



## **Mountsett Crematorium Joint Committee**

**Date** Monday 24 June 2019  
**Time** 9.30 am  
**Venue** Chapel - Mountsett Crematorium, Dipton

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### **Business**

#### **Part A**

**[Items during which the Press and Public are welcome to attend.  
Members of the Public can ask questions with the Chairman's  
agreement]**

1. Membership of the Joint Committee
2. Apologies for Absence, if any
3. Declarations of Interest, if any
4. Appointment of Chair
5. Appointment of Vice-Chair
6. Minutes of the Meeting held on 29 April 2019 (Pages 3 - 6)
7. Changes to Constitution / Terms of Reference: (Pages 7 - 22)  
Report of the Clerk to the Joint Committee.
8. 2018/19 Annual Governance Statement: (Pages 23 - 40)  
Joint Report of the Corporate Director of Regeneration and Local Services and the Corporate Director of Resources and Treasurer to the Joint Committee.
9. Revenue Outturn and Joint Committees Annual Return for the Financial Year Ended 31 March 2019: (Pages 41 - 58)  
Joint Report of the Corporate Director of Regeneration and Local Services and the Corporate Director of Resources and Treasurer to the Joint Committee.

10. Mountsett Crematorium Performance and Operational Report:  
(Pages 59 - 64)  
Report of the Bereavement Services Manager and Registrar.
11. Forward Plan 2019/20: (Pages 65 - 70)  
Report of the Corporate Director of Resources and Treasurer to  
the Joint Committee.
12. Such other business as in the opinion of the Chairman of the  
meeting is of sufficient urgency to warrant consideration
13. Any resolution relating to the exclusion of the public during the  
discussion of items containing exempt information

### **Part B**

#### **Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)**

14. Minutes of the Meeting held on 29 April 2019 (Pages 71 - 74)
15. Update Report on Cremator Replacement and Contingency  
Planning: (Pages 75 - 84)  
Report of the Corporate Director of Regeneration and Local  
Services.
16. Such other business as in the opinion of the Chairman of the  
meeting is of sufficient urgency to warrant consideration

**Helen Lynch**

Head of Legal and Democratic Services

County Hall  
Durham  
14 June 2019

To: **The Members of the Mountsett Crematorium Joint  
Committee**

#### **Durham County Council:**

Councillors: O Temple, A Bainbridge, A Batey, J Carr, J Charlton,  
C Hampson, O Milburn, S Robinson and B Stephens

#### **Gateshead Council:**

Councillors K Dodds, D Bradford, M Charlton, L Green, S Green, J Lee  
and M Ord

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**Contact: Martin Tindle**

**Tel: 03000 269 713**

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**DURHAM COUNTY COUNCIL**

At a Meeting of **Mountsett Crematorium Joint Committee** held in **Chapel - Mountsett Crematorium, Dipton** on **Monday 29 April 2019** at **9.30 am**

**Present:**

**Councillor O Temple (Chairman)**

**Members of the Committee:**

**Durham County Council**

Councillors A Bainbridge, A Batey, J Carr, J Charlton, C Hampson and O Milburn

**Gateshead Council:**

Councillors J Lee and M Ord

**1 Apologies for Absence**

Apologies for absence were received from Councillors J Shuttleworth (Durham County Council) and Councillors C Buckley, L Green and S Green (Gateshead Council).

**2 Minutes**

The minutes of the meeting held on 31 January 2019 were confirmed as a correct record and signed by the Chairman.

**3 Declarations of Interest**

There were no declarations of interest submitted.

**4 Mountsett Crematorium Performance and Operational Report:**

The Joint Committee considered a report of the Bereavement Services Manager which provided a quarterly update relating to performance and other operational matters (for copy see file of Minutes).

The Bereavement Services Manager advised that 349 cremations had been undertaken during the period 1 January 2019 to 31 March 2019, in comparison to 420 in the comparable period last year, a decrease of 71 year on year.

The total number of cremations in 2018/19 was 1,330 compared with 1,396 in 2017/18, a decrease of 66 year on year. However, it was noted that a prudent assumption of 1,300 cremations would be undertaken during the year resulting in the actual number being 30 more than the budgeted position and was reflected in an overachievement of cremation fee income of £18,048 in year.

Moving on, it was reported that during the period the number of value of memorials sold was 15 / £4,479 compared to 4 / £1,185 in the same period last year, a year on year increase of 11 / £3,294.

An update was then provided to the Joint Committee on operational matters. In relation to staffing, the Bereavement Services Manager advised that an appointment had now been made to the new Crematorium Attendant post and it was further proposed that in order to ensure adequate relief cremator operators were in position, a further advert be placed.

Details were then provided, with regard to the next Joint Conference of the Federation of Burial and Cremation Authorities and the Cremation Society of Great Britain to be held Monday 1 – 3 July 2019.

It was reported that a cheque for £7,000 had been received relating to the recycling of metals scheme and had been forwarded to Winston's Wish Charity. The Great North Air Ambulance had been nominated to receive the next distribution of funds.

The Bereavement Services Manager advised that further to discussions at a previous meeting, a dedicated website for the crematorium had now been developed and required populating with relevant information. It was expected that the site would be ready to go live in June 2019 and members would be notified once this had been done.

In conclusion the Bereavement Services Manager noted that further to recommendations made by internal audit regarding a procurement exercise to be undertaken to supply entries into the Book of Remembrance in order to ensure value for money whilst maintaining quality. The procurement exercise has now been completed and the original company were successful in retaining the work at a slightly cheaper price.

Councillor Charlton asked whether there had been any long-term employee absence related to stress. The Bereavement Services Manager advised that there had not.

**Resolved:**

- i) That the current performance be noted.
- ii) That the current situation with regards to the crematorium attendant's post be noted.

- iii) That the attendance at the Joint Conference of the Federation of Burial and Cremation Authorities be noted.
- iv) That the distribution of recycling income to the respective charity be noted.
- v) That the updated position with regard to the website development be noted.
- vi) That the continuation of the current supplier with regards to the Book of Remembrance be noted.

## **5 Financial Monitoring Report - Provisional Outturn as at 31 March 2019**

The Joint Committee considered a joint report of the Corporate Director of Regeneration and Local Services and Corporate Director of Resources and Treasurer to the Joint Committee which presented details of the provisional outturn position for 2018/19 and the projected level of reserves and balances at 31 March 2019 (for copy see file of Minutes).

The Head of Finance and Transactional Services advised that the projected revenue outturn was a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £424,643 against a budgeted surplus of £304,314, £120,329 more than the budgeted position. Therefore, contributions to the earmarked reserves were £120,329 more than originally budgeted.

It was further noted that in line with the MCJC Reserve Policy, a transfer to the General Reserve of £13,755 was required. The retained reserves of the MCJC at 31 March 2019 were forecast to be £347,149 along with a General Reserve of £278,055, giving a forecast total reserves and balances position of £625,204 at the year end.

### **Resolved:**

That the April 2018 to March 2019 financial monitoring report and associated provisional revenue outturn position at 31 March 2019, including the projected year position with regards to the reserves and balances of £625,204 at the year end.

## **6 Risk Register Update 2018/19**

The Joint Committee considered a joint report of the Corporate Director Regeneration and Local Services and Corporate Director Resources and Treasurer to the Joint Committee which provide an overview of the outcome of the half-yearly risk review in March 2019 (for copy see file of Minutes).

### **Resolved:**

That the content of the report be noted.

## **7 Annual Internal Audit Report 2018/19**

The Joint Committee considered a report of the Chief Internal Auditor and Corporate Fraud Manager which presented the Annual Internal Audit Report for 2018/19 (for copy see file of Minutes).

### **Resolved:**

That the content of the Annual Internal Audit Report and the overall 'Substantial' opinion provided on the adequacy and effectiveness of the Council's control environment for 2018/19.

## **8 Exclusion of Press and Public**

### **Resolved:**

That under Section 100 A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt info as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A of the said Act.

## **9 Update Report on Cremator Replacement and Contingency Planning**

The Joint Committee considered a joint report of the Corporate Director Regeneration and Local Services and Corporate Director Resources and Treasurer to the Joint Committee which provided an update on the cremator replacement and contingency planning since the last meeting (for copy see file of Minutes).

### **Resolved:**

That the content of the report be noted.

**Mountsett Crematorium Joint  
Committee**

**24 June 2019**

**Changes to Constitution / Terms of Reference**



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**Report of the Clerk to the Joint Committee**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

1. This report provides details of a review of the Mountsett Crematorium Joint Committee's Constitution, which in accordance with the Annual Governance Statement requirements is reviewed on an annual basis at the Joint Committee's Annual General Meeting.

**Executive Summary**

2. The Mountsett Crematorium Joint Committee has its own terms of reference and Constitution. These were last updated on 20 March 2013 and have been reviewed (without amendment) on an annual basis since then.
3. A meeting of the Central Durham Crematorium Joint Committee in January 2019 had to be cancelled because it was inquorate. Cancellation of the meeting could have been avoided if the Joint Committee's Constitution provided for substitute members.
4. An amended constitution of Mountsett Crematorium will be put before the County Council meeting on 19 June 2019, to allow for substitute members. It is expected that this amendment will be approved. The Joint Committee is asked to note and support the updated Constitution (attached) to allow for substitute members going forward.

## **Recommendation(s)**

5. It is recommended that:-

- (i) the Committee note the outcome of the review of the Constitution of the Mountsett Crematorium Joint Committee in accordance with the requirements of the Annual Governance Statement; and
- (ii) subject to the proposed amendments being approved by Durham County Council on 19 June 2019, adopt the proposed changes to the Constitution to allow for the appointment of substitutes going forward.

## Background Information

6. The Constitution has been reviewed by the Clerk to the Mountsett Crematorium Joint Committee.
7. Members will recall that the Constitution, as adopted in 2013, retained the constituent legal titles, expenditure and subsequent surplus distribution arrangements to Durham County Council / Gateshead Council on a 65/35 basis; and policies concerning the transfers to reserves of retained surpluses.
- 7 The constituent authority membership appointments and asset ownership remain as per the original constitution of 7 September 1976.
8. The Mountsett Crematorium Joint Committee will continue to operate within the procedure rules and financial regulations of the lead partner authority, Durham County Council who will continue to be responsible for the management of the facility and for supporting the Joint Committee.
9. The review has not indicated that the Constitution needs to be significantly updated. However, a meeting of the of the Central Durham Crematorium Committee in January 2019 had be cancelled because it was inquorate. Cancellation of the meeting could have been avoided if the Joint Committee's constitution provided for substitute members. It is proposed therefore to amend the Constitution of the Joint Committee to provide for this arrangement in the future.
10. The proposed clause relating to the substitution of members in the Constitution will mean that if a member of the committee wishes a substitute to attend a meeting, they must notify the Clerk in writing by 4pm on the day before the meeting of the nominated substitute. Substitutes are entitled to speak and vote on all items of business. A member may only nominate a substitute from the same relevant authority of which they are a member. Members should be mindful of the political balance of the Committee when nominating a substitute. A copy of the amended Constitution is shown at Appendix 2 with the revised sections highlighted for convenience.
11. The amended Constitution will be presented to a meeting of County Council on 19 June 2019, for approval. The outcome will be reported to the Committee at its meeting on 24 June 2019.



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## **Appendix 1: Implications**

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### **Legal Implications**

The Joint Crematorium Committee of Durham and Mountsett were set up further to section 102(1)(b) of the Local Government Act 1972. Section 8.02(a) of Durham County Council Constitution, allows the Council to establish joint arrangements which may involve the appointment of a joint committee with other local authorities. Inclusion of a substitution clause will assist in achieving a quorate meeting and conduct of business at the respective Committees

### **Finance**

There are no financial implications associated with this report.

### **Consultation**

Officers from Durham County Council and Gateshead Council have been consulted regarding the proposed changes and are in agreement that the provision of substitution would assist in the efficient running of the meetings and business considered.

### **Equality and Diversity / Public Sector Equality Duty**

There are no equality and diversity implications associated with this report.

### **Human Rights**

There are no Human Rights implications associated with this report.

### **Crime and Disorder**

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

### **Staffing**

As identified in the report.

### **Accommodation**

There are no Accommodation implications associated with this report.

### **Risk**

None specific within the report.

### **Procurement**

There are no procurement issues associated with this report.

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Gateshead amendments DH/JM/PB: 23/07/12

This **DEED** of Agreement is made the .....day of .....2013

**BETWEEN:-**

- 1) The County Council of Durham, Durham County Council, County Hall, Durham and
- 2) The Borough Council of Gateshead of the other part.

**WHEREAS:-**

1. The Authorities to the Deed have by virtue of Section 102(1) of the Local Government Act 1972 the Local Government Act 2000 the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 the Local Authorities and all and every power enabling them agreed and resolved to constitute a joint committee to exercise the powers which each of the Authorities hereto might respectively have exercised by virtue of the Cremation Acts 1902 and 1952 for the provision running, maintenance and management of the existing Crematorium at Mountsett within the County of Durham which is more particularly described in paragraph 1 below.
2. The said Authorities now wish to constitute the said joint committee on the terms set out below and to the intent that the Deeds of Agreement between the said Authorities and dated 7<sup>th</sup> September 1976 and 8<sup>th</sup> September 1983 shall cease to have effect.

**NOW** in pursuance of the said agreement and the respective resolutions and in consideration of these presents **THIS DEED WITNESSES** as follows: -

**1. Definition and Interpretation**

- 1.1 In this agreement the following expressions have the meanings set out below, unless the context otherwise requires.

‘Authority’ either Durham or Gateshead and ‘Authorities’ shall be construed accordingly.

‘Annual meeting’ the annual meeting of the Joint Committee held each year in accordance with paragraph 7.2 of this agreement.

‘Chief Executive’ the head of an Authority’s paid service being the person designated as such under Section 4 of the Local Government and Housing Act 1989.

‘Clerk’, the person appointed by virtue of paragraph 16.1 to carry out certain duties allocated by this agreement.

‘Council’ the Council of elected members of one or other of the Authorities to this agreement.

‘Crematorium’ the crematorium known as Mountsett Crematorium which includes all buildings grounds equipment and other property appurtenant there.

‘Financial year’ the period running from 1<sup>st</sup> April in one calendar year until 31<sup>st</sup> March in the next calendar year (inclusive).

‘Joint committee’ the Mountsett Crematorium Joint Committee constituted by this agreement.

‘Member’ unless the context otherwise so requires, a member of the Joint Committee.

‘Monitoring officer’, Durham County Council’s Head of Legal and Democratic Services being the person designated under Section 5 of the Local Government and Housing Act 1989 or this officer’s nominated deputy in the case of absence or illness.

‘Ordinary meeting’, any meeting of the Joint Committee that is not an Annual Meeting or a Special Meeting.

‘Principal Office’ in the case of Durham County Council, the Council Offices, County Hall, Durham and the case of Gateshead Council the Civic Centre as referred to at the beginning of the agreement.

‘Special meeting’ a meeting of the Joint Committee convened in accordance with paragraph 7.6 of this Agreement.

## **2. Duration of Joint Committee**

The Authorities shall constitute the Joint Committee from the Commencement Date and the Joint Committee shall continue thereafter unless and until determined by either Authority or both of them under the provisions contained in this agreement.

## **3. Name of Joint Committee**

The Joint Committee shall be known as the Mountsett Crematorium Joint Committee.

## **4. Provision and Location of Crematorium**

4.1 The Crematorium is located on the Crematorium Site which was acquired by the Authorities prior to the date hereof.

4.2 The Crematorium site is vested 60% in Durham County Council and 40% Gateshead Council by virtue of Section 120(4) of the Local Government Act

1972 and all and every power so enabling and registered at HM Land Registry with Title Absolute Title Number.

## **5. Membership**

- 5.1 The Joint Committee shall consist of Members appointed by the Authorities as follows: -
- 5.1.1 Each Authority shall appoint from its own membership nine Members from Durham County Council and seven Members from Gateshead Council which appointments shall reflect the political balance of each authority.
- 5.1.2 Subject to the provisions of this agreement each Member shall continue in office for a period of one year or until such time as he shall cease to be a member of the Council by whom he is appointed whichever is the sooner and any provision in the Procedure Rules of either Authority to the contrary is hereby waived. Each member shall be eligible for re- appointment until such time as he shall cease to be a member of the council by whom he is appointed.
- 5.1.3 If either Authority does not appoint the number of Members which it is entitled to appoint the other Members of the Joint Committee shall be competent to carry out the business thereof pursuant to this agreement.
- 5.1.4 Any person who is a member of the Councils of both Authorities shall only represent the first Authority to appoint him as a Member and any subsequent appointment by the other Authority shall be void.
- 5.1.5 The Chief Executive of each Authority shall notify the Chief Executive of the other Authority and the Clerk within fourteen days of any appointment of a member of his Council to the Joint Committee.
- 5.1.6 Any member may at any time resign his office as such Member by notice addressed to the Clerk who shall forthwith notify the respective Chief Executives of each of the Authorities.
- 5.1.7 Any member may be removed at any time by resolution by the Authority by whom he was appointed but such removal should only become effective upon receipt by the Clerk of notification thereof.

## **6. Chair and Vice Chair**

- 6.1 At the first meeting of the Joint Committee and subsequently at its Annual Meeting in each successive year the Joint Committee shall select one of its Members as Chair and another as Vice Chair for the forthcoming year Provided that at no time shall the Chair and Vice Chair be members of the same Authority.

- 6.2 The Chair of the Committee shall alternate between both authorities on an annual basis unless otherwise agreed at the Annual meeting of the Committee.
- 6.2.1 The elected Chair and Vice Chair shall remain in office until the next Annual Meeting unless by reason of death resignation disqualification or any other cause before that time and upon a vacancy occurring during the term of office another Member from the same Authority shall be appointed by the Joint Committee to fill the vacancy until the next Annual Meeting.
- 6.3 If there is equality of votes as to the appointment of Chair or Vice Chair, then the Chair for the time being of that meeting shall have a second or casting vote.

## **7. Substitute Members**

Any member who is unable to attend a meeting of the Joint Committee for any reason may appoint another member of the relevant authority of which he is a member as a substitute member provided notification of the named substitute is given to the Clerk (including by electronic means), before four o'clock on the day before the meeting in question and thereon the substitute member shall be entitled to attend that meeting only and (subject to the requirements relating to the declaration of interests contained in the Code of Conduct of the Council of which he is a member) shall be entitled to speak and vote on all items of business. A member may only substitute another member from the relevant authority of which he is a member.

## **8. Meetings of the Joint Committee**

- 8.1 The first meeting of the Joint Committee shall be convened by the Clerk.
- 8.2 The Joint Committee shall hold an Annual Meeting before the end of June in each year.
- 8.2 Other than the Annual Meeting, meetings shall be held at such places and on such dates and at such times as the Joint Committee may decide from time to time save that meetings shall be held not less than quarterly.
- 8.4 Ordinary meetings and Annual Meetings of the Joint Committee shall be convened by the Clerk who shall deliver notice thereof to each member at least five clear days before the date of the meeting.
- 8.5 With the notice referred to in paragraph 7.4 the Clerk shall send a copy of the agenda for the meeting which shall include:
- provision for the declaration of personal and prejudicial interests by Members for the purposes of the Code of Conduct issued under Section 50 Local Government Act 2000.

- all items of business which have been, or are deemed to have been, referred to the Joint Committee by a Council resolution of either Authority.
- all reports submitted by any officer of either Authority; and
- any item of business directed to be included by the person appointed to preside at the meeting.

8.6 A quorum of four members must be present to constitute a meeting Provided that there is at least one member present from each Authority.

8.7 The Chair and two members of the Joint Committee may at any time by notice specifying the business to be transacted and sent to the Clerk require a Special Meeting of the Joint Committee to be convened and the Clerk shall accordingly convene a special meeting which shall be held within thirty clear days of receipt by the Clerk of the said notice.

8.8 The Clerk shall give Members of the Joint Committee at least five clear days' notice of the Special Meeting and such notice shall specify the business proposed to be transacted.

8.9 No business shall be transacted at a Special Meeting other than that specified in the notice sent to the Clerk and referred to in paragraph 7.7 above.

## 9. **Person Presiding at Meetings**

9.1 The Chair or in his absence the Vice Chair shall preside at every meeting provided that if both the Chair and the Vice Chair are absent the Members present shall elect another Member of the Joint Committee who shall preside at that meeting.

## 10. **Voting**

10.1 Every matter at a meeting of the Joint Committee shall be decided by a simple majority of those Members voting and present and, in the venue, at the time the question is put. In the case of an equality of votes in relation to a particular item of business then consideration of that item shall be adjourned and shall be deferred for decision at a future meeting of the Joint Committee to allow informal discussion to take place between the parties

10.2 Except where a requisition is made under the next paragraph 9.3, the method of voting at meetings of the Joint Committee shall be by show of hands.

10.3 If a requisition for a recorded vote is made by any three Members present before a vote is taken on any question or motion, the voting shall be recorded so as to show whether each Member present voted for or against that question or motion or abstained from voting.

## 11. **Minutes**

- 11.1 The Clerk shall be responsible for keeping a record of attendance and a record of the business transacted at every meeting of the Joint committee and the minute book shall be submitted to and signed at the next following meeting.
- 11.2 The person presiding at the next following meeting referred to in paragraph 10.1 shall put the question that the minutes be approved as a correct record of the previous meeting.
- 11.3 No discussion shall take place upon the minutes, except upon their accuracy. If no question is raised as to accuracy or if it is raised then as soon as it is disposed of, the person presiding shall sign the minutes.
- 11.4 Copies of the minutes of every meeting of the Joint Committee and any sub-committee thereof shall as soon as possible after each meeting be sent by the Clerk to the Chief Executive of each authority.

## 12. **Sub-Committees**

- 12.1 The Joint Committee may from time to time appoint sub-committees for any general or special purpose in connection with their powers and functions for the purposes of advising and reporting back to the Joint Committee. Any sub-committee so appointed shall consist of a minimum of three members and shall include at least one Member from each Authority.
- 12.2 Subject to clause 11.1 the Joint Committee shall at the time of appointing any sub-committee resolve what shall be the terms of reference of that sub-committee.

## 13. **Vacancies**

- 13.1 No act or proceeding of the Joint Committee shall be questioned on account of any vacancy or on account of any defect in the appointment of any Member.

## 14. **Capital Expenditure**

- 14.1 If the Joint Committee shall at any time require to incur capital expenditure for the:
  - 14.1.1 The acquisition of property
  - 14.1.2 The construction of works, or
  - 14.1.3 Any other capital purposes in connection with its powers.
- 14.2 Then the use of part or all of any profits or surplus made in any financial year shall be used to finance capital expenditure or upon agreement of the Joint

Committee may carry forward part or all such profits or surplus as required to finance known future capital expenditure.

**15. Revenue Expenditure**

15.1 All losses/deficits or profits/surpluses either incurred or generated as a result of the normal operational business of the Joint Committee in any financial year shall be borne or distributed in the following percentages 35% Gateshead and 65% Durham County Council. This arrangement shall be subject to review at least every five years with the first review taking place in March 2015.

15.2 Any losses identified during the financial year should be first met by any available reserves. In the absence of available reserves each Authority should make a relevant contribution in accordance with the % mentioned in paragraph 14.1.

15.3 As soon as possible after the end of any financial year the Joint Committee shall calculate the exact net revenue expenditure for the preceding year and shall request or make payments to each Authority to be allocated in accordance with the % mentioned in paragraph 14.1 (total to the agreed distributable surplus amount).

15.4 The Joint Committee upon agreement may use or carry forward retained surplus made in any financial year for the purpose of:

15.4.2 Paying debts

15.4.3 Meeting contingencies

15.4.4 Meeting future expenses

15.5 But any amount of such profit or surplus not so applied (as agreed annually at the Annual General Meeting) shall be returned to the Authorities. Payable to each authority by the 1<sup>st</sup> October in each year.

**16. Interest on Sums Due**

16.1 Any sum properly payable by either of the Authorities to the Joint committee whether of a capital or revenue nature, which is not paid by the due date shall be liable to interest at the base lending rate of the Co-operative Bank plc until such time as the sum due is paid in full.

**17. Appointment of Officers**

17.1 (a) The Clerk shall be the Head of Legal and Democratic Services or their appointee of Durham County Council.

(b) The Treasurer shall be the Corporate Director Resources of Durham County Council or anyone appointed by him.

17.2 The Joint Committee shall appoint and pay such employees as it deems necessary to provide equip maintain and manage the Crematorium and all services and duties ancillary thereto and required to be provided by virtue of this agreement or by statute and such employees shall be enabled to join any pension scheme which employees of Durham County Council are entitled to join by virtue of their individual contracts of employment.

17.3 The functions of the Joint Committee shall be dealt with by Durham County Council officers (identified at clause 16 above). For the avoidance of doubt the identified officers shall include officers succeeding to the named officer's responsibilities on any re-organisation.

## 18. **Accounts**

18.1 The Treasurer shall keep accounts of all monies received by and all expenditure of the Joint committee as may be required for the purposes of Part 8 of the Local Government Act 172.

18.2 As soon as practicable after the end of the Financial Year the Joint Committee shall send to each Authority a full report of the operations of the Joint Committee during the last financial year and a copy of the accounts thereof.

18.3 Durham County Council will carry out an annual audit of the accounts and the Joint Committee will provide a copy of the report thereof to each of the Authorities as soon as practicably possible after receipt of the same.

18.4 When this agreement is silent the Mountsett Crematorium will operate within the procedure rules and financial regulations of the lead partner authority, Durham County Council, who will continue to be responsible for the management of the facility and for supporting the Joint Committee.

## 19. **Performance of Agreement**

19.1 The Authorities shall at all times take all or any action as may be necessary for giving full effect to this agreement and every provision and obligation contained herein and any decision made by the Joint Committee pursuant hereto. Each party shall be committed to mutual cooperation and assistance to give effect to the terms of this Agreement which shall include:

- a) the setting up of a joint officer meeting to discuss and formulate advice and reports to the Joint Committee and;
- b) not less than twenty business days before the date of any Joint Committee prior notification of agenda items only shall be given to officers of each Authority of items intended to be tabled as items of business for the Joint Committee in order to ensure that the same may be fully considered by officers of each Authority. An officer Neighbourhood services Director of Resources from each authority to be involved in a pre-meeting to the committee hearing.

19.2 Each Authority shall bear its own costs for the negotiation preparation completion and stamping of this agreement.

19.2.1 If either Authority shall fail to carry out any necessary act required to be taken pursuant to paragraph 18.1 above, the other may implement any reasonable measures necessary to give effect to this agreement or any proper decision of the Joint Committee and the reasonable costs thereof shall be recoverable as a debt from the Authority which so failed to act.

## 20. **Termination**

20.1 If the Authorities or either of them shall wish to determine this agreement or make any alteration to the terms hereof then in default of agreement between the Authorities the matter shall be referred to arbitration in accordance with paragraph 20 below.

## 21. **Arbitration**

Any dispute between the Authorities under or arising out of this agreement shall be referred to a single arbitrator to be agreed upon by the Authorities or in default of agreement to be nominated by the Secretary of State for Communities and Local Government or such other Government Minister as shall be appropriate in accordance with and subject to the provision of [ the Arbitration Acts 1950 and 1979] or any statutory modification or re-enactment of them for the time being in force.

## 22. **Complaints**

Any complaint received by the Joint Committee or either or both of the Authorities relating to the Crematorium or any officer employed thereat or to the performance of functions under this agreement shall be dealt with in the first instance in accordance with Durham County Council's formal complaints procedure and if the complaint is not resolved as a result of that process or if a complaint is received from the Local Government Ombudsman dealt with by the Monitoring Officer.

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**Mountsett Crematorium Joint  
Committee**



**24 June 2019**



**2018/19 Annual Governance Statement**

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**Joint Report of**

**Ian Thompson, Corporate Director of Regeneration and Local  
Services**

**John Hewitt, Corporate Director of Resources and Treasurer to the  
Joint Committee**

**Electoral division(s) affected:**

Countywide.

**Purpose of the Report**

- 1 This report provides details of the Annual Governance Statement (AGS) for the year April 2018 to March 2019. The AGS will need to be formally approved by Members as part of the consideration of the Joint Committees Return for the financial year ended 31 March 2019 and is attached at Appendix 2.

**Executive summary**

- 2 This report details the Joint Committee's 2018/19 Annual Governance Statement, which demonstrates how the Joint Committee complies with the requirements of the Accounts and Audit Regulations 2015 in relation to the annual review of the effectiveness of its system of internal control.
- 3 The statement is contained within Section 1 of the Joint Committee's Annual Governance and Accountability Return and must be considered and approved in advance of the approval of the annual accounts.
- 4 There are seven assertions within the statement relating to good governance, financial management and internal control. Evidence is provided within the report setting out how the Joint Committee has complied with each assertion, providing Members with assurance that governance arrangements are sound and operating effectively.

- 5 Members will recall from the April 2019 meeting that the annual Internal Audit report provided a Substantial overall assurance opinion on the adequacy and effectiveness of internal control operating across the Joint Committee in 2018/19. This opinion has been taken into account in providing the assurance that the Joint Committee requires in considering the Annual Governance Statement.

### **Recommendation(s)**

- 6 It is recommended that:-
- Members of the Joint Committee note the content of the 2018/19 Annual Governance Statement.
  - The Chair and Treasurer approve and sign the 2018/19 Annual Governance Statement as part of the consideration of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2019.

## **Background**

- 7 The Mountsett Crematorium Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in a way which functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 8 In discharging this overall responsibility, the Mountsett Crematorium Joint Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk and performance.
- 9 The Mountsett Crematorium Joint Committee has adopted and operates under (via Durham County Council, its lead Authority), a Local Code of Corporate Governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) Framework – ‘Delivering Good Governance in Local Government’. The Annual Governance Statement (AGS) explains how the Joint Committee complies with this code and also meets the requirements of the Accounts and Audit Regulations 2015 in relation to an annual review of the effectiveness of its system of internal control.
- 10 The AGS will need to be formally signed by the Chair and Treasurer (Durham County Council’s Corporate Director: Resources) to the Mountsett Crematorium Joint Committee and published along with the Mountsett Crematorium Joint Committee’s Annual Return no later than the 30 June 2019.

## **The Annual Governance Statement (AGS)**

- 11 The Annual Governance Statement for Joint Committees is based around a number of statements or assertions in relation to good governance, financial management and internal control.
- 12 In approving the AGS, the Joint Committee is required to provide an answer of ‘yes’ or ‘no’ to each assertion.
- 13 The Joint Committee is expected to have relevant evidence in place to support each ‘yes’ answer and would need to provide an explanation to the external auditor if it is not able to provide a ‘yes’ answer, including details of how the Joint Committee will address any identified weaknesses in its governance arrangements.

- 14 The seven assertions relevant to the Joint Committee are summarised below:
- i. We approved the accounting statements prepared in accordance with the guidance notes within this Return.*
  - ii. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.*
  - iii. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with generally accepted good practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances and have reported our financial results to our host authority for inclusion in their accounts.*
  - iv. We carried out an assessment of the risks facing the Joint Committee and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.*
  - v. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.*
  - vi. We took appropriate action on all matters raised during the year in reports from internal and external reviews.*
  - vii. 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 Joint Committee and where appropriate have included them in the accounting statements.*
- 15 The statement is initially compiled by the Head of Finance & Transactional Services, in accordance with guidance contained within the Framework and reflects the current position within the Joint Committee.
- 16 The statement is evidence based and relies upon the review of the effectiveness of internal audit undertaken by the Audit Committee of the lead authority (Durham County Council) along with written assurances from the Bereavement Services Manager, internal audit's views, having carried out a review during the year and commented on the assurance given by each, external auditors and other review agencies and inspectorates and the assurances contained within their reports to the Mountsett Crematorium Joint Committee.

17 The Statement is submitted to the Mountsett Crematorium Joint Committee for approval with submission to External Audit – Mazars LLP by 30 June 2019.

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<b>Contact:</b>	Paul Darby	Tel: 03000 261930
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## **Appendix 1: Implications**

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### **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.

### **Finance**

Finance planning and management is a key component of effective corporate governance.

### **Consultation**

Engaging local communities meets a core principle of the CIPFA/SOLACE guidance.

### **Equality and Diversity / Public Sector Equality Duty**

Engaging local communities including hard to reach groups meets a core principle of the CIPFA/ SOLACE guidance.

### **Human Rights**

None.

### **Crime and Disorder**

None.

### **Staffing**

Ensuring staff are adequately trained and professionally competent to meet the core principles of the CIPFA/SOLACE guidance.

### **Accommodation**

Asset Management is a key component of effective corporate governance.

### **Risk**

Risk is intrinsic to the system of internal audit and governance.

### **Procurement**

None.

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## **Appendix 2: Annual Governance Statement**

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### **1 Responsibility**

The Mountsett Crematorium Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. It also has a responsibility under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy efficiency and effectiveness. This Committee was established in 1964 by the Urban District Councils of Stanley and Consett (transferred to Derwentside District Council, 1976) and the Urban District Councils of Blaydon and Whickham (transferred to Gateshead Metropolitan Borough Council, 1976).

Following Local Government Reorganisation in 2009, as successor to Derwentside District Council, Durham County Council acts as the lead authority.

The Mountsett Crematorium Joint Committee is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk and performance.

The Mountsett Crematorium Joint Committee has adopted a local code of corporate governance, which is consistent with the principles of the CIPFA / SOLACE Framework `Delivering Good Governance in Local Government` and operates under the policies and strategies including Contract Procedure Rules, Financial Procedure Rules, Financial Regulations, developed, agreed and adopted by the Durham County Council, its lead authority.

### **2 Requirements**

The Accounts and Audit Regulations 2015 require smaller authorities to prepare an Annual Governance Statement (AGS) every year.

The AGS is set out in Section 1 of the Joint Committees Annual Governance and Accountability Return and sets out seven statements or 'assertions'. These are summarised below:

- i. We approved the accounting statements prepared in accordance with the guidance notes within this Return.*
- ii. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.*
- iii. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with generally accepted good practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances and have reported our financial results to our host authority for inclusion in their accounts.*
- iv. We carried out an assessment of the risks facing the Joint Committee and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.*
- v. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.*
- vi. We took appropriate action on all matters raised during the year in reports from internal and external reviews.*
- vii. 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 Joint Committee and where appropriate have included them in the accounting statements.*

In approving the Annual Governance Statement, the Joint Committee is required to provide an answer of 'yes' or 'no' to each of the above assertions.

The Joint Committee is expected to have relevant evidence in place to support each 'yes' answer and would need to provide an explanation to the external auditor if it is not able to provide a 'yes' answer, including details of how the Joint Committee will address any identified weaknesses in its governance arrangements.

This document evidences how the Joint Committee complies with the requirements behind each assertion, as set out in 'Governance and Accountability for Smaller Authorities in England – A Practitioners' Guide to Proper Practices'.

### **3 Governance Arrangements during 2018/19**

The key elements of the systems and processes that comprise the governance arrangements are detailed in Durham County Council's Local Code of Corporate Governance, which is documented in the Council's Constitution. This sets out the key documents and processes that determine the way the Council is directed and controlled to meet the seven statements or assertions.

The following sections demonstrate assurance that the Council has complied with each of these assertions in practice, and also highlights where we have further improved our corporate governance arrangements during 2018/19.

#### **Assertion 1: We approved the accounting statements prepared in accordance with the guidance notes within this Return**

The Joint Committee prepares a Revenue and Capital budget in advance of each financial year and robust budget setting processes are in place to support the Joint Committee's decision making process. The budget makes prudent but realistic estimates of income and expenditure, capital investment requirements and the need to maintain prudent levels of reserves.

Comprehensive monthly budgetary control systems including income and expenditure reconciliations and the preparation of regular financial reports which indicate actual expenditure against budget and forecast year end positions are also undertaken and reported quarterly to the Joint Committee, with corrective action being taken where required to address any budget issues.

The Corporate Director: Resources and Chief Finance Officer (CFO) is responsible for:

- ensuring the proper administration of the financial affairs of the Joint Committee
- establishing the Financial Management Standards and monitoring compliance with them
- reviewing the Financial Management Standards regularly to ensure they remain fit for purpose
- ensuring that proper professional practices, standards, and ethics are adhered to
- advising on the key strategic controls necessary to secure sound financial management

- ensuring that financial staffing resources are adequate to maintain adherence to these standards
- establishing a framework of documented business processes that support these financial management standards and ensuring that they are reviewed regularly

The Joint Committee prepares accounting statements each year via the Annual Return and these are supported by comprehensive working papers, supporting records and reconciliations.

Officers undertake a monthly reconciliation of the Joint Committee's bank accounts to the accounting records held on its financial management system. Quarterly budgetary control reports setting out actual spending and income against budget and details of financial performance are reported to the Joint Committee. The year end bank reconciliation also forms part of the year end external audit's limited assurance review.

The Joint Committee uses the lead authority, Durham County Council's Investment Strategy for short term investments.

The Head of Finance & Transactional Services is responsible for putting in place sound arrangements for ensuring that the Joint Committee's annual accounts are accurately prepared in accordance with statutory obligations and proper practices. The accounting statements are set out in the Annual Return and are prepared in accordance with 'Governance and Accountability for Smaller Authorities in England – A Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements'. The accounting statements are approved by the Joint Committee prior to 30 June every year, in accordance with the statutory timetable set out in the Accounts and Audit regulations 2015.

**Assertion 2: We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.**

The Joint Committee, via its lead authority Durham County Council has in place comprehensive Financial Management Standards governing how it operates in accordance with the law and proper practices. These are supported by various policies and procedures covering specific requirements.

The Financial Management Standards cover how the Joint Committee orders goods and services, incurs liabilities, manages debtors, makes payments and handles receipts and how it puts in place efficient arrangements for safeguarding public money. A Risk Management strategy is in place supported by risk registers. Risk assessments are

carried out and the registers updated on a six monthly basis. The Joint Committee employs an Internal Auditor to undertake audits of all key services and systems and report on possible weaknesses or required improvements in internal controls. The system of internal control is risk based and focussed on key risk areas such as cash and fixed assets.

The Joint Committee, via its lead authority pays its staff in accordance with an approved establishment list and grading structure and in line with the terms and conditions as set out in the National Joint Council for Local Government Services 'Green Book' which sets out the national agreement on pay and conditions of service for local government staff. Comprehensive internal controls and checks are in place around the payroll system with significant internal audit time spent checking the accuracy and legitimacy of salary payments. The Joint Committee is responsible for ensuring compliance with all duties under employment legislation and has met its pension obligations and is not aware of any instances of non-compliance.

The Corporate Director: Resources and Treasurer to the Joint Committee is responsible for ensuring that the Joint Committee meets its statutory responsibilities in relation to VAT and putting in place robust arrangements for the processing of VAT and ensuring that the quarterly VAT claims are processed accurately and on time. All finance officers have had VAT training.

The Joint Committee revises its Service Asset Management Plan (SAMP) in September every year and ensures that its assets are secured, properly maintained and efficiently managed. This is demonstrated by:-

- Continuing to identify the property needs of the service to enable it to deliver its vision
- Continuing to assess the condition, sufficiency, suitability, accessibility and energy performance of the crematorium and looking at their appropriateness to deliver the future service
- Identifying the portfolio gaps and appraising the options and priorities to close the gaps between future needs and current provision

The lead authority, Durham County Council has in place a Treasury Management policy and an annual Treasury Management strategy which includes the framework for the management of loans and comprises:

- Current treasury position
- Capital financing plans (including Prudential and Treasury Indicators)

- Interest Rate Outlook
- Policy on borrowing in advance of need
- Investment Strategy
- Minimum Revenue Provision Policy
- Policy on use of external service providers

The Joint Committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the annual report of the Chief Internal Auditor and Corporate Fraud Manager, and also by comments made by the external auditors and other review agencies and inspectorates.

**Assertion 3: We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with generally accepted good practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances and have reported our financial results to our host authority for inclusion in their accounts.**

The Joint Committee is responsible for ensuring that all relevant laws and regulations have been complied with in the undertaking of all service activity and decision making.

Durham County Council and Mountsett Crematorium Joint Committee Constitutions set out how they operate, how decisions are made and the procedures which are followed to ensure that these are effective, transparent and accountable to service users.

Mountsett Crematorium Joint Committee ensures that its financial management arrangements conform to CIPFA standards by:-

- Appointing as its Treasurer, the Corporate Director: Resources and Chief Finance Officer (CFO) from the lead authority along with the Head of Finance & Transactional Services under the scheme of delegated responsibilities by the Treasurer. The Corporate Director and Head of Finance are professionally qualified and possess the necessary skills, knowledge and experience to perform effectively in both a financial and non-financial role
- Ensuring the finance function in support to the Treasurer is adequately qualified and resourced to fulfil its duties and a structure

is in place that provides a line of professional accountability for the finance staff

- Ensuring that key CIPFA Codes such as the Prudential Framework for Local Authority Capital Finance and the Treasury Management Code are complied with where required
- Having a clearly articulated Medium Term Financial Plan/Reserves Strategy and Policy
- Producing Monthly Budgetary Control Reports which are considered on a quarterly basis by the Joint Committee
- Ensuring proper Internal Audit, Risk and Governance arrangements are in place
- Maintaining the Service Asset Management Plan.

Membership to the Federation of Burial and Cremation Authorities, which requires that each year a signed declaration, is made so that the Codes of Practice have been strictly adhered to. The Crematorium is also subject to bi-annual inspection by the regulator (DCC) who has to be satisfied that all Environmental Legislation is being implemented.

Performance monitoring undertaken through the use of comparative statistics with other crematoria and across years.

The Internal Audit Section is also subject to an annual review of its activities and performance. Evidence of the effectiveness of the Audit Service is presented to, and reviewed by the Audit Committee of the lead authority, Durham County Council. The assurance provided by the review is presented to, considered by and minuted by the Mountsett Crematorium Joint Committee.

The Joint Committee has various measures in place to ensure that it does not take any decisions during the year that may exceed its powers or contravene any laws, regulations or proper practices. The lawfulness of all decisions referred to the Joint Committee is always considered by senior officers and is clearly referenced in reports, particularly in relation to decisions involving income or expenditure. The Joint Committee is not aware of any instances of non-compliance with law and regulations during 2018/19.

The Corporate Director of Resources & Treasurer to the Joint Committee ensures full compliance with the requirements of the Accounts and Audit Regulations 2015 in relation to the Joint Committee's financial management, accounting and audit arrangements.

The financial results of the Joint Committee are reported to the lead authority, Durham County Council at the end of every financial year for inclusion in their accounts.

**Assertion 4: We carried out an assessment of the risks facing the Joint Committee and took appropriate steps to manage those risks, including the introduction of internal controls and / or external insurance cover where required.**

Durham County Council and Mountsett Crematorium Joint Committee Constitutions set out how they operate, how decisions are made and the procedures which are followed to ensure that these are effective, transparent and accountable to service users.

A risk management approach is in operation that aids the achievement of strategic objectives, supports the decision making processes, protects the reputation and other assets of the Crematorium and is compliant with statutory and regulatory obligations.

The Mountsett Crematorium Joint Committee ensures that the Risk Management approach:-

- Is conducted in accordance with the Risk Management Policy and Strategy of Durham County Council. The Bereavement Services Manager is advised by the Corporate Risk Management Working Group where strategic and operational risks are considered
- Has strategically aligned the Internal Audit and Fraud service provision to enable access to trained investigators and allow greater coverage of counter fraud work when required
- Includes a Fraud Awareness training programme undertaken by Senior Officers

Involves regular reports by internal audit to those charged with governance, to standards defined in the CIPFA Code of Practice and in accordance with the Accounts and Audit Regulations 2015. These include the Chief Internal Auditor and Corporate Fraud Manager's independent opinion on the adequacy and effectiveness of the system of internal control, at the crematorium, together with recommendations for improvement.

Risk based assessments of key financial systems (as approved in the SLA) are carried out in the final quarter of the financial year to ensure maximum coverage of the Crematorium's financial transactions and provide an informed opinion on the robustness, adequacy and effectiveness of the system of internal control, at the crematorium, together with recommendations for improvement.

The production of a Risk Register with regular reviews undertaken by the Bereavement Services Manager along with action plan reports are produced and approved where necessary. Full details are reported to the Joint Committee on a six monthly basis.

Service and operational risk registers are maintained through an evaluation of the gross risk based on an assessment of the impact and likelihood of the risk occurring. The net risk is evaluated on the same basis after taking into account mitigating control measures. Net risk evaluations are agreed by consensus and actions to mitigate and/or tackle issues arising from the individual risks are agreed for the upcoming year.

Risks are evaluated in a logical and straightforward process. Service risk assessments are based on the impact on finance, service delivery and stakeholders if the risk materialises, and also the likelihood that the risk will occur over a given period. Operational risk assessments are based on Durham County Council's health and safety risk assessment criteria, which include the likelihood of occurrence.

**Assertion 5: We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.**

The Joint Committee's internal audit provider is Durham County Council Internal Audit Services, whose service is delivered in accordance with a Service Level Agreement (SLA) approved by the Joint Committee every three years. The Internal Audit service is delivered in accordance with the requirements of the Accounts and Audit Regulations 2015 'for undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.

The Internal Audit service applies a risk based audit approach and when determining the annual audit opinion considers the following:

- The adequacy of risk identification, assessment and mitigation
- The adequacy and application of controls to mitigate identified risk
- The adequacy and extent of compliance with Durham County Council's corporate governance framework
- The extent of compliance with relevant legislation
- The extent to which the organisation's assets and interests are accounted for and safeguarded from loss of all kinds including fraud,

waste, extravagance, inefficient administration and poor value for money

- The quality and integrity of financial and other management information utilised within the organisation

The Internal Audit service conforms to the requirements of the UK Public Sector Internal Audit Standards (PSIAS) as evidenced through an external assessment by 'self-assessment with independent external validation'.

Durham County Council's Financial Management Standards include a specific requirement that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work. This complies with the requirements of the Accounts and Audit Regulations 2015.

**Assertion 6: We took appropriate action on all matters raised during the year in reports from internal and external reviews.**

The Joint Committee's Internal Auditor reports the conclusions and recommendations from every audit examination to the Joint Committee on an annual basis and follows up on audit recommendations in subsequent audits to ensure that they have been implemented.

The Joint Committee considers the annual review of the Annual Return from the external auditors and the Corporate Director of Resources and Treasurer to the Joint Committee would put in place an action plan to deal with any matters raised, as and when necessary.

**Assertion 7: 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 Joint Committee and where appropriate have included them in the accounting statements.**

During the annual closedown of the accounts, the Corporate Director of Resources and Treasurer to the Joint Committee assess whether there have been any events during the financial year or after year end, which may have potential consequences on the Joint Committee's finances. If any such events are identified, the Treasurer will determine whether the financial consequences need to be reflected in the accounting statements and disclose them as necessary.

#### 4 Significant Governance Issues

Mountsett Crematorium Joint Committee is fully committed to the principles of Corporate Governance, and has made further progress in recent months in developing its arrangements.

The Internal Audit Section sought further assurance, via its annual plan of work and review of key systems.

As a result, Internal Audit has provided **Substantial** overall assurance opinion on the adequacy and effectiveness of internal control operating across the Joint Committee in 2018/19. This opinion provides assurance that there is a sound system of control in operation and there are no significant control weaknesses that warrant inclusion within the Annual Governance Statement.

#### 5 Assurance Statement

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and the system of internal control by the Mountsett Crematorium Joint Committee and are satisfied that plans to address weaknesses and ensure continuous improvement of the system are in place.

**SIGNED:**

**Chair to the Joint Committee**

**24 June 2019**

**Corporate Director of Resources and Treasurer to the Joint Committee**

**24 June 2019**

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**Mountsett Crematorium Joint  
Committee**

**24 June 2019**

**Revenue Outturn & Joint Committees  
Annual Return for the Financial Year  
Ended 31 March 2019**



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**Joint Report of**

**Ian Thompson, Corporate Director of Regeneration and Local  
Services**

**John Hewitt, Corporate Director of Resources and Treasurer to the  
Joint Committee**

**Electoral division(s) affected:**

Countywide.

**Purpose of the Report**

- 1 This report seeks approval of the Joint Committees Annual Return (attached at Appendix 3) for Mountsett Crematorium Joint Committee for the financial year ended 31 March 2019. It also includes details of the final outturn position against the approved budgets for 2018/19.

**Executive summary**

- 2 This report sets out details of income and expenditure in the period 1 April 2018 to 31 March 2019, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.
- 3 The report also details the funds and reserves of the Joint Committee at 1 April 2018 and final position at 31 March 2019, taking into account the updated financial outturn.
- 4 The revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £422,992 against a budgeted surplus of £304,314, £118,679 more than the budgeted position.
- 5 Contributions to the earmarked reserves are £118,679 more than originally budgeted, due mainly to the additional cremations carried out throughout the year.

- 6 In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of £13,755 is required.
- 7 The retained reserves of the MCJC at 31 March 2019 are £345,499 along with a General Reserve of £278,055, giving a total reserves and balances position of £623,554 at the year end.

### **Recommendation(s)**

- 8 It is recommended that:-
  - Members note the revenue outturn position as at 31 March 2019, including the year end position with regards to the reserves and balances of the Joint Committee.
  - Members of the Joint Committee approve Section 1 – Annual Governance Statement 2018/19 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2019 (attached at Appendix 3).
  - Members of the Joint Committee approve Section 2 – Accounting Statements 2018/19 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2019 (attached at Appendix 3).
  - The Chair, Clerk and Treasurer sign the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2019 (attached at Appendix 3).

## **Background**

- 9 The Joint Committees Annual Return will be subject to external audit by the Joint Committee's appointed external auditors, Mazars LLP and the limited assurance audit will commence on 5 July 2019. Upon completion, the auditor's report will be presented to the Joint Committee and will be made available online, along with the Return.
- 10 The attached Joint Committees Annual Return is not a compulsory requirement for the Mountsett Crematorium Joint Committee but is good practice. Also attached for Members attention at Appendix 2 is the Balance Sheet as at 31 March 2019.

## **Financial Performance**

- 11 Budgetary control reports, incorporating outturn projections, are considered by Regeneration and Local Services' Management Team on a monthly basis. The County Council's Corporate Management Team also considers regular budgetary control reports, with quarterly reports being considered by Cabinet / Overview and Scrutiny Committee. The outturn projections for the Mountsett Crematorium are included within this report.
- 12 The figures contained within this report have been extracted from the General Ledger and have been scrutinised and supplemented with information supplied by the Bereavement Services Manager. The following table highlights the revenue outturn financial performance of the Mountsett Crematorium as at 31 March 2019.

<b>Subjective Analysis</b>	<b>Base Budget 2018/19 £</b>	<b>Outturn 2018/19 £</b>	<b>Variance Over/ (Under) £</b>	<b>MEMO – Provisional Outturn (29.04.19) 2018/19 £</b>
Employees	151,436	144,839	(6,597)	144,839
Premises	144,350	291,277	146,928	289,669
Transport	600	506	(94)	506
Supplies & Services	65,949	67,389	1,440	67,346
Agency & Contracted	9,520	6,364	(3,156)	6,364
Capital Charges	222,712	0	(222,712)	0
Central Support Costs	27,970	27,970	0	27,970
<b>Gross Expenditure</b>	<b>622,536</b>	<b>538,346</b>	<b>(84,191)</b>	<b>536,695</b>
<b>Income</b>	<b>(926,850)</b>	<b>(961,338)</b>	<b>(34,488)</b>	<b>(961,337)</b>
<b>Net Income</b>	<b>(304,314)</b>	<b>(422,992)</b>	<b>(118,679)</b>	<b>(424,643)</b>
<b>Transfer to / (from) Reserves</b>				
- Repairs Reserve	15,000	15,000	0	15,000
- Cremator Reserve	124,424	243,102	118,679	244,753
<b>Distributable Surplus</b>	<b>(164,890)</b>	<b>(164,890)</b>	<b>0</b>	<b>164,890</b>
<b>65% Durham County Council</b>	<b>107,178</b>	<b>107,178</b>	<b>0</b>	<b>107,178</b>
<b>35% Gateshead Council</b>	<b>57,712</b>	<b>57,712</b>	<b>0</b>	<b>57,712</b>

<b>Mountsett Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2018 £</b>	<b>Transfers to Reserve £</b>	<b>Transfers From Reserve £</b>	<b>Balance @ 31 March 2019 £</b>
Repairs Reserve	(39,370)	(15,000)	0	(54,370)
Cremator Reserve	(61,781)	(243,102)	13,755	(291,129)
General Reserve	(264,300)	(178,645)	164,890	(278,055)
<b>Total</b>	<b>(365,451)</b>	<b>(436,747)</b>	<b>178,645</b>	<b>(623,554)</b>

### **Explanation of Significant Variances between Original Budget and Forecast Outturn**

- 13 The final outturn position is broadly in line with the provisional outturn position reported to the Joint Committee on 29 April 2019, with only minor changes across a number of budget levels at the final outturn (£1,651 decrease) to the overall net income for the year.

- 14 The following section outlines the reasons for significant variances by subjective analysis area (most of which was disclosed in the provisional outturn report), comparing the outturn position against the budget.

#### 14.1 **Employees**

The outturn shows an underspend of **(£6,597)**, in relation to employee costs. The reasons for this are identified below:

- The training budget was not required this year resulting in an underspend of **(£1,500)**.
- The Business Admin Apprentice costs were lower than budgeted due to the Apprentice only starting in September and have underspent by **(£7,411)**
- The staff overtime budget has overspent by **£2,314** due to additional weekend working.

#### 14.2 **Premises**

The outturn shows an overspend of **£146,928** in relation to premises costs. The reasons for this are identified below:

- The replacement of the exterior gates was not required, instead the gates were repaired, which has resulted in an underspend of **(£4,620)**.
- The redecoration works were not completed in 2017/18 due to the bad weather and the external works being delayed and had to be completed in the current year resulting in an overspend of **£4,356**.
- The repairs to the Book of Remembrance underspent by **(£19,489)**. The estimated cost of the work was significantly less than predicted resulting in the underspend.
- Cremator servicing and repairs underspent by **(£14,620)** due to the old cremators being replaced during 2017/18.
- Utilities budgets are overspent by **£25,346** due mainly to significant increases in electricity tariffs charged from April 2018 and the increased time taken to heat the cremators.
- The costs relating to the extension and new cremators are being funded directly through the revenue account and therefore this area of the budget is **£153,505** overspent. This overspend is offset by the capital charges underspend due to not having to take out a loan for the works.
- Equipment servicing and repairs and general repairs overspent by **£2,450**.

### 14.3 **Supplies and Services**

The outturn shows a overspend of **£1,440** in relation to supplies and services costs. The reasons for this are identified below:

- The one off purchases of a pressure washer and vac sweeper underspent by **(£1,373)**.
- Equipment purchase, rental and replacement overspent by **£1,563** due to the Book of Remembrance VRS equipment needing replacing.
- General office costs including telephones and office equipment overspent by **£1,250**.

### 14.4 **Capital Charges**

The outturn shows an underspend of **(£222,712)** in relation to capital charges. The reasons for this are highlighted below:

- The loan from DCC for the Major Works was not required and instead paid from the Premises budget, resulting in an underspend of **(£222,712)**.

### 14.5 **Income**

An increase in income of **(£34,488)** from the 2018/19 budget is included within the updated outturn forecasts. The reasons for this are identified below:

- Memorial Plaque income was **(£12,224)** higher than budget due to the niche units being available for purchase.
- The outturn includes an additional 30 cremations compared to the budget, totalling an increased income to budget of **(£18,048)**. The outturn allows for a total of 1,330 cremations against a budgeted 1,300 during 2018/19.
- Bank interest and Book of Remembrance income was **(£4,216)** higher than budget.

## 15 **Earmarked Reserves**

Contributions to the earmarked reserves are **£118,679** more than originally budgeted, due mainly to the additional cremations carried out throughout the year and a reduction in the Cremator Replacement and Extension costs.

In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of **£13,755** is required.

The retained reserves of the MCJC at 31 March 2019 are **£345,499** along with a General Reserve of **£278,055**, giving a total reserves and balances position of **£623,554** at the year end.

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<b>Contact:</b>	Paul Darby	Tel: 03000 261930
	Ed Thompson	Tel: 03000 263481

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## **Appendix 1: Implications**

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### **Legal Implications**

The outturn proposals contained within this report have been prepared in accordance with standard accounting policies and procedures.

### **Finance**

Full details of the year to date and projected outturn financial performance of the Mountsett Crematorium are included within the body of the report.

### **Consultation**

None. However, officers of Gateshead Council were provided with a copy of the report and given opportunity to comments / raise any detailed queries on the contents of this report in advance of circulation to members of the Joint Committee.

### **Equality and Diversity / Public Sector Equality Duty**

None.

### **Human Rights**

None.

### **Crime and Disorder**

None.

### **Staffing**

None.

### **Accommodation**

None.

### **Risk**

The figures contained within this report have been extracted from the General Ledger, and have been scrutinised and supplemented with information supplied by the Bereavement Services Manager. The projected outturn has been produced taking into consideration spend to date, trend data and market intelligence, and includes an element of prudence. This, together with the information supplied by the Bereavement Services Manager should mitigate the risks associated with achievement of the forecast outturn position.

### **Procurement**

None.

## Appendix 2 – Balance Sheet as at 31 March 2019

### Mounstett Crematorium Joint Committee

#### Balance Sheet as at 31<sup>st</sup> March 2019

31st March 2018 £000		31st March 2019 £000
0	Property, Plant & Equipment	0
0	Intangible Assets	0
0	Long Term Investments	0
0	Long Term Debtors	0
<b>0</b>	<b>Long Term Assets</b>	<b>0</b>
0	Short term Investments	0
0	Inventories	0
39	Short Term Debtors	24
712	Cash & Cash Equivalents	823
<b>751</b>	<b>Current Assets</b>	<b>847</b>
0	Short Term Borrowing	0
(386)	Short Term Creditors	(223)
0	Provisions	0
<b>(386)</b>	<b>Current Liabilities</b>	<b>(223)</b>
0	Long term Creditors	0
0	Provisions	0
0	Long Term Borrowing	0
0	Other Long Term Liabilities	0
<b>0</b>	<b>Long Term Liabilities</b>	<b>0</b>
<b>365</b>	<b>NET ASSETS</b>	<b>624</b>
(365)	Usable Reserves	(624)
0	Unusable Reserves	0
<b>(365)</b>	<b>TOTAL RESERVES</b>	<b>(624)</b>

# Joint Committees

## Annual Governance and Accountability Return for the financial year ended 31 March 2019

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The annual governance and accountability return on pages 2 to 7 is made up of four sections:

- Sections 1 and 2 are completed by the person nominated by the Joint Committee
- Section 3 is completed by Mazars LLP as the reviewer appointed by the Joint Committee.
- In addition, the internal audit report is completed by the Joint Committee's internal audit provider.

**Each Joint Committee must approve Section 1 and Section 2.**

### Completing your annual governance and accountability return

Guidance notes, including a completion checklist, are provided on page 7 and at relevant points in the annual governance and accountability return.

Complete all highlighted sections. Do not leave any highlighted box blank. Incomplete or incorrect returns require additional work and so may incur additional costs.

Send the annual governance and accountability return, together with your bank reconciliation as at 31 March 2019, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to us, Mazars LLP by the due date.

We will identify and ask for any additional documents needed for our work. Therefore, unless requested, do not send any original financial records.

Once we have completed our work, the certified annual governance and accountability return will be returned to the Joint Committee for publication and public display of Sections 1, 2 and 3. It is recommended that you publish and display the annual governance and accountability return, including the external auditor's report, by 30 September 2019.

It should not be necessary for you to contact us for guidance.

***\*Please note that this annual governance and accountability return is a variant of the version produced by JPAG for parish councils and other smaller authorities. As joint committees are not covered by JPAG's Practitioner's Guide it does not part of proper practice defined in the Practitioner's Guide.***

## Section 1 – Annual Governance statement 2018/19

We acknowledge as the members of:

Enter name of  
Joint Committee here:

Mountsett 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 2019, that:

	Agreed		'Yes'
	Yes	No*	Means that the Joint Committee has:
1 We approved the accounting statements prepared in accordance with the guidance notes within this Return	✓		Prepared its accounting statements and approved them.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		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 generally accepted good practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances and have reported our financial results to our host authority for inclusion in their accounts.	✓		has only done what it has the legal power to do and has complied with generally accepted good practice.
4 We carried out an assessment of the risks facing the Joint Committee and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered the financial and other risks it faces and has dealt with them properly.
5 We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		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 Joint Committee.
6 We took appropriate action on all matters raised during the year in reports from internal and external reviews.	✓		responded to matters brought to its attention by internal and external reviewers.
7 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 Joint Committee and where appropriate have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

The annual governance statement is approved by this Joint Committee on:

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chair at meeting where approval is given:

SIGNATURE REQUIRED

Clerk:

SIGNATURE REQUIRED

\*Note: Please provide explanations to us on a separate sheet for each 'No' response. Describe how the Joint Committee will address the weaknesses identified.

## Section 2 – Accounting Statements 2018/19 for

Enter name of  
Joint Committee here:

**Mountsett Crematorium Joint Committee**

	Year ending		Notes and guidance 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.
	31 March 2018 £	31 March 2019 £	
1 Balances brought forward	1,523,253	365,451	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation	0	0	Total amount of local tax received or receivable in the year including funding from a sponsoring body. Exclude any grants received.
3 (+) Total other receipts	948,671	961,338	Total income or receipts as recorded in the cashbook less the taxation and/or levy (line2). Include any grants received here.
4 (-) Staff costs	(143,005)	(144,839)	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	(1,963,468)	(558,396)	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	365,451	623,553	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	711,855	822,715	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>to agree with bank reconciliation.</b>
9 Total fixed assets plus long term investments and assets	0	0	This cell shows the value of all the property the Joint committee owns. It is made up of its fixed assets and long-term investments.
10 Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB)

I certify that for the year ended 31 March 2019 the accounting statements in the annual governance and accountability return present fairly the financial position of the Joint Committee and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

[Signature box]

Date

[Date box]

I confirm that these accounting statements were approved by the Joint Committee on:

[Signature box]

and recorded as minute reference:

[Signature box]

Signed by Chair of meeting where approval is given:

[Signature box]

## Section 3 – External Report 2017/18 Certificate

In respect of:

Enter name of  
Joint Committee here:

Mountsett Crematorium Joint Committee

### Respective responsibilities of the Joint Committee and the reviewer

The Joint Committee has taken on the responsibility of ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The Joint Committee prepares a return which:

- summarises the accounting records for the year ended 31 March 2019; and
- confirms and provides assurance on various governance matters in accordance with generally accepted good practice.

This report has been produced in accordance with the terms of our engagement letter dated 1 April 2019 ("the Engagement Letter") and in accordance with the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements as published by IAASB.

We have performed the following work in respect of the annual governance and accountability return prepared by the Joint Committee:

- agreed the bank reconciliation to the annual governance and accountability return and bank statements;
- agreed the annual governance and accountability return to the trial balance or ledger;
- ensured the trial balance and accounting statements add up;
- agreed any precept or other income from local taxation / levy to the funding body;
- agreed any loans to the Public Works Loan Board or whoever the loan is with;
- checked the comparative figures to prior year accounts;
- undertook an analytical review of the figures and investigate variances above agreed tolerance levels;
- ensured that the accounting statements and annual governance statement have been signed and dated as required;
- investigated any no answers in the Annual Governance Statement; and
- investigated any no answers in the Internal Audit Report.

[No exceptions were found / Apart from the following exceptions, noted below, no exceptions were found]

We have not subjected the information contained in our report to checking or verification procedures except to the extent expressly stated above and this engagement does not constitute an audit or a review and, as such, no assurance is expressed. Had we performed additional procedures, an audit or a review, other matters might have come to light that would have been reported.

You were responsible for determining whether the agreed upon procedures we performed were sufficient for your purposes and we cannot, and do not, make any representations regarding the sufficiency of these procedures for your purposes.

Our report is prepared solely for the confidential use of the Joint Committee. Our report must not be used for any purpose other than for which it was prepared or be reproduced or referred to in any other document or made available to any third party without the written permission of Mazars LLP.

We accept no liability to any other party who is shown or gains access to this report.

Signature

Mazars LLP, Durham, DH1 5TS

Date

# Annual internal audit report 2018/19 to

Enter name of Joint Committee here:

**Mountsett Crematorium Joint Committee**

The Joint Committee's internal audit service provider, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2019.

Internal audit has been carried out in accordance with the Joint Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Joint Committee.

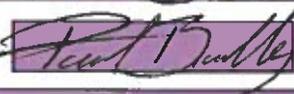
Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered / applicable**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. The Joint Committee met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. The Joint Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The annual taxation or levy or funding requirements resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with the Joint Committee's approval, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		

For any other risk areas identified by the Joint Committee adequate controls existed (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Name of person who carried out the internal audit:

**PAUL ISRAOLEY CPFA**

Signature of person who carried out the internal audit:



Date: **02/05/2019**

\*Note: If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

## Guidance notes on completing the 2018/2019 return

1. Make sure that your annual governance and accountability return is complete (ie no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed return. Any amendments must be approved by the Joint Committee, properly initialled and explanation provided. Annual governance and accountability return's containing unexplained or unapproved amendments may be returned and incur additional costs.
2. **Joint Committees must approve Section 1 on page 2 before approving Section 2 on page 3.**
3. Use the checklist provided below. Use a second pair of eyes, perhaps a member of the committee or the Chair, to review your return for completeness before sending it to us.
4. Do not send us any information not specifically asked for. Doing so is not helpful. However, you must notify us of any change of Clerk, Responsible Financial Officer or Chair.
5. Make sure that the copy of the bank reconciliation confirming the balance held on your behalf which you send with the return covers all your bank balances. If the Joint Committee holds any short-term investments, note their value on the bank reconciliation. We must be able to agree your bank reconciliation to Box 8 on the accounting statements (Section 2 on page 3). You must provide an explanation for any difference between Box 7 and Box 8.
6. Explain fully significant variances in the accounting statements on page 3. Do not just send in a copy of your detailed accounting records instead of this explanation. We want to know that you understand the reasons for all variances. Include a complete numerical and narrative analysis to support your explanation.
7. If we have to review unsolicited information, or receive an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which we will make a charge.
8. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2018) equals the balance brought forward in the current year (Box 1 of 2019).
9. Do not complete section 3. We will complete it at the conclusion of our work.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All highlighted boxed have been completed?	✓
	All additional information requested has been provided to us?	✓
Section 1	For any statement to which the response is 'no', an explanation is provided?	✓
Section 2	Joint Committee approval of the accounting statements is confirmed by the signature of the Chair of the approval meeting?	✓
	An explanation of significant variations from last year to this year is provided?	✓
	Bank reconciliation as at 31 March 2019 agrees to Box 8?	✓
	An explanation of any difference between Box 7 and Box 8 is provided?	✓
Internal Audit Report	All highlighted boxed completed by internal audit and explanations provided?	✓



**Mountsett Crematorium Joint Committee**

**24 June 2019**

**Mountsett Crematorium Performance and  
Operational Report**



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**Report of Graham Harrison, Bereavement Services Manager &  
Registrar**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide Members of the Mountsett Crematorium Joint Committee with an update relating to performance and other operational matters.

**Executive summary**

- 2 This report provides Members of the Mountsett Crematorium Joint Committee with an update of performance and operational matters at the crematorium.

**Recommendation(s)**

- 3 It is recommended that Members of the Mountsett Joint Committee:
  - (a) Note the current performance of the crematorium.
  - (b) Note the advertising for the relief crematorium attendants.
  - (c) Note the attendance at the Institute of Cemetery and Crematorium Management ICCM Learning Convention and Exhibition 2019.
  - (d) Note the distribution of recycling income to the respective charity and the subsequent charity nomination.
  - (e) Note the current situation with regards to document retention.

## Background

- 4 Update reports relating to performance and other operational matters are presented to the Mountsett Crematorium Joint Committee on a quarterly basis.

## Performance Update - Number of Cremations

5. The table below provides details of the number of cremations for the period 1 April 2019 to 31 May 2019 inclusive, with comparative data in the same periods last year:

	<b>2018/19</b>	<b>2019/20</b>	<b>Change</b>
April	114	101	-13
May	129	135	+6
<b>TOTAL</b>	<b>243</b>	<b>236</b>	<b>-7</b>

6. There were 236 cremations undertaken during the period 1 April 2019 to 31 May 2019, compared to 243 in the comparable period last year, a decrease of 7. Members may recall that the number of deaths were exceptionally high in April 2018 in line with national trends, which explains the decrease in numbers for the period. Numbers of cremations undertaken in the first two months of 2019/20 are broadly in line with numbers experienced in previous years and there is nothing to suggest a down turn in overall use of the crematorium or that funeral directors are choosing other facilities.

The profile of where families came from can be seen below:

Gateshead	52
Durham	131
Outside Area	53
<b>Total</b>	<b>236</b>

## Memorials

7. The table below outlines the number and value of the memorials sold in the period April to May 2019 compared to the same period the previous year.

	<b>Apr - May 2018/19</b>		<b>Apr - May 2019/20</b>	
	<b>Number</b>	<b>£</b>	<b>Number</b>	<b>£</b>
Large Plaques	2	804	1	402
Small Plaques	6	1,566	8	2,088
<b>Total</b>	<b>8</b>	<b>2,370</b>	<b>9</b>	<b>2,490</b>

8. There were 9 memorials sold in the period to 31 May, generating £2,490 of revenue income. This compares with 8 / £2,370 in the same period last year. There has been an increase of 1 / £120 compared to the same period last year

## Staffing

9. Members agreed at the April 2019 meeting to advertise for relief Crematorium Attendant posts. Adverts for these positions will be issued shortly, both internally and externally.

## Institute of Cemetery and Crematorium Management ICCM Learning Convention and Exhibition 2019

10. As in previous years, the necessary arrangements will be made for representation at the Institute of Cemetery and Crematorium Management ICCM Learning Convention and Exhibition which is to be held at Chesford Grange Hotel, near Kenilworth from 23rd to 25th September 2019. It is proposed that the Bereavement Services Manager and the Chair attend this conference as representatives of the Mountsett Crematorium Joint Committee.

## Recycling of Metals Scheme

11. The Crematorium received a cheque relating to the recycling of metals scheme from the Institute of Cemetery and Crematorium Management to the sum of £8,000 for North East Air Ambulance and a photograph of the cheque presentation is attached at Appendix 2. Extra funds from collections in 2018 has resulted in a 2nd round of nominations being made available and the Royal British Legion have been nominated.

## Audit Recommendation - Document Retention

12. Members may recall that at the January Meeting an audit recommendation relating to document retention was discussed and Members approved the option to place past records in secure storage and scan records going forward, with costs shown in the table below:

Description	Cost
One off cost for secure storage	£148
Annual storage costs	£129
Annual scanning costs (28,600 documents x £0.030)	£858
<b>Total Annual Cost</b>	<b>£1,135</b>

13. Discussions with the successful company, Box It have taken place and unfortunately they were unable to accommodate the scanning of the records to the print quality we required, with some parts of the documents unreadable. The documents were also returned in the wrong order and we were informed that it would cost nearly double the price to store them in the order we required.
14. We have therefore held discussions with the NHS who can accommodate the scanning of our records and testing has returned good quality images of the documents in the order we require, however this will incur additional costs as shown below.

<b>Description</b>	<b>Cost</b>
One off cost for secure storage	£148
Annual storage costs	£129
Annual scanning costs (28,600 documents x £0.063)	£1,802
Hard Disk drive	£173
Logistics	£44
<b>Total Annual Cost</b>	<b>£2,296</b>

15. Internal Audit have confirmed that this is an acceptable solution. The additional cost of £1,161 will be factored into the 2019/20 revenue outturn projections.

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**Contact:** Graham Harrison, Tel: 03000 265606

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## **Appendix 1: Implications**

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### **Legal Implications**

As outlined in the report.

### **Finance**

As identified in the 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.

### **Equality and Diversity / Public Sector Equality Duty**

There are no implications

### **Human Rights**

There are no implications

### **Crime and Disorder**

There are no implications

### **Staffing**

As identified in the report.

### **Accommodation**

There are no implications

### **Risk**

There are no implications

### **Procurement**

There are no implications

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## Appendix 2: Recycling of metals cheque presentation

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Cllr O Temple and Cllr D Bradford along with Laura Simpson from Great North Air Ambulance attending the cheque presentation.

**Mountsett Crematorium Joint  
Committee**

**24 June 2019**

**Forward Plan 2019/20**



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**Report of John Hewitt, Corporate Director of Resources &  
Treasurer to the Joint Committee**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

1. This report sets out a suggested forward plan of meetings of the Joint Committee for the forthcoming year.

**Forward Plan 2019/20**

2. A proposed schedule of meetings for the remainder of 2019/20, showing a forward plan of reports that will be presented, is attached at Appendix 2. This includes the reports for the next Annual General Meeting in June 2020 but not the date which will be fixed nearer the time.

**Recommendation(s)**

3. That members of the Joint Committee note and approve the proposed schedule of meetings as set out at Appendix 2.

**Background papers**

- None

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**Contact:** Paul Darby, Head of Finance and Transactional Services      Tel: 03000 261930

Ed Thompson, Principal Accountant      Tel: 03000 263481

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## **Appendix 1: Implications**

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### **Legal Implications**

There are no implications associated with this report.

### **Finance**

There are no financial implications associated with this report. Routine monitoring of budgetary control information and annual budget and fees and charges setting processes are factored into the Forward Plan.

### **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 Joint Committee.

### **Equality and Diversity / Public Sector Equality Duty**

There are no equality and diversity implications associated with this report. Equality Impact Assessments, where appropriate, are undertaken as a matter of routine part of the development of any new policy or policy change.

### **Human Rights**

There are no implications associated with this report.

### **Crime and Disorder**

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

### **Staffing**

There are no implications associated with this report.

### **Accommodation**

There are no Accommodation implications associated with this report.

### **Risk**

There are no risk implications associated with this report.

### **Procurement**

There are no implications associated with this report.

## Appendix 2: Forward Plan: 2019/20 Meetings

Meeting Date	Location	Reports to Consider	Report of
24/09/2019	Mountsett Crematorium, Dipton, Stanley  9.30 a.m.	External Audit Annual Review of the Return for the Year Ended 31 March 2019	Report of the Corporate Director of Resources / Treasurer to the Joint Committee
		Quarterly Performance and Operational Report	Report of the Bereavement Services Manager
		Risk Register 2019/20 – Update	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Regeneration and Local Services
		Service Asset Management Plan	Report of the Corporate Director of Regeneration and Local Services
		Financial Monitoring Report 2019/20: Position at 31/08/19 with Projected Outturn to 31/03/20	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Regeneration and Local Services
		Provision of Internal Audit & Risk Management Services 2020-2023	Report of the Corporate Director of Resources / Treasurer to the Joint Committee
		Annual Review of the System of Internal Audit	Report of the Corporate Director of Resources / Treasurer to the Joint Committee
28/01/2020	Mountsett Crematorium, Dipton, Stanley  9.30 a.m.	Quarterly Performance and Operational Report	Report of the Bereavement Services Manager
		Financial Monitoring Report 2019/20: Position at 31/12/19 with Projected Outturn to 31/03/20	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Regeneration and Local Services

<b>Meeting Date</b>	<b>Location</b>	<b>Reports to Consider</b>	<b>Report of</b>
		Provision of Support Services 2020/21	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Regeneration and Local Services
		Fees and Charges 2020/21	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Regeneration and Local Services
		2020/21 Revenue and Capital Budget	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Regeneration and Local Services
30/04/2020	Mountsett Crematorium, Dipton, Stanley 9.30 a.m.	Quarterly Performance and Operational Report	Report of the Bereavement Services Manager
		Financial Monitoring Report 2019/20: Provisional Outturn as at 31/03/2020	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Regeneration and Local Services
		Risk Register 2020/21 – Update	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Regeneration and Local Services
		Annual Internal Audit Report 2019/20	Report of the Corporate Director of Resources / Treasurer to the Joint Committee
June 2020 (AGM) Date TBC	Mountsett Crematorium, Dipton, Stanley	Appointment of Chair	Report of the Clerk to the Joint Committee
		Appointment of Vice-Chair	Report of the Clerk to the Joint Committee

<b>Meeting Date</b>	<b>Location</b>	<b>Reports to Consider</b>	<b>Report of</b>
	9.30 a.m.	Annual Constitutional Review	Report of the Clerk to the Joint Committee
		Annual Governance Statement 2019/20	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Regeneration and Local Services
		Revenue Outturn and Joint Committees Return for the Year Ended 31/03/2020	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Regeneration and Local Services
		Quarterly Performance and Operational Report	Report of the Bereavement Services Manager
		Forward Plan 2020/21	Report of the Corporate Director of Resources / Treasurer to the Joint Committee

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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of the Local Government Act 1972.

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