



## **Central Durham Crematorium Joint Committee**

**Date**      **Thursday 28 April 2022**  
**Time**      **5.30 pm**  
**Venue**     **Durham Crematorium, South Road, Durham**

---

### **Business**

#### **Part A**

#### **Items which are open to the Public and Press**

1. Apologies for Absence
2. Substitute Members
3. Minutes of the meeting held on 1 February 2022 (Pages 3 - 10)
4. Declarations of Interest, if any
5. Quarterly Performance and Operational Report (Pages 11 - 20)  
Report of the Bereavement Services Manager and Registrar
6. Financial Monitoring Report - Provisional Outturn as at 31 March 2022 (Pages 21 - 30)  
Joint Report of the Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee
7. Risk Register Update 2021/22 Review 2 (Pages 31 - 38)  
Joint Report of the Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee
8. Annual Internal Audit Report 2021/22 (Pages 39 - 54)  
Report of the Chief Internal Auditor and Corporate Fraud Manager

9. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration
10. 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)**

11. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

**Helen Lynch**

Head of Legal and Democratic Services

County Hall  
Durham  
20 April 2022

To: **The Members of the Central Durham Crematorium Joint Committee**

Durham County Council: Councillors J Chaplow (Chair), J Blakey, D Brown, J Cosslett, K Fantarrow, S Quinn, K Robson, A Simpson, M Stead, A Surtees, C Varty and M Wilson

Spennymoor Town Council: Councillors N Foster (Vice-Chair), C Maddison and D Ranyard

---

**Contact: Jo March**

**Tel: 03000 269 709**

---

**DURHAM COUNTY COUNCIL**

**CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE**

At a Meeting of **Central Durham Crematorium Joint Committee** held in **Council Chamber, County Hall, Durham** on **Tuesday 1 February 2022** at **2.00 pm**

**Present:**

**Councillor J Chaplow (Chair)**

**Durham County Council:**

Councillors J Blakey, D Brown, J Cosslett, S Quinn, K Robson, A Simpson, M Stead, M Wilson and B Kellett (Substitute) (substitute for C Varty)

**Spennymoor Town Council:**

Town Councillors N Foster (Vice-Chair), C Maddison and D Ranyard

**1 Apologies for Absence**

Apologies for absence were received from County Councillors A Surtees and C Varty.

**2 Substitute Members**

County Councillor B Kellett was substitute for County Councillor C Varty.

**3 Minutes**

The minutes of the meeting held on 29 September 2021 were confirmed as a correct record and signed by the Chair.

**4 Declarations of Interest**

There were no Declarations of Interest.

## **5 Quarterly Performance and Operational Report**

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

The Neighbourhood and Protection Manager provided a summary of the performance figures from 1 September 2021 to 31 December 2021 in comparison to the same period for the previous year. It was noted there had been 106 more cremations undertaken compared to the same period last year. There had also been an increase of 16 memorials sold, however there was a small decrease in the value of memorials.

It was noted that an application would be submitted for the 2022 Green Flag Award and progress would be reported to a future meeting.

Referring to the Recycling of Metals Scheme, it was reported that the nominated charity, Chyrelle Addams Cancer Support Trust had received £15,000 from the scheme on the 16 December 2021. The Neighbourhood and Protection Manager asked members to note that the Institute of Cemetery and Crematorium Management had been asked to review the value of money awarded to allow more charities to benefit from the scheme.

A review of weekend and Bank Holiday opening hours for the crematorium had concluded and it was proposed that Sunday and Bank Holiday opening times change in line with times on a Saturday.

An update was provided in relation to the Service Level Agreements (SLA) in relation to Cleaning Services. The Joint Committee were asked to consider and approve the revised SLA for the period April 2022 to March 2024, costing £10,205 per year (a 3.6% increase on the recharges levied in 2021/22), which would include all labour and materials required to carry out the cleaning activities.

Referring to the Water Fountain maintenance, the Neighbourhood and Protection Manager advised that Durham County Council's Commercial Services Team could provide maintenance by way of a Service Level Agreement (SLA). The price quoted was £10,943 per year, which would include all labour and materials required to carry out the activities identified.

Members were advised that St Cuthbert's Hospice had requested that they be allowed to continue to provide a Christmas Tree at Durham Crematorium for 2022.

## **Resolved:**

- (i) That the current performance of the crematorium be noted;
- (ii) That the continued success with regards to the Green Flag Award be noted;
- (iii) That the updated position with regards to the recycling of metals Scheme be noted;
- (iv) That the revised changes to opening times be approved;
- (v) That the SLA with regards to the cleaning of the crematorium be approved;
- (vi) That the SLA with regards to the cleaning of the water fountains at the crematorium be approved;
- (vii) That the request for St Cuthbert's Hospice to provide a Christmas tree for 2022 be agreed.

## **6 Financial Monitoring Report - Position at 31/12/21, with Projected Revenue and Capital Outturn at 31/03/22**

The Joint Committee received a joint report of the Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee that provided details of the provisional outturn position for 2021/22 and the projected level of reserves and balances at 31 March 2022 (for copy see file of minutes).

The Finance Manager, Neighbourhoods and Climate Change highlighted the projected revenue outturn surplus of £1,096,084 against the budgeted surplus of £1,022,157, £73,927 more than the budgeted position.

In response to a query from Town Councillor D Ranyard regarding the forecasted overspend relating to the roadway entrance widening and new gates, the Neighbourhood and Protection Manager advised that it was not always possible to identify overspends when projecting costs and the project had resulted in unexpected works carried out. Further information would be provided.

Councillor J Blakey added that the cost of metal and materials had increased 75% since the pandemic which would have contributed to the overspend.

Councillor M Steads asked questions regarding additional dividends or one-off payments to the two Authorities if income levels were higher than predicted. The Finance Manager, Neighbourhoods and Climate Change advised that contributions to Authorities would remain the same. He explained that any additional income would go into the Crematorium reserves to finance future initiatives. It was noted that additional payment had not

been done previously and it was highlighted that money generated over and above could be unpredictable. He added that payments to constituent Authorities were set out in the budget report and suggested that a separate budget strategy could be provided setting out potential options for increasing payments to authorities and identifying other areas that require funds to be set aside.

Responding to a query from Councillor J Blakey regarding the generator that had been discussed at a previous meeting, the Neighbourhood and Protection Manager advised that it had been included in the budget and projections in the report would be updated to reflect that.

**Resolved:**

That the April to December 2021 financial monitoring report and associated provisional revenue and capital outturn positions at 31 March 2022, including the projected year position with regards to the reserves and balances of the Joint Committee be noted.

## **7 Provision of Support Services 2022/23**

The Joint Committee considered a joint report of the Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee which outlined the proposed Service Level Agreement (SLA) for Support Service provision by Durham County Council to the Central Durham Crematorium Joint Committee for the period April 2022 to March 2023 (for copy see file of minutes).

The Finance Manager, Neighbourhoods and Climate Change reported that the proposed charge for 2022/23 was £35,345, a 3% increase on the recharges levied in 2021/22. The applicable fee takes into consideration the impact of pay and price inflation.

**Resolved:**

That the Service Level Agreement attached at Appendix 2 (including relevant schedule) for the year 2022/23 be approved.

## **8 Fees and Charges 2022/23**

The Joint Committee considered a joint report of the Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee which set out details of the proposed fees and charges for the Central Durham Crematorium for 2022/23 (for copy see file of minutes).

The Finance Manager, Neighbourhoods and Climate Change explained that the report sought to increase the fees and charges as shown at Appendix 2 of the report by £25 (3.4%) per cremation from £740 to £765, which was £70 below the average charges currently levied across the region.

It was noted that the Corporate Director of Neighbourhoods and Climate Change had consulted with the Portfolio Holder for Neighbourhoods and Climate Change on the proposed increase in charges and he was satisfied that the increase was appropriate.

Responding to a query from Town Councillor D Ranyard, the Finance Manager, Neighbourhoods and Climate Change confirmed that the proposed increase in charges had been agreed by Mountsett Crematorium Joint Committee on 31 January 2022.

**Resolved:**

- (i) That the proposed fees and charges at Appendix 2 effective from 1 April 2022, which seeks to increase cremation charges by £25 (3.4%) per cremation from £740 to £765 be approved;
- (ii) That the proposed fees and charges are incorporated into the 2022/23 budget.

**9 External Audit Arrangements 2022/23 to 2024/25**

The Joint Committee considered a joint report of the Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee which presented proposals for the continued delivery of the external audit by Mazars for the three financial years 2022/23 to 2024/25 (for copy see file of minutes).

The Finance Manager, Neighbourhoods and Climate Change advised that the quotation provided by Mazars for 2022/23 of £2,250 was £380 higher than the previous three years and the increase would be in line with CPI for the two years thereafter. The increase was in line with public sector audit cost inflation that was being experienced throughout the audit industry.

Town Councillor D Ranyard, while understanding the benefits of appointing the same organisation to conduct external audits, raised concerns that a tendering exercise had not taken place this time around. The Finance Manager, Neighbourhoods and Climate Change explained the continuity benefits as a number of other authorities and organisations had missed audit deadlines. It was noted that Durham County Councils audit completion deadlines have all been achieved and would be beneficial to continue with

Mazars at this time. He advised that a full tendering exercise would be undertaken in the future.

**Resolved:**

That Mazars be appointed to undertake the external audit arrangements for the 2022/23, 2023/24 and 2024/25 financial years.

## **10 2022/23 Revenue and Capital Budgets**

The Joint Committee considered a joint report of the Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee which set out proposals with regards to the 2022/23 revenue and capital budgets for the Central Durham Crematorium (for copy see file of minutes).

The Finance Manager, Neighbourhoods and Climate Change advised that the budget had been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges, the updated 2021/22 forecast outturn position and the known expenditure pressures in the coming year.

Councillor M Stead asked how much over the amount needed for investment are the current balances and reserves. The Finance Manager, Neighbourhoods and Climate Change advised that the general reserve policy recommends 30% of the income budget, however, it would be prudent to have a buffer which provides scope for unforeseen expenditure which is part of the actual reserves earmarked for future investment. The budget strategy could examine the reserves level and whether the general reserve policy percentage could be changed, however advised this could have knock-on implications.

The Neighbourhood and Protection Manager added that historically taking a prudent approach has allowed for cremator replacements and capital improvement works and advised it would be prudent to look at dividends when reserves were at a sufficient level.

Town Councillor N Foster acknowledged Councillor Steads point. He referred to the challenges during the pandemic and suggested it would be prudent to project future revenue and highlighted exploring new opportunities in technology.

The Chair commented that reserves will be essential with regards to exploring new technology as additional space would be required. She highlighted the need to keep up to date with changing times and provide a choice for families.

In response to a query from Town Councillor D Ranyard, the Neighbourhood and Protection Manager advised that due to Covid the meeting arranged to be held at Durham Crematorium had to be rescheduled and it was anticipated that the next Central Durham Crematorium Joint Committee meeting in April 2022 would be held at Durham Crematorium. There would be an opportunity for members to look round the facilities after the meeting. He added if any members wished to visits the Crematorium before the meeting in April, the Bereavement Services Manager would be able to facilitate individual visits.

**Resolved:**

- (i) That the revenue and capital budget proposals contained within the report (as set out at Appendix 2) be approved;
- (ii) That the forecast level of reserves at 31 March 2023 (as set out at Appendix 2) be noted.

**11 Exclusion of the Public**

That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1 and 3 of Part 1 of Schedule 12A of the Act.

**12 Restructure Report**

The Joint Committee considered a report of the Neighbourhood Protection Manager which provided details of proposals relating to changes within the Crematorium staffing structure (for copy see file of minutes).

The Neighbourhood Protection Manager and the Joint Committee expressed their appreciation to the crematorium staff for their excellent work and professionalism during an extremely difficult time.

**Resolved:**

That the recommendations contained in the report be agreed.

This page is intentionally left blank

**Central Durham Crematorium Joint  
Committee**

**28 April 2022**



**Performance and Operational Report**

---

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

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

1. To provide Members of the Central Durham Crematorium Joint Committee with the quarterly update relating to performance and other operational matters.

**Executive summary**

2. This report provides Members of the Central Durham Crematorium Joint Committee with a quarterly update of performance and operational matters at the crematorium.

**Recommendation(s)**

3. It is recommended that Members of the Central Durham Crematorium Joint Committee:
  - a) Note the current performance of the crematorium.
  - b) Note the date of the Joint Conference of the Federation of Burial & Cremation Authorities and the Cremation Society of Great Britain and inform the Bereavement Services Manager of any representation from the Joint Committee.
  - c) Note the response from Chyrelle Addams Cancer Support Trust.

## Background

4. This report provides Members of the Central Durham Crematorium Joint Committee with an update of performance and operational matters at the crematorium since the last meeting of the Joint Committee.

### Performance Update - Number of Cremations

5. The table below provides details of the number of cremations for the period 1 January to 31 March 2022 inclusive, with comparative data in the same period for the last two years:

	<b>2019/20 (Pre Covid)</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Change from 20/21</b>
January	233 + 1*	226 + 1*	225 + 0*	- 1 - 1*
February	199 + 0*	221 + 3*	233 + 3*	+ 12 + 0*
March	226 + 1*	223 + 1*	206 + 0*	- 17 - 1*
<b>TOTAL</b>	<b>658 + 2*</b>	<b>670 + 5*</b>	<b>664 + 3*</b>	<b>- 6 - 2*</b>

\* = Non-Viable Foetus (NVF)    \*\* = Stillborns (STs)    \*\*\* = Body part

6. The full profile of where families came from can be seen in Appendix 2. In summary, 181 came from Durham, 32 came from Spennymoor and 451 from other areas. There have been 3 NVF cremations undertaken for the period covered by this report compared to 5 in the comparable period last year. There were 6 less cremations undertaken in the period January to March 2022 compared to the same period last year.
7. The total number of cremations in 2021/22 was 2,306 compared with 2,738 in 2020/21, a decrease of 432 cremations, which is due to the Covid pandemic peak in 2020/21.
8. The 2021/22 budget was set at a prudent assumption of 2,200 cremations during the year. The actual number of cremations undertaken was therefore 106 more than the budgeted position. This is reflected in an over achievement of cremation fee income of £49,059 in year, which is included in the budgetary control report.
9. The table below shows the comparative figures for the previous ten financial years:

<b>Year</b>	<b>Cremations</b>
2012/13	2,379
2013/14	2,227
2014/15	2,287
2015/16	2,247
2016/17	2,324
2017/18	2,294

Year	Cremations
2018/19	2,392
2019/20	2,350
2020/21	2,738
2021/22	2,306

10. As members may be aware we have been providing webcasts for families to watch services when they are unable to attend, this is still providing to be popular. We have also been able to reduce some associated costs which we have been able to pass onto families.

## Memorials

11. The table below outlines the number and value of the memorials sold in the period January to March 2022 compared to the same period the previous year.

	Jan-March 2020/21		Jan-March 2021/22	
	Number	£	Number	£
<b>Vase Blocks</b>	4	2,658	7	4,572
<b>Large Plaques</b>	18	7,724	17	7,164
<b>Small Plaques</b>	3	783	1	276
<b>Niche</b>	1	1,145	3	2,580
<b>Renewal</b>	28	4,676	47	8,020
<b>Seat</b>	1	1,042	0	0
<b>Leaf Plaques</b>	11	1,100	18	1,800
<b>Total</b>	<b>66</b>	<b>19,128</b>	<b>93</b>	<b>24,412</b>

12. In overall terms, the number and value of memorials sold of 93 / £24,412, compares to 66 / £19,128 in the same period last year. This is a year on year increase of 27 memorials sold and £5,284 in terms of income generated.
13. The table below identifies the total number and value of memorials sold during 2021/22 compared to 2020/21:

	2020/21 Total		2021/22 Total	
	Number	£	Number	£
<b>Vase Blocks</b>	20	13,172	21	13,684
<b>Large Plaques</b>	59	25,035	64	27,006
<b>Small Plaques</b>	13	3,393	8	2,133
<b>Niche</b>	7	8,787	7	6,484
<b>Renewal</b>	110	17,759	182	33,965
<b>Seat</b>	1	1,042	0	0
<b>Leaf Plaques</b>	13	1,300	47	4,700
<b>Total</b>	<b>223</b>	<b>70,488</b>	<b>329</b>	<b>87,972</b>

## **Operational Matters**

### **Cremation & Burial Conference & Exhibition 2022**

14. The Joint Conference of the Federation of Burial & Cremation Authorities and the Cremation Society of Great Britain is to be held at the Hilton Ageas Bowl, Southampton from Monday 20 to Wednesday 22 June 2022. Unfortunately the Bereavement Services Manager & Registrar is unable to attend, however if any Member wishes to attend, the necessary arrangements can be made for representation at the conference.

### **Recycling of Metals Scheme**

15. At the January 2022 committee meeting we nominated Chyrelle Addams Cancer Support Trust and received confirmation of a BACS payment for £15,000. A letter of thanks has been sent in and is attached at Appendix 3.
16. The ICCM Board are delighted to announce the opening of a new round of nominations to scheme members with a closing date of midnight on the 1 July 2022. However only 1 nomination per scheme member is requested and the charity nomination must be bereavement related or linked to life limiting conditions, survivors, and their families.
17. If any member would like to nominate a charity could they please inform the Bereavement Services Manager & Registrar.

---

**Contact:     Graham Harrison**

**Tel: 03000 265606**

---

---

## **Appendix 1: Implications**

---

### **Legal Implications**

There are no legal implications associated with this report

### **Finance**

As identified in the report with regards to the position of the Income.

### **Consultation**

Officers of Spennymoor Town Council were consulted on the contents of this report.

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

There are no implications.

### **Climate Change**

There are no implications.

### **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**

As identified in the report.

### **Procurement**

There are no procurement issues associated with this report.

---

## Appendix 2: Breakdown of Figures

---

	Jan	Feb	Mar	Total
<b>DURHAM</b>	62	66	53	<b>181</b>
<b>BARNARD CASTLE</b>		1		<b>1</b>
<b>BISHOP AUCKLAND</b>	10	9	9	<b>28</b>
<b>BISHOP MIDDLEHAM</b>	1			<b>1</b>
<b>BLACKHALL</b>	2	5	1	<b>8</b>
<b>BIRTLEY</b>			4	<b>4</b>
<b>BURNHOPE</b>	1			<b>1</b>
<b>CHESTER LE STREET</b>	14	17	12	<b>43</b>
<b>CHILTON</b>		2		<b>2</b>
<b>CONSETT</b>	2		4	<b>6</b>
<b>CORNSAY</b>			1	<b>1</b>
<b>CROOK</b>	7	6	4	<b>17</b>
<b>DARLINGTON</b>	1	1	1	<b>3</b>
<b>EASINGTON</b>	3	2	7	<b>12</b>
<b>EAST RAINTON</b>		1	1	<b>2</b>
<b>ESH</b>			1	<b>1</b>
<b>ESH WINNING</b>	2	4	1	<b>7</b>
<b>FERRYHILL</b>	2	4	3	<b>9</b>
<b>FISHBURN</b>	3	1	1	<b>5</b>
<b>FROSTERLEY</b>			1	<b>1</b>
<b>GATESHEAD</b>	1	1	1	<b>3</b>
<b>GREAT LUMLEY</b>	4	5	1	<b>10</b>
<b>HAMSTERLEY</b>			1	<b>1</b>
<b>HARTLEPOOL</b>	2		1	<b>3</b>
<b>HASWELL</b>	1		1	<b>2</b>
<b>HETTON LE HOLE</b>	5	6	4	<b>15</b>
<b>HORDEN</b>	2		5	<b>7</b>
<b>HOUGHTON</b>	2	11	4	<b>17</b>
<b>KIMBLESWORTH</b>			1	<b>1</b>
<b>LANCHESTER</b>	1	1		<b>2</b>
<b>LANGLEY PARK</b>	2	3	3	<b>8</b>
<b>MORPETH</b>			4	<b>4</b>
<b>MURTON</b>	5	5		<b>10</b>
<b>NEW BRANCEPETH</b>	1			<b>1</b>
<b>NEWCASTLE</b>	1	4	1	<b>6</b>
<b>NEWTON AYCLIFFE</b>	9	8	2	<b>19</b>
<b>NORTHALLERTON</b>		1		<b>1</b>
<b>NORTHUMBERLAND</b>		2		<b>2</b>
<b>PELTON</b>	1			<b>1</b>
<b>PETERLEE</b>	22	15	17	<b>54</b>
<b>SACRISTON</b>	5	3	1	<b>9</b>

	Jan	Feb	Mar	Total
SEAHAM	8	7	9	24
SEDFIELD	1		1	2
SHILDON	1		1	2
SHINEY ROW			1	1
SHOTTON	3	4	9	16
SOUTH HETTON	2	2	2	6
SPENNYMOOR	8	11	13	32
STANHOPE			1	1
STANLEY	1	2	3	6
STATION TOWN	1	3	1	5
SUNDERLAND	1	1	2	4
SOUTHERN ENGLAND	1	3	1	5
THORNLEY		1	3	4
TOW LAW	4	2	1	7
TRIMDON	7	4	3	14
WASHINGTON		1		1
WEST CORNFORTH	4	4		8
WHEATLEY HILL	4	1	1	6
WILLINGTON	2	1	2	5
WINGATE	2	2	1	5
YORKSHIRE/LANCASHIRE	1			1
<b>Total</b>	<b>225</b>	<b>233</b>	<b>206</b>	<b>664</b>

---

## Appendix 3: Recycling of Metals

---



Reg Charity  
Number  
1125256 Tell  
07425139223

To All the Management Team and Staff,

I would like to express my sincere thanks for your very generous donation of £15,000 to The Chyrelle Addams Cancer Support Trust. The money is going to fund our our Holiday Home project.

Alison and I have been totally overwhelmed by amount of money we have received and would like to thank you all so much. We are always so grateful to organisations such as yourselves. Your generosity is outstanding and it is a privilege to be associated with you.

This money will fund our Holiday Home and allow us to keep the project going for the next couple of years giving our terminally ill a last holiday free of charge to spend some quality time with family and make some very precious memories.

Once again thank you so much,  
Trish Greensmith/ Alison Danby.

[WWW.chyrelleaddams.co.uk](http://WWW.chyrelleaddams.co.uk)

Patricia Greensmith (AKA Chyrelle Addams)



This page is intentionally left blank

**Central Durham Crematorium Joint  
Committee**

**28 April 2022**

**Financial Monitoring Report –  
Provisional Outturn as at 31 March 2022**



**Joint Report of**

**Alan Patrickson, Corporate Director of Neighbourhoods and  
Climate Change**

**Paul Darby, Corporate Director of Resources and Treasurer to the  
Joint Committee**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 This report provides members of the Central Durham Crematorium Joint Committee with details of the provisional outturn position for 2021/22 and the projected level of reserves and balances at 31 March 2022.

**Executive summary**

- 2 This report sets out details of income and expenditure in the period 1 April 2021 to 31 March 2022, showing the provisional revenue and capital outturn position for 2021/22 and highlighting areas of over / underspends against the approved budgets at a service expenditure analysis level.
- 3 The report also details the funds and reserves of the Joint Committee at 1 April 2021 and forecast final position at 31 March 2022, taking into account the updated provisional financial outturn.
- 4 The revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £1,111,676 against a budgeted surplus of £1,022,157, £89,519 more than the budgeted position.
- 5 Contributions to earmarked reserves are £191,772 more than originally budgeted, mainly due to additional cremation income received during the year and some capital schemes being carried forward into next year.

- 6 In line with the CDCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of £13,905 is required from the Major Capital Works Reserve at year end. This transfer, in addition to the transfer in of the revenue surplus, combined with the funding of the capital programme results in a net transfer to the Major Capital Works Reserve of (£60,217).
- 7 The retained reserves of the CDCJC at 31 March 2021 are forecast to be £1,728,774 along with a General Reserve of £531,675, giving a forecast total reserves and balances position of £2,260,449 at the year end.

### **Recommendation(s)**

- 8 It is recommended that Members note the April 2021 to March 2022 financial monitoring report and associated provisional revenue and capital outturn positions at 31 March 2022, including the projected year position with regards to the reserves and balances of the Joint Committee.

## **Background**

- 9 Scrutinising the financial performance of the Central Durham Crematorium is a key role of the Joint Committee. Regular (quarterly) budgetary control reports are prepared by the Treasurer and aim to present, in a user friendly format, the financial performance in the year to date together with a forward projection to the year end. Routine reporting and consideration of financial performance is a key component of the Governance Arrangements of the Central Durham Crematorium

## **Financial Performance**

- 10 Budgetary control reports, incorporating outturn projections, are considered by Neighbourhoods and Climate Change Management Team on a quarterly 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 Central Durham Crematorium are included within this report.
- 11 Members should be aware that the 2021/22 closedown process has only recently commenced and whilst no major variances are anticipated between the provisional and final outturn, the final information incorporated into the Annual Return may differ from that included within this report. Where this is the case, a full explanation will be provided in the June 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 provisional revenue outturn financial performance of the Central Durham Crematorium as at 31 March 2022.

Subjective Analysis (Type of Expenditure)	Base Budget 2021/22 £	Year to Date Actual April – March £	Provisional Outturn 2021/22 £	Variance Over/ (Under) £
Employees	295,151	300,735	302,834	7,683
Premises	270,622	237,587	254,171	(16,451)
Transport	2,800	3,134	3,134	334
Supplies & Services	131,351	142,312	144,369	13,018
Agency & Contracted	9,184	6,182	8,831	(353)
Capital Charges	0	0	0	0
Central Support Costs	40,985	40,985	40,985	0
<b>Gross Expenditure</b>	<b>750,093</b>	<b>730,935</b>	<b>754,324</b>	<b>4,231</b>
<b>Income</b>	<b>(1,772,250)</b>	<b>(1,858,563)</b>	<b>(1,866,000)</b>	<b>(93,750)</b>
<b>Net Income</b>	<b>(1,022,157)</b>	<b>(1,127,628)</b>	<b>(1,111,676)</b>	<b>(89,519)</b>
<b>Transfer to / (from) Reserves</b>				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	133,907	0	223,426	89,519
- Cremator Reline Reserve	25,000	0	25,000	0
- Small Plant	2,000	0	2,000	0
<b>Distributable Surplus</b>	<b>(856,250)</b>	<b>0</b>	<b>(856,250)</b>	<b>0</b>
<b>80% Durham County Council</b>	<b>685,000</b>	<b>685,000</b>	<b>685,000</b>	<b>0</b>
<b>20% Spennymoor Town Council</b>	<b>171,250</b>	<b>171,250</b>	<b>171,250</b>	<b>0</b>

Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2021 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2022 £
General Reserve	(517,770)	(870,155)	856,250	(531,675)
Masterplan Memorial Garden	(71,250)	(5,000)	0	(76,250)
Major Capital Works	(1,423,147)	(223,426)	163,209	(1,483,364)
Cremator Reline Reserve	(132,755)	(25,000)	0	(157,755)
Small Plant	(9,405)	(2,000)	0	(11,405)
<b>Total</b>	<b>(2,154,327)</b>	<b>(1,125,581)</b>	<b>1,019,459</b>	<b>(2,260,449)</b>

### Explanation of Significant Variances between Base Budget and Provisional Outturn

13 As can be seen from the table above, the revenue outturn is indicating a surplus (before transfers to reserves and distribution of surpluses to

the partner authorities) of £1,111,676 against a budgeted surplus of £1,022,157, £89,519 more than the budgeted position.

14 This compares with the previously forecast position, based on income and expenditure to 31 December 2021, as reported to the Joint Committee on 1 February 2022, of a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £1,096,084 against a budgeted surplus of £1,022,157, £73,927 more than the budgeted position. The outturn position is therefore £15,592 more than what was previously forecast. A reconciliation of the projections at quarter 3 compared to the provisional outturn figures is as follows:

- Employee costs are £8,188 more than projected mainly due to increased overtime working.
- Premises costs are (£25,283) lower than previously projected mainly due to the redecoration works and re-lining of hearths not being carried out during the year.
- Transport costs relating to mileage expenses are £519 higher than previously projected.
- Supplies and Service costs are (£1,258) lower than previously projected mainly due to general expenses.
- Agency and Contracted Services are (£727) lower than previously projected.
- Income is £2,971 lower than previously projected.

15 The following section outlines the reasons for any significant budget variances by subjective analysis (type of expenditure) area. Members should note that some transactions are undertaken annually at the year end, in addition, in line with the accounting policies, sundry creditor and debtor provisions are required after the 31 March. This results in additional charges/income being reported between the actuals as at 31 March and the provisional outturn figures. The table overleaf includes (amongst others) the following provisions within the outturn:

- Gas and electric charges not yet received from utility companies
- Medical referee fees for the final quarter of the year
- Income relating to the 2021/22 CAMEO scheme for mercury abatement credits

### 15.1 **Employees**

The outturn shows a forecast overspend of **£7,683** in relation to employee costs. The reasons for this are identified below:

- Staffing costs overspent by **£7,683** due to increased overtime.

### 15.2 **Premises**

The outturn shows a forecast underspend of **(£16,451)** in relation to premises costs. The reasons for this are identified below:

- One off SAMP budgets relating to the replacement of the floral tribute stand, redecoration work and relining of the cremator hearth will not be spent resulting in an underspend of **(£25,500)**.
- Utilities are forecast to overspend by **£10,606** mainly due to rising gas and electricity prices.
- Tree works will overspend by **£2,778** due to storm damage during the year.
- Cleaning will overspend by **£5,093** due to additional cleans to ensure Covid compliance.
- Cremator servicing, repairs and equipment will be underspent by **(£9,428)**

### 15.3 **Supplies and Services**

The outturn shows a forecast overspend of **£13,018** in relation to supplies and services costs. The reasons for this are identified below:

- Due to the projected increase in cremations (highlighted later within the income section of the report), medical referee expenditure is projected to overspend by **£2,968**.
- Purchasing of webcasts is forecast to overspend by **£14,360** due to the initial limited chapel capacity and continued high demand. These costs are offset by additional income received, highlighted later in the report.
- Other general costs such as purchase of urns, cremator additives, telephones and vending machines will underspend by **(£2,810)**.
- The conference and seminars budget will underspend by **(£1,500)** due to the cancellation of the annual conference.

## 15.4 Income

An increase in income of **(£93,750)** from the 2021/22 budget is included within the updated outturn forecasts. The reasons for this are identified below:

- The outturn includes an increase of 106 cremations compared to the budget, totalling increased income to budget of **(£49,059)**. The outturn allows for a total of 2,306 cremations against a budgeted 2,200 during 2021/22.
- Book of Remembrance, plaques and Webcasts will be higher than budget resulting in additional income of **(£47,997)**.
- Organ fee income will be **£1,229** underachieved as playing of the organ was not permitted due to Covid-19.
- Interest received will be underachieved by **£2,076** as the bank accounts were not accruing any interest for much of the year due to the low bank interest rates.

## 16 Capital Programme

The following table highlights the capital outturn of the Central Durham Crematorium:

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Year to Date Actual April - Mar £	Forecast Outturn 2021/22 £	Variance to Revised Budget Over/ (Under) £
<b>Redevelopment Works</b>					
Replacement of chapel dome	0	20,000	0	0	(20,000)
Enlarging of cremator 1	0	70,000	61,500	61,500	(8,500)
Replacement ride on grass cutter	25,000	25,000	10,762	10,762	(14,238)
Install new gates and adjust roadway to allow 2 way passing	57,257	57,257	67,546	68,165	10,908
Re-lining of cremators x 2	71,300	71,300	0	0	(71,300)
Install lighting to the crematorium	10,000	10,000	0	8,878	(1,122)
Replacement for cooler cassettes	88,000	88,000	0	0	(88,000)
<b>Total</b>	<b>251,557</b>	<b>341,557</b>	<b>139,808</b>	<b>149,305</b>	<b>(192,252)</b>

The cost of the Redevelopment Works is being financed from the Major Capital Works reserve. The outturn shows a forecast underspend of **(£192,252)** and the main reasons for this are identified below:

- The chapel dome and enlargement of cremator 1 were originally planned for 20/21 but the works were delayed and carried forward to 21/22. The enlarging of cremator 1 is complete and cost £61,500, resulting in an underspend of **(£8,500)**. The replacement of the chapel dome is now planned to be completed in 22/23 resulting in an underspend of **(£20,000)**.
- The replacement ride on grass cutter was purchased in August and there was an underspend of **(£14,238)**.
- The widening of the roadway entrance and new gates is forecast to overspend by **£10,908**.
- The re-lining of 2 cremators is no longer required and will therefore underspend by **(£71,300)**.
- The lighting installation is complete and underspent by **(£1,122)**.
- The replacement of the 3 cooler cassettes was not carried out and they are now to be replaced in 22/23 resulting in an underspend of **(£88,000)**.

## 17 Earmarked Reserves

Contributions to earmarked reserves are **£191,772** more than originally budgeted, mainly due to additional cremation income received during the year and some capital schemes being carried forward into next year.

In line with the CDCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of **£13,905** is required from the Major Capital Works Reserve at year end. This transfer, in addition to the transfer in of the revenue surplus, combined with the funding of the capital programme results in a net transfer to the Major Capital Works Reserve of **(£60,217)**.

The retained reserves of the CDCJC at 31 March 2022 are forecast to be **£1,728,774** along with a General Reserve of **£531,675**, giving a forecast total reserves and balances position of **£2,260,449** at the year end.

---

<b>Contact:</b>	Philip Curran	Tel: 03000 261967
	Ed Thompson	Tel: 03000 263481

---

---

## **Appendix 1: Implications**

---

### **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 Central Durham Crematorium are included within the body of the report.

### **Consultation**

None. However, Officers of Spennymoor Town 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 CDCJC.

### **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 the 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.

**Climate Change**

None.

**Central Durham Crematorium Joint  
Committee**

**28 April 2022**

**Risk Register Update 2021/22 Review 2**

**Ordinary Decision**



**Joint Report of Alan Patrickson, Corporate Director,  
Neighbourhoods and Climate Change; and Paul Darby, Corporate  
Director of Resources and Treasurer to the Joint Committee**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To inform the Central Durham Crematorium Joint Committee of the outcome of the half-yearly risk review in March 2022.

**Executive summary**

- 2 A service risk register and a health and safety risk register are maintained in accordance with Durham County Council's methodology and approach to risk management.
- 3 Since the previous review, the net evaluation of each risk remains unchanged. This report includes brief updates on four risks (demand for cremations, Covid non-compliance, sickness absence, damage by trees).
- 4 The net evaluation of every risk remains within the risk appetite.

**Recommendation**

- 5 It is recommended that members of the Crematorium Joint Committee note the content of this report and the updated position.

## Background

- 6 A service risk register and a health and safety risk register are maintained in accordance with Durham County Council's methodology and approach to risk management, further details of which are included in **appendices 2 and 3**.

## Risk Review

- 7 The current service risk register is included in **appendix 4**.

- 8 *Demand for cremations exceeds capacity* (appendix 4, risk 1).

The number of cremations has been close to normal throughout the review period, despite a very steep rise in Covid infection rates in January.

- 9 *Non-compliance with ~~coronavirus regulations~~ advisory Covid safety measures by members of the public leading to a local outbreak and capacity issues in deaths management services* (appendix 4, risk 3).

The description of this risk has been modified to reflect the Government's ending of mandatory Covid-19 public health measures in February 2022. Masks and sanitiser continue to be made available and mourners are encouraged to exercise caution.

- 10 *Sickness absence of key staff* (appendix 4, risk 7).

There have been occasional capacity pressures due to staff absences, but operations were maintained by deploying relief staff.

- 11 *Harm or damage to the public or vehicles due to tree branches falling* (appendix 4, risk 9).

Two trees near the chapel fell during the storms in November/December 2021, but there were no injuries or damage to property.

- 12 A profile of service risks is included in **appendix 5**.

## Conclusion

- 13 The net evaluation of every risk is now within the risk appetite (shaded area in appendix 5).

---

<b>Contact:</b>	Paul Darby	Tel: 03000 261930
	Kevin Roberts	Tel: 03000 269657

---

---

## **Appendix 1: Implications**

---

### **Legal Implications**

There are no direct implications, but effective risk management helps to ensure compliance with legal and regulatory obligations.

### **Finance**

There are no direct financial implications, but effective risk management helps to avoid or minimise financial loss.

### **Consultation**

Officers of Spennymoor Town Council were consulted on the contents of this report.

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

None

### **Human Rights**

None

### **Crime and Disorder**

None

### **Staffing**

None

### **Accommodation**

None

### **Risk**

This report supports the delivery of the objectives of the Durham County Council's Risk Management Strategy. Each risk has been evaluated using Durham County Council's risk management methodology. Maintaining and continually reviewing the risk register is a key component of the control and governance framework for the Central Durham Crematorium Joint Committee.

### **Procurement**

None

## Appendix 2: How Central Durham Crematorium risks are managed

Two risk registers have been developed for Durham Crematorium, containing service and health and safety risks respectively. They are maintained in accordance with Durham County Council's methodology and approach to risk management. Regular reviews are undertaken to ensure that risk management continues to be embedded and that the risk registers are kept up to date, taking current issues into account.

### Service Risk Register

The service risk register is maintained by the Bereavement Services Manager & Registrar (Countywide), supported by Durham County Council's Principal Risk and Governance Officer. Risk assessments are based on the impact on finance, service delivery and stakeholders if the risk materialises, and on the likelihood that the risk will occur over a given period, as shown in appendices 3A and 3B. This requires an evaluation of the gross risk and the net risk, which takes into account mitigating control measures. Formal reviews are undertaken twice a year and reported to the Central Durham Crematorium Joint Committee.

### Health and Safety Risk Register

The health and safety risk register is maintained by the Bereavement Services Manager & Registrar (Countywide), supported by Durham County Council's Occupational Health and Safety Team. Risk assessments are based on the potential severity of injury and the likelihood of occurrence, as shown in the table below. This requires an evaluation of the net risk, which takes into account mitigating control measures. In line with Durham County Council's procedures, an in-depth review is undertaken every three years. A light-touch review is also undertaken twice a year. A single, overarching health and safety risk is included in the service risk register, which is reported to the Central Durham Crematorium Joint Committee twice a year.

HEALTH & SAFETY RISK ASSESSMENT CRITERIA		Likelihood (a full definition of each rating is set out in the detailed methodology)			
		1 Very Unlikely	2 Unlikely	3 Likely	4 Very Likely
Impact	<b>4 Extreme</b> Death or multiple deaths; substantial damage.	Low Risk	Medium Risk	High Risk	High Risk
	<b>3 Severe</b> Loss of limb or multiple injuries; significant damage.	Low Risk	Medium Risk	High Risk	High Risk
	<b>2 Minor</b> Three day or greater injury or illness; insignificant damage.	Insignificant	Low Risk	Medium Risk	Medium Risk
	<b>1 Negligible</b> Less than a three-day injury or illness; superficial damage.	Insignificant	Insignificant	Low Risk	Low Risk

### Civil Emergencies

Durham County Council is jointly responsible for responding to civil emergencies (such as severe weather events, network power losses and flu epidemics) through the County Durham and Darlington Local Resilience Forum. An explanation of the arrangements for managing the risk of such events and a copy of the latest Community Risk Register can be found on the web page of the County Durham and Darlington Local Resilience Forum.

## Appendix 3A: Strategic Risk Assessment Criteria – Impact Factors

Factor and Description		Financial	Service Delivery/ Performance	Stakeholder and Reputation
5	Critical	> / = £15M > 5% of Service/ budget	<ul style="list-style-type: none"> <li>Inability to meet statutory duties</li> <li>Key services can no longer be delivered – emergency actions needed, which need Cabinet approval.</li> <li>Significant legal action or challenge</li> <li>Intervention or sanctions by regulatory body / prosecution or litigation (including corporate manslaughter)</li> <li>Strike action which is Council-wide or service-wide in a critical service for a long period</li> <li><b>(in context of a project, this can also mean that the project cannot proceed, or that several critical benefits/ opportunities cannot be achieved)</b></li> </ul>	<ul style="list-style-type: none"> <li>Perception of the majority of potential partners and stakeholders that the Council is not 'fit to deal with'.</li> <li>Loss of life</li> </ul>
4	Major	£5M - £15M 3% - 5% of Service/ budget	<ul style="list-style-type: none"> <li>Major disruption to some statutory and / or non-statutory services i.e. key service delivery adversely affected – crisis management implemented, which needs Cabinet approval.</li> <li>Strike action which is Council-wide or service-wide in a critical service for a short period.</li> <li><b>(in context of a project, this can also mean major disruption to delivering the project, or that a critical benefit/ opportunities cannot be achieved)</b></li> </ul>	<ul style="list-style-type: none"> <li>Serious reputational damage to the Council regionally/ nationally/ internationally</li> <li>Damage to relationships with central government or other public bodies e.g. Environment Agency, other Councils</li> <li>Perception of small number of potential partners and stakeholders that the Council is not 'fit to deal with'.</li> <li>Serious injury to individual</li> </ul>
3	Moderate	£1M - £5M 1% - 3% of Service/ budget	<ul style="list-style-type: none"> <li>Moderate disruption to statutory and / or non-statutory services i.e. some disruption to service delivery – action plans to rectify</li> <li>Service fails to maintain existing status under inspection regimes e.g. Ofsted</li> <li>Resolution requires approval at CMT level</li> <li>Limited strike action within a service</li> <li><b>(in context of a project, this can also mean moderate disruption to delivering the project, or moderate impact on achieving benefits/ opportunities)</b></li> </ul>	<ul style="list-style-type: none"> <li>Results in negative Regional or National press / media coverage</li> <li>Minor reputational damage to the County Council</li> <li>Major criticism by other stakeholders e.g. partners, central government</li> <li>Significant impact on the quality of life for a large section of the community</li> </ul>
2	Minor	£0.5M - £1M 0.2% - 1% of Service/ budget	<ul style="list-style-type: none"> <li>Minor service disruption / customer dissatisfaction i.e. little disruption to service delivery – no long term or permanent impact on key services</li> <li>Capable of resolution by Service Management Team</li> <li><b>(in context of a project, this can also mean minor disruption to delivering the project, or minor impact on achieving benefits/ opportunities)</b></li> </ul>	<ul style="list-style-type: none"> <li>Results in negative press coverage within County Durham</li> <li>Minor criticism by Community or other stakeholders e.g. Partners, central government</li> <li>Significant number of complaints from service users</li> <li>Serious reputational damage to own service area</li> <li>Significant impact on the quality of life for a small section of the community</li> </ul>
1	Insignificant	< £0.5M < 0.2% of Service/ budget	<ul style="list-style-type: none"> <li>Insignificant service disruption e.g. very little or no disruption to services</li> <li>Impairment of quality of service</li> <li>Capable of resolution by head of service and their management team</li> <li><b>(in context of a project, this can also mean insignificant disruption to delivering the project, or insignificant impact on achieving benefits/ opportunities)</b></li> </ul>	<ul style="list-style-type: none"> <li>Results in negative press coverage within the locality / ward</li> <li>Insignificant criticism by community or other stakeholders e.g. partners, central government</li> <li>Insignificant number of complaints from service users</li> <li>Minor reputational damage to own service area</li> </ul>

## Appendix 3B: Strategic Risk Assessment Criteria – Likelihood Factors

Factor and Description		Expected Frequency
5	Highly Probable	<ul style="list-style-type: none"> <li>• <b>More than once a year</b></li> <li>• Something that is already occurring or is likely to be a regular occurrence throughout a one-year period</li> <li>• Inevitable i.e. the event is expected to occur in most circumstances</li> <li>• &gt;80% chance of occurring</li> </ul>
4	Probable	<ul style="list-style-type: none"> <li>• <b>Once a year</b></li> <li>• Something that has occurred in the last year or is likely to occur at least once throughout a one-year period.</li> <li>• Probable or where the conditions of the loss occur on a regular basis i.e. the event will probably occur in most circumstances</li> <li>• 61% to 80% chance of occurring</li> </ul>
3	Possible	<ul style="list-style-type: none"> <li>• <b>Every 1-3 years</b></li> <li>• Likely only to happen at some point over the next 1 to 3 years.</li> <li>• Possible but responding to well understood situations i.e. the event might occur at some time</li> <li>• 31% to 60% chance of occurring</li> </ul>
2	Unlikely	<ul style="list-style-type: none"> <li>• <b>Every 3-5 years</b></li> <li>• Likely only to happen at some point over the next 3 to 5 years or likely to continue to occur i.e. the event is not expected to occur</li> <li>• 11% to 30% chance of occurring</li> </ul>
1	Remote	<ul style="list-style-type: none"> <li>• <b>Over 5 years</b></li> <li>• Rare activity or is unlikely based on current intelligence i.e. the event may only occur in exceptional circumstances</li> <li>• &lt; 10% chance of occurring</li> </ul>

## Appendix 4: Service Risk Register for Central Durham Crematorium

This is a list of service risks, ranked in order of net risk evaluation, based on the strategic risk assessment criteria in appendices 3A and 3B. Where changes to the risk assessment have occurred during the last quarter, these are indicated in the last column.

Ref	Risk	Net Impact	Net Likelihood	Net Risk Score	Conclusion	Changes/ Comments
1	Demand for cremations exceeds capacity.	Minor	Possible	18	Treat	The number of cremations has been close to normal throughout the review period, despite a very steep rise in infection rates in January.
2	Serious breach of health and safety legislation	Moderate	Unlikely	16	Tolerate	
3	Non-compliance with coronavirus regulations advisory Covid safety measures by members of the public leading to a local outbreak and capacity issues in deaths management services.	Moderate	Unlikely	16	Tolerate	The description of this risk has been modified to reflect the Government's ending of Covid-19 public health measures in February 2022. Masks and sanitiser continue to be made available and mourners are encouraged to exercise caution.
4	ICT and Power Failure	Minor	Unlikely	10	Tolerate	
5	Loss of knowledge and ability to cover existing workload through premature staff loss	Minor	Unlikely	10	Tolerate	
6	Breakdown of the partnership (with Spennymoor Town Council)	Moderate	Remote	7	Tolerate	
7	Sickness absence of key staff	Moderate	Remote	7	Tolerate	There have been occasional capacity pressures due to staff absences, but operations were maintained by deploying relief staff.
8	Failure of Cremators / Specialist Equipment	Minor	Remote	6	Tolerate	
9	Harm or damage to the public or vehicles due to tree branches falling.	Insignificant	Unlikely	6	Tolerate	Two trees near the chapel fell during the storms in November/December 2022, but there were no injuries or damage to property.
10	Loss of Income/Money	Minor	Remote	5	Tolerate	
11	Disclosure of confidential information through incorrect disposal / maintenance of information (data breach).	Minor	Remote	5	Tolerate	
12	Potential breach of equality and diversity legislation	Insignificant	Remote	3	Tolerate	

## Appendix 5: Profile of Service Risks for Central Durham Crematorium

### Service Risks

This matrix profiles all service risks shown in appendix 4, based on the net risk evaluation. The shaded area represents the corporate risk appetite.

As the net evaluations of all risks are within the risk appetite, they are considered to be at an acceptable level.

Impact					
Critical (score 13 – 15)					
Major (score 10 – 12)					
Moderate (score 7 – 9)	6 Partnership 7 Sick Absence	2 Health & Safety Breach 3 COVID non-compliance			
Minor (score 4 – 6)	8 Cremators 10 Income Loss 11 Confidentiality	4 ICT & Power Failure 5 Staff Loss	1 Cremations Capacity		
Insignificant (score 1 – 3)	12 Equality & Diversity Breach	9 Tree Branches			
<b>Likelihood</b>	Remote (score 1)	Unlikely (score 2)	Possible (score 3)	Probable (score 4)	Highly Probable (score 5)

Central Durham Crematorium  
Joint Committee

28 April 2022

Annual Internal Audit Report 2021/22



---

**Report of the Chief Internal Auditor and Corporate Fraud Manager**

---

**Purpose of the Report**

1. The purpose of this report is to present the Annual Internal Audit Report for 2021/22. (Copy attached at Appendix 2).

**Executive Summary**

2. The Annual Internal Audit Report provides an Opinion which makes conclusions on the overall adequacy and effectiveness of the Committee's Framework of Governance, Risk Management and Control.
3. The work undertaken by Internal Audit in 2021/22 was in accordance with proper internal audit practices as described within the Public Sector Internal Audit Standards (PSIAS).
4. The report fulfils the requirements of PSIAS for the Chief Internal Auditor and Corporate Fraud Manager to deliver an annual audit opinion and a report that can be used by the Committee to inform its Annual Governance Statement.
5. The report provides a **Substantial** overall assurance opinion on the adequacy and effectiveness of the governance, risk management and internal control arrangements operating across the Joint Committee in 2021/22.
6. This Substantial opinion identifies that there is a sound system of control. Any weaknesses identified expose some of the system objectives to minor risk.

**Recommendation**

7. Members note the content of the Annual Internal Audit Report and the overall 'Substantial' opinion provided on the adequacy and effectiveness of the governance, risk management and control environment for 2021/22.

## **Background**

8. This report fulfils the requirements of Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application note for the Chief Internal Auditor and Corporate Fraud Manager to deliver an annual audit opinion and a report that can be used by the Committee to inform its Annual Governance Statement.
9. The Annual Internal Audit Opinion makes conclusions on the overall adequacy and effectiveness of the Committees Framework of Governance, Risk Management and Control.

## **Other useful documents**

Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note

---

**Contact: Tracy Henderson, Chief Internal Auditor and Corporate Fraud Manager DCC**  
**Tel: 03000 269668**

---

---

## **Appendix 1: Implications**

---

### **Finance**

The broad programme of work undertaken by Internal Audit supports the Joint Committee in maintaining safe and efficient arrangements for the proper administration of its financial affairs.

### **Staffing**

None

### **Risk**

There are no direct risk implications arising for the Joint Committee as a result of this report, although we aim through our planning arrangements to review the adequacy and effectiveness of the risk management arrangements in place.

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

None

### **Accommodation**

None

### **Crime and disorder**

None

### **Human rights**

None

### **Consultation**

None

### **Procurement**

None

### **Disability issues**

None

### **Legal Implications**

Compliance with Public Sector Internal Audit Standards.



**CENTRAL DURHAM CREMATORIUM  
JOINT COMMITTEE**

**INTERNAL AUDIT  
ANNUAL REPORT  
2021/22**

## LIST OF CONTENTS

	<b>Paragraph</b>
Introduction	<b>1-3</b>
Service Provided and Audit Methodology	<b>4-8</b>
Summary of Work Carried Out	<b>9-16</b>
Quality Assurance Framework	<b>17-24</b>
Audit Opinion Statement	<b>25-28</b>

### **Appendix:**

Appendix 3 Internal Audit Report Central Durham Crematorium 2021/22

## **CONFIDENTIAL**

This report is confidential and has been prepared solely for use by officers named on the distribution list and, if requested, the County Council's External Auditor and its Audit Committee to meet legal and professional obligations. It would therefore not be appropriate for this report or extracts from it to be made available to third parties and it must not be used in response to FOI or data protection enquiries without the written consent of the Chief Internal Auditor. We accept no responsibility to any third party who may receive this report, in whole or in part, for any reliance that they may place on it.

## **Introduction**

1. This report summarises the work carried out by Durham County Council Internal Audit and Risk Service during 2021/22, as part of the three-year Service Level Agreement covering the provision of Internal Audit Services up to 31 March 2023.
2. All Internal Audit work carried out in 2021/22 was in accordance with proper internal audit practices as described within the Public Sector Internal Audit Standards (PSIAS).
3. This report fulfils the requirements of PSIAS and the CIPFA Local Government Application note for the Chief Internal Auditor and Corporate Fraud Manager to deliver an annual audit opinion and a report that can be used by the Committee to inform its Annual Governance Statement.

## **Service Provided and Audit Methodology**

4. Internal Audit is an independent, objective assurance and consultancy activity designed to add value and improve an organisation's operations.
5. Our primary objective is to provide an independent and objective annual opinion on the Joint Committee's control environment which is comprised of the systems of governance, risk management and internal control. In carrying out our work in 2021/22, we can confirm that there have been no impairments to this independence and objectivity during the year.
6. The Internal Audit Charter establishes and defines the role, the terms of reference and the scope of audit work, including the audit strategy, organisational independence and the reporting lines of Internal Audit. The Charter in its current form was last considered by the Joint Committee on 29 September 2021.
7. In accordance with the Internal Audit Charter, a risk-based audit approach has been applied to work undertaken in 2021/22.
8. To determine the audit opinion the internal audit service has considered 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 the 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

### **Work carried out in 2021/22 to inform the annual audit opinion**

9. The key areas of assurance of the control environment where assurance is required to inform our overall opinion are financial management, risk management and corporate governance.
10. Our assurance opinion for 2021/22 has been primarily determined through the annual review of processes and procedures in place on site at the Crematorium which evaluated the management of the following risks:
  - Non-compliance with the Cremation Regulations 2008.
  - Non-compliance with the Federation of British Cremation Authorities Code of Cremation Practice.
  - Ashes are disposed of incorrectly.
  - Equipment failure.
  - Lack of experienced staff.
  - Insufficient capacity to meet demand in the event of an epidemic, pandemic or major disaster.
  - Income is not accounted for / misappropriated.
  - Unauthorised payments are made.
  - Stock / Assets are not accounted for / misappropriated.
  - Damage / theft of equipment.
  - Employees are incorrectly paid.
  - Significant risks are not being managed and the objectives are not being achieved.
  - Ineffective budget monitoring processes are in place.
11. This review was carried out during February 2022 in accordance with terms of reference agreed with the Crematorium's Bereavement Services Manager.
12. The audit concluded that the internal control systems in place provided a **Substantial** level of assurance that the above risks were being effectively managed. The full audit report is attached as Appendix 3.
13. Further assurance on the effectiveness of risk management arrangements can also be taken from the work carried out by the County's Corporate Risk Officers who have continued to monitor strategic and operational risk registers during the year, with their latest reviews being reported for consideration by the Joint Committee on 29 September 2021 and 27 April 2022.
14. Processes in place provide assurance that the Bereavement Services Manager and his staff have a very good understanding of risk and adequate measures have been put in place to either mitigate or tolerate identified risks and it is evident from audit work carried out that risk management processes are well embedded.

15. No specific work has been carried out this year in reviewing the effectiveness of the Joint Committee's key corporate governance arrangements by Internal Audit as this was not considered a high risk area. The majority of the Joint Committee's key corporate governance arrangements in place reflect those of Durham County Council which are subject to an annual effectiveness review to inform the County Council's Annual Governance Statement. This is subject to review and challenge by the County Council's Audit Committee.
16. It should, however, be noted that in evaluating the control framework in place relating to the risks identified at paragraph 10, the adequacy and effectiveness of relevant policies and procedures that contribute to the Joint Committee's corporate governance arrangements were considered in arriving at the Substantial Assurance Opinion.

### **Quality Assurance Framework**

#### **Conformance with Public Sector Internal Audit Standards (PSIAS)**

17. The Accounts and Audit Regulations 2015 require that 'a larger relevant body (the Council) must, at least once in each year, conduct a review of the effectiveness of its internal audit' and confirms that the findings of the review "must be considered as part of the consideration of the system of internal control".
18. The Council's Audit Committee, at its meeting on 30 June 2021, received an evaluation, in the form of a self-assessment carried out by the Interim Chief Internal Auditor and Corporate Fraud Manager, with regards to compliance with the key elements of the PSIAS that considered the following matters:
  - The structure and resourcing level, including qualifications and experience of the audit team;
  - The extent of conformance with the PSIAS in producing quality work;
  - Ensuring audit work was successfully delivered in the most appropriate areas on a prioritised (risk) basis;
  - The overall performance of the Internal Audit team.
19. For 2020/21, this demonstrated that the Section was conforming to the Code's requirements. This self-assessment was based on the PSIAS that were in place during 2020/21.
20. Since the self-assessment was undertaken for 2020/21, an external assessment for 2021/22 has been carried out by CIPFA, during February 2022, against the PSIAS. The assessment report from CIPFA provides the opinion that '**Durham County Council's Internal Audit Service's self-assessment is accurate and as such we conclude that they FULLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note**'. Within the assessment report, some improvement opportunities have been identified and an action plan has been developed to address these.

21. In compliance with the service's quality assurance framework, the 2021/22 annual Internal Audit review, the scope and terms of reference were developed using a risk-based approach and agreed with the Bereavement Services Manager. This approach ensured that audit resources were applied to agreed high risk areas where there was little or no other assurance.
22. In accordance with the Internal Audit Charter audit working papers and all audit reports have been reviewed by an audit manager to ensure that expected quality standards are maintained and that all audit findings and conclusions were supported by appropriate testing and evidence.
23. The accuracy of audit findings was confirmed by the Bereavement Services Manager who was given the opportunity to challenge audit findings and the draft report prior to it being finalised.
24. A customer satisfaction survey is issued after every audit to provide feedback and help the service continually improve.

### **Audit Opinion Statement**

25. The Joint Committee has responsibility for maintaining a sound system of internal control that supports the achievement of its objectives.
26. The Chief Internal Auditor and Corporate Fraud Manager is required to provide an opinion on the adequacy and effectiveness of the Joint Committee's risk management, control and governance processes.
27. In giving this opinion it should be noted that assurance can never be absolute and therefore only reasonable assurance can be provided that there are no major weaknesses in these processes.
  - In assessing the level of assurance to be given, we based our opinion on:
    - The audit review of the Central Durham Crematorium undertaken during the year
    - Follow up action on audit recommendations
    - Any significant recommendations not accepted by management and the consequent risk
    - The effects of any significant changes in the Crematorium's systems
    - Matters arising from previous reports to the Joint Committee
    - Any limitations which may have been placed on the scope of internal audit's annual review
    - The extent to which resource constraints may impinge on internal audit's ability to meet the full audit needs of the Joint Committee
    - The outcomes of the audit quality assurance process
    - Consideration of a number of other sources of assurance available

28. Based on the work undertaken, the Chief Internal Auditor and Corporate Fraud Manager is able to provide a **Substantial** overall assurance opinion on the adequacy and effectiveness of the governance, risk management and internal control arrangements operating across the Joint Committee in 2021/22. This opinion ranking provides assurance that “There is a sound system of control. Any weaknesses identified expose some of the system objectives to minor risk”. Consequently, there are no significant issues that warrant inclusion in the 2021/22 Annual Governance Statement.



---

## Internal Audit Report

---

### Durham Crematorium

13580/2022

### Final Report

**Assurance Opinion:** Substantial

**Prepared by:** Jill Nattrass, Senior Auditor  
Graeme Adcock, Apprentice Internal Auditor

**Reviewed by:** David Mitchell, Principal Auditor  
Paul Monaghan, Audit Manager

**Date issued:** 08 March 2022

**Distribution List**

**For Action:** Graham Harrison, Bereavement Services Manager

**For Information:** Ian Hoult, Neighbourhood Protection Manager  
Paul Darby, Corporate Director of Resources  
Ed Thompson, Principal Accountant  
Oliver Sherratt, Head of Environment  
Tracy Henderson, Chief Internal Auditor and Corporate  
Fraud Manager

### Confidential

This report is confidential and has been prepared solely for use by officers named on the distribution list and, if requested, the County Council's External Auditor and its Audit Committee to meet legal and professional obligations. It would therefore not be appropriate for this report or extracts from it to be made available to third parties and it must not be used in response to FOI or data protection enquiries without the written consent of the Chief Internal Auditor. We accept no responsibility to any third party who may receive this report, in whole or in part, for any reliance that they may place on it.

## Contents

Introduction .....	1
Conclusion .....	1
Summary of Findings .....	1
Background .....	3
Scope and Audit Approach .....	3
Overall Assurance Opinion and Priority of Our Recommendations .....	4

### Introduction

1. As part of the 2021/22 Internal Audit Plan, an audit was carried out in February 2022 to evaluate the control framework in place on the management of the risks associated with Durham Crematorium.
2. The last audit in this area was completed in March 2021 and resulted in a Substantial assurance opinion.
3. Due to the COVID 19 pandemic and the government guidance in place at that time the previous audit in 2020/21 was carried out remotely and, in order to reduce the burden on the Bereavement Services Manager and Crematorium staff in collating and providing information to Internal Audit, the sample sizes reduced. Following the relaxation of government restrictions, the 2021/22 audit was able to be carried out on site and sample sizes were returned to the usual levels.

### Conclusion

4. The audit work carried out can provide a Substantial level of assurance that the control framework and procedures in place are effective in managing the associated risks.

### Summary of Findings

5. The review, covering the period 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2021, confirmed that there were effective arrangements in place for the management of the risks associated with the operation of Durham Crematorium.
6. Compliance testing in relation to the adherence to Crematorium regulations and the associated income was carried out for a sample of 48 cremations which took place during the months of May, September and November 2021. A total of 2,311 cremations had taken place from January 2021 to December 2021.
7. The register of cremations was found to be accurate, and entries were traced to supporting documentation including the application form, medical forms, authorisation to cremate, and treatment of ashes.
8. Effective budgetary control and performance monitoring processes were in place. Budgetary control meetings between the Bereavement Services Manager and the Senior Accountancy Assistant took place in April, August, November, and December 2021
9. Fees for 2021/22 had been appropriately approved and charged in respect of cremations, memorial plaques, the newly introduced memorial leaves, and entries into the book of remembrance.

10. Audit testing confirmed that all charges in respect of cremations, memorial plaques and leaves, and entries into the book of remembrance had been correctly applied in accordance with the approved charges.
11. Cash and cheque income received directly at the crematorium was traced from the income record book that is completed by the crematorium staff, to the paying in book, Loomis collection receipt and the finance spreadsheet. It was also noted that a credit card payment facility is now available at the crematorium. The introduction of the credit card facility was facilitated by the Payments, Income and Support Team and training has been provided to the appropriate staff.
12. All income was found to be accurately recorded and it was confirmed that an independent reconciliation of all income to the bank account was carried out by the Senior Accountancy Assistant.
13. Invoices for cremation costs for the sample of 48 transactions reviewed, confirmed that invoices had been promptly raised on the Burial and Cremation Administration System (BACAS) on the date when each cremation had taken place, and all had a corresponding payment.
14. Appropriate controls are in place for recovering outstanding invoices and at the time of the audit review there were no outstanding invoices of concern.
15. Appropriate controls were in place for the management of petty cash including the independent verification of expenditure by Finance. Petty cash was reconciled while at the crematorium and all purchases were found to be appropriate.
16. Testing of expenditure transactions from a report obtained from the SAGE accountancy system confirmed that, for all relevant expenditure incurred during the audited year, purchase orders had been appropriately raised for the majority of expenditure. However, a best practice recommendation has been raised later in the report with regard to retrospective purchase orders.
17. Salary information for the period 1st January to 31st December 2021 was obtained from SharePoint and the payroll data held in Finance. From this, six employees in receipt of overtime and three employees in receipt of sick pay, were selected and reviewed against timesheets and the relevant information held in Resourcelink. All required supporting documentation was found and was appropriately authorised with information being accurately recorded on Resourcelink.
18. As a result of the audit, there were no high or medium findings.

19. Two best practice recommendations have been identified during the audit;
- Purchase orders (POs) are not always raised before the invoice. 252 invoices were reviewed and, of these, 94 had retrospective POs. The service should investigate the possibility of raising “blanket” POs at the start of the financial year for regular suppliers. This would reduce the amount of work for the crematorium staff with respect to raising individual orders for regular suppliers for every purchase.
  - The reports produced from each of the three cremators are currently double counting the number of cremations, it appears that the coffin is being counted at the start and end of the cremation process and therefore these reports cannot be relied upon to produce accurate figures. The manual records of the number of cremations were confirmed as accurate during the audit. The issue should be raised with the cremator suppliers.

## **Background**

20. This review has been carried out in accordance with the Terms of Reference.
21. This review aims to help management achieve its objectives by providing an opinion on the adequacy of the control framework in place to manage risks effectively. The conclusions from the review will inform the annual audit opinion provided by the Chief Internal Auditor on the adequacy and effectiveness of the entire control environment operating across the whole of the Authority, required to inform the Annual Governance Statement.
22. The report is intended to present to management the findings and conclusions of the audit. Wherever possible, findings and recommendations made to improve the control framework have been discussed with the appropriate officers and their views taken into account.
23. In carrying out the audit, the time and assistance afforded by Graham Harrison and the staff at the crematorium and Tracy McKeown in Finance was greatly appreciated.

## **Scope and Audit Approach**

24. The scope and audit approach for this review were agreed as part of the preparation stage of the audit and were reflected in the agreed terms of reference. The scope was informed by a Control Risk Assessment (CRA) determined in consultation with appropriate officers.

## Overall Assurance Opinion and Priority of Our Recommendations

25. Based upon the ratings of our findings and recommendations arising during the audit, we define the overall conclusion through the following assurance opinions.

Opinion	Definition
<b>Substantial Assurance</b>	There is a sound system of control. Any weaknesses identified expose some of the system objectives to minor risk.
<b>Moderate Assurance</b>	Whilst there is basically a sound system of control, there are some weaknesses, which expose objectives to risk.
<b>Limited Assurance</b>	There are weaknesses in key areas in the system of control, which expose objectives to unacceptable levels of risk.

26. We define the priority of our recommendations arising from each overall finding as follows;

Priority	Definition
<b>High</b>	Action required, that is considered <b>imperative</b> , to improve the control environment so that objectives are not exposed to unacceptable risks through lack of or weaknesses in critical or key controls.
<b>Medium</b>	Action required to improve the control environment so that objectives are not exposed to risks through weaknesses in controls.
<b>Best Practice</b>	The issue merits attention and its implementation will enhance the control environment.