turned into cash at short notice and is made up of debtors i.e. money owed to the Crematorium, or short term investments. The Crematorium's short term investments are primarily monies invested for less than and up to one year or deposits held in call or notice accounts. Total current assets stand at just over £3 million, an increase of £600,000 over the 2010/11 position which mainly reflects an increase in the level of investments held.
- Current Liabilities – this is the opposite of current assets and relates to money the Crematorium owes to external bodies and organisations amounting to £94,000, an increase of £75,000 over the previous year. This increase is due to timing differences only of recharges and creditor payment runs around the year end period and does not imply any delay in payment of monies owed.
- Equity – this section shows how assets and liabilities are funded. Not all of the items shown here are cash backed reserves. The General Fund Account reserve represents amounts being held on behalf of constituent authorities to fund future capital projects.

Cashflow

10. The cashflow statement shows the inflow and outflow of cash for the year for both revenue and capital and shows whether the Crematorium's cash position has improved on a year on year basis.

General Fund Reserve

11. The apportionment between constituent authorities of the General Fund balance of £2.9 million as at 31 March 2012 is shown in the table below. The retention of the accumulated balance by the Joint Committee is necessary to meet scheduled future capital investment. This will be subject to further review when the financial strategy and 2012/13 budgets are considered later in the year.

| District Council | Balance 31.3.2011 | Apportionment 2011/2012 | Balance 31.3.2012 |
|-------------------------|------------------------------|------------------------------------|------------------------------|
| | £ | £ | £ |
| Aylesbury Vale | 674,290.42 | 164,292.71 | 838,583.13 |
| Chiltern | 718,426.94 | 132,306.52 | 850,733.46 |
| Wycombe | 1,007,484.19 | 217,845.35 | 1,225,329.54 |
| Totals | 2,400,201.55 | 514,444.58 | 2,914,646.13 |