



## **Central Durham Crematorium Joint Committee**

**Date**      **Wednesday 23 April 2025**

**Time**      **2.00 pm**

**Venue**     **Committee Room 2, County Hall, Durham**

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### **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 29 January 2025 (Pages 3 - 8)
- 4 Declarations of Interest, if any
- 5 Quarterly Performance and Operational Report (Pages 9 - 18)  
Report of the Bereavement Services Manager and Registrar
- 6 Financial Monitoring Report - Provisional Outturn as at 31 March 2025  
(Pages 19 - 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 2024/25 Review 2 (Pages 31 - 40)  
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 2024/25 (Pages 41 - 60)  
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 Bradley**

Director of Legal and Democratic Services

County Hall  
Durham  
11 April 2025

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

Durham County Council: S Quinn (Vice-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 (Chair), C Maddison and  
D Ranyard

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**Contact: Jo March**

**Tel: 03000 269 709**

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**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 29 January 2025** at **2.00 pm**

**Present:**

**Councillor N Foster (Chair)**

**Durham County Council:**

Councillors S Quinn (Vice-Chair), R Adcock-Forster, D Brown, K Robson, A Simpson, M Stead, C Varty and M Wilson

**Spennymoor Town Council:**

Town Councillors C Maddison

**1 Apologies for Absence**

Apologies for absence were received from Councillors J Blakey, J Chaplow and D Ranyard.

**2 Substitute Members**

There were no substitute Members.

**3 Minutes**

The minutes of the meeting held on 26 September 2024 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 694 cremations were undertaken during the period 1 September to 31 December 2024, which was 99 cremations less compared to the comparable period last year. It was noted that 193 families were from Durham, 28 from Spennymoor and 445 families were from other areas.

With regards to the reduction of cremation numbers, a consultation with Funeral directors and Registrars had been undertaken which noted a decrease in cremations due to the recent introduction of the medical examiners, leading to delays in information being obtained from GPs following deaths in the community. Another reason for the drop in cremation numbers was the increase in direct cremations where families were not choosing to be carried out at Durham's facilities.

The number of cremations allowed for in the 2024/25 budget was 2,200, however this would be increased to 2,300 for the 2025/26 budget. The current projected number of cremations for 2024/25 was 2,333, which is 100 less than the 2,433 which were delivered in 2023/24.

The number and value of memorial plaques sold were 67 / £18,997 compared to 92 / £26,614 in the comparable period last year, a decrease of 25 memorials sold and £7,617 in terms of income generated.

With regards to staffing, one casual relief crematorium attendants had now left the Authority, therefore 2 casual reliefs had been appointed to cover both crematoriums.

An application for the Green Flag Award would be submitted for the 2025 award and progress would be reported back to a future meeting. A management plan to maintain the required standards would be updated and any required works will be covered by existing budgets.

Collections in the second round of Metals nominations for 2024/25 had resulted in another round of nominations being made available, therefore two charities were nominated, the Bradley Lowery Foundation and the British Heart Foundation. A payment of £5,800 had been made to each charity. A second round of nominations had now opened for 2025, therefore, If You Care Share Foundation and St Cuthbert's Hospice had been nominated with a closing date of 31 January 2025.

St. Cuthbert's Hospice had requested that they be allowed to continue to provide a Christmas tree again in 2025. The Hospice would supply the tree and decorations at no cost to the Central Durham Crematorium Joint Committee. No requests had been received from any other organisations.

In response to a query from Councillor Varty regarding a shelter from the wind and rain, the Bereavement Services Manager and Registrar advised that new canopies had been installed to protect against the rain. A shelter had been built in the past, however visitors were using this as a smoking shelter therefore it had to be removed due to the number of complaints.

The Chair added that in terms of the building, the site was small and unfortunately when services were in progress, there was no spare capacity for a waiting area inside for people attending the next service. He commented that this could be considered when discussing the budget for next year.

Following a query from Councillor Brown, it was explained that 'If You Care, Share' was a recognised charity originally set up by a family affected by suicide which focused on mental health and suicide prevention.

**Resolved:**

- i) That the report be noted;
- ii) That St. Cuthbert's provide a Christmas tree for 2025 be agreed.

**6 Financial Monitoring Report - Position at 31/12/24, with Projected Revenue and Capital Outturn at 31/03/25**

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 2024/25 and the projected level of reserves and balances at 31 March 2025 (for copy see file of minutes).

**Resolved:**

That the April to December 2024 financial monitoring report and associated provisional revenue and capital outturn positions at 31 March 2025, including the projected year position with regards to the reserves and balances of the Joint Committee be noted.

**7 Provision of Support Services 2025/26**

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 2025 to March 2026 (for copy see file of minutes).

The Finance Manager, Neighbourhoods and Climate Change advised that the proposed charge for 2025/26 was £41,900 and £7,468 for the Internal Audit and Risk Management SLA that was agreed for a 3 year period by the Joint Committee in September 2022. This represented a 7.5% increase on the recharges levied in 2024/25 and took into account the impact of pay and price inflation and now also included time spent by the Neighbourhood Protection Manager on strategic input into reports and attendance at Joint Committee Meetings.

**Resolved:**

That the Service Level Agreement attached at Appendix 2 for the year 2025/26 be approved.

## **8 Fees and Charges 2025/26**

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 2025/26 (for copy see file of minutes).

The Finance Manager, Neighbourhoods and Climate Change presented the report and highlighted the inflationary and cost pressures facing the crematorium, along with the views of the Bereavement Services Manager with regards to the local market, customer impact from any proposed increase and benchmarking data on the charges levied in other neighbouring facilities, plus the fact that the crematorium had recently undertaken major redevelopments were key factors in considering any increases for 2025/26.

The Finance Manager, Neighbourhoods and Climate Change proposed to increase the fees and charges for 2025/26 by £50 (5.71%) per cremation from £875 to £925 (inclusive of £30 medical referee fee) which was £49 below the average charges currently levied across the region. Once other crematoria apply their fee increases for next year, the proposed 2025/26 cremation fee of £925 would remain the lowest of other neighbouring facilities in 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 Chair advised that the two principles would be maintained; to keep Central Durham Crematorium and Mountsett Crematorium fees and charges harmonised, and to have the lowest fees in the region. He added that the proposal for a mid-year increase would be for the new Joint Committee to consider later in the year. With regards to direct cremations, he commented that the perception was that direct cremations were a cheaper option,

however in reality there was very little difference and suggested it may be worthwhile to publish the actual cost difference.

**Resolved:**

- i) That the proposed fees and charges at Appendix 2 effective from 1 April 2025, which sought to increase cremation charges by £50 (5.71%) per cremation from £875 to £925 (inclusive of £30 medical referee fee) be approved and be incorporated into the 2025/26 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 2025/26 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 2025/26 revenue and capital budgets for the Central Durham Crematorium (for copy see file of minutes).

The Finance Manager, Neighbourhoods and Climate Change presented the proposed 2025/26 revenue budget, together with the forecast outturn position with regards to the reserves as at 31 March 2026 and highlighted the main changes from the 2024/25 budget which included an increase in the income budget by £228,844 due to the cremation fee increase and an increase in the projected number of cremations. There were other minor changes that effected other expenditure budgets such as pay awards, software licenses and the premises budget had decreased by £91,362 due to reduction of planned works associated with the Service Asset Management Plan. He further highlighted that the surplus redistribution to the constituent authorities remained the same as previous years and the estimated total reserves for Central Durham Crematorium at 31 March 2026 would be £2,962,828.

Councillor Brown referred to the 2024/25 and 2025/26 pay awards and queried whether the increase in National Insurance had been taken into account. The Finance Manager, Neighbourhoods and Climate Change confirmed that the increase in National Insurance had been incorporated into the budget.

Responding to a query from Town Councillor Maddison regarding advanced payments to undertakers for funeral services, the Bereavement Services Manager and Registrar clarified that there was no provision for undertakers to pay for cremation services in advance and they would be charged the current fee on the day.

**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 2026 (set out at Appendix 2) be noted.

**10 Any Other Business**

The Chair agreed that in order to keep Members informed, the next items of business could be reported.

**Informal Briefing Session – Resomation**

The Bereavement Services Manager and Registrar advised that Mountsett Joint Crematorium Committee suggested an informal remote briefing session on Resomation; water-based cremations. Further information would be provided when arrangements had been confirmed.



**Central Durham Crematorium Joint Committee**

**23 April 2025**

**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 operational matters.
  - c) Note the attendance at the Joint Conference of the Federation of Burial & Cremation Authorities and the Cremation Society of Great Britain.
  - d) Note the distribution of recycling income to the respective charities.

## Background

- 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

- The table below provides details of the number of cremations for the period 1 January to 31 March 2025 inclusive, with comparative data in the same period last year:

	2023/24	2024/25	Change
January	237 +4*	225 +1*	-12 - 3*
February	226 +0*	212 +1*	-14 + 1*
March	214 +0*	207 +0*	- 7-3*
<b>TOTAL</b>	<b>677 + 4*</b>	<b>644 + 2*</b>	<b>-33-2*</b>

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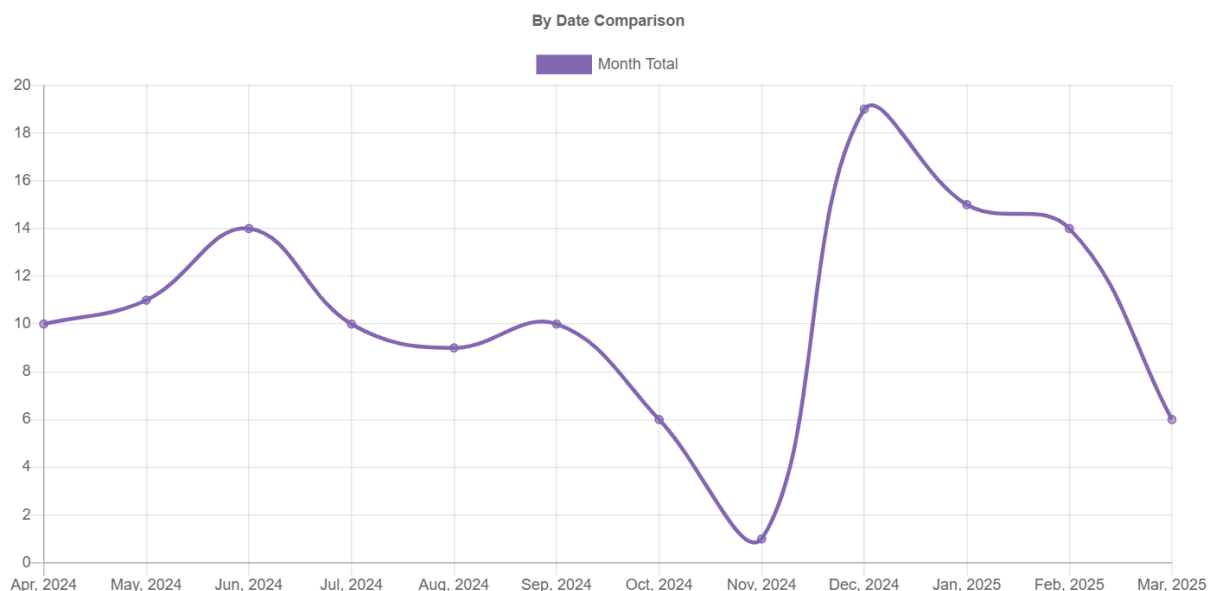
\* = Non-Viable Foetus (NVF)    \*\* = Stillborns (STs)

- The full profile of where families came from can be seen in Appendix 2. In summary 213 came from Durham, 31 came from Spennymoor and 402 from other areas. There have been 2 NVF cremations undertaken for the period covered by this report compared to 4 in the comparable period last year. There were 33 less cremations undertaken in the period January to March 2025 compared to the same period last year.
- The total number of cremations in 2024/25 was 2,282 compared with 2,433 in 2023/24, a decrease of 151 cremations.
- The 2024/25 budget was set at a prudent assumption of 2,200 cremations during the year. The actual number of cremations undertaken was therefore 82 more than the budgeted position. This is reflected in an over achievement of cremation fee income of £15,591 in year, which is included in the budgetary control report. As mentioned in paragraph 10, there were 124 unattended direct cremations in 2024/25 and these generate lower fee income than other cremations.

9. The table below shows the comparative figures for the previous eleven financial years:

Year	Cremations
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
2024/25	2,282
<b>12 Year Average</b>	<b>2,366</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 2024 to 31 March 2025 inclusive, with comparative data in the same period last year:



	2023/24	2024/25	Change
Direct Cremation – Attended	0	0	0
Direct Cremation - Unattended	138	124	- 14
<b>TOTAL</b>	<b>138</b>	<b>124</b>	<b>- 14</b>

## Memorials

11. The table below outlines the number and value of the memorials sold in the period January to March 2025 compared to the same period the previous year.

	Jan-March 2023/24	Jan-March 2024/25
	Number £	Number £
Vase Blocks	5 3,278	2 1,296
Large Plaques	18 8,196	10 4,980
Small Plaques	0 0	2 576
Niche	4 3,890	4 5,233
Renewal	46 7,010	38 5,348
Seat	0 0	0 0
Leaf Plaques	9 900	8 800
<b>Total</b>	<b>82 23,274</b>	<b>64 18,233</b>

12. In overall terms, the number and value of memorials sold of 64 / £18,233 compares to 82 / £23,274 in the same period last year. This is a small decrease of 18 memorials sold and £5,041 in terms of income decreased.
13. The table below identifies the total number and value of memorials sold during 2024/25 compared to 2023/24:

	2023/24 Total		2024/25 Total	
	Number	£	Number	£
<b>Vase Blocks</b>	17	11,294	28	18,440
<b>Large Plaques</b>	65	28,620	96	42,684
<b>Small Plaques</b>	4	1,092	9	2,487
<b>Niche</b>	7	7,742	16	19,355
<b>Renewal</b>	143	24,158	252	39,908
<b>Seat</b>	0	0	0	0
<b>Leaf Plaques</b>	48	4,800	84	8,400
<b>Total</b>	<b>284</b>	<b>77,706</b>	<b>485</b>	<b>131,274</b>

## Operational Matters

14. For Members information we are currently starting to experience some issues with the current cremators which require remedial works to continue operations. These repairs will be funded from the cremator repairs budget.

## Cremation & Burial Conference & Exhibition 2025

15. The Joint Conference of the Federation of Burial & Cremation Authorities and the Cremation Society of Great Britain is to be held at the Hilton,

Utilita Bowl, Southampton from Monday 23rd to Wednesday 25th June 2025. As in previous years, the necessary arrangements will be made for representation at the conference by the Chair and Bereavement Services Manager & Registrar.

### **Recycling of Metals Scheme**

16. Members were advised at the previous meeting that we had nominated St Cuthbert's Hospice and If U Care Share Foundation, (Appendix 3 shows the Cheque presentation for £6,250 to each charity made by the Chair/Vice Chair of the Joint Committee).

**Contact: Graham Harrison**

**Tel: 03000 265606**

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## **Appendix 1: Implications**

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### **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.

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## Appendix 2: Breakdown of Figures

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	Jan	Feb	March	Total Jan-Mar
<b>DURHAM</b>	72	76	65	213
<b>BARNARD CASTLE</b>			1	1
<b>BIRTLEY</b>	1			1
<b>BISHOP AUCKLAND</b>	5	8	2	15
<b>BLACKHALL</b>	2		6	8
<b>CHESTER LE STREET</b>	20	13	12	45
<b>CHILTON</b>	2		2	4
<b>CONSETT</b>	6	3		9
<b>CROOK</b>	2	6	2	10
<b>DARLINGTON</b>		2	1	3
<b>EASINGTON</b>	6	4	3	13
<b>EAST RAINTON</b>		1		1
<b>ESH WINNING</b>		1	3	4
<b>FERRYHILL</b>	5	2	7	14
<b>FENCEHOUSES</b>	2	1		3
<b>FISHBURN</b>		1	2	3
<b>FROSTERLEY</b>		1		1
<b>GATESHEAD</b>			1	1
<b>GREAT LUMLEY</b>	1	4	1	6
<b>HARTLEPOOL</b>	1			1
<b>HASWELL</b>	2		1	3
<b>HETTON LE HOLE</b>	3	6	6	15
<b>HORDEN</b>	5	2	4	11
<b>HOUGHTON</b>	7	9	9	25
<b>HOWDEN</b>		1	1	2
<b>LANCHESTER</b>			1	1
<b>LANGLEY PARK</b>	1	5	3	9
<b>MIDDLESBOROUGH</b>	1			1
<b>MURTON</b>	4	5	3	12
<b>NEW BRANCEPETH</b>			1	1
<b>NEWTON AYCLIFFE</b>	5		9	14
<b>NORTHUMBERLAND</b>	1			1
<b>PELTON</b>			1	1
<b>PETERLEE</b>	16	7	8	31
<b>SACRISTON</b>	2	5	6	13
<b>SCOTLAND</b>	1			1
<b>SEAHAM</b>	11	10	6	27
<b>SEDFIELD</b>	3		2	5
<b>SHILDON</b>	1	2		3

SHINEY ROW			1	1
SHOTTON	2			2
SOUTH HETTON		1	1	2
SPENNYMOOR	8	15	8	31
STANLEY	2	2		4
STANHOPE			3	3
STOCKTON		2		2
SUNDERLAND	2	2	5	9
SOUTHERN ENGLAND		1	2	3
THORNLEY	3	1	3	7
TOW LAW	1		2	3
TRIMDON	4	3	2	9
WASHINGTON	2	1		3
WEST AUCKLAND	1		1	2
WEST CORNFORTH	4	3	1	8
WHEATLEY HILL	2	3	1	6
WILLINGTON	1	2	3	6
WINGATE	2	1	3	6
WOLSINGHAM	1			1
WYNARD	1		1	2
YORKSHIRE	1		1	2
<b>Total</b>	<b>225</b>	<b>212</b>	<b>207</b>	<b>644</b>



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## Appendix 3: Cheque presentation

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Cheque presentation by Vice Chair to Helen Clarke from St Cuthbert's Hospice.



Cheque presentation by Chair Bethany Yuill from If U Care Share Foundation

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**Central Durham Crematorium Joint  
Committee**

**23 April 2025**

**Financial Monitoring Report –  
Provisional Outturn as at 31 March 2025**



**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 2024/25 and the projected level of reserves and balances at 31 March 2025.

**Executive summary**

- 2 This report sets out details of income and expenditure in the period 1 April 2024 to 31 March 2025, showing the provisional revenue and capital outturn position for 2024/25 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 2024 and provisional final position at 31 March 2025, taking into account the updated financial outturn.
- 4 The revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £1,151,779 against a budgeted surplus of £1,060,741, which is £91,038 more than the budgeted position.
- 5 Contributions to earmarked reserves are £91,038 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 £71,360 is required from the Major Capital Works Reserve at year end. A contribution from the revenue surplus to the Major Capital Works Reserve of £188,529, results in a net transfer to the Major Capital Works Reserve of £117,169.
- 7 The retained reserves of the CDCJC at 31 March 2025 are forecast to be £1,922,358 along with a General Reserve of £652,760, giving a forecast total reserves and balances position of £2,575,118 at the year end.

### **Recommendation(s)**

- 8 It is recommended that Members note the April 2024 to March 2025 financial monitoring report and associated provisional revenue and capital outturn positions at 31 March 2025, including the projected year end 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 2024/25 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 2025.

<b>Subjective Analysis (Type of Expenditure)</b>	<b>Base Budget 2024/25 £</b>	<b>Year to Date Actual April – March £</b>	<b>Provisional Outturn 2024/25 £</b>	<b>Variance Over/ (Under) £</b>
Employees	368,044	354,674	354,674	(13,370)
Premises	520,012	471,045	477,222	(42,790)
Transport	2,800	1,584	1,584	(1,216)
Supplies & Services	167,088	175,943	197,303	30,215
Agency & Contracted	10,961	5,811	10,310	(651)
Capital Charges	0	0	0	0
Central Support Costs	46,220	46,220	46,220	0
<b>Gross Expenditure</b>	<b>1,115,125</b>	<b>1,055,276</b>	<b>1,087,312</b>	<b>(27,813)</b>
<b>Income</b>	<b>(2,175,866)</b>	<b>(2,230,933)</b>	<b>(2,239,091)</b>	<b>(63,225)</b>
<b>Net Income</b>	<b>(1,060,741)</b>	<b>(1,175,657)</b>	<b>(1,151,779)</b>	<b>(91,038)</b>
<b>Transfer to / (from) Reserves</b>				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	97,491	0	188,529	91,038
- Cremator Reline Reserve	25,000	0	25,000	0
- Small Plant	2,000	0	2,000	0
<b>Distributable Surplus</b>	<b>(931,250)</b>	<b>0</b>	<b>(931,250)</b>	<b>0</b>
<b>80% Durham County Council</b>	<b>745,000</b>	<b>745,000</b>	<b>745,000</b>	<b>0</b>
<b>20% Spennymoor Town Council</b>	<b>186,250</b>	<b>186,250</b>	<b>186,250</b>	<b>0</b>

<b>Central Durham Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2023 £</b>	<b>Transfers to Reserve £</b>	<b>Transfers From Reserve £</b>	<b>Balance @ 31 March 2024 £</b>
General Reserve	(581,400)	(1,002,610)	931,250	(652,760)
Masterplan Memorial Garden	(54,726)	(5,000)	18,570	(41,156)
Major Capital Works	(1,513,874)	(188,529)	71,360	(1,631,042)
Cremator Reline Reserve	(207,755)	(25,000)	0	(232,755)
Small Plant	(15,405)	(2,000)	0	(17,405)
<b>Total</b>	<b>(2,373,159)</b>	<b>(1,223,139)</b>	<b>1,021,180</b>	<b>(2,575,118)</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 £1,151,779 against a budgeted surplus of £1,060,741, which is £91,038 more than the budgeted position.

14 This compares with the previously forecast position, based on income and expenditure to 31 December 2024, as reported to the Joint Committee on 31 January 2025, of a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £1,225,945 against a budgeted surplus of £1,060,741, which is £165,204 more than the budgeted position. The outturn position is therefore £74,166 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 £16,075 more than projected mainly due to an increase in overtime and staff training.
- Premises costs are (£79,345) less than previously projected mainly due to SAMP works which have been completed under the budget figure, or work that will be moved into the following year.
- Transport costs relating to mileage expenses are (£1,216) less than previously projected.
- Supplies and Services costs are £4,376 higher than previously projected due to a slight increase in the utilities outturn figure.
- Income is £134,974 less than previously projected due to an overestimation of fee income.

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 2024/25 CAMEO scheme for mercury abatement credits
- Income from interest on investments
- Audit Fees for 2024/25

### 15.1 **Employees**

The outturn shows an underspend of **(£13,370)** in relation to employee costs. The reasons for this are identified below:

- Staffing costs are underspent by **(£13,370)** mainly due to a member of staff leaving, which has resulted in reduced pay and pension costs.

### 15.2 **Premises**

The outturn shows a forecast underspend of **(£42,790)** in relation to premises costs. The reasons for this are identified below:

- Energy budgets are underspent by **(£7,654)** due to an overestimation in the electricity budget.
- Rates have overspent by **£28,252** due to an increase in rates following the 2024 revaluation of non-domestic properties by the Valuation Office Agency.
- One-off SAMP re-decoration works are showing an overspend of **£585** due to the actuals being slightly higher than expected when setting the budget.
- One-off SAMP works for commissioning a study for roof and gutter repairs are showing an underspend of **(£50,000)** as this will not be completed in the current year, and will be carried forward into 2025/26.
- One-off SAMP works for improvements to increase the chapel capacity have been completed at a lower cost than estimated, therefore this budget is forecast to underspend by **(£16,889)**.
- One-off SAMP works for the replacement of carpets are complete and underspent by **(£14,052)**.
- One-off SAMP works for the removal of redundant radiators and the re-lining of hearth has underspent by **(£8,067)**.
- Major works are forecast to overspend by **£37,723**, mainly due to ventilation/air con work, and damp proof course failure which required investigation.
- Grounds maintenance is forecast to underspend by **(£4,000)** due to winter maintenance costs being lower than anticipated for the current year.



- The water fountain was condemned by Northumbrian Water due to not being compliant, therefore the SLA for the water fountain was not paid in 2024/25, leading to an underspend of **(£10,943)**
- Other premises costs such as general cleaning, plant and equipment replacement, and burglar alarm are overspent by **£2,255**.

### 15.3 **Supplies and Services**

The outturn shows a forecast overspend of **£30,215** 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 **£1,961**.
- Public BOR Visual Reference System is forecast to overspend by **£7,048** due to the delivery and installation of a new VRS display podium.
- Software licences are forecast to underspend by **(£5,233)** due to the costs of the Plotbox software system coming in lower than anticipated.
- Customer CDs DVDs and Web Casting, and purchase of urns are forecast to overspend by **£21,754** due to the increase in cremations, which increases costs associated with webcasts etc.
- Other general office costs such as sundries, postages and subscriptions are expected to overspend by **£4,685**.

### 15.4 **Income**

An increase in income of **(£63,225)** from the 2024/25 budget is included within the updated outturn forecasts. The reasons for this are identified below:

- The outturn forecast includes increased cremation fee income of **(£15,591)** compared to budget. The number of cremations was 82 higher than the budgeted amount but there was a high level of unattended direct cremations (124), which generate a lower level of income than other cremations.
- Miscellaneous income is expected to overachieve by **(£4,888)** due to recycling of metal income and CAMEO.

- Visual tributes and charges for the use of the chapel for additional service time are overachieving by **(£26,287)** due to increased demand, as well as the increase in total cremations.
- Income from the Book of Remembrance, plaques, webcasting and seat income is expected to collectively overachieve by **(£865)**.
- Interest received is forecast to overachieve by **(£15,594)** due to rising interest rates, however, in the past few months these figures have begun to decline.

## 16 Capital Programme

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

	Base Budget 2024/25 £	Revised Budget 2024/25 £	Year to Date Actual April - Mar £	Forecast Outturn 2024/25 £	Variance to Revised Budget Over/ (Under) £
<b>Re-development Works</b>					
Installation of resin pathway around memorial garden	18,730	18,730	18,570	18,570	(160)
<b>Total</b>	<b>18,370</b>	<b>18,730</b>	<b>18,570</b>	<b>18,570</b>	<b>(160)</b>

The cost of the Re-development Work is being financed from the Masterplan Memorial Garden reserve. The outturn shows a forecast underspend of **(£160)** as the installation of resin pathway around memorial garden is now complete after being delayed due to weather conditions.

## 17 Earmarked Reserves

Contributions to earmarked reserves are £91,038 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 £71,360 is required from the Major Capital Works Reserve at year end. A contribution from the revenue surplus to the Major Capital Works Reserve of £188,529, results in a net transfer to the Major Capital Works Reserve of £117,169.

The retained reserves of the CDCJC at 31 March 2025 are forecast to be £1,922,358 along with a General Reserve of £652,760, giving a forecast total reserves and balances position of £2,575,118 at the year end.

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

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## **Appendix 1: Implications**

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### **Legal Implications**

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

### **Finance**

Full details of the year to date and projected outturn financial performance of the 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.

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Central Durham Crematorium  
Joint Committee

23 April 2025

Risk Register Update 2024/25 Review 2

Ordinary Decision



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## 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 To inform the Central Durham Crematorium Joint Committee of the outcome of the half-yearly risk review in March 2025.

### **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 there is one minor update to acknowledge, which is included below.

- 8 **Appendix 4, risk 6** Sickness absence of key staff:

The number of Relief Cremation Attendants / Standby Cremator Operators has been reduced from 4 to 3.

This change is not expected to have a significant impact on operations, as staffing levels remain adequate to maintain service continuity.

- 9 There are no other changes to report.

- 10 A profile of service risks is included in **Appendix 5**.

## **Conclusion**

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

## **Author**

John Blowes Tel: 03000 269657



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## **Appendix 1: Implications**

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### **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**

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	<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 < 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 and Comments (Narrative to include in the report)
1	Demand for cremations exceeds capacity.	Minor	Possible	18	Tolerate	No Change
2	Serious breach of health and safety legislation	Moderate	Unlikely	16	Tolerate	No Change
3	ICT and Power Failure	Minor	Unlikely	10	Tolerate	No Change
4	Loss of knowledge and ability to cover existing workload through premature staff loss	Minor	Unlikely	10	Tolerate	No Change
5	Breakdown of the partnership (with Spennymoor Town Council)	Moderate	Remote	7	Tolerate	No Change
6	Sickness absence of key staff	Moderate	Remote	7	Tolerate	The number of Relief Cremation Attendants / Standby Cremator Operators has been reduced from 4 to 3.  This change is not expected to have a significant impact on operations, as staffing levels remain adequate to maintain service continuity.
7	Failure of Cremators / Specialist Equipment	Minor	Remote	6	Tolerate	No Change
8	Damage to Public or Vehicles due to tree branches falling	Insignificant	Unlikely	6	Tolerate	No Change
9	Disclosure of confidential information through incorrect disposal / maintenance of information (data breach).	Minor	Remote	5	Tolerate	No Change
10	Loss of Income/Money	Minor	Remote	5	Tolerate	No Change
11	Potential breach of equality and diversity legislation	Insignificant	Remote	3	Tolerate	No Change

## 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)				<div style="border: 1px solid black; padding: 5px;">                     In this matrix, the key risks have been arranged according to the net impact and net likelihood evaluations to illustrate their relative severity. The full title of each risk is shown in the Key Risks Schedule.                 </div>	
Major (score 10 – 12)					
Moderate (score 7 – 9)	5 Partnership 6 Sick Absence	2 Health & Safety Breach			
Minor (score 4 – 6)	7 Cremators 9 Confidentiality 10 Income Loss	3 ICT & Power Failure 4 Staff Loss	1 Cremations Capacity		
Insignificant (score 1 – 3)	11 Equality & Diversity Breach	8 Tree Branches			
Likelihood	Remote (score 1)	Unlikely (score 2)	Possible (score 3)	Probable (score 4)	Highly Probable (score 5)

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**Central Durham Crematorium  
Joint Committee**

**23 April 2025**

**Annual Internal Audit Report 2024/25**



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

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**Purpose of the Report**

1. The purpose of this report is to present the Annual Internal Audit Report for 2024/25. (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 2024/25 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 2024/25.
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 2024/25.

## **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

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**Contact: Nicola Cooke, Internal Audit Manager    Tel: 03000 269665**

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## **Appendix 1: Implications**

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### **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  
2024/25**

## 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 2024/25

## **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 2024/25, 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 2024/25 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 2024/25, 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 26 September 2024.
7. In accordance with the Internal Audit Charter, a risk-based audit approach has been applied to work undertaken in 2024/25.
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 2024/25 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 2024/25 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 January 2025 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 24 April 2024 and 26 September 2024.
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 2024/25 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 2024/25 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 2024/25. 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 2024/25 Annual Governance Statement.



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## Internal Audit Report

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### Durham Crematorium

13580/2025

### Final Report

**Assurance Opinion:** Substantial

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

**Reviewed by:** John Horsman, Principal Auditor  
Nicola Cooke, Internal Audit Manager

**Date issued:** 07 April 2025

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## 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
Appendix A – Action Plan of Findings and Recommendations .....	5
Appendix B – Best Practice Recommendations .....	1

### Introduction

1. As part of the 2024/25 Internal Audit Plan, an audit was carried out in January 2024 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 2024 to December 2024, a total of 2,314 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 40 cremations which took place during the months of May and August 2024, 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 the 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 invoices had a corresponding payment.
7. Between 1<sup>st</sup> January and 31<sup>st</sup> December 2024, 180 book of remembrance entries, and 279 vase blocks, memorial leaves, plaques or plaque renewals had been purchased.
8. For a sample of 32 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.

9. Testing was undertaken on expenditure incurred during 2024. 300 creditor invoices were paid in the year, and it was confirmed that requisitions had been appropriately raised and approved for all items of expenditure. 77% of requisitions had been approved by the budget holder prior to invoice having been received. The remaining 23% was raised retrospectively, which is fewer than previous recent audits.
10. Sample testing of items of expenditure over £500 identified that quotes were requested from potential suppliers prior to placing orders or agreeing any works.
11. Reconciliations of income to the bank account were carried out by the Senior Accountancy Assistant on a monthly basis.
12. Adequate processes are in place to monitor outstanding debts owed by funeral directors.
13. 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.
14. Income directly received at the crematorium was confirmed to have been accurately and fully recorded. It was confirmed that the income spreadsheet had been completed on a monthly basis by Finance.
15. 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 and reported quarterly to the Joint Crematorium Committee.
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. Vase blocks which were due to be removed in 2024 had been removed and disposed of unless collected by the applicant.
18. Bank reconciliations are undertaken by the Senior Accountancy Assistant and reviewed by the Principal Accountant. Although it was identified that the Senior Accountancy Assistant is able to process bank transactions, they require approval by the Finance Manager, therefore, there is considered adequate separation of duties.
19. As a result of the audit, there were two medium priority findings. A summary of these is set out below;
  - A £228.00 cash payment for a Book of Remembrance (BOR) entry was identified during testing which could not be reconciled to the bank account. Evidence was sighted which confirmed that the money was collected by Loomis

on 7 August 2024. Finance undertakes a monthly bank reconciliation which identified the discrepancy; however, the Crematorium Site Manager had not been notified of the variance.

- Timesheets are completed manually, handwritten on printed templates. Testing identified that 15 timesheets had been miscalculated due to illegible handwriting and mathematical error. These miscalculations resulted in 1.75 hours of overtime being overclaimed by four employees across a four month period between July and October 2024.
20. Our findings, together with recommendations made to improve the management of identified risks and the resultant management response, are provided in the action plan attached as Appendix A.
21. Five best practice recommendations have also been identified during the audit and are detailed in Appendix B.

### **Background**

22. This review has been carried out in accordance with the Terms of Reference.
23. 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.
24. 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.
25. In carrying out the audit, the time and assistance afforded by Graham Harrison, Bereavement Services Manager and his staff was greatly appreciated.

### **Scope and Audit Approach**

26. 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

27. 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.

28. 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.

# Appendix A – Action Plan of Findings and Recommendations



Finding	Recommendation	Management Comment	Responsibility Timescale
<p><b>Action Ref: 01 Income Variance</b></p> <p>A £228.00 cash payment for a Book of Remembrance (BOR) entry was identified during testing which could not be reconciled to the bank account.</p> <p>Evidence was sighted which confirmed that the money was collected by Loomis on 7 August 2024, the Crematorium Site Manager has also been able to confirm with Loomis that the cash was then delivered to Lloyds bank.</p> <p>Finance undertake a monthly bank reconciliation which identified the discrepancy; however, the Crematorium Site Manager had not been notified that of the variance.</p>	<p><b>Priority: Medium</b></p> <p>The £228.00 variance should be investigated further with Lloyds Bank.</p> <p>Where variances are identified during the reconciliation process, Finance should inform the Crematorium Site Manager to allow for appropriate and timely investigation.</p> <p>Any variances which cannot be explained should be escalated in line with the Handling and Transportation of Cash Policy.</p>	<p>Lloyds bank has confirmed payment has been made.</p> <p>When Finance carry out the monthly reconciliation between the bank statement and the income spreadsheet provided by the Crematorium, there are sometimes items on the spreadsheet which are not yet on the bank statement due to timing delays. In the majority of cases these will appear on the bank statement the following month and be matched up. If this is not the case then they will be flagged up with the Crematorium Site Manager. In future, Finance will provide to the Crematorium Site Manager on a monthly basis a list of any income received in prior periods which cannot be matched between the bank statement and the income spreadsheet so that it can be investigated.</p>	<p>Graham Harrison 31/03/25</p>



## Appendix A – Action Plan of Findings and Recommendations



Finding	Recommendation	Management Comment	Responsibility Timescale
<p><b>Action Ref: 02</b> <b>Timesheet Calculations</b></p> <p>Timesheets are completed manually, handwritten on printed templates.</p> <p>Testing identified that 15 timesheets had been miscalculated due to illegible handwriting and mathematical error.</p> <p>These miscalculations resulted in 1.75 hours of overtime being overclaimed by four employees across a four-month period between July and October 2024.</p>	<p><b>Priority: Medium</b></p> <p>Where possible, an automated electronic timesheets template should be used to ensure hours are clearly and accurately recorded and calculations are correct.</p> <p>If it is not possible to implement an automated electronic timesheet template, it would still be beneficial to use a simple electronic timesheet template to improve the legibility of information recorded.</p> <p>Where timesheets are manually calculated, whether handwritten or electronically, it should be ensured that hours are correctly calculated and appropriate deductions are made for breaks.</p>	<p>Certain staff do not have access to a pc to do an electronic timesheet.</p> <p>Staff had been advised to be clear and legible when completing timesheets and will be checked by Crematorium site manager.</p>	<p>Graham Harrison 31/03/25</p>

Appendix B – Best Practice Recommendations

Finding	Recommendation
<p><b>Best Practise Ref: 01</b> <b>Debt Management</b></p> <p>Two debtors invoices issued to Pride Funeral Care in February and March 2023 totalling £1,550.00 were identified which were still outstanding. It was established that it is extremely unlikely that payment will be received as Pride Funeral Care has entered administration.</p>	<p>These invoices should be discussed with the Debtors team to establish the appropriate course of action. If the debt is considered unrecoverable, it should be written off in line with policies and procedures.</p>
<p><b>Best Practise Ref: 02</b> <b>Incorrect Fee</b></p> <p>Fees and charges were approved by Durham Crematorium Joint Committee.</p> <p>Testing identified one fee relating to a Book of Remembrance (BOR) entry had been calculated incorrectly and was therefore not charged in line with the fees approved by Durham Crematorium Joint Committee. The applicant had paid £141.00 for two lines of text and an emblem to be added to the BOR, which should have been charged at £157.00.</p>	<p>When calculating fees, the approved fees and charges list should always be referred to in order to ensure that all fees are calculated and charged correctly.</p>

## Appendix B – Best Practice Recommendations



Finding	Recommendation
<p><b>Best Practise Ref: 03</b> <b>Return To Work Documentation</b></p> <p>As per the sickness absence policy, following each sickness absence a Return To Work (RTW) interview should be carried out within 3 days of the employee’s return from absence. Of the five sickness absences tested:</p> <ul style="list-style-type: none"> <li>• One (from 31/12/2024) has not yet had an RTW form uploaded to Resourcelink.</li> <li>• One (from 26/06/2024) did not have an RTW form uploaded to Resourcelink until 02/09/2024.</li> </ul> <p>The Crematorium Site Manager explained that they had experienced issues uploading the RTW documentation relating to the June absence and the documentation relating to the December absence has been uploaded but isn’t showing.</p> <p>It was confirmed that payroll sickness payments appeared to have been appropriately started and ended as expected.</p>	<p>Return to Work interviews should be conducted and documentation uploaded to Resourcelink in line with policies and procedures.</p> <p>Where issues are experienced or identified, they should be raised with the Payroll &amp; Employee Services (PES) team.</p> <p>RTW documents should be uploaded for the one sickness absence still outstanding.</p>
<p><b>Best Practise Ref: 04</b> <b>Register of Cremations</b></p> <p>In accordance with legislation, a registrar must keep a permanent register of all cremations carried out by the cremation authority. The register must be open to inspection by any person appointed by the Secretary of State or a Chief Police Officer.</p> <p>Whilst a register is held, as at 27th January 2025, 651 cremations had yet to be added to the register, dating back to 17th October 2024.</p> <p>Additionally, three errors were identified in the audit sample as follows:</p> <ul style="list-style-type: none"> <li>• Two dates of deaths had been recorded incorrectly (126958 &amp; 127522).</li> <li>• One surname had been misspelt (126960).</li> </ul>	<p>The Register of Cremations should be kept up to date in accordance with legislation The backlog of entries should be added to the Register of Cremations as soon as possible.</p> <p>The three errors identified should be formally corrected, clearly striking through the error, and signing/initialling the correction.</p>

## Appendix B – Best Practice Recommendations



Finding	Recommendation
<p><b>Best Practise Ref: 05 Procedures</b></p> <p>It was found that procedures had not been updated since the implementation of the Plotbox system. Of six the procedural documents provided for review:</p> <ul style="list-style-type: none"><li>• Three make no reference to the systems in use ('ashes guide', 'emails-forms guide', and 'how to order webcasts + service recordings').</li><li>• Two only make reference to the previous system ('process' and 'how to order music').</li><li>• One references both the new and previous systems ('plaque memorial renewal procedure').</li></ul>	<p>All procedure documents should be reviewed and updated where necessary.</p>