

## REGULATION 4: FINANCIAL REPORTING

### 4.1 ACCOUNTING POLICIES AND PROCEDURES

These relate to the policies, procedures and records needed to ensure that all financial transactions are recorded completely and accurately in a form that allows the annual accounts to be a *true and fair* representation of the Portchester Crematorium's affairs.

- 4.1.1 **Accounting Standards:** The Treasurer to the Joint Committee must ensure that the accounting procedures and financial records adopted by the Crematorium take into consideration published standards and codes of practice and are acceptable to the Crematorium's external auditors.
- 4.1.2 **Integrity of Accounting Systems:** All accounting and financial systems in use must be approved by the Treasurer to the Joint Committee to ensure they provide a comprehensive, consistent and accurate record of the organisation's financial transactions.
- Use of such systems must be monitored to ensure that they remain relevant to changing circumstances.
- 4.1.3 **Separation of Duties:** Wherever possible, financial systems of control should be designed so that no one individual is solely responsible for an entire process.

### 4.2 FINANCIAL REPORTS

These relate to external reports that show the Crematorium's financial position and any *formal* reports that are produced for decision-makers within the Crematorium.

- 4.2.1 **Quality of Financial Reports:** Any Officer producing financial reports must ensure that they are clear, accurate, relevant, reliable, consistent and compatible with the Crematorium's accounting and financial information systems. They should be complete, free from deliberate or systematic bias and material error.
- 4.2.2 **Supporting Documentation:** Where appropriate, working papers should be maintained to safeguard the quality and transparency of financial reports. In particular these should set out the basis on which sums have been estimated and any assumptions made.

### 4.3 FINANCIAL STATEMENTS

These comprise of annual reports that relate to the Crematorium's financial position.

The Annual Return is a public document that includes:

- Section 1 - Accounting Statements for the financial year
- Section 2 - Annual Governance Statement for the financial year
- Section 3 - External Auditor Certification and Opinion for the financial year
- Section 4 - Annual Internal Audit Report for the financial year

4.3.1 **Reports to Joint Committee:** The Treasurer to the Joint Committee must ensure that the following accounts and reports are prepared from the Executive for approval by the Joint Committee:

- a) the aggregate estimates of services for the financial year together with other matters related to the revenue budget;
- b) an opinion of the robustness of the estimates made and the adequacy of financial reserves;
- c) the aggregate capital programme, its financing and the implications for the financial year;
- d) the aggregate outturn of all services for the previous financial year.

4.3.2 **Reports to Joint Committee:** The Treasurer to the Joint Committee must ensure that the following accounts and reports are prepared for approval by the Joint Committee:

- a) the Annual Return to the 31st March of each year;
- b) an Annual Governance Statement.

4.3.3 **External Audit of Statement of Accounts:** The Treasurer to the Joint Committee must ensure that the draft Annual Return and supporting working documents, are prepared and ready for external audit in sufficient time to enable the audited financial statement to be published within the timetable legally stipulated for the Crematorium.

4.3.4 **Publication of Financial Statements:** The Treasurer to the Joint Committee must ensure that financial statements are published in accordance with statutory requirements. Other potential users should be made aware of their availability.