



## **Central Durham Crematorium Joint Committee**

**Date**      **Wednesday 24 April 2024**

**Time**      **2.00 pm**

**Venue**     **Committee Room 2, County Hall, 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 31 January 2024 (Pages 3 - 6)
- 4 Declarations of Interest, if any
- 5 Quarterly Performance and Operational Report - Report of the Bereavement Services Manager and Registrar (Pages 7 - 14)
- 6 Financial Monitoring Report - Provisional Outturn as at 31 March 2024 - Joint Report of the Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee (Pages 15 - 26)
- 7 Risk Register Update 2023/24 Review 2 - Joint Report of the Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee (Pages 27 - 36)
- 8 Annual Internal Audit Report 2023/24 - Report of the Chief Internal Auditor and Corporate Fraud Manager (Pages 37 - 52)
- 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 Proposed Changes to the Medical Referee System - Report of the Bereavement Services Manager and Registrar (Pages 53 - 58)
- 12 Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

**Helen Bradley**  
Head of Legal and Democratic Services

County Hall  
Durham  
16 April 2024

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

Durham County Council: S Quinn (Chair), R Adcock-Forster,  
J Blakey, D Brown, J Chaplow,  
J Cosslett, K Robson, A Simpson,  
M Stead, C Varty and M Wilson

Spennymoor Town Council: 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 **Committee Room 1A , County Hall, Durham** on **Wednesday 31 January 2024** at **2.00 pm**

**Present:**

**Councillor S Quinn (Chair)**

**Durham County Council:**

Councillors R Adcock-Forster, J Blakey, D Brown, J Chaplow, K Robson, A Simpson and 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 Councillors M Stead and M Wilson.

**2 Substitute Members**

There were no substitute Members.

**3 Minutes**

The minutes of the meeting held on 27 September 2023 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 Bereavement Services Manager and Registrar reported that 793 cremations were undertaken during the period 1 September to 31 December 2023, which was 7 cremations less compared to the comparable period last year. It was noted that 251 families were from Durham, 35 from Spennymoor and 507 families were from other areas.

The number and value of memorial plaques sold were 92 / £26,614 compared to 82 / £21,214 in the comparable period last year, an increase of 10 memorials sold and £5,400 in terms of income generated.

With regards to staffing, one casual relief crematorium attendants had now left the Authority and the remaining relief was now covering a 10-month appointment for one of the crematorium attendants, therefore 2 casual reliefs would be advertised.

An application for the Green Flag Award will be submitted for the 2024 award and progress will be reported back to future meetings. A management plan to maintain the required standards will be updated and any required works will be covered by existing budgets.

Collections in the second round of Metals nominations for 2023/24 had resulted in another round of nominations being made available, therefore two charities were nominated, READLEY - Asbestos and Mesothelioma Support and County Durham and Darlington NHS Foundation Trust. A payment of £7,000 would be made to each charity.

St. Cuthbert's Hospice had requested that they be allowed to continue to provide a Christmas tree again in 2024. The Hospice would supply the tree and decorations at no cost to the Central Durham Crematorium Joint Committee.

The Department for Environment Food and Rural Affairs had carried out a consultation on proposed new guidance that would replace the existing crematoria guidance PG5/2 (12). The Bereavement Services Manager and Registrar responded to the consultation, however if some of the proposed new guidance was implemented then there would be additional costs involved for the service. From 1st January 2027, all cremators would need to be fitted with appropriate fuel and electricity metering. The fitting of Nitrogen oxide (NOx) equipment may be required in the future. Also increased costs with regards to emission testing would be required, as well as the removal of the CAMEO scheme. Once confirmation of the changes and additional costs were received, it would be factored into future budget setting.

In response to a query regarding the cremations breakdown, the Bereavement Services Manager and Registrar advised that figures for Ushaw Moor were included in the Durham figures.

**Resolved:**

- i) That the report be noted;
- ii) That St. Cuthbert's provide a Christmas tree for 2024 be agreed.

## **6 Financial Monitoring Report - Position at 31/12/23, with Projected Revenue and Capital Outturn at 31/03/24**

The Joint Committee received a joint report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources and Treasurer to the Joint Committee that provided details of the provisional outturn position for 2023/24 and the projected level of reserves and balances at 31 March 2024 (for copy see file of minutes).

### **Resolved:**

That the April to December 2023 financial monitoring report and associated provisional revenue and capital outturn positions at 31 March 2024, including the projected year position with regards to the reserves and balances of the Joint Committee be noted.

## **7 Provision of Support Services 2024/25**

The Joint Committee considered a joint report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources and Treasure to the Joint Committee that sought approval of 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 2024 to March 2025 (for copy see file of minutes).

The Finance Manager, Neighbourhoods and Climate Change advised that the proposed charge for 2024/25 was £38,970 and represented a 5% increase on the recharges levied in 2023/24, which took into account the impact of pay and price inflation.

### **Resolved:**

That the Service Level Agreement attached at Appendix 2 for the year 2024/25 be approved.

## **8 Fees and Charges 2024/25**

The Joint Committee considered a joint report of the Corporate Director 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 2024/25 (for copy see file of minutes).

The Finance Manager, Neighbourhoods and Climate Change highlighted the inflationary and cost pressures facing the crematorium and presented the proposal to increase the fees and charges for 2024/25 by £30 (3.77%) per cremation from £795 to £825, which was £101 below the average charges currently levied across the region. It was also suggested that a mid-year increase in fees and charges be considered, due to the widening gap

between fees at Durham Crematorium and the average cremation fee across the region.

The Joint Committee discussed the proposed fees and charges noting inflation and rising costs. Durham Crematorium provided a good quality service and value for money, however there were concerns that Durham Crematorium fees fall too far behind other facilities which could raise questions that a more substandard service would be provided. The Joint Committee agreed that a mid-year increase be considered to reduce the widening gap in cremation fees across the region.

**Resolved:**

- i) That the proposed fees and charges at Appendix 2 effective from 1 April 2024, which sought to increase cremation charges by £30 (3.77%) per cremation from £795 to £825 (inclusive of £30 medical referee fee) be approved and be incorporated into the 2024/25 budget;
- ii) That a mid-year increase in fees and charges be considered, due to the widening gap between fees at Durham Crematorium and the average cremation fee across the region.

## **9 2024/25 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 2024/25 revenue and capital budgets for the Central Durham Crematorium (for copy see file of minutes).

**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 2025 (set out at Appendix 2) be noted.

**Central Durham Crematorium Joint Committee**

**24 April 2024**

**Quarterly 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 update with regards to staffing.
  - c) Note the attendance at the Joint Conference of the Federation of Burial & Cremation Authorities and the Cremation Society of Great Britain.

**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 2024 inclusive, with comparative data in the same period last year:

	<b>2022/23</b>	<b>2023/24</b>	<b>Change</b>
January	263 + 1*	237 +4*	- 26 + 3*
February	262 + 2*	226 +0*	- 36 - 2*
March	217 + 3*	214 +0*	- 3-3*
<b>TOTAL</b>	<b>742 + 6*</b>	<b>677 + 4*</b>	<b>- 65-2*</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, 196 came from Durham, 30 came from Spennymoor and 451 from other areas. There have been 4 NVF cremations undertaken for the period covered by this report compared to 6 in the comparable period last year. There were 65 less cremations undertaken in the period January to March 2024 compared to the same period last year.
7. The total number of cremations in 2023/24 was 2,433 compared with 2,513 in 2022/23, a decrease of 80 cremations.
8. The 2023/24 budget was set at a prudent assumption of 2,200 cremations during the year. The actual number of cremations undertaken was therefore 233 more than the budgeted position. This is reflected in an over achievement of cremation fee income of £137,234 in year, which is included in the budgetary control report.
9. The table below shows the comparative figures for the previous eleven financial years:

<b>Year</b>	<b>Cremations</b>
2013/14	2,227
2014/15	2,287
2015/16	2,247
2016/17	2,324
2017/18	2,294
2018/19	2,392
2019/20	2,351
2020/21	2,738
2021/22	2,306
2022/23	2,513
2023/24	2,433
<b>11 Year Average</b>	<b>2,374</b>



10. For Members information, the table below provides details of the number of direct cremations, which are included in the totals above, for the period 1 April 2023 to 31 March 2024 inclusive, with comparative data in the same period last year:

	2022/23	2023/24	Change
Direct Cremation – Attended	0	0	0
Direct Cremation - Unattended	102	138	+ 36
<b>TOTAL</b>	<b>102</b>	<b>138</b>	<b>+ 36</b>

## Memorials

11. The table below outlines the number and value of the memorials sold in the period January to March 2024 compared to the same period the previous year.

	Jan-March Number	2022/23 £	Jan-March Number	2023/24 £
Vase Blocks	6	3,952	5	3,278
Large Plaques	22	9,494	18	8,196
Small Plaques	5	1,380	0	0
Niche	1	1,335	4	3,890
Renewal	41	8,009	46	7,010
Seat	1	528	0	0
Leaf Plaques	21	2,100	9	900
<b>Total</b>	<b>97</b>	<b>26,798</b>	<b>82</b>	<b>23,274</b>

12. In overall terms, the number and value of memorials sold of 82 / £23,274 compares to 97 / £26,798 in the same period last year. This is a small decrease of 15 memorials sold and £3,524 in terms of income decreased.
13. The table overleaf identifies the total number and value of memorials sold during 2023/24 compared to 2022/23:

	<b>2022/23 Total</b>		<b>2023/24 Total</b>	
	<b>Number</b>	<b>£</b>	<b>Number</b>	<b>£</b>
<b>Vase Blocks</b>	23	11,220	17	11,294
<b>Large Plaques</b>	62	26,564	65	28,620
<b>Small Plaques</b>	9	2,454	4	1,092
<b>Niche</b>	6	7,884	7	7,742
<b>Renewal</b>	143	27,557	143	24,158
<b>Seat</b>	1	528	0	0
<b>Leaf Plaques</b>	56	5,540	48	4,800
<b>Total</b>	<b>300</b>	<b>81,747</b>	<b>284</b>	<b>77,706</b>

## Operational Matters

### Staffing

14. As Members were advised at the last meeting, one of our casual relief crematorium attendants has now left the Authority and the remaining relief is now covering a 10-month appointment for one of our crematorium attendants who has been appointed as a bereavement officer. We have now carried out a recruitment process and have employed 2 more casual reliefs. These new staff commenced their duties on Tuesday 2<sup>nd</sup> April 2024.

### Cremation & Burial Conference & Exhibition 2024

15. The Joint Conference of the Federation of Burial & Cremation Authorities and the Cremation Society of Great Britain is to be held at the Winter Gardens, Blackpool from Monday 24th to Wednesday 26th June 2024. As in previous years, the necessary arrangements will be made for representation at the conference by the Chair and Bereavement Services Manager.

### Plotbox Software System

16. For members information, we are currently in the process of changing our current software provider for crematoria's and cemeteries which we have used for a number of years to a new provider plotbox, this is following a soft market exercise and demo's of other providers.

**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 Equality and Diversity implications associated with this report.

### **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 Jan- Mar
DURHAM	72	66	58	196
BARNARD CASTLE	1			1
BISHOP AUCKLAND	3	4	2	9
BISHOP MIDDLEHAM		1	1	2
BLACKHALL	3	4	2	9
BIRTLEY	1	1		2
CHESTER LE STREET	17	17	18	52
CHILTON			1	1
CONSETT	2	1		3
CROOK	3	5	5	13
DARLINGTON	4	1	3	8
EASINGTON	9	6	5	20
ESH WINNING	4	3	1	8
FENCEHOUSES	1		2	3
FERRYHILL	6	3	6	15
FISHBURN	1	1		2
GATESHEAD	1	1		2
GREAT LUMLEY	1	4	2	7
HAMSTERLEY	3			3
HARTLEPOOL		2	4	6
HASWELL		4	1	5
HETTON LE HOLE	5			5
HORDEN	3	7	3	13
HOUGHTON	11	6	2	19
HOWDEN		1		1
KENDAL(CUMBRIA)			1	1
LANCHESTER	1		1	2
LANGLEY PARK	3	1	5	9
MIDDLESBOROUGH			1	1
MURTON	3	1	10	14
NEW BRANCEPETH		1	1	2
NEWCASTLE			1	1
NEWTON AYCLIFFE	1	7	4	12
OUSTON	2	1	2	5
PELTON	1	2		3
PETERLEE	15	11	15	41
SACRISTON	5	4	2	11
SCOTLAND	1			1
SEAHAM	13	8	7	28
SEDFIELD		1		1
SHILDON	1		3	4

SHINEY ROW		1		1
SHOTTON	5	2	4	11
SOUTH HETTON		3		3
SPENNYMOOR	8	10	12	30
STANHOPE		1	2	3
STANLEY	3	5	2	10
STATION TOWN	1	1		2
STOCKTON			1	1
SUNDERLAND	2		3	5
SUNNYBROW	2	1	2	5
SOUTHERN ENGLAND	2		1	3
THORNLEY	1	1	1	3
TOW LAW		1		1
TRIMDON	6	4	3	13
WEST CORNFORTH	3	5	6	14
WHEATLEY HILL	1	3	2	6
WILLINGTON	3	6	2	11
WINGATE	1	2	3	6
WOLSINGHAM		2		2
YORKSHIRE	1	2	1	4
WYNARD	1	1		2
<b>Total0</b>	<b>237</b>	<b>226</b>	<b>214</b>	<b>677</b>

This page is intentionally left blank

**Central Durham Crematorium Joint  
Committee**

**24 April 2024**

**Financial Monitoring Report –  
Provisional Outturn as at 31 March 2024**



**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 2023/24 and the projected level of reserves and balances at 31 March 2024.

**Executive summary**

- 2 This report sets out details of income and expenditure in the period 1 April 2023 to 31 March 2024, showing the provisional revenue and capital outturn position for 2023/24 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 2023 and forecast final position at 31 March 2024, 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 £1,090,839 against a budgeted surplus of £1,018,062, which is £72,776 more than the budgeted position.
- 5 Contributions to earmarked reserves are £72,776 more than originally budgeted.

- 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 £33,225 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 £95,789.
- 7 The retained reserves of the CDCJC at 31 March 2024 are forecast to be £1,797,433 along with a General Reserve of £581,400, giving a forecast total reserves and balances position of £2,378,833 at the year end.

### **Recommendation(s)**

- 8 It is recommended that Members note the April 2023 to March 2024 financial monitoring report and associated provisional revenue and capital outturn positions at 31 March 2024, 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 2023/24 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 2024.

Subjective Analysis (Type of Expenditure)	Base Budget 2023/24 £	Year to Date Actual April – March £	Provisional Outturn 2023/24 £	Variance Over/ (Under) £
Employees	351,439	381,195	381,195	29,756
Premises	363,444	505,167	505,167	141,723
Transport	2,800	1,373	1,373	(1,427)
Supplies & Services	147,532	203,091	203,091	55,560
Agency & Contracted	10,563	10,101	10,101	(462)
Capital Charges	0	0	0	0
Central Support Costs	44,160	44,160	44,160	0
<b>Gross Expenditure</b>	<b>919,938</b>	<b>1,145,087</b>	<b>1,145,087</b>	<b>225,149</b>
<b>Income</b>	<b>(1,938,000)</b>	<b>(2,235,926)</b>	<b>(2,235,926)</b>	<b>(297,926)</b>
<b>Net Income</b>	<b>(1,018,062)</b>	<b>(1,090,839)</b>	<b>(1,090,839)</b>	<b>(72,776)</b>
<b>Transfer to / (from) Reserves</b>				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	129,812	0	202,588	72,776
- 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 2023 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2024 £
General Reserve	(548,175)	(889,475)	856,250	(581,400)
Masterplan Memorial Garden	(81,250)	(5,000)	31,524	(54,726)
Major Capital Works	(1,423,758)	(202,588)	106,799	(1,519,547)
Cremator Reline Reserve	(182,755)	(25,000)	0	(207,755)
Small Plant	(13,405)	(2,000)	0	(15,405)
<b>Total</b>	<b>(2,249,343)</b>	<b>(1,124,063)</b>	<b>994,573</b>	<b>(2,378,833)</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 £1,090,839 against a budgeted surplus of £1,018,062, which is £72,776 more than the budgeted position.

- 14 This compares with the previously forecast position, based on income and expenditure to 31 December 2023, as reported to the Joint Committee on 31 January 2024, of a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £1,180,867 against a budgeted surplus of £1,018,062, which is £162,805 more than the budgeted position. The outturn position is therefore £90,028 less 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 (£14,319) less than projected mainly due to a fluctuation in overtime costs which made the outturn difficult to predict.
  - Premises costs are £11,773 more than previously projected mainly due to the increase in gas expenditure towards the end of the financial year.
  - Transport costs relating to mileage expenses are £106 more than previously projected.
  - Supplies and Service costs are £33,329 higher than previously projected due to the new Plotbox software system.
  - Agency and Contracted Services are (£960) less than previously projected due to the cremator register not achieving budget.
  - Income is (£60,099) less than previously projected due to an overestimation of fee income as the cremation numbers weren't as high as 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:

- Medical referee fees for the final quarter of the year
- Income relating to the 2023/24 CAMEO scheme for mercury abatement credits
- Income from interest on investments
- Audit Fees 23/24

### 15.1 **Employees**

The outturn shows an overspend of **£29,756** in relation to employee costs. The reasons for this are identified below:

- Staffing costs are overspent by **£29,756** mainly due to overtime being higher than anticipated in the budget and also the national pay settlement for 2023/24.

### 15.2 **Premises**

The outturn shows a forecast overspend of **£141,723** in relation to premises costs. The reasons for this are identified below:

- Energy budgets are overspent by **£7,327** due to an underestimation in the gas budget.
- Rates have overspent by **£23,872** due to an increase in rates following the 2023 revaluation of non-domestic properties by the Valuation Office Agency.
- One-off SAMP budget for the re-lining of a hearth will be included in the re-line of the cremator works, therefore the budget is no longer required and showing an underspend of **(£6,000)**.
- One-off SAMP works for the purchase of an additional memorial leaf tree is showing an overspend of **£200** due to the actuals being higher than expected when setting the budget.
- One-off SAMP works for carrying out improvements to walls has underspent by **(£1,210)** due to the actuals being lower than expected when setting the budget.
- Cremator repairs are forecast to overspend by **£90,139**, mainly due to the reline of a cremator which was £70,211, as well as other necessary removals/replacements within the crematorium.
- Grounds maintenance is forecast to overspend by **£21,111** due to increased winter maintenance costs, as well as maintenance work such as gutter cleaning and pond work.
- Other premises costs such as general cleaning, plant and equipment replacement, and building maintenance are overspent by **£6,283**.

### 15.3 **Supplies and Services**

The outturn shows a forecast overspend of **£55,560** 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 overspent by **£5,989**.
- The Wesley music system is forecast to overspend by **£2,829** as it required a replacement screen and installation.
- The BACAS License is forecast to overspend by **£20,052** due to the transition to the new Plotbox software system.
- Printing and stationery are overspent by **£3,712** due to £5,000 being charged for children's books which were distributed to schools across Durham.
- Customer CDs DVDs and Web Casting, and book of remembrance costs are overspent by **£10,086** due to the increase in cremations, which increases costs associated with webcasts and visual tributes.
- Identity tokens are showing an overspend of **£3,500**, as they have been re-introduced during the current financial year, therefore no budget was included for 2023/24.
- The cost of plaques is overspent by **£2,445** due to an increase in sales.
- Other general office costs such as purchase of urns, postages and subscriptions are expected to overspend by **£6,947**.

#### 15.4 **Income**

An increase in income of **(£297,926)** from the 2023/24 budget is included within the updated outturn forecasts. The reasons for this are identified below:

- The outturn includes an increase of 233 cremations compared to the budget, totalling increased income to budget of **(£137,234)**. The outturn allows for a total of 2,433 cremations against a budgeted 2,200 during 2023/24.
- Miscellaneous income is expected to overachieve by **(£20,185)** due to recycling of metal income and CAMEO.
- Income from the Book of Remembrance, plaques, webcasting and use of the chapel is expected to collectively overachieve by **(£22,685)** due to the increase in the number of cremations.
- Interest received is forecast to overachieve by **(£117,821)** due to rising interest rates since the budget was set.

## 16 Capital Programme

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

	<b>Base Budget 2023/24</b> £	<b>Revised Budget 2023/24</b> £	<b>Year to Date Actual April - Mar</b> £	<b>Forecast Outturn 2023/24</b> £	<b>Variance to Revised Budget Over/ (Under)</b> £
<b>Re-development Works</b>					
Installation of resin pathway around memorial garden	18,730	18,370	18,730	18,730	0
Carry out improvements to garden fountain	40,000	40,000	1,876	1,876	(38,124)
Creation of new memorial garden	12,000	12,000	10,918	10,918	(1,082)
Excess heat works	83,874	83,874	66,600	66,600	(17,274)
Resomation	0	0	6,974	6,974	6,974
<b>Total</b>	<b>154,604</b>	<b>154,604</b>	<b>105,098</b>	<b>105,098</b>	<b>(49,506)</b>

The cost of the Re-development Works is being financed from the Major Capital Works reserve and the Masterplan Memorial Garden reserve. The outturn shows a forecast underspend of **(£49,506)** and the main reasons for this are identified below:

- The creation of the new memorial garden was completed within budget, resulting in an underspend of (£1,082).
- The improvement works to the garden fountain were stopped, therefore showing an underspend of (£38,124).
- The excess heat works are expected to show an underspend of (£17,274).
- The resomation works are due to commence in 2024/25, however the feasibility study for this has already commenced in the current year, costing £6,974 to date.

## 17 Earmarked Reserves

Contributions to earmarked reserves are £72,776 more than originally budgeted.

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 £33,225 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 £95,789.

The retained reserves of the CDCJC at 31 March 2023 are forecast to be £1,797,433 along with a General Reserve of £581,400, giving a forecast total reserves and balances position of £2,378,833 at the year end.

---

<b>Contact:</b>	Philip Curran	Tel: 03000 261967
	Cathy Mallam	Tel: 03000 268580

---

---

## **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.

This page is intentionally left blank

Central Durham Crematorium  
Joint Committee

24 April 2024

Risk Register Update 2023/24 Review 2

Ordinary Decision



---

## 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 is to inform the Central Durham Crematorium Joint Committee of the outcome of the half-yearly risk review in March 2024.

### **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, there are no significant changes to report, but several minor updates are included below.
- 4 The net evaluation of each risk remains within the risk appetite.

### **Recommendation(s)**

- 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**.
- There are no significant changes to report, but several minor updates are included below.
- 8 **Appendix 4, risk 2** (Serious breach of health and safety legislation).
- Durham County Corporate Health and Safety have completed a 6 monthly review of policy and procedures relating to Central Durham Crematorium Joint Committee.
- 9 **Appendix 4, risk 4** (Loss of knowledge and ability to cover existing workload through premature staff loss).
- 10 **Appendix 4, risk 7** (Failure of Cremators / Specialist Equipment).
- Contracts with current service providers for the maintenance of equipment approved Jan 24 and will run until 2029.
- 11 There are no other changes to report.
- 12 A profile of service risks is included in **Appendix 5**.

## Conclusion

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

## Background papers

- 14 None

## Other useful documents

- 15 DEFRA Process Guidance Note 5/2 (12) Statutory Guidance for Crematoria.

## **Author**

Paul Darby | Tel: 03000 261930

John Blowes | Kevin Roberts | 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 and Engagement**

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

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

None

### **Climate Change**

Environmental Protection Act 1990 states requirements for omission control and processes for the cremation of human remains will be prescribed for local authority air pollution control, under the heading "Incineration" in Regulations made under Section 2(1) of the Act.

### **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	<u>4 Extreme</u> Death or multiple deaths; substantial damage.	Low Risk	Medium Risk	High Risk	High Risk
	<u>3 Severe</u> Loss of limb or multiple injuries; significant damage.	Low Risk	Medium Risk	High Risk	High Risk
	<u>2 Minor</u> Three day or greater injury or illness; insignificant damage.	Insignificant	Low Risk	Medium Risk	Medium Risk
	<u>1 Negligible</u> 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/ opportunity 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	<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> </ul>	<ul style="list-style-type: none"> <li>• Results in negative press coverage within the locality / ward</li> </ul>

		<p>&lt; 0.2% of Service/ budget</p>	<ul style="list-style-type: none"> <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>• 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>
--	--	-------------------------------------	---	--

This page is intentionally left blank

**Central Durham Crematorium  
Joint Committee**

**24 April 2024**

**Annual Internal Audit Report 2023/24**



---

**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 2023/24. (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 2023/24 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 2023/24.
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 2023/24.

## **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: David Mitchell, Principal Auditor      Tel: 03000 269649**

---

---

## **Appendix 1: Implications**

---

### **Legal Implications**

Compliance with Public Sector Internal Audit Standards

### **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.

### **Consultation and Engagement**

None

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

None

### **Climate Change**

None

### **Human Rights**

None

### **Crime and Disorder**

None

### **Staffing**

None

### **Accommodation**

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.

### **Procurement**

None



**CENTRAL DURHAM CREMATORIUM  
JOINT COMMITTEE**

**INTERNAL AUDIT  
ANNUAL REPORT  
2023/24**



## 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 2023/24

## **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 2023/24, as part of the three-year Service Level Agreement covering the provision of Internal Audit Services up to 31 March 2026.
2. All Internal Audit work carried out in 2023/24 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 2023/24, 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 27 September 2023.
7. In accordance with the Internal Audit Charter, a risk-based audit approach has been applied to work undertaken in 2023/24.
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 2023/24 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 2023/24 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:
  - Income is not accounted for/misappropriated.
  - Significant risks are not being managed and the objectives are not being achieved.
  - Ineffective budget monitoring processes are in place.
  - Unauthorised payments are made.
  - Employees are incorrectly paid.
  - Equipment failure.
  - Non-compliance with the Cremation Regulations 2008 and with the Federation of British Cremation Authorities Code of Cremation Practice.
  - Lack of experienced staff.
  - Insufficient capacity to meet demand in the event of an epidemic, pandemic or major disaster.
  - Stock / Assets are not accounted for / misappropriated.
  - Damage / theft of equipment.
  - Ashes are disposed of incorrectly
11. This review was carried out during February 2024 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 26 April 2023 and 27 September 2023.
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 confirm that the findings of the review "must be considered as part of the consideration of the system of internal control". At least once every five years, an external assessment of arrangements must also be carried out.
18. During 2023/24 Internal Audit completed a self-assessment against key elements of the Public Sector Internal Audit Standards (PSIAS) and CIPFA Local Government Application Note which demonstrated that the service was conforming with the requirements.
19. The Council's Audit Committee, at its meeting on 1 July 2022, received an evaluation, in the form of an external assessment, carried out by the Chartered Institute of Public and Finance and Accountancy (CIPFA), in February 2022, of the Internal Audit Service's conformance to the Public Sector Internal Audit Standards (PSIAS) and CIPFA's Local Government Application Note.
20. The opinion delivered by CIPFA's external assessment was 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**'.
21. In compliance with the service's quality assurance framework, the 2023/24 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 2023/24. 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 2023/24 Annual Governance Statement.



---

## Internal Audit Report

---

### Durham Crematorium 13580/2024

#### Final Report

**Assurance Opinion:** Substantial

**Prepared by:** Alison Clarke, Senior Auditor  
Graeme Adcock, Internal Audit Assistant

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

**Date issued:** 12 March 2024

#### Distribution List

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

**For Information:** Oliver Sherratt, Head of Environment  
Ian Hoult, Neighbourhood Protection Manager  
Alan Patrickson, Corporate Director of  
Neighbourhoods & Climate Change  
Paul Darby, Corporate Director of Resources  
Philip Curran, Finance Manager Neighbourhoods &  
Climate Change  
Cathy Mallam, Principal Accountant  
Tracy Henderson, Chief Internal Auditor & Corporate  
Fraud Manager

## 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 2023/24 Internal Audit Plan, an audit was carried out in February 2023 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 February 2023 and resulted in a Substantial assurance opinion.
3. For the period January 2023 to December 2023, a total of 2,498 cremations took place at Durham Crematorium.

### 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. For a sample of 48 cremations which took place during the months of May and August 2023, it was identified that entries in the register of cremations were supported by complete source documentation (such as application forms, medical forms, and authorisation to cremate forms).
6. For same sample the fees charged were in accordance with fees approved by Durham Crematorium Joint Committee, all 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.
7. For a sample of 35 book of remembrance entries, plaques and renewals and memorial leaves, it was found that the entry or inscription matched the original application, and that the fees charged were in accordance with fees approved by Durham Crematorium Joint Committee.
8. Transaction testing of a report of expenditure incurred during 2023 confirmed that purchase orders had been appropriately raised for all items of expenditure. Of the total 269 creditor invoices, 83% of which had been authorised by the budget holder prior to orders being raised. This is significant improvement on only 49% the previous year following a best practice recommendation.
9. Sample testing of items of expenditure over £500 identified that quotes are routinely requested from potential suppliers prior to placing orders or agreeing any works.



10. Independent reconciliations of income to the bank account were carried out by the Senior Accountancy Assistant on a monthly basis.
11. Adequate processes are in place to monitor outstanding debts owed by funeral directors.
12. Petty cash payments were supported by appropriate receipts, had been accurately recorded and were appropriate purchases. The petty cash balance was reconciled during the audit.
13. Effective budgetary control and performance monitoring processes are in place. Budgetary control meetings are held quarterly between the Bereavement Services Manager and the Senior Accountancy Assistant.
14. Income that was directly received at the crematorium had been accurately and fully recorded and was confirmed to the income spreadsheet which had been completed monthly by Finance.
15. Sample testing identified that staff payments in relation to overtime were supported by timesheets that were subject to appropriate authorisation and supporting documentation was maintained to verify staff payments in relation to sick pay.
16. Quarterly committee meetings are held in which items including the main service risks, service performance, fees, and the position of the budget are discussed and monitored.
17. As a result of the audit, there were no high or medium priority findings.
18. One best practice recommendation has been identified during the audit;
  - Book of remembrance (BOR) fees are being charged correctly, however not all fees have been published online.

The fees for BOR lines with floral/badge/crest and the fees for memorial leafs fees should be added to the published online price list.

## **Background**

19. This review has been carried out in accordance with the Terms of Reference.
20. 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.
21. 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.
22. In carrying out the audit, the time and assistance afforded by the Bereavement Services Manager and crematorium staff was greatly appreciated.

## **Scope and Audit Approach**

23. 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

24. 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.

25. 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.

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank