



NOTICE OF MEETING

PORTCHESTER CREMATORIUM JOINT COMMITTEE

MONDAY, 25 JUNE 2018 AT 2.00 PM

COMMITTEE ROOM, TOWN HALL, GOSPORT

Telephone enquiries to John Haskell, Clerk to the Joint Committee 023 9283 4057

(NB This Agenda should be retained for future reference with the Minutes of this meeting.

The agenda, minutes and non-exempt reports are available to view on-line at www.portchestercrematorium.org)

Membership of the Joint Committee - 2018/19

Gosport Borough Council

*Councillor June Cully
Councillor Kathleen Jones*

Havant Borough Council

*Councillor David Guest
One vacancy to be notified*

Fareham Borough Council

*Councillor Keith Evans
Councillor Simon Martin*

Portsmouth City Council

To be notified

AGENDA

Welcome and Introductions

1 Apologies for Absence

2 Appointment of Chairman

It is the policy of the Joint Committee to adopt a rotating basis for the appointment of chairman and vice chairman. The Chairman for the 2018/19 municipal year should therefore be appointed from one of Fareham's representatives.

3 Appointment of Vice-Chairman

The Vice-Chairman should be appointed from one of Havant's representatives as it will be Havant's turn to act as Chairman for the 2019/20 municipal year.

4 Declarations of Members' Interests

5 Minutes of the Meeting held on 19 March 2018 (Pages 5 - 8)

Attached

6 Matters Arising from the Minutes not specifically referred to on the Agenda

7 Clerk's Items

The Clerk to the Joint Committee will report on any matters requiring attention.

8 Annual Return for the Financial Year Ended 31 March 2018 (Pages 9 - 24)

The purpose of the attached report from the Treasurer is to advise that the Joint Committee's accounts have been prepared in compliance with the format prescribed by the Accounts and Audit (England) Regulations 2011.

Section 2 of the document includes the Annual Governance Statement. A background paper is attached to the statement as an appendix giving a short explanation of the key components upon which the Joint Committee can rely in agreeing the Annual Governance Statement.

RECOMMENDED that the Annual Return for the financial year ending 31 March 2018 be approved and signed as appropriate, as follows -

- (a) Section 1 - Accounting Statements for Portchester Crematorium Joint Committee be approved and signed;**
- (b) Section 2 - Annual Governance Statement be approved and signed;**
- (c) That the Income and Expenditure Statement for the Year ended 31 March 2018 and Balance Sheet as at 31 March 2018 be noted.**

9 Portchester Crematorium Joint Committee - Annual Report - 2017/18
(Pages 25 - 30)

The purpose of the attached report by the Clerk is to place on record and inform members of the principal work of the Joint Committee during the 2017/18 financial year.

RECOMMENDED that the annual report for the 2017/18 financial year be noted and received and it be sent for information to each constituent authority.

10 North Chapel Refurbishment (Pages 31 - 32)

The purpose of the attached report from the Property Manager is to update the Joint Committee on progress with the North Chapel refurbishment scheme.

RECOMMENDED that the report be noted.

11 Building Works Programme (Pages 33 - 34)

Report from the Property Manager attached.

RECOMMENDED that the Joint Committee notes the contents of the report.

12 Manager and Registrar's Report (Pages 35 - 38)

a) General Report attached

b) Monitoring Register of Public Comments - attached

c) Any other items of topical interest

13 Internal Audit Plan 2018/19 and onwards (Pages 39 - 42)

The purpose of the attached report by the Treasurer is to seek approval for the plan of internal audit coverage from 2018/19 onwards along with proposals of how this will work and be resourced and costed.

RECOMMENDED that the proposals for internal audit coverage be approved.

14 Horticultural Consultant's Report (Pages 43 - 44)

General Report

A report from the Horticultural Consultant on grounds maintenance generally is attached.

RECOMMENDED that the report be received and noted.

15 Dates of Future Meetings

RECOMMENDED that the Joint Committee meets at 2pm on a rotating basis on the following dates in 2018/19, at the venues indicated –

**Monday 17 September 2018 (Havant)
Monday 10 December 2018 (Portsmouth)
Monday 25 March 2019 (Fareham)
Monday 24 June 2019 (Gosport)**

Agenda Item 5

PORTCHESTER CREMATORIUM JOINT COMMITTEE

MINUTES OF THE MEETING of the Joint Committee held in the Civic Offices, Fareham on Monday 19 March 2018 at 2.00 pm.

Present

Fareham Borough Council

Councillor Susan Bell
Councillor Keith Evans

Gosport Borough Council

Councillor June Cully
Councillor Dr Philip Raffaelli (standing deputy)

Havant Borough Council

Councillors Tony Briggs

Portsmouth City Council

Councillor Frank Jonas (Chairman)

Apologies for Absence (AI 1)

Councillor David Guest (Havant BC); Councillor Hannah Hockaday (Portsmouth CC)

767 Declarations of Members' Interests (AI 2) – None

768 Minutes of the Meeting held on 11 December 2017 (AI 3)

RESOLVED that the minutes of the meeting held on the 11 December 2017 be signed as a correct record.

769 Matters Arising from the Minutes not specifically referred to on the Agenda (AI 4) - None

770 Clerk's Items (AI 5)

(a) Recycling of Metals Scheme – Charitable Nomination

The Clerk reported that following consultation with members the Rowans Hospice had been nominated to receive an award under the metals recycling scheme operated by the Institute of Cemetery and Cremation Management. He was pleased to report that an award of £5,000 had now been received for presentation to the Rowans.

NOTED

(b) Internal Audit Report 1110, dated February 2018

(TAKE IN REPORT)

This report, which was received on the 12 March, was circulated to members following publication of the agenda, rather than holding it over until the June meeting of the Joint Committee.

Following presentation of the report by the Treasurer, the officers answered questions arising from members, including arrangements to use the Fareham BC employee performance management scheme.

NOTED

771 Risk Management Strategy (AI 6)

(TAKE IN REPORT OF THE TREASURER)

RESOLVED (1) That the Risk Management Strategic Framework and Policy as set out in Appendices A and B of the Treasurer's report be approved.

(2) That the form and presentation of the Strategic and Operational Risk Registers be reviewed, taking into account current good practice, and a further report be made to the Joint Committee on the outcome.

772 Building Works Programme (AI 7)

(TAKE IN REPORT OF THE PROPERTY MANAGER)

RESOLVED that the contents of the report be noted.

773 North Chapel Refurbishment (AI 8)

(TAKE IN REPORT OF THE PROPERTY MANAGER)

The Property Manager presented and amplified the key points of the report and explained that the detailed design process being undertaken by RBA Architects should be finished shortly. Should any significant changes arise in the detailed design from the previously approved design principles arrangements would be made to consult with members. Following the procurement process it was hoped that work would be undertaken in the late summer 2018.

RESOLVED that the report be noted

774 Manager and Registrar's Report (AI 9)

(a) General Statistical Report

(TAKE IN REPORT OF THE MANAGER AND REGISTRAR)

RESOLVED that the report be received and noted.

(b) Any other items of topical interest – public comments register

(TAKE IN REPORT OF THE MANAGER AND REGISTRAR)

RESOLVED that the report be noted with interest

775 Horticultural Consultant's Report (AI 10)

(TAKE IN REPORT OF THE HORTICULTURAL CONSULTANT)

In submitting his report the Horticultural Consultant drew particular attention to work undertaken by Brighstone to ensure that paths and roadways had been treated and cleared of snow to provide access to the crematorium facilities.

RESOLVED that the report be received and the thanks of the Joint Committee be conveyed to Brighstone Landscapes and its on-site staff for the work undertaken during the period of snow.

776 Date of Next Meeting (AI 11)

RESOLVED that the next meeting be held at 2pm on Monday 25 June 2018 in Gosport

The meeting concluded at 2.28 pm.

Chairman

JH/me
20 March 2018
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Agenda Item 8



Report to Portchester Crematorium Joint Committee

Date: **25 June 2018**

Report of: **Treasurer to the Joint Committee**

Subject: **ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

SUMMARY

This report sets out the Annual Return for the financial year ended 31 March 2018.

RECOMMENDATIONS

- (a) That Section 1 - Accounting Statements for Portchester Crematorium Joint Committee be approved.
- (b) That Section 2 - Annual Governance Statement for Portchester Crematorium Joint Committee be approved.
- (c) That the Income and Expenditure Statement for the year ended 31 March 2018 and Balance Sheet as at 31 March 2018 be noted.

INTRODUCTION

1. The Audit Commission Act 1998 (Section 2 and Schedule 2) required Joint Committees to prepare accounts and undergo an audit separate from their constituent bodies. From 1 April 2015, implementation of the Local Audit and Accountability Act 2014 means that Joint Committees are no longer required to have their accounts separately prepared and audited. The Government has made this change as the appropriate parts of the financial results of Joint Committees are reported in the accounts of their constituent bodies, so they will be audited by auditors appointed to audit the accounts of those bodies, and there is no separate audit appointment.
2. To provide consistency of information for the constituent bodies and to the Joint Committee an Annual Return for 2017/18 has been prepared and comprises the following sections for approval and information:
 - Section 1 - Accounting Statement - recording financial transactions during the year for both revenue and capital schemes.
 - Section 2 - Annual Governance Statement
 - Income and Expenditure Statement for the year ended 31 March 2018 and Balance Sheet as at 31 March 2018.
3. Section 1 - Accounting Statement
The Accounting Statement is presented for approval by the Joint Committee and is supported by details and explanations of the variances between the financial year 2017/18 and the previous financial year 2016/17.
4. Section 2 - Annual Governance Statement
The Annual Governance Statement is presented for approval by the Joint Committee and is supported by details of the key components upon which the Joint Committee has relied in agreeing each aspect of the Annual Governance Statement.
5. Annual Internal Audit Report
The approved five year plan for internal audit work undertaken by Fareham Borough Council's internal audit has now been completed. A new Internal Audit plan will be prepared for approval by the Joint Committee.
6. An Income and Expenditure statement, Balance Sheet, explanatory notes and details of the reserves held by the Joint Committee are then provided to complete the summary of the financial position at year end.
7. The final accounts for the Joint Committee show a breakeven outturn in line with the revised budget. It has been possible for a higher contribution to be made to the Repairs and Renewals funds placing the Joint Committee in a stronger financial position to meet the forthcoming costs of the North Chapel refurbishment and other future capital works requirements.

Section 1 - Accounting Statement for: Portchester Crematorium Joint Committee

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
			Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to underlying financial records.
1. Balances brought forward	1,541,031	2,016,542	Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of the previous year.
2. (+) Income from local taxation and/or levy	0	0	Total amount of local tax and/or levy received or receivable in the year, including funding from a sponsoring body.
3. (+) Total other receipts	2,029,945	2,091,470	Total income or receipts as recorded in the cashbook less income from taxation and/or levy (line 2). Include any grants received here.
4. (-) Staff costs	(258,196)	(266,705)	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
6. (-) All other payments	(1,296,238)	(1,331,316)	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	2,016,542	2,509,991	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total cash and short term investments	2,044,132	2,537,935	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation.
9. Total fixed assets plus other long term investments and assets	8,091,293	8,091,293	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the body as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

<p>I certify that for the year ended 31 March 2018 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure, or properly present receipts and payments, as the case may be.</p> <p>Signed by Responsible Financial Officer</p> <p>_____</p> <p>Date: _____</p>	<p>I confirm that these accounting statements were approved by the body on:</p> <p>_____</p> <p>And recorded as minute reference:</p> <p>_____</p> <p>Signed by Chair of meeting approving these accounting statements.</p> <p>_____</p> <p>Date: _____</p>
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8. EXPLANATIONS OF VARIANCES BETWEEN ACCOUNTING YEARS

8.1 Annual Return - Other Receipts (line 3)

8.1.1 Income from charges and sales of £2,091,470 was £74,070 above the revised budget and £61,525 higher than the previous year. The number of cremations carried out during 2017/18 has totalled 3,384 of which 152 were walk-through cremation services and 26 were carried out at no charge. This represents a decrease of 40 (1.2%) compared with the previous financial year's total of 3,424; and an increase of 144 (4.4%) compared with the total in 2015/16. The numbers of cremations for 2017/18 and the four previous financial years are set out in the table below. The number of cremations has been higher than anticipated in this financial year with the budget having been based on 3,200 cremations. Income from other areas, such as memorial cards and organ music, has fallen reflecting a continuation in the trend of a small decline in demand for these services. £16,517 has been received from the CAMEO TMAC scheme.

	Cremations				
	2013/14	2014/15	2015/16	2016/17	2017/18
Cremations at nil charge (under 16)	27	22	26	20	26
Walk through cremations				80	152
	3,933	3,389	3,214	3,324	3,206
Total cremations	3,960	3,411	3,240	3,424	3,384

	Actual 2016/17 £	Actual 2017/18 £	Budget 2017/18 £
Variation between accounting years			
<u>INCOME</u>			
Garden Improvement fund contributions	0	5,191	1,500
Memorial Cards	6,728	5,253	7,000
Cremation Fees	1,893,440	1,968,210	1,904,000
Book of Remembrance	52,483	55,241	54,200
Organ Music	36,283	29,744	38,000
CAMEO TMAC	28,148	16,517	0
Web broadcasting services	1,850	2,125	2,000
Other	11,013	9,189	10,700
TOTAL INCOME	2,029,945	2,091,470	2,017,400
Variation		61,525	
Expressed as a percentage		3.03%	

8.2 Annual Return – Staff Costs (line 4) and Other Payments (line 6)

STAFF COSTS AND OTHER PAYMENTS

8.2.1 Employee expenditure of £266,705 was £3,495 below the revised estimate of £270,200 for 2017/18.

8.2.2 Other expenditure of £1,331,316 was £35,078 higher in 2017/18 than the previous year.

	Actual 2016/17	Actual 2017/18	Budget 2017/18
	£	£	£
Variation between accounting years			
EXPENDITURE			
Premises expenditure	420,977	480,030	499,700
Contribution to Constituent Authorities	520,000	580,000	580,000
Capital Expenditure	0	0	0
Capital and Repairs and Renewals Expenditure	133,105	49,931	115,000
Supplies and Services	222,156	221,355	237,500
TOTAL EXPENDITURE	1,296,238	1,331,316	1,432,200
Variation		35,078	
Expressed as a percentage		2.71%	

PREMISES

8.2.3. **Repairs and Maintenance.** The total budget for premises repairs and maintenance, including grounds expenditure and energy costs, was £499,700. Actual expenditure of £480,030 was £19,670 below the revised budget level. Repairs and Maintenance was under budget by £16,489.

8.2.4 **Energy Costs.** Energy costs have increased this financial year, and actual expenditure of £99,641 was £2,441 higher than the revised budget provision of £97,200 for this area of expenditure.

SUPPLIES AND SERVICES

8.2.5 Expenditure of £221,355 was below the revised budget of £237,500 by £16,145. Book of Remembrance entries and Memorial Cards were £7,317 below budget and the amount of VAT reclaimable was £7,316 below budget.

REPAIRS AND RENEWALS/CAPITAL WORKS FUND

8.2.6 During 2017/18 expenditure of £49,931 has been set against the Repairs and Renewals fund which was well within budget, and a contribution of £137,409 has been made to the Repairs and Renewals Fund. The balance of the fund being carried forward at the end of 2017/18 is £340,000; this is set out in Paragraph 10.3.

8.2.7. During 2017/18 there was no capital expenditure to be set against the Capital Works fund, and a contribution of £350,642 has been made to the Capital Works Fund. The balance of the fund being carried forward at the end of 2017/18 is £2,020,000; this is set out in Paragraph 10.3.

- 8.2.8 During 2017/18 £1,439 of contributions towards the Garden Improvement Fund were received. As proposed last year the accumulated balance of £3,924.50 at the end of 2016/17 and the contributions received in this year have been used to replace some of the wooden seats with better quality seating and for shade tolerant herbaceous plants and bulbs to go under the beech trees towards the northern boundary. At the end of 2017/18 the balance on the Garden Improvement Fund is £172.18.
- 8.3 Annual Return - Cash and Short Term Investments have increased in 2017/18 enabling a replenishment of balances held to support future capital expenditure.

Variation between accounting years (line 8)	2016/17	2017/18
<u>CASH AND SHORT-TERM INVESTMENTS</u>	£	£
Short Term Investment	1,541,000	2,016,539
Cash at Bank and In Hand	503,132	521,396
	<u>2,044,132</u>	<u>2,537,935</u>
Variation		493,803
Expressed as a percentage		24.2%

8.4 Annual Return - Fixed and Long Term Assets (line 9)

Historically, asset values have been included in the Annual Return at net current value. However, in line with proper practices as noted in Governance and Accountability for Local Councils each asset should be recorded on the asset register as its original purchase cost or where this is not known, a proxy value should be included. These values remain unchanged on the Annual Return until disposal, with only subsequent additions being added to the figure. Therefore the 2013/14 value of £7,906,707 increased in 2014/15 with additions of £97,910 as shown in the breakdown below, with no further additions in 2015/16. In 2016/17 there was £86,672 capital expenditure against cremator furnace relining. During 2017/18 there has been no capital expenditure.

	2014/15	2015/16	2016/17 and 2017/18
	£	£	£
<u>BUILDINGS</u>			
CREMATORIUM	2,401,353	2,401,353	2,401,353
New Paved Areas to Gardens	38,859	38,859	38,859
Improvements to Public Waiting Facilities	831,884	831,884	831,884
Replace Glazed Conservatory Roof	15,541	15,541	15,541
Renew Conservatory Glazed Screen	25,394	25,394	25,394
Overflow car park enlargement	105,901	105,901	105,901
EPA - Phase 2 Mercury Abatement scheme	151,844	151,844	151,844
CREMATORIUM	718,099	718,099	718,099
Staff Facilities	30,024	30,024	30,024
TOTAL BUILDINGS	4,318,899	4,318,899	4,318,899
<u>PLANT & EQUIPMENT</u>			
New Cremators - EPA 1990	1,250,073	1,250,073	1,250,073
Refuse Compactor	14,341	14,341	14,341
New cremulator	21,952	21,952	21,952
Replace cremator venturi ducts/nozzles	34,004	34,004	34,004
Cremator furnace relining	75,468	75,468	75,468
EPA - Phase 2 Mercury Abatement scheme	1,794,013	1,794,013	1,794,013
Cremator furnace relining	39,540	39,540	39,540
Cremators Hearth Replacement	19,858	19,858	19,858
Analyser Renewal	121,017	121,017	121,017
Mercury Abatement Scheme Retention			
Release	128,052	128,052	128,052
Cremator furnace relining	89,493	89,493	89,493
14/15 Additions : Cremator furnace relining	78,408	78,408	78,408
14/15 Additions : Hearth Replacement	19,502	19,502	19,502
16/17 Additions : Cremator furnace relining			86,672
TOTAL PLANT & EQUIPMENT	3,685,721	3,685,721	3,772,394
<u>TOTAL FIXED ASSETS</u>	8,004,620	8,004,620	8,091,293

Section 2 – Annual Governance Statement

We acknowledge as the members of **Portchester Crematorium Joint Committee** our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2018, that:

	Agreed -		'Yes'
	Yes	No	Means that the body :
1. We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	YES		prepared its accounting statements in the way prescribed by law.
2. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of the body to conduct its business or on its finances.	YES		has only done what it has the legal power to do and has complied with proper practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YES		during the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts.
5. We carried out an assessment of the risks facing the body and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES		considered the financial and other risks it faces and has dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems.	YES		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the body.
7. We took appropriate action on all matters raised in reports from internal and external audit.	YES		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	YES		disclosed everything it should have about its business activity during the year including events taking place after the yearend if relevant.

This annual governance statement is approved by the body and recorded as minute reference : Dated: _____	Signed by:
	Chair _____
	Dated _____
	Signed by: Clerk _____
	Dated _____

9. SUPPORTING THE ANNUAL GOVERNANCE STATEMENT FOR 2017/18

9.1 The table below sets out a short explanation of the key components upon which the Joint Committee has relied in agreeing each aspect of the Annual Governance Statement.

1	<ul style="list-style-type: none"> The accounting statements, prepared in the way prescribed by law, were approved by the Joint Committee on 25 June 2018 under minute []
2	<ul style="list-style-type: none"> The appointment of a professionally qualified and experienced Treasurer and Deputy Treasurer. A system of internal audit undertaken separately by Fareham BC. The Joint Committee's standing orders and Financial Regulations. The adoption of policies in respect of anti-fraud and corruption, and whistle blowing. Internal Audit issues arising and subsequent actions reported to the Joint Committee during 2017/18.
3	<ul style="list-style-type: none"> The Joint Committee is a single purpose body whose officers are well qualified and experienced to undertake their respective roles. The roles and responsibilities of the Joint Committee and the officer functions with clear delegations of their responsibilities are defined in the Memorandum of Agreement between the four constituent authorities and the scheme of delegation to officers. There is a financial strategy and capital programme approved annually. Decisions by the Joint Committee are taken on the basis of written reports from the officers. The Joint Committee is a member of the Federation of Burial and Cremation Authorities (FBCA) and complies with its code of practice and the law on cremation.
4	<ul style="list-style-type: none"> The accounts are open for public inspection, of which public notice is given annually in accordance with the regulations. The agendas, minutes and reports of each Joint Committee meeting are published on the Portchester Crematorium web site and are open for public inspection. An annual report is published and sent to each of the four constituent authorities.
5	<ul style="list-style-type: none"> The Joint Committee has in place a risk management policy and risk registers which are reviewed periodically. Specific risk registers are prepared when needed – for example in respect of the mercury abatement project. There is a business continuity plan. There is a biennial health and safety audit. The FBCA undertook an inspection in November 2009. Allianz was the Joint Committee's insurer during 2017/18.
6	<ul style="list-style-type: none"> Fareham BC's internal audit service carries out an annual review and every two years it carries out a planned programme of work based on a comprehensive risk assessment. The effectiveness of the internal audit function is undertaken by Fareham BC's Audit Committee, and reviewed annually. Internal Audit Reports, issues arising and subsequent actions reported to the Joint Committee during 2017/18.
7	<ul style="list-style-type: none"> Internal Audit Reports, issues arising and subsequent actions reported to the Joint Committee during 2017/18.
8	<ul style="list-style-type: none"> Any relevant matters have been included within the accounting statements.

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Net Expenditure 2017/18 £
<u>EXPENDITURE/INCOME ON SERVICE</u>	
Employees	266,705
Premises	529,961
Supplies and Services	221,355
Depreciation	323,725
Income	-2,091,459
Cost of Services	-749,713
Other Operating Expenditure	
Pension interest costs and expected return on pension assets	18,000
Interest Receivable	-11
Surplus on Provision of Service	-731,724
Actuarial gains / losses on pension assets / liabilities	-18,000
Total Comprehensive Income and Expenditure	-749,724
Reverse actuarial gains / losses on pension assets / liabilities	18,000
Contributions to Constituent Authorities	580,000
Reverse Depreciation of Fixed Assets included in Cost of Service	-323,725
Contributions to Capital Works Fund	350,642
Contributions to Repairs & Renewals Fund	137,409
Contribution to / from pensions reserve	-18,000
Contribution from reserves to finance repairs and renewals / capital works	0
	5,398

BALANCE SHEET AS AT 31 MARCH 2018

<u>2016/17</u> £	<u>Property, Plant & Equipment</u>	<u>2017/18</u> £
4,684,696	Land and buildings	4,546,971
1,910,398	Plant and equipment	1,724,398
<u>6,595,094</u>	Long Term Assets	<u>6,271,369</u>
1,541,000	Short Term Investments	2,016,539
41,571	Short term debtors & Prepayments	39,559
503,132	Cash - at Bank and in hand	521,396
<u>1,619,066</u>	Current Assets	<u>2,577,494</u>
-65,239	Short Term Creditors	-67,334
-3,925	Receipts in advance	-172
<u>-78,037</u>	Current Liabilities	<u>-67,506</u>
-770,000	Pension scheme liability	-820,000
<u>-770,000</u>	Long Term Liabilities	<u>-820,000</u>
<u>7,841,633</u>	Net Assets	<u>7,961,357</u>
	Reserves	
-2,016,539	Usable Reserves	-2,509,988
-5,825,094	Unusable Reserves	-5,451,369
<u>-7,841,633</u>	Total Reserves	<u>-7,931,357</u>

10. BALANCE SHEET AS AT 31 MARCH 2018

10.1. The Balance Sheet shows the final financial position of the Joint Committee as at 31 March 2018. This includes items that are not separately disclosed as part of the Annual Return, namely revaluation and depreciation of non-current assets, short-term debtors and creditors and Pension Scheme Liability and Reserves that are held by the Joint Committee. These are set out in greater detail in the notes below.

	Land & Buildings	Plant & Equipment	Revaluation Restatement	Total
Net Book Value	£	£	£	£
At 1 April 2017	4,318,899	3,772,394		8,091,293
Additions	0	0		0
Donations				0
As at 31 March 2018	4,318,899	3,772,394		8,091,293
Crematorium Building Revaluation in 2013/14			1,107,665	1,107,665
Accumulated Depreciation and Impairment				
At 1 April 2017	-741,868	-1,861,996		-2,603,864
Depreciation charge	-137,725	-186,000		-323,725
Impairment Losses				0
As at 31 March 2018	-879,593	-2,047,996	0	-2,927,589
Net Book Value				
At 31 March 2018	3,439,306	1,724,398	1,107,665	6,271,369

	Land & Buildings	Plant & Equipment	Revaluation Restatement	Total
Net Book Value	£	£	£	£
At 1 April 2016	4,318,899	3,685,721		8,004,620
Additions	0	86,672		86,672
Donations				0
As at 31 March 2017	4,318,899	3,772,394		8,091,293
Crematorium Building Revaluation in 2013/14			1,107,665	1,107,665
Accumulated Depreciation and Impairment				
At 1 April 2016	-604,143	-1,675,994	0	-2,280,137
Depreciation charge	-137,725	-186,002		-323,727
Impairment Losses				0
As at 31 March 2017	-741,868	-1,861,996	0	-2,603,864
Net Book Value				
At 31 March 2017	3,577,031	1,910,398	1,107,665	6,595,094

10.2 Short-Term Debtors and Short-Term Creditors

The variation between Short Term Debtors and Short Term Creditors is set out in the table below :-

	2016/17	2017/18
<u>Debtors</u>	£	£
Short Term Debtors – Fees	26,000	33,253
Short Term Debtors – HMRC	0	6,306

The year end Cremation Fee Debtors have increased overall as at 31 March 2018 by £7,253.

	2016/17	2017/18
<u>Creditors</u>	£	£
Short Term Creditors	67,424	67,334
Fareham Borough Council	14,838	16,187
Facultative Technologies	0	0
Grounds Maintenance	4,468	4,678
Public Utilities	8,185	10,284
Organist Fees	0	636
Medical Referees	17,677	18,576
Other Creditors	18,062	16,974
HMRC	4,194	0

The year end Creditors have decreased overall as at 31 March 2018 by £90.

10.3 Usable Reserves

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure during 2017/18.

	Balance at 1 April 2017 £	Transfers Out 2017/18 £	Transfer In 2017/18 £	Balance at 31 March 2018 £
General Fund	144,590	0	5,398	149,988
Capital Works Fund	1,669,358	0	350,642	2,020,000
Repairs & Renewals Fund	202,591	-49,931	137,409	340,000
Total	2,016,539	-49,931	493,449	2,509,988

10.4 Unusable Reserves

Unusable Reserves summary	2016/17	2017/18
	£	£
Revaluation Reserve	1,499,951	1,455,903
Capital Adjustment Account	5,095,143	4,815,466
Pensions Reserve	-770,000	-820,000
	<u>5,825,094</u>	<u>5,451,369</u>

Revaluation Reserve

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. An increase in valuation was recognised in 2013/14 following a revaluation of the crematorium buildings.

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Capital Adjustment Account is debited with the cost of acquisition, construction or enhancement. Depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Joint Committee as finance for the costs of acquisition, construction and enhancement.

Capital Adjustment Account	2016/17	2017/18
	£	£
Opening Balance as at 1 April	5,288,149	5,095,142
Capital financing from revenue in year	86,672	0
Less depreciation provision in year	-323,727	-323,725
Historical Cost Adjustment	44,048	44,048
Balance as at 31 March	<u>5,095,142</u>	<u>4,815,465</u>

Pensions Reserve

The Local Government Pension Scheme (LGPS) is administered by Hampshire County Council. This is a funded defined benefit final salary scheme, meaning that the Joint Committee and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post employment benefits in the Income and Expenditure Accounts as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds or eventually pay any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the Joint Committee has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Pension Reserve	2016/17	2017/18
	£	£
Opening Balance	-755,000	-770,000
Net service cost	-53,000	-72,000
Interest income on assets	44,000	39,000
Interest cost	-66,000	-57,000
Actuarial gain / loss	-188,000	-8,000
Contributions to liabilities	251,000	48,000
Closing Balance	<u>-770,000</u>	<u>-820,000</u>

Background Papers

Report to the Portchester Crematorium Joint Committee 'Revenue Budget 2017/18 December 2016.

Report to the Portchester Crematorium Joint Committee 'Annual Return 2016/17' June 2017.

Andy Wannell CPFA
Treasurer to the Joint Committee
Civic Offices
Fareham

For further information on this report please contact Kate Busby on 01329 824685.

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Agenda Item 9



**REPORT TO: PORTCHESTER CREMATORIUM JOINT COMMITTEE –
25 JUNE 2018**

REPORT BY: CLERK TO THE JOINT COMMITTEE

PORTCHESTER CREMATORIUM JOINT COMMITTEE – ANNUAL REPORT – 2017/18

1. Purpose

1.1 The purpose of this report is to place on record and inform members of the principal work of the Joint Committee during the 2017/18 financial year.

2. Recommended that this Annual Report for the 2017/18 financial year be noted and received and that it be sent for information to each constituent authority.

3. Background

3.1 The Joint Committee operates under a Memorandum of Agreement between Fareham Borough Council, Portsmouth City Council, Gosport Borough Council and Havant Borough Council. Two members from each of the constituent authorities make up the 8 person Joint Committee. The constituent councils have delegated to the Joint Committee all the powers of the constituent authorities with respect to the provision and maintenance of the crematorium.

3.2. The agreement sets out the constitution of the Joint Committee; the objectives of the crematorium and relationships between the constituent authorities. The agreement also sets out the minimum number of meetings (three) to be held annually for the general business of the Joint Committee, although in practice to meet various statutory reporting deadlines four meetings are held.

3.3 The membership of the Committee in the 2017/18 financial year was –

Councillor Sue Bell (Fareham BC)	Vice-Chairman
Councillor Keith Evans (Fareham BC)	
Councillor Alan Scard (Gosport BC)	
Councillor June Cully (Gosport BC)	
Councillor Tony Briggs (Havant BC)	
Councillor David Guest (Havant BC)	
Councillor Frank Jonas (Portsmouth CC)	Chairman
Councillor Hannah Hockaday (Portsmouth CC) (from December 2017)	
Councillor Rob New (Portsmouth CC) (until November 2017)	

The chair and vice-chairmanship rotates between authorities annually.

3.4 The Joint Committee met on 4 occasions during the 2017/18 financial year:

26 June 2017	18 September 2017	11 December 2017
19 March 2018		

Minutes of each of these meetings and the reports considered are available for viewing on the Portchester Crematorium Web Site, which has a direct link to the Portsmouth City Council website where the documents are stored.

3.5 The meetings of the Joint Committee have been supported by the Clerk (John Haskell), Treasurer (Andy Wannell), Engineer and Surveyor (Terry Garvey), and their respective deputies, together with the Horticultural Consultant (Ashley Humphrey) and the Manager and Registrar (James Clark). Terry Garvey and his deputy retired on 31 December 2017. The duties of the Engineer and Surveyor have now passed to Ian Cousins, Fareham BC's Property Manager. They report to the committee on financial and procedural matters including the operation of the crematorium and the quality of the service provided, which includes the grounds and buildings and plant to ensure the highest standards continue to be maintained.

3.6 Meetings are held on a rotational basis at each of the authorities principal offices, with full public notice of and access to these meetings.

4. The Joint Committee's Role and Responsibilities

4.1 The Joint Committee decides the overall policies to be adopted including approving a capital and maintenance works programme, consideration of and approval of accounts, and setting the scale of fees and charges. These could effectively be described as the Joint Committee's core functions.

5. Crematorium Development Plan 2017 - 2022

5.1 The purpose of the Development Plan is to look at medium term developments in the period to 2022, and in the longer term beyond 2022, and to set out the Joint Committee's intended course of action. The plan seeks to cover the principal strategic and operational issues relating to the crematorium's functions. The Development Plan is reviewed biennially; the current plan being approved in March 2017.

6. Activities in respect of the Joint Committee's Core functions

6.1 Action taken in respect of each of the core functions can be briefly summarised as follows:

(a) Financial Policies including Fees and Charges

The Joint Committee, at its meeting on the 11 December 2017, approved a comprehensive Finance Strategy for 2018/19, providing a clear overview of the Joint Committee's financial framework. It also aimed at providing added

assurance to the Committee and to the constituent authorities that sound and effective arrangements are in place to manage the Crematorium's finances. This strategy built on similar strategies approved annually by the Joint Committee since 2008. The current strategy also recognises that since December 2013 the operating environment of Portchester Crematorium significantly changed with the opening of the private Oaks Crematorium on the East Hampshire/Havant border. (See also (h) below – monitoring the levels of service).

The Joint Committee at its December 2017 meeting also approved the revenue budget for 2018/19 together with a revised capital works programme, and the repairs and renewals programme for 2017/18 & 2018/19. In approving the budget, the Joint Committee also set the levels of fees and charges operable from the 1 April 2018.

The Committee's actual income and revenue expenditure (for the financial year ending 31 March 2017) was reviewed and noted by the Joint Committee at its meeting on the 26 June 2017.

(b) Annual Financial Return for 2016/17

In June 2017 the Joint Committee approved and published its annual financial return for 2016/17.

The Annual Return also includes an annual governance statement (AGS). In summary the purpose of the AGS is to set out the Joint Committee's responsibilities and explain the system of governance that exists for the effective exercise of the committee's functions, including internal control, preparation of accounting statements, management of risk and the arrangements for review.

(c) Internal Audit Report for 2017/18

At the March 2018 meeting the Joint Committee considered a report on Internal Audit work carried out during 2017/18 in accordance with the 5 year plan previously approved by the Joint Committee. Overall, for the areas audited, the report found that adequate controls were in place and working effectively. Improvements were suggested to some areas of performance management.

(d) Risk Management

In March 2018 a comprehensive report was considered providing the opportunity for members to review the risk management framework that is in place. The Joint Committee approved A Risk Management Strategic Framework and Policy. The Joint Committee also agreed that the form and presentation of the strategic and operational risk registers be reviewed taking into account current good practice. These registers and an action plan to mitigate the higher risks (formalised in 2006 as part of risk management) have been reviewed annually.

(e) Developing and Enhancing the Crematorium's Services

At the meeting in September 2013 the Joint Committee approved a report setting out a range of initiatives aimed at developing further and enhancing the established quality of the services provided by the Crematorium. Since September 2013 the various initiatives have been implemented and the Joint Committee has received reports when appropriate –

- Provision of video screens in each chapel – *introduced Spring 2014, to enable family tributes to be shown.*
- Video streaming of services through the internet – *Full sound and vision service available from Autumn 2014. Since that time there has been an increasing take up of this valuable service for family and friends.*
- Extending the length of two morning and two afternoon services – *introduced during early Summer 2014, and now ensured that, so far as possible, services kept to advertised times.*
- Books of Remembrance available on line – *available from 2014.*
- Crematorium Web-site – *Refreshed and updated operational from Autumn 2016.*
- Crematorium logo – *adopted December 2015 to improve image and web site theme.*
- South Chapel – Upgrade and Refurbishment – *Work completed December 2015.*

(f) North Chapel Refurbishment Project

Following the successful refurbishment of the South Chapel, the Joint Committee at the meeting in June 2017 received and approved a presentation from Robert Benn of RBA Architects on a design scheme and refurbishment works for the North Chapel. The works proposed will include wooden cladding to the walls similar to that used in the South Chapel; removal of the existing ceiling to increase the volume of the chapel; new low energy feature lighting; reorientation of the catafalque in the committal area; and replacing the existing wooden pews with individual linked chairs.

Since June 2017 the Joint Committee has continued to receive at subsequent meetings progress reports with the project including procurement arrangements which envisage tenders being invited during early summer 2018 and works on site being undertaken in late summer/early autumn 2018.

(g) Repairs and Renewals Programme

Various minor items of work were undertaken during the year. A range of other work has been undertaken or authorised during 2017/18, and this includes -

- Works to Crematory and committal areas
- Paving works cleaning and re-pointing
- Internal redecoration - charge and cremation room

- Roofing Programme – inspection and cleaning
- External redecoration – rolling programme
- Water feature – maintenance
- Provision of accessible door to main office
- Part re-surfacing of car park and main entrance area

(h) Monitoring the Levels of Service

The Joint Committee continued to receive at each meeting relevant reports from the officers on their specific areas of responsibility thus enabling members to monitor and discuss as appropriate with officers any particular aspects of the crematorium's operations. The reports included a monitoring statement from the Manager and Registrar on the levels of cremation and other statistical information for the preceding period, which showed at the end of the financial year a total of 3,384 registered cremations (a slight decrease of 40 from the 3,424 cremations undertaken in 2016/17).

A public comments register was introduced in September 2016, the details of which are reported to the Joint Committee for monitoring at each meeting.

(i) The Crematorium Grounds

The annual horticultural maintenance programme continued to be implemented and this included –

- Shrub and bulb planting including the replacement of dead or dying plants;
- Tree pruning, including felling where appropriate;
- Shrub pruning;
- Maintaining the magnificent floral displays and the lawns.

The Crematorium received the prestigious Gold Award in the 2017 South and South East Britain in Bloom Awards. This is the second consecutive year the Crematorium has received the award. The criteria for the award included not only the quality of the grounds but also the appearance of buildings together with environmental and related matters.

During 2017 tenders were invited for a new grounds maintenance contract to commence in January 2018. Following a detailed evaluation of the tenders received the 5 year contract (with option for a further 5 years) was awarded to Brighstone Landscapes, at the meeting of the Joint Committee in September 2017. This company was also the previous contractor.

(j) Recycling of Metals Scheme – Charitable Payments

During the year the Joint Committee approved the submission of applications for the Rowans Hospice and Naomi House Children's Hospice under the metals recycling scheme operated by the Institute of Cemetery and Cremation Management.

Both applications were successful and resulted in significant payments from the scheme. The ICCM criteria requires that nominations have to be for local or national death related charities which have as their core function bereavement related support or service.

(k) Retirement of the Engineer & Surveyor and Future Arrangements

At the meeting of the Joint Committee in December 2017, Mr Terry Garvey (Engineer and Surveyor) and Mr Mark Pam (Deputy Engineer and Surveyor) were presented with certificates marking their retirement after 34 years and 7½ years respectively.

Fareham BC's Property Manager (Ian Cousins) is now reporting direct to the Joint Committee in respect of Crematorium building works, capital and maintenance programmes, and related matters. Since April 2014 Fareham BC's Building Services has been responsible for assisting the Engineer and Surveyor following expiration of a contract with an external building consultancy firm.

7. Conclusion

7.1 It will be seen from this report that the Joint Committee continues to function effectively through the members appointed to serve on it by their respective authorities. Although much of the Joint Committee's work continues to be of a recurring but important nature, during 2017/18 members have been involved in two additional areas of particular importance – making decisions regarding refurbishment and upgrading of the North Chapel, and the award of a new grounds maintenance contract. During the year particular attention has again focussed upon the environment in which the crematorium operates to ensure that the very high standards of service continue to be maintained in the most cost effective and efficient way.

.....
John Haskell
Clerk to the Joint Committee

Background List of Documents –
Section 100D of the Local Government Act 1972: *None*

JH/me
21 May 2018

Agenda Item 10



**REPORT TO: PORTCHESTER CREMATORIUM JOINT COMMITTEE –
25 JUNE 2018**

REPORT OF: IAN COUSINS, PROPERTY MANAGER

SUBJECT: NORTH CHAPEL REFURBISHMENT

1.0 Purpose of this Report

- 1.1 To update the Joint Committee on the progress of the North Chapel Refurbishment scheme.

2.0 Introduction

- 2.1 At the meeting of the Joint Committee on 26 June 2017 a report was received setting out a preliminary design concept and advising on logistical issues to enable the project to proceed. This included the appointment of RBA Architects Ltd, (RBA), to head a design team together with other appropriate professional support.

3.0 Scheme progress

- 3.1 RBA have now developed the design and prepared information ready for the project to be tendered.
- 3.2 The project has now been advertised by Portsmouth City Council for suitably experienced contractors to be considered for inclusion in the tender process. Supplier Selection Questionnaires have been received from interested contractors. These have been reviewed against the Committee's requirements and financial checks carried out. A short list of contractors will now be invited to submit a tender for the works.
- 3.3 It is planned that these works will commence in late summer 2018.

4.0 Recommendation

- 4.1 That the report be noted.

Ian Cousins
Property Manager

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**REPORT TO: PORTCHESTER CREMATORIUM JOINT COMMITTEE -
25 JUNE 2018**

REPORT OF: IAN COUSINS, PROPERTY MANAGER

SUBJECT: BUILDING WORKS REPORT



2017/18

Ref	Item Description	Status	Budget £	Anticipated Cost £	Variation £	Commentary
1802	North Chapel refurbishment	Design	205,000	205,000	0	See North Chapel Refurbishment report.
1803	Office refurbishment	Quotation	4,000	15,000	11,000	Quotations requested.
1804	Roofing Programme	Works identified	500	0	-500	Works completed for 2017 / 2018
1806	Paving Works cleaning and repointing	Ongoing programme	2,000	150	-1,850	Works completed for 2017 / 2018

2018 /19

Ref	Item Description	Status	Budget £	Anticipated Cost £	Variation £	Commentary
1901	Glazing Repairs	Ordered	25,000	25,000	Nil	Initial works ordered
1902	Vestry Refurbishment	Feasibility	6,000	6,000	Nil	
1903	Paving and Stonework Cleaning	Ongoing programme	5,000	5,000	Nil	Initial works completed

Continued overpage

1904	Surfacing and Paving Repairs	Feasibility	6,000	6,000	Nil	
1905	Fencing Repairs	Feasibility	5,000	5,000	Nil	Initial works completed
1906	External Redecoration	Feasibility	3,000	3,000	Nil	
1907	Fire Precautions Upgrade	Feasibility	5,000	5,000	Nil	

Note - Items previous reported as completed are not shown

Recommendation - That the report be noted

Ian Cousins

Property Manager

Background List of Documents –

Section 100D of the Local Government Act 1972 - None

Agenda Item 12

REPORT TO: PORTCHESTER CREMATORIUM JOINT
COMMITTEE – 25 JUNE 2018

REPORT BY: MANAGER AND REGISTRAR



STATISTICS

1. MONTHLY COMPARISON

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
MAR	323	307	345	329
APRIL	289	312	244	294
MAY	291	264	304	281

2. TOTAL CREMATIONS

	<u>YEAR</u>	<u>TO END MAY</u>
2015	3329	1582
2016	3355	1489
2017	3334	1530
2018	-	1607

3. DISPOSAL OF REMAINS

Ashes received from other Crematoria.....	50
i) Total disposals within grounds.....	292
ii) Remains removed from crematorium.....	588
iii) Retained.....	24
TOTAL	904
Scattered 33%	Removed 67%

4. GAS CONSUMPTION

Total gas consumption (cu.m.).....	73280
Total cremations.....	904
Average gas consumption (cu.m.).....	81

JAMES CLARK
MANAGER & REGISTRAR
7th MAY 2018

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Portchester Crematorium Complaints and Compliments Log – Month – March - June 2018

Date	Author & Address (if given)	Email Letter (LP) Personal Visit (PV)	Summary of Complaint or Compliment	Date of Reply	Summary of Response & Action Agreed/Required	Review Date
11/4/18	Mrs R	email	Complained member of staff took a wheelbarrow through mourners viewing flowers	11/4/18	Apologised and reassured her we would speak to member of staff concerned	
30/4/18	Mrs M	email	Thanking us for the way she was dealt with at the scattering of her father's ashes	1/5/18	Thanked her for her kind words	
4/5/18	Anon	telephone	Complained coffee mug was left by bricklayers on the flower bay next to her flowers		Apologised and said I would raise with employer	
14/5/18	Mrs B	email	Thanking us for a nice funeral and sorting out her visual display.	14/5/18	Thanked	
29/5/18	Mrs M S	email	Wrote questioning the timing of the next garden clearance (near Fathers' Day)	30/5/18	In consultation with the Clerk agreed to postpone the clearance to a later date	

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Agenda Item 13



Report to Portchester Crematorium Joint Committee

Date: **25th June 2018**

Report of: **Treasurer to the Joint Committee**

Subject: **Internal Audit Plan 2018/19 and onwards**

SUMMARY

This report brings the plan of internal audit work for approval by the Joint Committee along with proposals of how this work will be resourced and costed.

RECOMMENDATION

- (a) That the proposals for internal audit coverage are approved.

INTRODUCTION

1. In accordance with the 'Financial Responsibilities' for the Portchester Crematorium Partnership documented in 2006, Fareham Borough Council is responsible for dealing with the financial administration related to the activities of the Joint Committee. Financial Regulation 5 – Audit Arrangements, stipulates that the Treasurer is responsible for maintaining an adequate audit service.
2. Up until 2010/11 this responsibility was discharged by the Fareham Borough Council internal audit service by carrying out a short two-yearly review of key operational processes at the Crematorium.
3. Between 2010/11 and 2015/16 the Joint Committee was deemed to fall within the small bodies accounting regime and the Audit Commission's limited assurance audit approach. Under that approach there was reduced external audit coverage, but greater reliance was given to internal audit work such that the Annual Return included as standard an Annual Internal Audit Report. This report required assurance on a wider set of controls than just the operation of the Crematorium.
4. A 5-year audit plan was therefore approved and delivered between 2013/14 and 2017/18 to meet the general audit requirements and testing needed for the annual return.
5. This report therefore seeks to obtain agreement of the approach to be adopted for internal audit coverage from 2018/19 onwards to meet the needs of the Joint Committee.

INTERNAL AUDIT PROPOSAL

6. As there is no longer a need to carry out certification work, the nature of internal audit work now relevant to the Portchester Crematorium Partnership can be defined as consisting of the following 2 types:

Type of Coverage	Meaning
Operational controls	Testing of operational systems of control specific to the Crematorium.
Governance controls	Partnership governance work in relation to the operation of the Portchester Crematorium Joint Committee.

7. The systems of control making up each type of work and the risk category assigned are given in Appendix 1. Two of these systems (income and Expenditure) are deemed high risk and the levels of these in the last set of accounts would put the Crematorium in the High-Risk Category under the Fareham Borough Council Audit Strategy. This would then require coverage every 3-5 years.
8. Audit findings from testing in recent audits would result in an audit opinion of "reasonable" under the FBC assurance scale (Strong, Reasonable, Limited, Minimal) and there were 6 new actions and 1 outstanding action at the end of the last audit 2017/8.

9. It is therefore proposed that internal audit coverage now moves to a 3-yearly cycle with the next year of audit being 2020/21. Coverage will include the high and medium risk systems each audit and the low risk systems on a cyclical basis.

RESOURCING AND COST

10. The plan will be delivered by the Fareham Borough Council Internal Audit Service using the in-house team and where appropriate specialist auditors from our Internal Audit Partnership with Portsmouth City Council.
11. Work will be recharged directly as an operating cost to the Crematorium based on 8 days of work plus any extra testing requested by managers. The daily rate charged will be that used in the Internal Audit Partnership that year.

SHARING ASSURANCES

12. The Audit Managers at the other three constituent authorities will be provided with a copy of each audit report produced.

Andy Wannell CPFA
Treasurer to the Joint Committee
Civic Offices
Fareham

For further information on this report please contact Elaine Hammell FBC Head of Finance and Audit (01329 824344)

Appendices

Appendix 1 – Risk Assessment of Internal Audit Needs

Background Papers - None

Reference Papers – Report to Portchester Crematorium Joint Committee 17 June 2013
- Internal Audit Plan 2013/14 to 2017/18

Risk Assessment of Internal Audit Needs

System of Control	Risk Category	Last Audited
OPERATIONAL CONTROLS		
A. Expenditure	High	2017/18
B. Risk Management	Low	2013/14
C. Financial Management	Medium	2014/15
D. Income	High	2017/18
E. Petty Cash	Low	2015/16
F. Payroll	Medium	2015/16
G. Assets	Low	2017/18
H. Banking	Low	2017/18
I. Maintenance of Registers	Medium	2015/16
J. Organists	Medium	2015/16
K. Medical referees	Medium	2015/16
L. Garden Improvement Fund	Low	2013/14
M. ICT and Information Management Controls	Medium	2015/16
RECOMMENDATION FOLLOW UP		2017/18
GOVERNANCE CONTROLS		
N. Partnership Arrangements	Low	2014/15
O. Roles, Responsibilities & Accountabilities	Medium	2017/18
P. Corporate Governance Framework	Low	2014/15
Q. Performance Management	Low	2015/16
R. Human Resources Management	Rely on PCC audit team	
S. Health and Safety	Rely on GBC audit team	
T. Sustainability	Part rely on GBC audit team	
U. Counter Fraud	Low	No audit
V. Business Continuity	Medium	2017/18
W. Treasury Management	Low	2014/15

Agenda Item 14



REPORT TO: PORTCHESTER CREMATORIUM JOINT COMMITTEE
Monday 25th June 2018

REPORT BY: THE HORTICULTURAL CONSULTANT

CREMATORIUM GROUNDS – GENERAL UPDATE

The Grounds are looking really good at the moment - the Summer bedding has been planted and the bulbs in the grass areas have died down enough so that we can start cutting them down.

Photographs taken in the Spring of some of the flowering shrubs and the bulb border to give an indication of how things looked will be displayed at the meeting, and copies are available on the Crematorium Web site.

The planters commemorating the 60th year of the crematorium are due to be installed shortly and we have plants in stock for them.

Brighstone the grounds contractor continues to work well and I am very pleased with their performance.

Ashley Humphrey
Horticultural Consultant

Background List of Documents –
Section 100D of the Local Government Act 1972 - None

AH/jh
13 June 2018

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