

**MANSFIELD AND DISTRICT
JOINT CREMATORIUM COMMITTEE**

**ANNUAL REPORT
AND
STATEMENT OF ACCOUNTS
2016/2017**



Mansfield
District Council



**NEWARK &
SHERWOOD**
DISTRICT COUNCIL

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1. INTRODUCTION

Mansfield Crematorium was built in the late 1950's as a joint initiative by a group of local authorities who recognised the need for cremation facilities which were easily accessible to the people of the area.

The operation and management of the Crematorium is conducted through a Joint Committee comprising of Mansfield District Council, Ashfield District Council and Newark and Sherwood District Council. The joint use agreement has been revised as circumstances have changed, currently Mansfield and Ashfield District Council's each appoint three executive members to the Joint Committee and Newark and Sherwood District Council appoints three elected members in accordance with the rules on political balance.

Mansfield District Council is the lead authority for the Joint Committee; who holds the contracts of employment for the staff and the legal title to the Crematorium; Its Director of Commerce and Customers acts as Treasurer of the Committee.

The constituent authorities have given delegated authority to the Joint Committee to determine the capital programme, provided the costs can be met through revenue surpluses or the repairs and renewal fund.

The operating surplus of the crematorium is distributed to the constituent authorities on the basis of throughput as would any capital expenditure that could not be financed from the Joint Committees own resources.

The Statement of Accounts for the year ended 31 March 2017 have been prepared in accordance with latest Code of Practice on Local Authority Accounting in order to provide the necessary detail for subsequent consolidation into the accounts of the constituent authorities. The format reflects the requirements of the Code of Practice in Local Authority Accounting in the United Kingdom 2016/2017 and the Service Accounting Code of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA). This is supported by the International Financial Reporting Standards (IFRS).

With effect from the financial year 2015/2016 Joint Committees no longer have a statutory obligation to prepare accounts which will be audited by a firm appointed by the Audit Commission. With effect from 1 April 2015 expenditure and income of the Joint Committee will only be subject to statutory audit as part of the main accounts of the constituent audited bodies.

These accounts will present:

- An explanation of the Financial Statements
- The Annual Report and a summary of the financial performance
- The Accounting Policies which have been applied in preparing these accounts
- The Core Financial Statements
- Supplementary Financial Statements and Notes to support the accounts

Further Information

If you require any further information concerning the accounts of the Joint Crematorium Committee please contact the Director of Commerce and Customers at Mansfield District Council, The Civic Centre, Chesterfield Road South, Mansfield, Nottinghamshire, NG19 7BH Telephone 01623 463145 or by email: ASaccountancy@mansfield.gov.uk

EXPLANATION OF THE ACCOUNTING STATEMENTS

The Statement of Accounts sets out the Committee's income and expenditure for the year and its financial position at 31 March 2017. It comprises core and supplementary statements, together with disclosure notes.

The Core Financials Statements are:

Movement in Reserves Statement (MiRS) - This is a summary of the changes to the reserves during the course of the year. Reserves are divided into "usable" those which can be invested in capital projects or service improvements and "unusable" which must be set aside for specific purposes.

The Expenditure and Funding Analysis (EFA) – This shows how annual expenditure is used and funded from resources in comparison with how those resources are consumed or earned.

Comprehensive Income and Expenditure Statement (CIES) - This records all of the Committee's income and expenditure for the year. The top half of the statement provides analysis of income and expenditure. The bottom half of the statement deals with the corporate transactions and funding.

Balance Sheet - The Balance Sheet is a "snapshot" of the financial position of the Committee. It shows the assets, liabilities, cash balances and reserves at the year-end date.

Cash Flow Statement - This statement shows the reasons for the changes in the Committee's cash balances during the year and whether that change is due to operating activities, new investment or financing activities.

The Supplementary Financial Statements are:

Annual Governance Statement - This sets out the Committees' governance structures and its key internal controls.

Other Key Sections:

Statement of Responsibilities - This sets out the respective responsibilities of the Committee and the Treasurer.

Accounting Policies - These explain the treatment and basis of the figures in the accounts in accordance with proper accounting practices.

Notes to the Financial Statements - These expand on important points shown in the core financial statements and provide additional information.

Glossary of Terms and Abbreviations - Key terms used throughout this document are explained further within these pages.

2. ANNUAL REPORT AND SUMMARY OF FINANCIAL PERFORMANCE

2.1 Summary of Financial Performance

The Committee approved the budget for 2016/2017 on 7 December 2015 and was revised during 2016/2017 to include approved budget carry forwards from 2015/2016 and budget realignments for 2016/2017.

The actual performance for the year compared to the budgeted controllable income and expenditure is shown in the table below:

Table 1 – Financial Performance 2016/2017

2015/2016		2016/2017		
Actual Outturn £	Income and Expenditure Summary	Revised Budget £	Actual Outturn £	Variance to Budget £
	Income			
-1,549,258	Cremation Fees	-1,732,460	-1,733,981	-1,521
-37,654	Other Income	-33,227	-29,952	3,275
-1,586,912	Gross Income	-1,765,687	-1,763,933	1,754
	Expenditure			
340,838	Employee Costs	352,754	336,328	-16,426
344,278	Premises Costs	428,680	343,373	-85,307
133,808	Supplies and Services	211,803	158,708	-53,095
44,046	Support Services	44,134	43,050	-1,084
4,608	Provisions	0	1,269	1,269
867,578	Gross Expenditure	1,037,371	882,728	-154,643
-719,334	Net Cost of Service	-728,316	-881,205	-152,889
-6,269	Interest Received	-5,000	-4,120	880
0	Transfer to General Reserve	0	29,500	29,500
-725,603	Net Surplus for Distribution	-733,316	-855,825	-122,509

The main reasons for the variances between budgeted and actual income and expenditure is summarised below:

3.2 Income

The gross income received during 2016/2017 was £1,763,933 compared to a budget of £1,765,687, a slight reduction of £1,754 (0.1%). Although the outturn position is very close to the budget, there are a number of small variances:

- There was a reduction in the income received from the Crematoria Abatement of Mercury Emissions Organisation (CAMEO), the National burden sharing scheme. The target of 50% of cremations being abated was not met due to maintenance issues early in 2016. This resulted in a reduction in income of £6,165.
- There was a reduction in the number of funerals requiring the services of an organist and inscriptions in the book of remembrance. This resulted in a reduction in income of £9,684.

- An additional £3,028 was received for clerical works relating to cemetery administration and Public Health funerals.
- The estimated number of cremations for 2016/2017 was 2,600; the actual number of cremations undertaken was 2,623 which is an increase of 23 (0.88%). This resulted in an increase in income of £11,067.

3.3 Expenditure

The gross expenditure incurred during 2016/2017 was £882,728 compared to the revised budget of £1,037,371, resulting in underspends totalling £154,643 (15%). The main reason for the differences are summarised below:

Employee costs - £16,426 lower than budgeted:

- Pay and Overtime expenses are under-spent by £23,014 due to staff vacancies.
- Changes to National Insurance Contributions resulted in over spends of £6,480.

Premises costs - £85,307 lower than budgeted:

- Utility costs were lower than estimated resulting in an under spend of £33,043.
- Within the year £25,376 budget was realigned to Cremation Expenses to cover the additional costs under the CAMEO national burden sharing scheme.
- The costs of Cremator repairs have decreased by £34,158 due to less maintenance requirements in year, after the major works undertaken in the previous year.
- Maintenance of Buildings and Grounds includes a carried forward budget of £11,000 from 2015/2016 for works to the catafalque and surrounding area within the Thoresby Chapel. These works have not been undertaken during 2016/2017 and are to be carried forward into 2017/2018.

Supplies and Services £53,095 lower than budgeted:

- Cremation expenses; during 2016/2017 a budget realignment of £25,376 was moved from the utilities budget (Premises Costs) to cremation expenses to meet the costs from CAMEO for not meeting the 50% abatement target. Reduced demand for the services of the organists resulted in an under-spend of £5,525.
- Other running costs are showing an under spend of £50,599.

3.4 Annual Surplus

£29,500 has been transferred to the General Reserve Account as agreed by the Committee. After this transfer, the net surplus for 2016/2017 to be distributed is £855,825 which represents an increase of £122,509 (16.7%) against the revised budget of £733,316. The reasons for this variance have been highlighted above.

3.5 Number of Cremations

The following table shows the number of cremations conducted during the last five years by area of origin:

Table 2

Year	Ashfield	Mansfield	Newark & Sherwood	Out of Area	Total	% Change in year
2016/2017	823	964	232	604	2,623	5.2%
2015/2016	863	831	207	592	2,493	-11.3%
2014/2015	915	889	211	797	2,812	8.4%
2013/2014	845	800	199	750	2,594	-1.9%
2012/2013	834	836	216	757	2,643	0.0%

Table 2 above shows that in 2016/2017 there has been;

- a reduction in Ashfield's areas of 40 (5%)
- an increase in Mansfield's area of 133 (16%)
- an increase in Newark & Sherwood's area of 25 (12%) and
- an increase in other areas of 12 (2%)

The reason for these changes is not conclusive, but a recently opened crematoria on the Ashfield border at Swanwick in Derbyshire, could potentially be impacting on the number of Ashfield area cremations.

3.6 Surplus Distribution

The annual surplus to be distributed to the three constituent authorities is calculated based on the number of cremations conducted within each area during the year (2016/2017), as shown in the table below:

Table 3 - 2016/2017 Surplus Distribution

District	Number of Cremations	%	Surplus
Mansfield	964	47.75%	£408,657
Ashfield	823	40.76%	£348,834
Newark & Sherwood	232	11.49%	£98,334
TOTAL	2,019	100%	£855,825

3.7 Balance Sheet Review

The Balance Sheet shows the value of assets and liabilities recognised by the Joint Committee as at the Balance Sheet date. It indicates how much is owed to the Committee and how much the Committee owes to others, together with summarised information on the assets held and the financing of those assets. The net assets of the Committee (assets less liabilities) are matched by the reserves held. During 2016/2017 the net assets of the Committee have reduced by £648,463 this is mainly due to the revaluation of the pension liability. The significant points are summarised below and further details are provided in the Notes to the accounts.

3.7.1 Long Term Assets - Property, Plant and Equipment

Revaluation

In accordance with the agreed five yearly revaluation, the Crematorium land, buildings and equipment were re-valued during the course of 2016/2017 (1 April 2016) by the District Valuation Office. The revised valuations and assets lives are shown in table 4 below:

Table 4 – Revaluation Summary

Component	Depreciated Replacement Cost £	Remaining Life (Years)
Structure	1,003,800	23
Cremator	944,500	15
Land	2,500	
Total Value	1,950,800	18

This result of the revaluation is an increase in the assets of £109,841. Surpluses/deficits arising on the valuation of non-current assets are credited or debited to the Revaluation Reserve Account.

The latest valuation shows the average life of the assets as being 18 years, this was previously 99 years. At a meeting on 20 February 2017 the Committee agreed to commission Mansfield District Council's Design Services team in conjunction with the Director/Registrar of the Crematorium to undertake a full review of planned preventative maintenance works required to these assets and provide the committee with a schedule of works and estimated costs. This review will identify the future financial commitments required to maintain and replace these assets.

Depreciation

As from 2016/2017 the Comprehensive income and expenditure statement will have an annual capital charge (depreciation) of £106,610 for assets used in the provision of the service. The value of the assets are reduced by the depreciation charge, further details are provided in the Notes to the accounts. The charge for depreciation does not affect the amounts available for distribution under the current policy.

Capital Expenditure

The Total Capital Budget for 2016/2017 was £533,291.

During 2016/2017 £43,194 was spent, of this £35,157 related to the purchase of 0.57 acres of land at Shining Cliff Plantation, Derby Road, Mansfield. This first tranche of land has been purchased to develop additional car parking spaces at the Crematorium. A further £8,037 was spent in relation to car park infrastructure works mainly for design/contract works and Forestry Commission reports. The main contractor works for the car park will take place during 2017/2018.

On 5 December 2016 the Committee approved to carry forward the balance of unspent capital budgets into 2017/2018. The amount of budget to be carried forward is £490,097.

VAT Implications

By buying the first tranche of land it has highlighted that the land which has been earmarked for purchase from Welbeck Estates has been opted to tax by the current owner. This means that VAT is payable on the value of the land purchase. If the capital budget is spent in 2017/2018 this would incur £98,000 in VAT which would impact on Mansfield District Council's (MDC) partial exemption calculation and cause a breach of the 5% limit. This would result in approximately £400,000 in exempt VAT being due to HMRC, for which there is no budget. MDC has been in contact with HMRC and are awaiting a decision as to whether a breach could be allowed on the basis of a 7 year test of insignificance.

3.7.2 Current Assets

Cash and Investments - in previous years funds deposited with Mansfield District Council were shown as short term investments. As the money is immediately available to the Committee this is more correctly classified as cash and cash equivalents in line with the accounting Policies. The Committees investment activity is carried out by Mansfield District Council. Any surplus monies are invested and are shown on the balance sheet. Interest is earned on the cash balance and is credited to the Comprehensive Income and Expenditure Statement. The cash balance has increased by £54,970 during the year to £1,972,702.

Short Term Debtors have increased by £46,913 in the year, this is mainly due to an increase in the invoices raised in March 2017. Further details are included in the Notes to the Accounts.

3.7.3 Current Liabilities

Short term creditors – The amounts the Committee owes to others at 31 March 2017 has increased during the year by £115,577 to £876,901. This is mainly due to the surplus which will be distributed to the three constituent authorities during 2017/2018, being £855,825.

3.7.4 Long Term Liabilities

Pension Liability -The Joint Crematorium is a Member of the Nottinghamshire County Council Pension Fund and the assets and liabilities of the fund attributable to the Committee are evaluated on an annual basis by an independent actuary. As assessed by the Actuary the Committee's overall position during 2016/2017 shows an increase in the liability from £635,000 to £1,273,000. A statutory accounting adjustment for £638,000 is therefore reflected in the Accounts and has no impact on the overall surplus. Further information is provided in Note 9 to the Accounts.

3.7.5 Reserves

Reserves are split between those that are usable and those that are accounting reserves and not available to support expenditure. The Committee made an overall gross surplus in 2016/2017 of £885,825 of which £29,500 has been transferred to the General Reserve and £855,825 is to be distributed to the three constituent authorities, this reserve will increase to £187,500. The Capital Fund has reduced by £43,194 to £1,131,515. Further details of the movement and balances held in reserves is provided in the Statement of Accounts.

THE STATEMENT OF RESPONSIBILITY FOR THE STATEMENT OF ACCOUNTS

1. TREASURERS RESPONSIBILITIES

The Treasurer of the Committee is responsible for the preparation of the Committee's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/2017 (the CODE).

In preparing this Statement of Accounts, the Treasurer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the local authority Code.

The Treasurer has also throughout the year:

- Maintained proper accounting records which were kept up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

CERTIFICATE

I certify that the Statement of Accounts 2016/2017 presents a true and fair view of the financial position of Mansfield and District Joint Crematorium Committee and its income and expenditure for the year ended 31 March 2017.

Signed: 

Date: 22/5/17

M. Andrews CPFA

Treasurer to the Joint Crematorium Committee

2. JOINT COMMITTEE'S RESPONSIBILITIES

The Joint Committee is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. The Joint Committee has appointed a Treasurer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

CERTIFICATE

The Statement of Accounts for the year 1 April 2016 to 31 March 2017 has been prepared and I confirm that these accounts were approved by Mansfield and District Joint Crematorium Committee at the meeting held on 22 May 2017.

Signed: 

Date: 22.5.2017

Chair of Mansfield and District Crematorium Joint Committee

STATEMENT OF ACCOUNTING POLICIES

1. General Principles

The Statement of Accounts summarises the Committees transactions for the 2016/2017 financial year and its position at the year end of 31 March 2017.

The Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/2017, based on International Financial Reporting Standards (IFRS) and the Service Reporting Code of Practice for Local Authorities 2016/2017.

2. Accrual of Income and Expenditure

The accounts of the Joint Committee have been prepared on an accrual of income and expenditure basis in accordance with the Code of Practice on Local Authority Accounting. This ensures activity is accounted for in the year that it takes place, not when cash payments are made or received.

Creditors - Payments to creditors are included in the accounts where the payments relate to goods or services received prior to 1 April 2017. Any payments in advance (before 1 April 2017), which relate to the 2017/2018 financial year are shown as prepayments.

One exception to this relates to electricity and similar periodic payments. These are included as at the date of meter readings rather than apportioned between two financial years. This policy is consistently applied each year and therefore does not have a material effect on the accounts.

Debtors - Income from debtors is included for amounts where the income relates to goods and services provided by the Crematorium prior to 31 March 2017. Any income received before 1 April 2017, which relates to the 2017/2018 financial year is shown as receipts in advance. This policy is consistently applied each year and therefore does not have a material effect on the accounts.

3. Cash and Cash Equivalents

Balances classified as 'Cash and Cash Equivalents' fit the definition of being short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4. Property, Plant and Equipment

Assets that have a physical substance and are held for use in the provision of services on a continuing basis and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Acquisitions of assets which are less than £10,000 (the Committee's de minimus level) are charged straight to the Comprehensive Income and Expenditure Statement.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis.

Assets included in the Balance Sheet at fair value are revalued on a regular basis to ensure that their carrying amount is not materially different from their fair value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

5. Depreciation and Impairment

In accordance with International Accounting Standard 16 depreciation has been provided for on all non-current assets with a finite useful life. Land is not depreciated as this is deemed as having an infinite life.

Where assets, such as buildings have land attached, the values are separated and depreciated accordingly. Where an item of Property, Plant and Equipment has major components, whose cost is significant in relation to the total cost of the item, the components are depreciated separately

Assets are depreciated from the year of acquisition using the straight-line method over the following periods:

Asset	Remaining Useful Life (Years)
Buildings	23
Equipment	15

Impairment

The values of each category of assets are reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against this balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

6. Charges to Revenue for Non-Current Assets

The Service has been charged with the following amounts to record the cost of holding non-current assets during the year;

- Depreciation attributable to the assets used by the service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible assets attributable to the service.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve into the Capital Adjustment Account.

The Committee is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation and are therefore removed by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

7. Administration and Management Costs

A charge is made by Mansfield District Council to reflect the appropriate percentage of time spent by employees on Crematorium affairs.

8. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and bonuses for current employees. These are recognised as an expense for the service in the year in which employees render service to the Committee.

Post-Employment Benefits

Employees of the Mansfield and District Crematorium are Members of The Local Government Pensions Scheme, administered by Nottinghamshire County Council. The scheme provides defined benefits to Members (retirement lump sums and pensions) earned as employees worked for the Committee.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Nottinghamshire County Council pension fund attributable to the Committee are included in the Balance Sheet on an actuarial basis using the projected unit method, that is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate that reflects the time value of money and the characteristics of the liability.
- The assets of the Nottinghamshire County Council Pension Fund attributable to the Committee are included in the Balance Sheet at their fair value:

The change in the net pension liability is analysed into the following components:

Service cost comprising:

- Current Service Cost - The increase in liabilities as a result of years of service earned this year; included in the Comprehensive Income and Expenditure Statement.
- Past Service Cost - The increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years; debited the Comprehensive Income and Expenditure Statement.
- Net interest on the net defined benefit liability/(asset); for example net interest expense for the Committee, the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurement comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Contributions paid to the Nottinghamshire County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, the General Reserve is charged with the amount payable by the Committee to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, this means that there are transfers to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

The negative balance that arises on the Pension Reserve thereby measures the beneficial impact to the Committee of being required to account for retirement benefits on the basis of cash flows rather than as the benefits are earned by employees.

Discretionary Benefits

The Committee may also make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any Member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

9. Financial Instruments

A financial Instrument is any contract that gives rise to a financial asset in one entity and a financial liability in another. These are accounted for in accordance with International Accounting Standards dealing with disclosure, presentation, recognition and measurement.

Financial assets include debtors, payments in advance, investments and cash (either in hand or at the bank). The Committees investment activity is carried out by Mansfield District Council. Any surplus monies are invested and are shown in the balance sheet at 31 March as cash and cash equivalents, but adjusted for any interest earned but not received before the end of the financial year. Interest earned on investments is credited to Financing and Investment Activity in the Comprehensive Income and Expenditure Statement.

Financial liabilities comprise of long term borrowing and creditors.

10. Reserves

Reserves are reported in two categories;

- a) **Useable Reserves** – These are reserves which the Joint Committee may use to provide services, subject to the need to provide a prudent level of reserves and any statutory limitations on their use.
- b) **Unusable Reserves** – The Joint Committee is not able to use these reserves to provide services. This category of reserves hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold.

In accordance with the latest Code of Practice on Local Authority Accounting, two capital reserve accounts are to be maintained in the Balance Sheet; both of these accounts are regarded as unusable reserves:

- **Revaluation Reserve** – This principally represents the balance of the surpluses or deficits arising from the periodic revaluation of non-current assets.
- **Capital Adjustment Account** – This represents amounts set aside to finance expenditure on non-current assets.

There is a further unusable reserve account;

- **The Pension Reserve** – This represents the value of the pension fund assets and liabilities.

There are two useable reserves in operation:

- **Capital Fund** – This reserve represents amounts set aside to finance expenditure on non-current assets.
- **General Reserve** – This represents the balance of the undistributed surpluses.

The Committee sets aside specific amounts as reserves for future purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserve Statement so that there is no net charge for the expenditure.

11. Value Added Tax

The activities of the Joint Crematorium Committee fall within Mansfield District Councils VAT registration. VAT is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs

12. Fundamental Accounting Concepts

This Statement of Accounts has been prepared according with the International Accounting Standards Board (IASB) Framework for the Preparation and Presentation of Financial Statements (the IASB Framework) as interpreted by the Code.

Relevance - The objective of the Statement of Accounts is to provide information about the Committee's financial performance and position that is useful for assessing the stewardship of public funds and for making economic decisions.

Reliability - The key requirement of this statement is that users are able to rely on the information contained within the Statement of Accounts. A number of fundamental accounting concepts are applied in order to ensure this reliability – The Statement of Accounts:

- Has been prepared to reflect the reality or substance of each transaction rather than their formal legal character;
- Is free from deliberate or systematic bias. The financial analyses contained within the accounts are based on fact and do not support any particular view point;
- Is free from material error, containing no misstatement that would influence the conclusions of any user;
- Has been produced within the bounds of materiality, meaning that nothing has been omitted that may have assisted users in gaining an understanding of the Committee's activities.

Where uncertainty exists, the statements have been prepared prudently and caution has been applied with exercising judgement and making necessary estimates.

Understandability - The accounting principles of the Code includes accounting concepts, treatments and terminology which require reasonable knowledge of accounting and local government and reasonable diligence in reading the Statement of Accounts if they are to be properly understood. However all reasonable efforts have been taken in the preparation of the Statement of Accounts to ensure they are as easy to understand as possible.

Going Concern - This statement has been prepared on a 'going concern' basis, under the assumption that the Committee will continue to exist and operate on its current basis for the foreseeable future.

Primacy of Legislative Requirements - Local authorities derive their powers from statute and their financial and accounting framework is closely controlled by primary and secondary legislation. To the extent that treatments are prescribed by law the accounting concepts outlined above may not apply in all cases. It is a fundamental principle of local authority accounting that, where specific legislative requirements and accounting principles conflict, legislative requirements shall apply.

THE CORE FINANCIAL STATEMENTS

Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how the annual expenditure is used and funded from the income obtained from charges in comparison with those resources consumed or earned by the Committee in accordance with generally accepted accounting policies.

Expenditure and Funding Analysis (EFA)						
2015/2016				2016/2017		
Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting basis (Table A)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting basis (Table A)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£	£	£		£	£	£
-1,586,912	0	-1,586,912	Gross Income	-1,763,932	0	-1,763,932
861,309	49,000	910,309	Gross Expenditure	878,607	190,804	1,069,412
-725,603	49,000	-676,603	Net Cost of Service	-885,325	190,804	-694,521
0	0	0	Other Income and Expenditure	0	0	0
-725,603	49,000	-676,603	(-) Surplus or Deficit	-885,325	190,804	-694,521
725,603	0	725,603	Distribution of Surplus	855,825	0	855,825
0	49,000	-7,000	Net (-) Surplus or Deficit	-29,500	190,804	161,304
-158,000			Opening General Fund Balance	-158,000		
0			(-) Surplus or Deficit in Year	-29,500		
-158,000			Closing General Fund Balance	-187,500		

Movement in Reserves Statement (MiRS)

This statement shows how the movement in the year on the Committees reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the adjustments necessary to calculate the amounts available for distribution to constituent authorities.

Movement in Reserves Statement (MiRS)								
2016/2017	General Reserve £	Capital Fund £	Total Usable Reserves £	Pension Reserve £	Revaluation Reserve £	Capital Adjustment £	Unusable Reserves £	Total Reserves £
Balance as at 31 March 2016	158,000	1,174,709	1,332,709	-635,000	0	1,840,959	1,205,959	2,538,668
Movement in reserves during 2016/2017								
Surplus/ (-) Deficit on the Provision of Services	694,521	0	694,521	-597,000	0	0	-597,000	97,521
Less Surplus Distribution	-855,825	0	-855,825	0	0	0	0	-855,825
Total Comprehensive Income and Expenditure	-161,304	0	-161,304	-597,000	0	0	-597,000	-758,304
Adjustment between Accounting basis and funding basis under regulations (Table A.)	190,804	-43,194	147,610	-41,000	103,627	-100,396	-37,769	109,841
Transfers to/(-)from Reserves (see Note 11)	29,500	-43,194	-13,694	-638,000	103,627	-100,396	-634,769	-648,463
Balance at 31 March 2017 carried forward	187,500	1,131,515	1,319,015	-1,273,000	103,627	1,740,563	571,190	1,890,205

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The movement in reserves for 2015/2016 for comparison purposes is set out below:

2015/2016	General Reserve £	Capital Fund £	Total Usable Reserves £	Pension Reserve £	Revaluation Reserve £	Capital Adjustment £	Unusable Reserves £	Total Reserves £
Balance at 31 March 2014	158,000	1,191,418	1,349,418	-642,000	0	1,824,250	1,182,250	2,531,668
Movement in reserves during 2015/2016								
Surplus on Provision of Services	676,603	0	732,603	0	0	0	0	732,603
Less Surplus Distribution	-725,603	0	-725,603	0	0	0	0	-725,603
Total Comprehensive Income and Expenditure	-49,000	0	7,000	0	0	0	0	7,000
Adjustment between Accounting basis and funding basis under regulations (Table A.)	49,000	-16,709	-23,709	7,000	0	16,709	23,709	0
Increase or Decrease in 2016/2017	-	-	-	-	-	-	-	-
Balance as at 31 March 2016 carried forward	158,000	1,174,709	1,332,709	-635,000	0	1,840,959	1,205,959	2,538,668

TABLE A. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This table details the adjustments that are made to the Comprehensive Income and Expenditure Statement (CIES) in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Committee to meet future capital and revenue expenditure.

2016/2017	General Fund Balance	Capital Fund	Pension Reserve	Revaluation Reserve	Capital Adjustment Account	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation and impairment of non-current assets	-149,804	0	0	0	100,396	100,396
Revaluation on Property, Plant and Equipment	0	0	0	-103,627	0	-103,627
Financing Capital Expenditure	0	43,194	0	0	0	0
Capital grants and contributions applied	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	0	0	0	0	0	0
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	0	0	0	0	0	0
Voluntary provision for the repayment of debt	0	0	0	0	0	0
Capital expenditure charged against the General Fund and HRA balances	0	0	0	0	0	0
Adjustments primarily involving the Pension Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	-91,000	0	91,000	0	0	91,000
Employer's pensions contributions and direct payments to pensioners payable in the year	50,000	0	-50,000	0	0	-50,000
Total Adjustments	-190,804	43,194	41,000	-103,627	100,396	37,769

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

Comprehensive Income and Expenditure Statement (CIES)

2015/2016 £		Note	2016/2017 £
	Income		
-1,549,258	Fees and Charges		-1,733,981
-37,654	Other Income		-29,951
-1,586,912	Gross Income	1	-1,763,932
	Expenditure		
368,838	Employee Expenses	2	354,327
344,278	Premises Related Expenses	3	343,373
133,808	Supplies and Services	4	158,708
4,608	Allowance for Bad Debts	5	1,269
44,046	Central Support Services	6	43,050
0	Depreciation and Impairment	7	149,804
895,578	Gross Expenditure		1,050,532
-691,334	Net Cost of Services		-713,401
0	Other Operating Expenditure		0
14,731	Financing and Investment Income and Expenditure	8	18,880
0	Taxation and Non-Specific Grant Income		0
-676,603	Surplus / Deficit on Provision of Services		-694,521
0	Surplus or Deficit on revaluation of Property, Plant and Equipment Assets	7	-109,841
-56,000	Remeasurement of the net defined benefit liability/(asset)	9	597,000
-56,000	Other Comprehensive Income and Expenditure		487,159
-732,603	Total Comprehensive Income and Expenditure (Prior to Surplus Distribution)		-207,362
317,161	Mansfield District Council		408,657
329,424	Ashfield District Council		348,834
79,018	Newark & Sherwood District Council		98,334
725,603	Distribution of Surplus	T3	855,825
-7,000	Total Comprehensive Income and Expenditure Statement (After Surplus Distribution)		648,463

Balance Sheet as at 31 March 2017

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Committee. The net assets of the Committee (assets less liabilities) are matched by the reserves held by the Committee. Reserves are reported in two categories:

Usable reserves: Those reserves that the Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.

Unusable reserves: Those that the Committee is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

The Balance Sheet as at 31 March 2017 is presented below:

Balance Sheet			
2015/2016 £		Note	2016/2017 £
1,840,959	Property, Plant and Equipment	7	1,844,190
1,840,959	Long Term Assets		1,844,190
176,301	Short Term Debtors	5	223,214
1,917,732	Cash and Cash Equivalents	13	1,972,702
2,094,033	Current Assets		2,195,916
-761,324	Short Term Creditors	14	-876,901
-761,324	Current Liabilities		-876,901
-635,000	Net Pension Liability	9	-1,273,000
-635,000	Long Term Liabilities		-1,273,000
2,538,668	Net Assets		1,890,205
	Financed by:		
1,174,709	Capital Fund		1,131,515
158,000	General Reserve		187,500
1,332,709	Usable Reserves	10	1,319,015
0	Revaluation Reserve		103,627
1,840,959	Capital Adjustment Account		1,740,563
-635,000	Pension Reserve		-1,273,000
1,205,959	Unusable Reserves	11	571,190
2,538,668	Total Reserves		1,890,205

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Committee during the reporting period. The statement shows how the Committee generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Committee are funded by way of charges to the recipients of services provided by the Committee.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Committee's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Committee.

Cash Flow Statement		
2015/2016 £		2016/2017 £
-7,000	Net surplus (-) / deficit on the provision of services	648,463
	Adjustment to net surplus / (-) deficit on the provision of services:	
0	Depreciation & Impairment	3,231
100,559	Increase/ decrease in creditors	-115,577
-10,091	Increase/ decrease in debtors	46,913
7,000	Pension Liability	-638,000
6,269	Adjustments for items in the net surplus / (-) deficit on the provision of services that are investing and financing activities	-39,074
96,737	Net Cash flows from operating activities	-94,044
16,709	Investing Activities	43,194
-6,269	Financing Activities	-4,120
107,177	Net increase / (-) decrease in cash and cash equivalents	-54,970
2,024,909	Cash and Cash equivalents at the beginning of the reporting period	1,917,732
1,917,732	Cash and Cash equivalents at the end of the reporting period	1,972,702
107,177	Movement in Cash and Cash Equivalents	-54,970

NOTES TO THE ACCOUNTS

1. GROSS INCOME

The total income received during 2016/2017 was £1,763,932 compared to £1,586,911 in 2015/2016. This represents an increase of £177,021 (11%). This is due to a number of contributory factors:

- The Committee aims to fix fees which are not only competitive with those of surrounding crematoria, but which also covers operating costs. The policy in 2016/2017 was to increase the fee for a standard single adult cremation by £40 (7%) from £565.00 (2015/2016) to £605.00 (this excludes medical referee fees).
- The number of cremations increased by 130 (5%) from 2493 in 2015/2016 to 2623 in 2016/2017.

2015/2016	Gross Income	2016/2017
£		£
-1,403,370	Cremation Fees	-1,579,183
-46,491	Medical Fees	-49,155
-42,114	Memorials	-47,828
-33,283	Organist	-32,600
-24,000	Book of Remembrance Inscriptions	-25,216
-1,549,258	Fees and Charges	-1,733,981
-26,758	Recharge to Cemeteries MDC	-26,375
-1,800	S46 Burial of the Destitute Admin Fees	-2,880
-154	Containers	-361
-8,942	CAMEO	-336
-37,654	Other Income	-29,951
-1,586,911	Gross Income	-1,763,932

2. EMPLOYEE COSTS

Employee expenses are lower than 2015/2016 by £14,511, this is mainly due to staff vacancies.

2015/2016	Employee Expenses	2016/2017
£		£
246,264	Basic Pay	239,005
24,319	Overtime	22,579
15,592	National Insurance	20,749
81,125	IAS19 Pension Adjustments	70,418
1,538	Other Employee Costs	1,576
368,838	Total	354,327

3. PREMISES COSTS

2015/2016	Premises Related Expenditure	2016/2017
£		£
108,953	NNDR - Business Rates	109,837
159	Rent	159
12,793	Insurance	14,881
39,426	Electricity	42,237
45,161	Gas	33,112
4,767	Water	5,082
2,812	Cleaning Materials	2,409
105,998	Cremator Repairs and Maintenance	99,273
6,780	Building Repairs and Maintenance	13,910
13,556	Grounds Maintenance	17,056
3,873	Machinery Repairs	5,418
344,278	Total	343,373

4. SUPPLIES AND SERVICES

There is an increase in supplies and service costs in 2016/2017 of £24,900 compared to 2015/2016, this is mainly due to the additional costs incurred from CAMEO (26,364).

2015/2016	Supplies and Services	2016/2017
£		£
46,302	Fees - Medical referees	48,895
20,640	Fees - Organist	20,475
10,031	Memorial plaques	11,258
12,423	Book of Remembrance - inscriptions	8,420
3,212	Caskets / Containers	3,496
1,611	Audit Fees to Newark & Sherwood DC	1,576
0	CAMEO Contributions	26,364
8,040	Computer Maintenance and support	8,540
563	Computer Hardware	1,495
7,544	Printing & Stationery	6,377
7,061	Telephones	5,638
1,387	Tools, Equipment & First Aid supplies	2,717
1,568	Furniture / Office Equipment	151
1,926	Uniforms	1,544
2,817	Postages	3,214
2,000	JCC Committee Fees	2,000
2,067	Subscriptions	2,086
767	ICS - Waste Collections	1,280
3,297	Advertising	1,016
225	Contributions	325
0	Valuation Fee	1,400
327	Hire of vending machines	441
133,808	Total	158,708

5. DEBTORS AND PROVISION FOR BAD DEBTS

The total debtors outstanding has increased by £48,182 this is due to the increase in the invoices raised during March 2017 as shown in the table below:

SUMMARY OF THE DEBTORS OUTSTANDING

SHORT TERM DEBTORS	2015/2016 £	2016/2017 £
Funeral Directors	184,321	231,783
Other Local Authorities	900	1,620
Other Debtors	0	0
Total Debtors at 31 March	185,221	233,403

AGEING OF DEBTS OUTSTANDING

Debtors Summary	2015/2016 £	2016/2017 £	Change £
Ageing:			
Over 90 days	4,275	4,204	-71
29 to 89 days	48,576	66,330	17,754
1 to 28 days	132,370	162,869	30,499
	185,221	233,403	48,181

PROVISION FOR BAD DEBTS

The provision for potential bad debts has increased by £1,269 to £10,189. The provision for bad debts is based on the age of the debts; the older the debt is the higher percentage provision is required.

2015/2016	Provision for Bad Debts	2016/2017
£		£
185,221	Debtors Outstanding at 31 March	233,403
8,920	Provision required:	10,189
4,312	Provision b/fwd at 1 April	8,920
4,608	Change in Provision	1,269

6. CENTRAL SUPPORT SERVICES AND RECHARGES

2015/2016	Central Support Services	2016/2017
£		£
14,059	Information Technology & Financial systems	11,193
8,364	Human Resources & Payroll	8,771
6,503	Trade Waste Service	6,672
5,660	Director of Commerce and Customers	5,090
1,823	Accountancy Services	1,152
2,059	Debtors/Recovery Services/CSU	2,109
1,215	Business Support / Creditors	1,239
2,417	Internal Audit	2,016
409	Design Services & Building Control	2,510
864	Postal / Electricians/ Copiers / Telephones	1,000
673	Risk Management & Environmental Services	1,298
44,046	Total	43,050

7. PROPERTY, PLANT AND EQUIPMENT

Movements in Year	2015/2016 £	2016/2017 £
Cost or Valuation at 1 April:	1,824,959	1,840,959
Additions	16,000	43,194
Revaluation increases/ (-) decreases recognised in the Revaluation Reserve	0	109,841
Impairment	0	-43,194
At 31st March	1,840,959	1,950,800
Accumulated Impairment and Depreciation		
At 1 April	0	0
Depreciation Charge	0	-106,610
At 31st March	0	-106,610
Net Book Value at 31st March	1,840,959	1,844,190

8. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

The following table contains corporate items of income and expenditure arising from the Committee's involvement in financial instruments and similar transactions involving interest:

	2015/2016 £000	2016/2017 £000
Interest payable and similar charges	0	0
Net interest on the net defined benefit liability / (-) asset	21,000	23,000
Interest receivable and similar income	-6,269	-4,120
Total	14,731	18,880

9. RETIREMENT BENEFITS – DEFINED BENEFIT SCHEMES

a. Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Committee makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Committee has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Committee participates in the Local Government Pension Scheme, administered locally by Nottinghamshire County Council in accordance with the Local Government Pension Scheme Regulations 2013. This is a defined benefit statutory scheme and currently provides benefits based on career average revalued earnings. This means that the Committee and the employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

The Actuary, Barnett Waddingham is instructed by Nottinghamshire County Council to undertake pension expense calculations and have prepared their figures in accordance with their understanding of the International Accounting Standard IAS19 (2011).

In General, participating in a defined benefit pension scheme means the employer is exposed to a number of risks:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cash flows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the Nottinghamshire County Council Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

Further information can be found in the Annual Report of the County Council Pension Fund, which is available upon request from Nottinghamshire County Council, County Hall, West Bridgford, Nottingham NG2 7QP.

The latest available Membership data is shown in the table below:

	Number	Salaries / Pensions £000	Average Age
Active members	12	223	50
Deferred pensioners	6	5	45
Pensioners	5	20	58
Unfunded pensioners	2	0	69

Scheduled Contributions

The table below summarises the minimum employer contributions due from Mansfield and District Joint Crematorium to the Fund over this inter-valuation period. The calculated cost of accrual of future benefits is 17.7% of payroll per annum.

Minimum employer contributions:	01-Apr-17	01-Apr-18	01-Apr-19
Percentage of payroll	17.7%	17.7%	17.7%
Plus monetary amount (£000)	21	21	22

However, the Crematorium Committee have agreed with the Administering Authority that they will prepay their monetary contributions for the three years to 31 March 2020 by making a single lump sum payment of £59,879 by 30 April 2017. This lump sum payment has received an actuarially equivalent discount to the monetary rates above the Crematorium Committee have been notified separately of this amount. If the lump sum payment is not made by 30 April 2017 the contribution rates set out above will apply as normal.

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2017 is estimated to be 23%. The actual return on Fund assets over the year may be different.

The Fund's assets consist of the following categories, by value and proportion of the total assets held by the Fund attributable to the Committee:

Asset Share	31 March 2016		31 March 2017	
	£	%	£	%
Equities	581,000	70	814,000	70
Gilts	26,000	3	36,000	3
Other Bonds	57,000	7	70,000	6
Property	105,000	13	129,000	11
Cash	34,000	4	59,000	5
Inflation - Linked Pooled Fund	24,000	3	29,000	2
Infrastructure	8,000	1	27,000	2
	835,000	100	1,164,000	100

b. Transactions Relating to Post-Employment Benefits

The costs of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against the Committee is based on the cash payable in the year, so the real cost of post-employment benefits is reversed out of the General Reserve via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement via the Movement in Reserves Statement during the year:

Comprehensive Income and Expenditure Statement		
	2015/2016	2016/2017
	£	£
Cost of Services:		
Current Service cost	79,000	68,000
Past Service cost	0	0
Administration expenses	0	0
Financing and Investment Income and Expenditure:		
Net interest on the defined liability / (-) asset	21,000	23,000
Total Post Employment Benefit Charged to the Surplus / Deficit on the Provision of Services	100,000	91,000
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Actuarial gains and (-) losses	56,000	-597,000
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	156,000	-506,000
Movement in Reserves Statement		
Reversal of net charges made to the Surplus / Deficit for the Provision of Services for post-benefits in accordance with the Code	-100,000	-91,000
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contribution payable to the Scheme	51,000	50,000

c. Assets and Liabilities in Relation to Post-Employment Benefits

The following table provides a reconciliation of present values of the schemes liabilities for the Joint Crematorium Committee during the 2015/2016 and 2016/2017 financial years:

	At 31 March 2016	At 31 March 2017
	£	£
Opening Defined Benefit Obligation	1,492,000	1,470,000
Current service cost	79,000	68,000
Interest cost	51,000	55,000
Change in demographic assumptions	0	39,000
Change in financial assumptions	-93,000	574,000
Experience loss / (-) gain on defined benefit obligation	0	260,000
Liabilities assumed / (-) Extinguished on settlements	0	0
Estimated benefits paid (net of transfer in)	-75,000	-44,000
Past service costs, including curtailments	0	0
Contribution by scheme participants	16,000	15,000
Unfunded pension payments	0	0
Closing Defined Benefit Obligation	1,470,000	2,437,000

The following table provides a reconciliation of fair values of the schemes assets of the Committee during the 2015/2016 and 2016/2017 financial years:

	At 31 March 2016	At 31 March 2017
	£	£
Opening fair value of scheme assets	850,000	835,000
Expected return on scheme assets	0	0
Interest on assets	30,000	32,000
Return on assets less interest	-37,000	162,000
Other actuarial gains / (-) losses	0	114,000
Administration expenses	0	0
Contribution by employer including unfunded benefits	51,000	50,000
Contribution by scheme participants	16,000	15,000
Estimated benefits paid including unfunded benefits	-75,000	-44,000
Settlement prices received / (-) paid	0	0
Closing fair value of scheme assets	835,000	1,164,000

The interest income on scheme assets and interest expense on scheme liabilities is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date (31 March 2017). Expected returns on equity investments reflect long term rates of return experienced in the respective markets.

The total return on the fund for the year to 31 March 2017 was £194,000 (2015/2016 -£7,000).

d. Scheme History

	2014/2015	2015/2016	2016/2017
	£	£	£
Present value of liabilities	1,492,000	1,470,000	2,437,000
Fair Value of assets	-850,000	-835,000	-1,164,000
Surplus/ (-) Deficit	642,000	635,000	1,273,000

The liabilities show the underlying commitments that the Committee has in the long run to pay for Post-Employment (retirement) benefits. The total liability of £1,273,000 has a substantial impact on the net worth of the Committee as recorded in the Balance Sheet.

However, statutory arrangements for funding the deficit mean that the financial position of the Committee remains healthy; the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

The total contributions expected to be made to the Pension Scheme by the Committee in the year to 31 March 2017 are £50,000 (2015/2016 £51,000).

e. Projected Pension Expenditure

The projected pension expenses for the year to 31 March 2018 are:

	£
Service Cost	100,000
Interest Cost	35,000
Administration Expenses	0
Total	135,000
Employer Contributions	65,000

These figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2017. These projections are based on the assumptions as at 31 March 2017, as described in the actuary's report.

f. Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years is dependent on assumptions about mortality rates and salary levels. The Nottinghamshire County Council Fund liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme at 31 March 2016.

Under the projected unit method, the current service cost will increase as the Members of the scheme approach retirement.

The main assumptions used by the Actuary in their calculations have been:

	2015/2016 %	2016/2017 %
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.1	22.5
Women	25.3	25.5
Longevity at 65 for future pensioners:		
Men	24.4	24.7
Women	27.7	27.8
Financial Assumptions:		
Discount Rate	3.8	2.8
Pension Increases	2.5	2.7
Salary Increases	4.3	4.2

Additional Assumptions

- Members will exchange half of their commutable pension for cash at retirement.
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.
- 10% of active Members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits, which came into effect during the 2014/2015 financial year.

The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	Increase in Assumption £000	Decrease in Assumption £000
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	2,381	2,494
Rate of increase in salaries (increase or decrease by 0.1%)	2,448	2,426
Rate of increase in pensions (increase or decrease by 0.1%)	2,483	2,392
Adjustment to mortality age (longevity) (increase or decrease in 1 year)	2,526	2,351

10. USABLE RESERVES

This note sets out the amounts set aside to provide financing for future expenditure plans, subject to the need to provide a prudent level of reserves and any statutory limitations on their use.

The table below shows the usable reserves held by the Committee:

USABLE RESERVES	2015/2016 £	2016/2017 £
Capital Fund	1,174,709	1,131,515
General Reserve	158,000	187,500
Balance at 31st March	1,332,709	1,319,015

Capital Fund

This reserve represents amounts set aside to finance capital expenditure:

CAPITAL FUND	2015/2016 £	2016/2017 £
Balance at 1st April	1,191,418	1,174,709
Financing of Capital Expenditure	-16,709	-43,194
Contributions	0	0
Balance at 31st March	1,174,709	1,131,515

General Reserve

This reserve represents the balance of the undistributed surpluses:

GENERAL RESERVES	2015/2016 £	2016/2017 £
Balance at 1st April	158,000	158,000
Movement in Year	0	29,500
Balance at 31st March	158,000	187,500

11. UNUSABLE RESERVES

This note sets out those reserves which hold unrealised gains and losses which the Committee is not able to use.

The table below shows the unusable reserves held by the Committee:

UNUSABLE RESERVES	2015/2016 £	2016/2017 £
Revaluation Reserve	0	103,627
Capital Adjustment Account	1,840,959	1,740,563
Pension Reserve	-635,000	-1,273,000
Balance at 31st March	1,205,959	571,190

Revaluation Reserve

The Revaluation Reserve contains the gains arising from increases in the value of property, plant and equipment and intangible assets. The balance is reduced when assets with accumulated gains are:

- re-valued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

An increase in valuation was recognised during 2016/2017 following a revaluation of the Crematorium non-current assets.

REVALUATION RESERVE	2015/2016 £	2016/2017 £
Balance at 1st April	0	0
Upwards Revaluation of Assets	0	109,841
Historic Cost Depreciation	0	-6,214
Downward revaluation of assets and impairment losses not charged to the Comprehensive Income and Expenditure Statement	0	0
Balance at 31st March	0	103,627

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Capital Adjustment Account is debited with the cost of acquisition, construction or enhancement. Depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Committee as finance for the costs of acquisition, construction and enhancement.

CAPITAL ADJUSTMENT ACCOUNT	2015/2016 £	2016/2017 £
Balance at 1st April	1,824,250	1,840,959
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
Charges for Depreciation and impairment of non current assets	0	-149,804
Historic Cost Depreciation	0	6,214
Revaluation losses on Property Plant and Equipment	0	0
Capital Financing in the Year		
Use of Capital Fund to finance capital expenditure	16,709	43,194
Balance at 31st March	1,840,959	1,740,563

Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed when the Committee makes employer's contributions to the pension funds, or eventually pay any pensions for which it is directly responsible. Therefore, the debit balance on the Pension Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the Committee has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

PENSIONS RESERVE	2015/2016 £	2016/2017 £
Balance at 1st April	-642,000	-635,000
Re-measurement of the net defined benefit liability/(asset)	56,000	-597,000
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	2,000	-91,000
Employers Pension contributions and direct payments to pensioners in the year	-51,000	50,000
Balance at 31st March	-635,000	-1,273,000

12. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are shown in the below:

CASH AND CASH EQUIVALENTS	2015/2016 £	2016/2017 £
Petty Cash	100	100
Cash held by Mansfield District Council	1,917,632	1,972,602
Balance at 31st March	1,917,732	1,972,702

13. SHORT TERM CREDITORS

The short term creditors are shown in the table below:

SHORT TERM CREDITORS	2015/2016 £	2016/2017 £
Constituent Authorities	725,603	855,825
Other Bodies	35,721	21,076
Balance at 31st March	761,324	876,901

14. MEMBERS ALLOWANCES

No recharges in respect of members' allowances have been made to the Joint Committee by the constituent authorities in 2016/2017 or in 2015/2016

15. EXTERNAL AUDIT COSTS

The Committee incurred external audit fees (Audit Lincolnshire) in 2016/2017 of £1,576 (£1,610 in 2015/2016).

16. RELATED PARTIES

The transactions with related parties are disclosed in the statement of accounts as follows:

- Transactions with local authorities within the Comprehensive Income and Expenditure Statement as Central Support Services and the distribution of the surplus

The three constituent local authorities maintain a register of members' interests and a record of interests declared at Cabinet and Committee meetings. There were no material transactions with organisations identified in these records.

17. AUTHORISATION OF THE ACCOUNTS FOR APPROVAL

The Statement of Accounts for Mansfield Joint Crematorium Committee was signed by the responsible financial officer on the 22 May 2017.

ANNUAL GOVERNANCE STATEMENT

2016/2017

It is a requirement that a separate Governance Statement is produced for any joint *committees for approval by their relevant management body*. The Mansfield & District Joint Crematorium has adopted Mansfield District Council's governance arrangements as detailed below.

1. Scope of Responsibility

- 1.1 Mansfield District Council 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. Mansfield District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised; having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Mansfield District Council 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.
- 1.3 Mansfield District Council 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 2016 Edition*. A copy of the code is on the Council's website or can be obtained from the Civic Centre, Chesterfield Road South, Mansfield, NG19 7BH. This statement explains how Mansfield District Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6(1) which requires all relevant bodies to prepare an annual governance statement.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its 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.
- 2.2 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 Mansfield District Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Mansfield District Council for the year ended 31 March 2017 and up to the date of approval of the statement of accounts.

3. The Governance Framework

Vision and Priorities

- 3.1 The Council's vision and priorities are contained in its Corporate Plan. All departments have service delivery plans which link to the Corporate Plan and are monitored on a regular basis.

The vision of Mansfield District Council as stated in its Corporate Plan and Annual Performance Report 2016 is to:

“maintain a safe and caring district where everybody can succeed”

The Council's vision will be realised through a set of priority areas around economic prosperity, quality of life and community safety.

The Council's key priorities until 2019 are:

- A thriving, vibrant and sustainable district
- Strong, safe and resilient communities
- Clean and welcoming environment

With cross cutting themes of fairness and equality and facing financial challenges.

- 3.2 The Council's Corporate Values of Excellence, Integrity, Teamwork, Empower and Involve, and Passion and Pride summarise its way of thinking to deliver positive outcomes for its customers.

Underpinning the Corporate Values is its commitment to equality as it aims to treat everyone fairly and strives to achieve equality for its diverse communities.

- 3.3 The Council's Medium Term Financial Strategy (MTFS) for 2017/2018 to 2020/2021 supports the Corporate Plan and identifies its financial implications. It shows the approach the council will take in order to deliver its services and priorities within its financial constraints and in doing so how it will look to provide value for money
- 3.4 The Council is currently undertaking a transformation exercise called the “Change for the Future programme” to ensure that it has the necessary resources to deliver its priorities over the period of the MTFS. This will involve a review of all Council services to determine the best method of delivery and to ensure that processes and procedures are streamlined so that services are delivered efficiently and effectively.

Quality of Services

- 3.5 The Council has invested in establishing feedback mechanisms for service users. These take various forms including e-consultation which is used to measure satisfaction. All aspects of customer feedback are used to shape strategy and service delivery including focus groups, customer experience feedback and more formal questionnaires. The Council has an ongoing commitment to community engagement and empowerment and has developed a Community Involvement Strategy during 2016/2017..
- 3.6 The Council has a performance management software package which brings together all the Council's performance data in one place and enables effective monitoring of performance in respect of key indicators.

- 3.7 The Council's "Change for the Future programme" which has the principal objective of supporting, across the whole Council, excellent value for money, customer satisfaction and outcome based performance underpinned by customer focused services.
- 3.8 The Council's revised Procurement Strategy aims to promote effective procurement across the whole organisation and ensures that procurement planning supports the Council's Corporate Plan. The revised Corporate Contracts Register assists in ensuring efficient contract management and contributes to the effective monitoring of Council spending and the delivery of value for money.
- 3.9 The Council has in place a corporate complaints system which ensures effective monitoring and action is taken where appropriate.

Constitutional Matters

- 3.10 The Mansfield & District Crematorium Joint Committee has adopted a constitution, which details how the Crematorium operates and its decision making policies and procedures.

Codes of Conduct

- 3.11 The Council has adopted codes of conduct for both members and employees and also has a protocol for member/employee/partner relations. The codes include reference to the need to declare any interest which may conflict with the individual's role at the Council, with registers maintained for any such interest to be recorded and monitored.
- 3.12 Compliance with the member and employee codes of conduct is monitored by the Council's Standards and Personnel Committees respectively.
- 3.13 The Council has in place a whistle-blowing code which ensures that any referrals under the code are fully investigated, with findings reported to the Statutory Officers, senior managers and the Audit Committee.

Policies, Procedures, Laws and Regulations

- 3.14 The Director of Governance is designated as the Council's Monitoring Officer. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting with the Head of Paid Service and Chief Finance Officer, the Monitoring Officer will report to Full Council if it is considered that any proposal, decision or omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.
- 3.15 The financial management of the authority is conducted in accordance with the relevant provisions of the Constitution and the Council's Financial Regulations. The Council has designated the Director of Commerce and Customer Services as the Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972.
- 3.16 The Council's Local Code of Corporate Governance fully conforms with the governance requirements of the CIPFA Statement on the *Role of the Chief Financial Officer in Local Government*.
- 3.17 The Council maintains an Internal Audit Service, which operates in accordance with the Accounts and Audit Regulations 2015, the Public Sector Internal Audit Standards (PSIAS)

and CIPFA's Local Government Application Note. The Internal Audit Charter defines the Internal Audit Service's role within the Council with an overall mission to enhance and protect the Council's organisational value by providing risk based and objective assurance, advice and insight.

One of its key objectives is to promote good corporate governance by raising awareness of best practice in respect of internal controls and the requirements of relevant Council strategies and regulations such as financial and contract regulations, anti-fraud strategy and whistle-blowing code.

- 3.18 The Council has robust and effective policies and procedures relating to the use of resources and the corporate governance framework, including revised Corporate Risk and Opportunity Management Strategy, Financial Regulations and Contract Procedure Rules, Scheme of Delegation, IT Strategy and Anti-Fraud and Corruption Strategy. There is a mechanism in place for measuring the effectiveness of the Anti-Fraud Strategy with an annual report being presented to the Audit Committee.

Risk and Opportunity Management

- 3.19 The Council recognises that it has a responsibility to identify, evaluate and manage risks whilst still creating a fertile climate for innovation. It therefore supports a structured approach through the implementation of its risk and opportunity management strategy.
- 3.20 The Council is risk aware when making decisions and taking actions to achieve the priorities identified within its Corporate Plan and for providing services in support of this.
- 3.21 The Council has a Corporate Risk and Opportunity Monitoring Group which has clear roles and responsibilities, including monitoring implementation of the effective delivery of the Corporate Risk and Opportunity Management Strategy across the authority. In addition the Council's Audit Committee is responsible for monitoring the effective development and operation of risk and opportunity management.
- 3.22 The significant operational risks identified for the Crematorium are fully mitigated by its Business Continuity Plan which is approved by the Mansfield & District Crematorium Joint Committee.

Audit Committee

- 3.23 The Council has an Audit Committee which is fully compliant with the guidance provided in CIPFA's *Audit Committees – Practical Guidance for Local Authorities 2013 edition*.

The Constitution states that:

“The purpose of the Audit Committee as a Sub-Committee of the Council is to provide independent assurance of the adequacy of the risk management framework and the internal control environment. It provides independent review of the authority's financial and non-financial performance to the extent that it affects the authority's governance, risk management and control frameworks, and oversees the financial reporting and annual governance processes. It also oversees internal and external audit, helping to ensure efficient and effective assurance arrangements and reviews the Council's arrangements for achieving value for money”

Development and Training Needs

- 3.24 There is an induction programme in place for newly appointed officers and members, with their ongoing training needs being determined by means of one to one discussions with members and annual interviews of employees in accordance with the Council's personal development scheme.
- 3.25 There are opportunities for members and officers to update their knowledge on a regular basis by using the Council's training and development programme, which includes training on corporate governance.
- 3.26 The Council also has a peer coaching and mentoring programme for members and has a management development programme for officers based upon the Council's competency framework.
- 3.27 In accordance with the Member Development Charter for the East Midlands, the Council has a comprehensive member development programme in place.

4. **Review of Effectiveness**

- 4.1 Mansfield District Council 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 Audit and Information Assurance Manager's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 4.2 The process that has been applied in reviewing the effectiveness of the Council's governance framework includes:
- The Council has carried out a self-assessment of its compliance with the CIPFA Statement on the *Role of the Head of Internal Audit in Local Government* as part of the annual effectiveness review of the system of internal audit with no areas of non-compliance being identified
 - The Audit and Information Assurance Manager's review of the Council's level of compliance with its adopted Local Code of Corporate Governance, which is to be reported to the Audit Committee in June 2017, identified no significant governance issues relating to the Mansfield and District Joint Crematorium
 - The Audit and Information Assurance Manager has completed a review of the Council's ethical governance arrangements using good practice guidance as a benchmark, with an overall excellent assurance level being achieved
 - The Standards Committee monitors members' compliance with the Code of Conduct and considers any action required from this monitoring. No significant issues have been identified
 - The Council's Procurement Strategy and Contract Procedure Rules have been reviewed during 2016/2017 and a Select Commission 3 Task and Finish group reviewed the effectiveness of the Council's procurement arrangements and made recommendations for improvement
 - The Council's counter fraud and corruption arrangements have been reviewed during 2016/2017 to ensure that they continue to be effective and are fully compliant with both the Local Government Counter Fraud and Corruption strategy 2016-2019 and CIPFA's

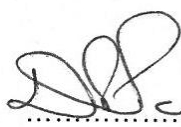
Code of Practice on “managing the risk of fraud and corruption”. Minor areas for improvement were identified

- The Council’s Corporate Risk and Opportunity Management Strategy has been revised during 2016/2017 in order to clarify roles and responsibilities and include the new methodology for evaluating the effectiveness of the key mitigating controls and enablers
- The Council has a number of Overview and Scrutiny Committees which provide an overview and scrutiny role. They can “call in” a decision which has been made by the Executive or an officer (where the decision is a key decision) but not yet implemented, to enable them to consider whether they consider the decision is appropriate. They also enquire into issues which are of local concern
- The Audit Committee received a variety of reports during 2016/2017 both from internal assurance providers and from external audit in accordance with its terms of reference as detailed in the Council’s constitution.
- The audit of the Joint Crematorium accounts carried out by Assurance Lincolnshire gave an unqualified opinion
- No areas for improvement were identified from Internal Audit’s systems review of the Joint Crematorium
- Internal Audit is responsible for monitoring the quality and effectiveness of systems of internal control in line with its Charter. It has undertaken planned reviews of internal control procedures across all departments and across a range of functions in the Council. A risk assessment model is used to formulate a three year audit plan from which the annual plan is approved by the Audit Committee. The reporting process for Internal Audit requires the findings and recommendations from each review, along with the agreed action plan to be reported to senior officers and members and to the Audit Committee. The process includes quarterly reviews of the agreed actions to ensure that they have been implemented
- The Audit and Information Assurance Manager’s Annual Report for 2016/2017 concluded that the internal control environment was both robust and effective and therefore an unqualified opinion was given. This opinion was based upon a methodology which assigns assurance levels to individual review findings and standards that need to be achieved by the overall internal control environment. It also concluded that, based upon the results of the approved Quality Assurance and Improvement Programme (QAIP), the Internal Audit Service had conformed to the PSIAS and its Charter
- External Audit’s Annual Governance report, which summarises the findings from their 2015/2016 audit work gave an unqualified opinion on the financial statements and did not identify any material weaknesses in the design or operation of internal control

5. **Significant Governance Issues**

5.1 There are no significant governance issues for 2016/2017 in respect of the Mansfield and District Joint Crematorium

Chairman of Joint Committee

 Date: 22.5.2017

Treasurer

 Date: 22/5/17

Glossary of Financial and Accounting Terms

PLEASE NOTE: *This glossary provides an explanation of terms, not precise definitions. It should not be used as a substitute for the more detailed and specific definitions given in statute, codes of practice and technical guidance. It should be used in conjunction with explanations provided within and supporting the accounting statements.*

ACCOUNTING PERIOD – the period of time covered by the accounts, which is normally 12 months commencing on 1 April and finishing on 31 March the following year. The end of the accounting period is the Balance Sheet date.

ACCRUAL – an amount included in the accounts to cover income or expenditure relating to an accounting period but for which payment has not been received or made. This means that income and expenditure is recognised in the accounts when they are earned or incurred, not when money is exchanged.

BALANCE SHEET – a statement of the recorded assets, liabilities and other balances as they stand in monetary terms, at the end of an accounting period.

BUDGET – a statement defining the Committee's financial plans over a specified period of time (usually an accounting period 1 April to 31 March).

CAPITAL ADJUSTMENT ACCOUNT - this absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

CAPITAL FUND – this fund receives contributions from the Comprehensive Income and Expenditure to accumulate funds for capital expenditure.

CAPITAL EXPENDITURE – this includes expenditure on the acquisition of, or major enhancement of fixed assets such as land, property and other structures.

CREDITORS – an amount owed by the Committee for work done, goods received or services rendered relating to the accounting period, but for which payment has not yet been made.

CURRENT ASSETS – an asset held at the balance sheet date, which will be used within the following accounting period; for example, stock, cash and debtors.

CURRENT LIABILITY – an amount owing at the balance sheet date, which will be paid in the next accounting period; for example, creditors, cash and loan repayments.

DEBTORS – an amount owing to the Committee relating to the accounting period, but for which money has not yet been received.

DEPRECIATION – the measure of the reduction in value of a non current asset due to age, consumption or other reduction in useful life during the accounting period.

GENERAL RESERVE – amounts put aside, but not allocated to meet, any future spending commitments.

IMPAIRMENT – this reflects a REDUCTION in the market value of a non-current asset due to significant changes in the market (i.e. introduction of new technology), obsolescence, or damage, etc.

NET BOOK VALUE – the amount at which non-current assets are included (valued) in the balance sheet, i.e. their historic value or current valuation less depreciation.

NET REALISABLE VALUE – the open market value of an asset in its existing use.

PENSION RESERVE - this absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

PROVISIONS – pre-determined amounts put aside in the accounts for liabilities or losses which are certain or very likely to occur, but the amounts involved or the date when they need to be settled are uncertain.

REVENUE EXPENDITURE – running costs of services, which include employees, premises, transport, interest, supplies and services.

Independent auditor's report to the members of Mansfield and District Joint Crematorium Committee



AUDIT OF MANSFIELD CREMATORIUM FINAL ACCOUNTS 2016/2017

Remit

An audit of the Mansfield Crematorium accounts 2016/17 has recently been undertaken by Assurance Lincolnshire.

Opinion

In our opinion, the statement of accounts presents fairly the position of the Crematorium as at the 31st March 2017 and its income and expenditure for the year there ended.

Auditors: Amanda Hunt and McJory Nkhoma

Certification of Mansfield Crematorium Accounts 2016/17

A handwritten signature in black ink, appearing to read "Nicky Lovely".

Nicky Lovely

Section 151 Officer to Newark & Sherwood District Council