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Please contact us in Welsh or English.
Cysylltwch â ni'n Gymraeg neu'n Saesneg.

Greater Gwent Cremation Joint Committee,
c/o Newport City Council,
Civic Centre,
Godfrey Road,
Newport,
NP20 4UR

Date issued: 11 September 2019

Dear Members of the Joint Committee,

Greater Gwent Cremation Joint Committee – Independent Examination of the 2018-19 Annual Return

Requirement to produce an Annual Return

The Accounts and Audit (Wales) Regulations 2014 (the Regulations) define local government bodies in Wales as 'larger' or 'smaller' bodies. To qualify as a 'smaller' body under the Regulations, a body must have gross income or expenditure (whichever is higher) of not more than £2.5 million in the year of account or in either of the two preceding years.

According to this year's Annual Return, the Greater Gwent Crematorium Joint Committee (the Committee) has total expenditure of £3.05 million for the 2018-19 financial year. However, the Auditor General considers that bodies should still be defined as 'smaller' if income or expenditure is greater than £2.5 million in the current year, but below that amount in both of the previous two years.

Consequently, the Committee is still defined as a 'smaller' local government body for 2018-19. We would expect this position to continue into future years, as expenditure has risen above £2.5 million this year only as a result of one-off increased distributions to member Councils.

As a 'smaller' body in 2018-19, the Committee is only required to produce a summarised Annual Return, rather than a full set of financial statements. That Annual Return is then subject to a 'limited assurance' independent examination rather than a full external audit, in line with the Auditor General for Wales' Code of Audit Practice.

A limited assurance opinion (if satisfactory) aims only to confirm that:

- the information contained in the Annual Return is in accordance with proper practices; and
- no matters have come to the auditor's attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Outcome of Independent Examination

We have completed our independent examination of the Committee's Annual Return for 2018-19. In carrying out this work, we have identified one required amendment to the Annual Return that has now been corrected:

- In the Accounting Statements on page 2, both Box 8 (debtors and stock balances) and Box 10 (creditors) have been increased by £107,304. Prepayments totalling this amount were incorrectly netted off the creditors total rather than added to debtors.

Certification of the Annual Return

As stated above, the above correction has now been made, and if re-approved by the Committee and Responsible Finance Officer at the Committee meeting on 11 September 2019, we propose to certify this amended Annual Return as follows:

‘On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.’

We do not propose to add any further comments in the ‘other matters and recommendations’ section of our certificate.

Conclusion

We would like to thank all staff within Newport City Council who assisted with the production and independent examination of the 2018-19 Annual Return.

Yours sincerely,

Gareth Lucey
Financial Audit Manager
Wales Audit Office