

Mountsett Crematorium Joint Committee



3 October 2014

Financial Management System (FMS) – Transfer to SAGE Accounting Software



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources & Treasurer to the Joint Committee

Purpose of the Report

1. The purpose of this report is to present for Member's consideration, the business case and implementation requirements for the transfer of the Financial Management Information from the current FMS – Oracle to a standalone SAGE system. Similar arrangements are in place at the Central Durham Crematorium.

Background Information

2. In accordance with Durham County Council's Annual Internal Audit plan, a review of the Mountsett Crematorium was undertaken in February 2014
3. In its review, Internal Audit issued the following recommendation
 - **A business case for the implementation of the SAGE Accounting System be presented and considered by the Joint Committee.**
4. Members considered an action plan arising from the Audit at the April 2014 meeting and requested that a full report, identifying the set up requirements, will be brought to the October meeting of the Joint Committee.
5. The SAGE 50 Financial Package has proven to be an effective financial management system at Central Durham Crematorium, reducing duplication and improving efficiency. It is envisaged that the processes at Mountsett Crematorium would mirror those currently undertaken at Durham Crematorium. The implementation of SAGE will allow us to better segment the Mountsett Crematorium Accounts and has a number of other inventory recording benefits including Purchase Orders and Customer Invoices. The need for the Crematorium to ensure internal control and sound financial management would be better satisfied by the introduction of the Sage Software package.

Set up requirements for the transfer to SAGE

Purchase and ICT Installation

6. The SAGE 50 Financials software provides multi user access to a financial management system that enables robust Financial, Budget, Customer, Supplier and Purchase Order Management.
7. The Sage 50 Financial Package, which includes Sage Cover, an element of Training and an invoice starter pack, would provide best value for money in line with the Joint Committees requirements. This package is currently successfully used by the Central Durham Crematorium. The cost of this package is £280. In addition, in order to access the system at both the Crematorium and at County Hall, it is anticipated that an additional 5 licences costing £1,425 would be required. An annual subscription fee of approximately £1,000 is also required.
8. Discussions with Durham County Council's ICT Service have identified that the current PC and network provision at Mountsett Crematorium is compatible for SAGE Software installation and there will be no charge for the ICT installation works.

Bank Account

9. Mountsett Crematorium Joint Committee's financial transactions are currently undertaken via the Durham County Council and through its bank account. In order to transfer to SAGE the Joint Committee would need to set up a separate bank account
10. In November 2013 Durham County Council received notification that the incumbent banking supplier (Co-operative Bank) will be exiting the local authority market. The Council's current contract with the Co-operative is due to expire on 31 March 2016 and the Council is required to appoint a new supplier in advance of this date. The Council's strategy is to appoint a new provider by January 2015 and to commence migration to the new banking arrangements.
11. Durham County Council's Ledger Manager has advised that the new supplier appointed by January 2015 will also have the ability to include Mountsett Crematorium within its Portfolio.

Project Management / Implementation

12. Members will recall from the previous report that the SAGE System was implemented at the Central Durham Crematorium during 2010/11 due to the FMS (Oracle) being inaccessible to Crematorium staff. It has proven to be an effective financial management system (FMS) and has, over time, reduced duplication and improved efficiency. The initial set-up, transfer and archiving of historic data was project managed by the Finance Team who support the committee without any adverse implications on service delivery or the provision of financial information.
13. Initial discussions between the Finance Team and the Bereavement Services Manager have taken place and a gap analysis exercise commenced. It is envisaged that the processes at Mountsett Crematorium would mirror those currently undertaken at Durham Crematorium.

14. Subject to approval by members, the SAGE implementation can commence during November/ December 2014 with the system ready for use for the new financial year (1st April 2015).

Recommendations

15. It is recommended that:

- Members note the SAGE System FMS requirements and implementation date, approving the transfer from the current FMS - Oracle to SAGE.

Background Papers

April 2014 meeting – Response to Internal Audit report.

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Appendix 1: Implications

Finance

The finance implications associated with this report are shown within the body of the report. Initial set up charges will cost £1,705 with an annual charge of approximately £1,000.

Staffing

There are no staffing implications associated with this report.

Risk

Addressing the recommendations arising from the Annual Internal Audit Report 2013-14 will ensure that the Joint Committee will improve its governance arrangements and address the minor inefficiencies identified with regards to the maintenance of the Joint Committees books and records. Failure to address these concerns could potentially adversely affect future audit conclusions and could also affect the working relationship that exists with our internal and external auditors.

Equality and Diversity/Public Sector Duty

There are no Equality and Diversity implications associated with this report.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Human Rights

There are no Human Rights implications associated with this report.

Consultation

None. However, officers of Gateshead Council were provided with a copy of the report and given opportunity to comment/raise any detailed questions on the content of the report in advance of circulation to members of the Mountsett Crematorium.

Procurement

Due to the minimal costs of the SAGE Accounting System, there are no procurement legislation requirements. Training will be arranged for Crematorium staff to ensure and reinforce compliance with Durham county Councils and The Joint Committee's procurement procedures.

Disability Discrimination Act

There are no Disability issues associated with this report.

Legal Implications

The Accounts and Audit Regulations and Code of Practice set out the legal and regulatory framework in which the accounts of the Joint Committee are prepared. The proposals within this report seek to strengthen the Joint Committees compliance with these regulations.