

**NORTH EAST SURREY CREMATORIUM BOARD**

**11<sup>th</sup> JUNE 2019**

**REPORT BY THE TREASURER**

**Requirement to Approve and Submit an Annual Governance and Accountability Return under the Accounts and Audit Regulations 2015**

**Introduction**

1. The Local Audit and Accountability Act 2014 defines the meaning of a “smaller authority” as follows: -

“(1) A relevant authority is a “smaller authority” for a financial year if:-

- (i) where that year is the year in which the authority was established, the qualifying condition is met for that year,
- (ii) where that year is the year following that in which the authority was established, the qualifying condition is met for that year or the previous year; and,
- (iii) where that year is the second or any subsequent year following that in which the authority was established, the qualifying condition is met for that year or either of the two previous years.

(2) The qualifying condition is met for a relevant authority and a financial year if the higher of the authority’s gross income for the year and its gross expenditure for the year does not exceed £6.5 million.”

2. The Board currently falls into the category of a smaller authority and consequently produces an Annual Governance and Accountability Return (AGAR) which is subject to audit, with a reduced audit fee compared to a larger authority. The Board has to complete Part 3 of the AGAR in accordance with proper practices. The AGAR constitutes the annual return referred to in the Accounts and Audit Regulations 2015.
3. Guidelines were received from PKF Littlejohn LLP, the Board's appointed external auditor, including deadlines for the completion and submission of the AGAR for 2018/19, the opening of the accounts for inspection, and the appointed day on which any local government elector for the area served by the Board may ask the appointed auditor questions. The published dates are as follows: -

**Key dates for the 2018/19 reporting season**

Deadline by which <b>either</b> completed & approved AGAR and all applicable supporting documents <b>or</b> Exemption Certificate must be submitted to Appointed Auditor	<b>Monday 1 July 2019</b>
Statutory common period to be included in the smaller authority’s period for the exercise of public rights – for <b>all</b> authorities, both exempt and subject to review	<b>Monday 1 July – Friday 12 July 2019</b>

4. The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 require that financial records for the financial year should be made available for inspection by any person interested for a total of 30 clear working days inclusive of the statutory period shown above. The records will be available for inspection from

Monday 24<sup>th</sup> June to Friday 2<sup>nd</sup> August 2019. The notice of public rights will be posted on the Board's website.

### **Annual Governance and Accountability Return – requirements**

5. The AGAR is made up of three parts: -
  - a) The Annual Internal Audit Report which is completed by the authority's internal auditor;
  - b) Sections 1 (Annual Governance Statement) and 2 (Accounting Statements) which are to be completed and approved by the authority; and,
  - c) Section 3 which is completed by the external auditor and will be returned to the authority.
6. The authority must approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both must be approved before 1<sup>st</sup> July 2019.
7. A draft copy of the AGAR for 2018/19 is attached. The final version, with the Annual Internal Audit Report completed and signed, will be presented for signing during the meeting of the Board and is subject to external audit.
8. The Board's Accounts for 2018/19 appear elsewhere on this agenda, and the AGAR is based on the figures reported.

### **Statement of Governance 2018/19**

9. In approving the Annual Governance Statement, the Board acknowledges responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. The statement defines specific responsibilities which require individual confirmation as covered in Section 1.
10. The Board can take assurance from the services provided by the South West London Audit Partnership (formally Wandsworth Council's internal audit service), together with the regular reports presented throughout the years concerned, including: -
  - a) Review of risk management strategy and annual review of risks (11<sup>th</sup> September 2018);
  - b) Conclusion of the audit for the year ended 31<sup>st</sup> March 2017 (4<sup>th</sup> December 2018); and,
  - c) Review of internal control including a review of the effectiveness of Internal Audit (12<sup>th</sup> June 2018 and 11<sup>th</sup> June 2019 elsewhere on this agenda).

### **Recommendations**

11. For the AGAR for the year ending 31<sup>st</sup> March 2019, the Board is recommended to: -
  - a) approve Section 1 - Annual Governance Statement, and
  - b) approve Section 2 - Accounting Statements

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May 2019

M R Davies  
Treasurer to the Board

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