

PART A

Report to: WEST HERTS CREMATORIUM JOINT COMMITTEE

Date of Meeting: 13th JUNE 2022

Report of: TREASURER

Title: OUTTURN REPORT AND
STATEMENT OF ACCOUNTS 2021/22

1. **Purpose of Report**

The Joint Committee is asked to:

- consider the Final Outturn report for 2021/22
- consider the draft Statement of Accounts for the year ended 31st March 2022
- consider and approve the Annual Return for 2021/22

2. **Background**

- 2.1 Up to the financial year 2009/10, the Joint Committee was required to comply with the final accounts requirements which applied to all local authorities; under these requirements a full statement of accounts had been prepared and submitted to the Joint Committee for approval at the June meeting each year.
- 2.2 Different arrangements applied to the Joint Committee from 2010/11 - the Joint Committee has only been required to complete a brief statement of accounts in the form of an annual return, with a simpler external audit regime.
- 2.3 From 2015/16 the legal requirement for Joint Committees to prepare separate accounts, and have them externally audited, has been removed. However, the Joint Committee decided, at its January 2015 meeting, that it should still produce independent annual accounts, and continue to have them audited. The accountants BDO, who have audited the Joint Committee's accounts for several years, agreed to continue to provide this service on much the same basis as previously, and at the same cost.
- 2.4 In addition to the annual statement, the Treasurer has still prepared a full statement of accounts (**Appendix B**), which is not subject to audit, and an outturn report (**Appendix A**), for members' information.

3. Discussion and Proposals

Statutory requirements for the accounts

- 3.1 With effect from the financial year 2010/11, local councils and other public bodies such as joint committees with annual turnover below £6.5 million are classed as “smaller relevant bodies”. Such organisations have only been required to complete a comparatively brief annual return, rather than the full statement of accounts required for larger authorities. As mentioned above in 2.3, this requirement has now been removed, but the Joint Committee has decided to continue to comply with this process, and to have the statement externally audited.
- 3.2 At the time of writing this report, the annual return for 2021/22; it includes the following sections:
1. An Annual Governance Statement, one page only, with yes/no responses to indicate compliance with a number of key arrangements and controls. This section to be signed by the Chairman and the Clerk.
 2. A brief one-page statement of accounts, showing the accounts for the year in a much summarised form, to be signed by the responsible financial officer, and the Chairman.
 3. A certificate to be signed by the external auditor, following submission of the return to him in July.
 4. A certificate to be signed by the internal auditor, indicating whether the Joint Committee complies with some key internal control objectives. *(An internal audit is currently underway, although the final report will not be issued, and this section signed by the internal auditor, until after the meeting).*
- 3.3 The main financial table included in section 1 of the return will be as follows:

	Year ended 31 st March 2021 £	Year ended 31 st March 2022 £
Balances Brought Forward	2,182,509	2,635,478
<i>Plus</i> Income from Local Taxation/Levy	0	0
<i>Plus</i> Total Other Receipts	2,669,864	2,360,901
<i>Less</i> Staff Costs	(613,527)	(585,013)
<i>Less</i> Loan Interest/Capital Repayments	0	0
<i>Less</i> All Other Payments	(1,604,892)	(1,574,792)
Balances carried forward	2,633,979	2,836,574
Total Cash and Short Term Investments	2,634,978	2,483,890
Total Fixed Assets and Long Term Investments	8,651,610	8,686,081
Total Borrowings	0	0

Note: The above table reflects the reclassification of the Joint Committee’s PSDF investment, from “Cash and Short Term Investments” to “Fixed Assets and Long Term Investments”, for the purposes of the Annual Return, in line with the external auditor’s recommendation.

- 3.4 As the return includes only a very summarised representation of the Joint Committee's accounts, two further documents familiar to members have been prepared – a Final Outturn report (**Appendix A**) comparing the outturn in detail with the revised budget and the previous year, and a fuller Statement of Accounts (**Appendix B**), largely in line with the requirements for larger local authorities, but excluding some of the less relevant details.

The 2021/22 Outturn

- 3.5 The Joint Committee's Final Outturn Report for 2021/22 (**Appendix A**) shows a net deficit for the year of £1,152,061 (line 54 in App A), a decrease of £939,653 from the figure reported in the 2021/22 revised budget.
- 3.6 Cremation numbers throughout the year were lower than anticipated, – this accounted for an £643K deficit to the revised budget. There were also some preliminary costs associated with the new crematorium project, which were funded in part by set-aside reserves.

The main differences are summarised as follows:

	£K	
cremations income	643	<i>Decreased cremation numbers.</i>
Preliminary costs – new crematorium project	-2,008	<i>Reduced costs in 21/22 due to project delays</i>
Other Income	104	
Employee costs	-45	<i>Mainly lower organists costs</i>
Other items	-366	
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Net decrease in deficit	-940	

More detailed information and comments are included in the Outturn Report, **Appendix A**.

- 3:7 The Revenue Account has maintained the balance of a recommended £300,000 – this balance represents the resources likely to be needed to meet additional costs and lost income in the event of a short-term closure. In practice the Joint Committee routinely has much higher levels of reserves in its Renewal and Repairs Fund – this now stands at £1.74 million which will be applied to help finance the Joint Committee's capital programme, including the proposed new crematorium, and the eventual replacement once again of the current cremators and associated plant.

The Statement of Accounts

- 3.8 As mentioned above, from 2010/11 onwards the Joint Committee has no longer been required to prepare a full, detailed Statement of Accounts – as a “smaller relevant body” with a turnover of less than £6.5 million, the Joint Committee has only been required to complete an annual return. And even though this requirement is now removed, the Joint Committee will continue to complete an annual return, which will continue to be subject to external audit. The various sections of the return are as outlined in 3.2 above, and the intention is to complete the return for submission to the meeting.
- 3.9 As the financial information contained in the annual return is very brief, your officers have prepared a fuller Statement of Accounts (**Appendix B**) along the lines of those submitted in previous years.

4. Recommendations

- 4.1 The Joint Committee is asked to:
- consider the Final Outturn Report for 2021/22 (**Appendix A**)
 - consider the 2021/22 Statement of Accounts (**Appendix B**)
 - Consider and approve the 2021/22 Annual Return (**Appendix C**), specifically:
 - The Annual Governance Statement for 2021/22 (Section 1), including the yes/no responses within it, and
 - The Accounting Statements for 2021/22 (Section 2)
 - The Internal Audit Annual Report for 2021/22 (Section 4)

Contact officers:

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