

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT OF THE TREASURER

COYCHURCH CREMATORIUM JOINT COMMITTEE

FRIDAY 19 SEPTEMBER 2014

AUDITED STATEMENT OF ACCOUNTS 2013-2014

1. Purpose of the Report

- 1.1 The purpose of this report is to present the Joint Committee's Statement of Accounts for the financial year ended 31 March 2014; which is now due to be signed off by our external auditors KPMG, and to receive the auditors Report to those Charged with Governance.

2. Connection to Corporate Improvement Objectives / Other Corporate Priority

- 2.1 None.

3. Background

- 3.1 The Accounts and Audit (Wales) (Amendment) Regulations 2010 require that the Joint Committee approves the audited Statement of Accounts by 30 September. The format and content of the statement is governed by those regulations and the accounts for 2013-14 have been produced in line with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) for 2013-14.
- 3.2 The (unaudited) Statement of Accounts was reported to the Joint Committee on the 13 June 2014.
- 3.3 The (unaudited) Statement of Accounts were placed on public deposit and were subject to audit by KPMG, the auditors appointed for the Joint Committee by the Wales Audit Office.

4. Current Situation /Proposal

- 4.1 KPMG, our external auditors, have carried out their audit of the 2013-14 Statement of Accounts and have made some minor amendments including some suggested minor presentational adjustments. The net movement on the general fund (after adjustments between accounting basis and funding basis under regulations) of £481,000 has been added to the accumulated reserve for the Crematorium bringing the total of that reserve to £1,019,000 which is being held to fund future works. The

total reserves as at the 31 March 2014 are £3,287,000. The revised Statement of Accounts is attached as **Appendix 1**.

- 4.2 The only significant change to the Statement of Accounts is an accrual of £19,000 in respect of a credit note for an insurance payment paid in the year in error and subsequently refunded during 2014-15 (as disclosed at the June 2014 Joint Committee meeting) and a net adjustment of £2,000 for cash in transit. The inclusion of these adjustments along with an adjustment in respect of an upward asset revaluation of £63,000 increases the surplus in the Comprehensive Income & Expenditure Statement from £464,000 to £549,000 and after accounting for adjustments between accounting basis and funding basis under regulations increases the accumulated surplus from £1,002,000 to £1,019,000.
- 4.3 The accounts have also been adjusted to reflect the requirements of IAS 1 “Presentation of Financial Statements” in respect of applying new groupings of the reported amounts under Other Comprehensive Income and Expenditure into those transactions that will be reclassified separately to the surplus/deficit on the provision of services and those transactions that will not be reclassified. The change in accounting policy has been applied retrospectively. The requirements introduced by the amendments of IAS 1 are only a change in the presentation requirements of the Comprehensive Income and Expenditure Statement. These new requirements are intended to highlight the potential effect to users that these gain or losses may have on the surplus or deficit on the provision of services.
- 4.4 The mutual responsibilities of auditor and the audited body are expressed in the two other appended documents. Auditing standards require our auditors to obtain representation from the Committee on certain matters material to their opinion. The **letter of representation**, which is attached as **Appendix 2**, confirms to the best of one’s knowledge and belief, having made appropriate enquiries of other officers of the Coychurch Crematorium Joint Committee, certain assurances to the auditors regarding the financial statements for Coychurch Crematorium Joint Committee for the year ended 31 March 2014.
- 4.5 The auditors have prepared an “Audit of Financial Statements Report for 2013-14”, which appears as **Appendix 3**. It summarises the key issues identified during the consideration of the statement of accounts and annual governance statement.

5. **Effect upon Policy Framework and Procedure Rules**

- 5.1 There are no implications upon policy framework and procedural rules.

6. **Equality Impact Assessment**

- 6.1 There is no impact on specific equality groups and disability duties.

7. Financial Implications

7.1 These are reflected in the report and attached Statement of Accounts.

8. Recommendation:

8.1 It is recommended that the Joint Committee:

- Approve the audited Statement of Accounts for 2013-14 (Appendix 1)
- Note and agree the Letter of Representation to be provided to KPMG and the Wales Audit Office(Appendix 2)
- Note the auditors' Audit of Financial Statements Report for 2013-14 (Appendix 3)

**GILL LEWIS
INTERIM CORPORATE DIRECTOR RESOURCES, S151 OFFICER
BRIDGEND COUNTY BOROUGH COUNCIL
TREASURER TO COYCHURCH CREMATORIUM JOINT COMMITTEE**

19 SEPTEMBER 2014

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Background Papers: Report of the Treasurer
Statement of Accounts 2013-2014
Coychurch Crematorium Joint Committee
13th June 2014