

## **DURHAM COUNTY COUNCIL**

At a Meeting of **Mountsett Crematorium Joint Committee** held in Council Chamber, Civic Centre Consett on **Thursday 23 September 2010 at 10.00 am.**

### **Present:**

**Councillor O Temple (Chair)**

### **Members of the Committee:**

#### **Durham County Council**

Councillors A Bainbridge, J Hunter, J Nicholson and C Marshall (substitute for B Stephens)

#### **Gateshead Council:**

Councillors M Ord, D Davidson and M Wallace

### **Apologies:**

Apologies for absence were received from

#### **Durham County Council**

Councillors J Docherty, M Hodgson, O Johnson and J Wilson

#### **Gateshead Council**

Councillors K Dodds and P Ronan

### **1 Minutes of the Meeting held on 25 June 2010.**

**RESOLVED:** that the minutes of the meeting held 25 June 2010 be agreed as a correct record.

### **Matters Arising:**

With regard to minute number A9, Councillor O. Temple asked for an update in relation to the Major Fixed Asset Acquisitions and disposal. The Head of Finance, HR and Business Support advised that the split was 65% - 35% as detailed in the Constitution.

Councillor Temple also asked the Superintendent and Registrar to provide an update in relation to minute number A2 and the Chairmanship of the Joint Committee. It was noted that since the partnership between the two authorities had been in place the Chairmanship of the Committee had always remained with the administering authority, however it was noted that legally the chairmanship could be alternated year on year between authorities if the Joint Committee found appropriate to do so.

### **Chairman's Announcement**

**It was noted that due to the content of Items A4 and A5 on the agenda, the items should be taken with Members agreement at the end of the meeting after the Exclusion of Press and Public.**

## **2 Declarations of Interest, if any.**

There were no declarations of interest received.

## **3 Financial Monitoring Report - Spend to 31 August 2010 and Provisional Outturn at 31 March 2011.**

The Head of Finance, HR & Business Support presented the report which set out details of income and expenditure in the period 1 April to 31 August 2010, along with a projection of the anticipated outturn to 31 March 2011, highlighting areas of over / underspend against the revenue budgets at a service expenditure level (for copy see file of minutes).

The report also detailed the funds and reserves of the Joint Committee at 1 April 2010 and estimated position at 31 March 2011, taking into account the forecast financial outturn.

The Head of Finance, HR & Business Support went on to provide explanations for significant variances between original budget and forecast outturn. They were as follows:-

- Employees - £3,370 saving based on current staffing levels and lack of a pay award.
- Premises – overspend of £32,754 relating to resurfacing of car park, replacement fencing and works to footpaths approved by the Joint Committee in June.
- Supplies and Services – Wesley Music system £2,300 more than budgeted, however this figure was offset by the Mercury Abatement budget of £10,680 which was not required until 2013.
- Income – Slight reduction in income receivable of £3,036 – due to anticipated reduction in cremations.
- Earmarked Reserves – A necessary contribution from the reserve of £9,040 rather than a contribution into the reserve of £15,000 as budgeted due to additional works approved by the Joint Committee. It was also noted that cremator reserve was currently in line with budget.

The Head of Finance, HR & Business Support recommended that members note the April – August 2010 revenue financial monitoring report, treatment regarding the funding of the additional premises costs and the revenue forecast in terms of the outturn position 2010/11. He further advised that quarterly reports would continue to be presented over the course of the year in line with the agreed Forward Plan.

Councillor Temple raised a query with regard to the Mercury Abatement Budget and whether it was to be factored into the 2011/12 budget, given that it was not required until 2013. The Head of Finance, HR & Business Support advised that it would be excluded from the 2011/12 budget.

**Resolved:** that the content of the report be received and accepted.

## **4 Risk Register 2010/11.**

The Head of Finance, HR & Business Support presented the report which provided an update on the current position with regards to the Risk Register of the Mountsett Crematoria Joint Committee. The report formed part of the 6 monthly review of risk as agreed in the Forward Plan (for copy see file of minutes).

In line with the previous report two risk registers had been prepared, separately identifying Service and Operational Risks.

Members were referred to paragraphs 8 – 11 of the report which provided an update in relation to Risks 12, 15, 13 and 14. It was noted that appropriate actions and target dates had been set against Risks 12 and 15. Risks 13 and 14 had now been resolved and closed following successful implementation of harmonised fees and charges and Risk 14 in relation to Administrative Support had been covered in Risks 4 and 11. For full details of risks please see report.

In conclusion the Head of Finance, HR & Business Support advised that officers were happy that actions as addressed at the January meeting of the Committee had or were in the process of being implemented.

**Resolved:** that

- 1) The content of the report and updated position be noted.
- 2) The Risk Registers be kept up to date and reviewed by the Joint Committee on a half yearly basis.

## **5 Internal Audit Plan / Scope 2010/11.**

The Committee received a report which sought approval for a proposed Service Level Agreement (SLA) for the provision of an Internal Audit Service by Durham County Council to the Mountsett Crematoria Joint Committee for the period April 2010 – March 2014, together with an indicative 4 year strategic plan and annual plan showing the type of audit coverage.

The Audit Manager (Neighbourhood Services) advised that the Central Durham Crematorium Joint Committee had developed an SLA for the provision of Internal Audit with a view to increasing its accountability. This had been put in place following recommendations made by the Audit Commission in the Annual Governance Report in 2008/09.

To ensure consistency across services it was proposed that Mountsett Crematoria Joint Committee also enter into a SLA with Durham County Council for the provision of an Internal Audit Service.

The report detailed the proposed SLA for the period 2010-2014 and further detailed the proposed audit plan for 2010/11 including the terms of reference and associated costs.

Councillor Temple added that in his opinion the Committee would be unwise to accept the agreement without further information (particularly with regards to a whole service SLA) and a broader picture of other factors which may impact upon this decision. Members discussed the matter at length and agreed that a decision on the matter should be deferred until such a time when information on other possible impacts could be made available.

Further discussion took place regarding the terms of reference for the 2010/11 internal audit review and the Head of Finance, HR & Business Support added that he did have some concerns that the committee may not meet again before the audit is underway.

**Resolved:** that the decision on the Service Level Agreement, Audit Charter and Strategic Audit Plan be deferred until a time when additional information could be provided.

## 6 Audit Opinion and VFM Conclusion - 2009/10 Statement of Accounts

The Head of Finance, HR & Business Support presented the report which advised members of the outcome of the external audit which was carried out by BDO Stoy Hayward following a review of Mountsett Crematorium in October 2009.

The Head of Finance, HR & Business Support advised that there was relatively little direct communications with External auditors and that the audit had been conducted 'off site'.

The Committee were required to receive and accept the recommendations within the report by no later than September 2010.

The External Auditor had issued an unqualified opinion, with 4 recommendations/observations as follows:-

- 1) Income incorrectly coded – concern that accounts do not reflect current financial position – Action already implemented.
- 2) Income has been incorrectly coded – Loss of income through incorrectly paying VAT. – Action already implemented.
- 3) There are no documented guidelines regarding the disposal of a contaminated body – Action already implemented.
- 4) There is no postage book held. Stamps are recorded on a word document. – Action already implemented.

One other area had been identified in relation to the review of the effectiveness of the Internal Audit. It was recommended that this should be undertaken annually before the end of the financial year and should be undertaken alongside the review of risk assessment.

**Resolved:** that the contents and recommendations contained within the External Auditors report be received and accepted.

## 7 Report of the Superintendent & Registrar

The Committee received a report of the Superintendent and Registrar which updated members on the number of cremations that had been undertaken during Quarter 2. It also provided detail on repairs and maintenance which had been agreed by the Committee at their last meeting in June 2010.

Detail was provided within the report on the tenders received. It was noted that an additional tender was expected in relation to the resurfacing of the car park. Once this had been received the work could be allocated to the contractor who submitted the lowest tender.

It was noted that the costs as outlined in the report could lead to a potential saving on previously reported estimates.

With regard to grounds maintenance it was noted that the grounds were in a good condition and visitors had commented on its appearance.

The Superintendent then went on to discuss the requirement for two further members of staff to be trained as Cremator Technicians.

It was considered that to effectively cope with an emergency planning / civil contingency event, and to avoid having to rely on other crematoria assistance, that a number of volunteers should be trained as Cremator Technicians. Two members of staff from Neighbourhoods, had expressed an interest in undertaking training and therefore

agreement was sought, for the enrolment of the two staff on the Cremator Technicians course, at a cost of £325 per person.

**Resolved:** that the content of the report be noted and;

- 1) the information on the tender process and associated costs be noted and the contract be awarded to those lowest tenders as reported. In addition a third tender shall be received in relation to the resurfacing of the car park and the contract awarded to the lowest tender, in addition;
- 2) agreement be given for the enrolment of two staff on the Cremator Technicians course at a cost of £325 per person.