



Mountsett Crematorium Joint Committee

Date **Wednesday 23 April 2025**

Time **9.30 am**

Venue **Chapel - Mountsett Crematorium, Dipton**

Business

Part A

1. Apologies for Absence
2. Substitute Members
3. Minutes of the Meeting held on 28 January 2025 (Pages 3 - 8)
4. Declarations of Interest, if any.
5. Performance and Operational Report - Bereavement Services Manager (Pages 9 - 16)
6. Financial Monitoring Report -Provisional Outturn as at 31 March 2025 - Joint Report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources and Treasurer to the Joint Committee (Pages 17 - 26)
7. Risk Register Update 2024/25 Review 2 - Joint Report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources and Treasurer to the Joint Committee (Pages 27 - 34)
8. Annual Internal Audit Report 2024/25 - Report of the Chief Internal Auditor and Corporate Fraud Manager (Pages 35 - 50)
9. Such other business as in the opinion of the Chairman 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 Mountsett Crematorium Joint
Committee**

Durham County Council:-

Councillors: J Charlton (Chair), V Andrews, G Binney, C Hampson,
P Heaviside, D Oliver, K Rooney and M Walton

Gateshead Council:

Councillors K Dodds, A Geddes, F Geddes, S Green, M Hall and M Ord

Contact: Michelle Lagar

Tel: 03000 269 701

DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held in Chapel - Mountsett Crematorium, Dipton on **Tuesday 28 January 2025 at 9.30 am**

Present:

Councillor J Charlton (Chair)

Durham County Council

Councillors V Andrews, C Hampson, P Heaviside and K Rooney

Gateshead Council:

Councillors F Geddes and M Ord

1 Apologies for Absence

Apologies for absence were received from Councillors G Binney (Durham County Council), D Oliver (Durham County Council), M Walton (Durham County Council), K Dodds (Gateshead Council), A Geddes (Gateshead Council), S Green (Gateshead Council) and M Hall (Gateshead Council).

2 Substitute Members

There were no substitutes.

3 Minutes of the Meeting held on 27 September 2024

The minutes of the meeting held on 27 September 2024 were confirmed as a correct record and signed by the Chair.

4 Declarations of Interest

There were no declarations of interest.

5 Performance and Operational Report - Bereavement Services Manager and Registrar

The Joint Committee received a report of the Bereavement Services Manager and Registrar that provided Members of the Mountsett Crematorium Joint Committee with an update relating to performance and other operational matters (for copy see file of Minutes)

The Bereavement Services Manager and Registrar advised that from 1 September 2024 to 31 December 2024 there had been 405 cremations undertaken compared to 422 in the comparable period last year with a decrease of 37 cremations during this period. In addition, there were 35 memorials sold compared to 44 in the same period with a decrease of 9 with a value of £398. He noted that one Casual Relief Crematorium attendant had now left the role, and 2 Casual Relief Crematorium Attendant's had been appointed to cover both crematoriums. He confirmed that an application for the Green Flag 2024 award had been successful, and an application would be submitted for the 2025 award. He stated that the recycling metals scheme had raised £5,800 for 2 charities – Daft as A Brush and You Care Share Foundation. A second round of charity nominations 2025 was due to close on 31 January 2025 with Northeast Air Ambulance and Willowburn Hospice nominated.

The Chair noted that a Casual Relief Crematorium attendant had left the role and another appointed, how was this justified, particularly in light of falling cremation numbers which were a concern? The Bereavement Services Manager clarified that the vacancy was for a permanent casual attendant that would work across both sites. The falling number of cremations could be related to more resident using private companies for direct cremation services. The Chair highlighted that the crematorium was a local service that offered direct cremations which resident may not be aware of this service being available. Communication of direct crematorium could be shared through Members and also via social media in a sensitive manner. The Bereavement Services Manager added that the service did not have a Facebook page however it was being looked into as Bereavement Services in other Authorities did utilise social media.

Resolved:

- i) Note the current performance of the crematorium.
- ii) Note the current staffing issues.
- iii) Note the continued success with regards to the Green Flag Award.
- iiii) Note the updated position with regards to the recycling of metals scheme

6 Financial Monitoring Report - Position at 31/12/24, with Projected 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 Members of the Mountsett Crematorium Joint Committee with details of with details of the projected outturn position for 2024/25 and the projected level of reserves and balances at 31 March 2025 (for copy see file of Minutes).

The Finance Manager Neighbourhoods and Climate Change gave highlights of the financial report. He noted that the projected revenue outturn was a surplus of £369,574 against a budgeted surplus of £388,983 which was £19,409 less than the budgeted position. There was an overspend for employees due to levels of overtime being higher than expected and the national pay settlement for 2024/25. There was also an underspend on SAMP works relating to energy improvement works that had been delayed from last year.

Resolved:

That the April to December 2024 financial monitoring report and associated provisional outturn position as 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 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 outlined the proposed Service Level Agreement (SLA) for Support Service provision by Durham County Council to the Mountsett Crematorium Joint Committee for the period April 2025 to March 2026 (for copy see file of Minutes)

The Finance Manager Neighbourhoods and Climate Change detailed the proposed SLA for the next financial year that outlined the support services from Durham County Council. These included Management Services, Financial Services, Administration Services (including Committee support), Payroll Services and Human Resources Services. The proposed charge was £28,500 which was a 8% increase for the charge on this time last year that had considered the impact of the pay and inflation increases.

Resolved:

That the Service Level Agreement attached at Appendix 2 (including the relevant schedule) for the year 2025/26 be approved.

8 Fees and Charges 2025/26

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 set out details of the proposed fees and charges for the Mountsett Crematorium for 2025/26 (for copy see file of Minutes)

The Finance Manager Neighbourhoods and Climate Change highlighted the proposal to increase the fees and charges for the cremations for 2025/26 by £50

which was a 5.71% rise. The price would increase from £875 to £925 which was still the lowest price in comparison to other Local Authorities except Durham which was the same.

Councillor Andrews noted that the increase brought crematorium fees closer to the average cremation fees across the region and ensured it did not fall too far behind. The Finance Manager Neighbourhoods and Climate Change responded that the cost of a direct cremation would remain unchanged.

Councillor F Geddes added that the costs had increase twice in 2024/25 with a midyear increase. The Finance Manager Neighbourhoods and Climate Change replied that it would be a matter for the Committee to decide if a further midyear increase would be considered in 2025/26.

Resolved:

- i) It is recommended that members of the Joint Committee note and approve the proposed fees and charges at Appendix 2 effective from 1 April 2025, which seeks to increase cremation charges by £50 (5.71%) per cremation from £875 to £925 (inclusive of £30 medical referee fee).
- ii) It is recommended that members of the Joint Committee give consideration to a mid-year increase in fees and charges, due to the widening gap between fees at Mountsett Crematorium and the average cremation fee across the region.
- iii) It is recommended that the proposed fees and charges are incorporated into the 2025/26 budget.

9 Revenue Budget 2025/26

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 set out for Members' consideration proposals with regards to the 2025/26 revenue budgets for the Mountsett Crematorium (for copy see file of Minutes)

The Finance Manager Neighbourhoods and Climate Change highlighted the proposed revenue budgets along with the forecast outturn position as at 31 March 2026. There had been minor changes that included the pay awards and planned maintenance costs. The income had increased by £21,820 due to the estimated increase in the number of cremations and the increased amount of income from plaques, webcasting and visual tributes. It was estimated that the total reserves would be £1,014,959 as at 31 March 2026.

The Chair referred to future planned maintenance costs related to the cremator and the expected costs. The Bereavement Service Manager added that the current

cremator was installed 3 years ago and had a life span of 20 years subject to on-going maintenance and repairs.

Resolved:

That the budget proposals contained within the report (as set out at Appendix 2) and that the forecast level of reserves and balances at 31 March 2026 (also set out at Appendix 2) be noted and approved.

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Mountsett Crematorium Joint Committee

23 April 2025

Performance and Operational Report



Report of Graham Harrison, Bereavement Services Manager

Electoral division(s) affected:

Countywide

Purpose of the Report

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

Executive Summary

2. This report provides Members of the Mountsett 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 Mountsett Joint Committee:
 - a. Note the current performance of the crematorium.
 - b. Note the attendance at the Joint Conference of the Federation of Burial & Cremation Authorities and the Cremation Society of Great Britain.
 - c. Note the distribution of recycling income to the respective charities.

Background

4. This report provides Members of the Mountsett 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 2025 to 31 March 2025 inclusive, with comparative data in the same periods last year:

	2023/24	2024/25	Change
January	122	116	- 6
February	115	150	+ 35
March	110	138	+ 28

TOTAL	347	404	+ 57
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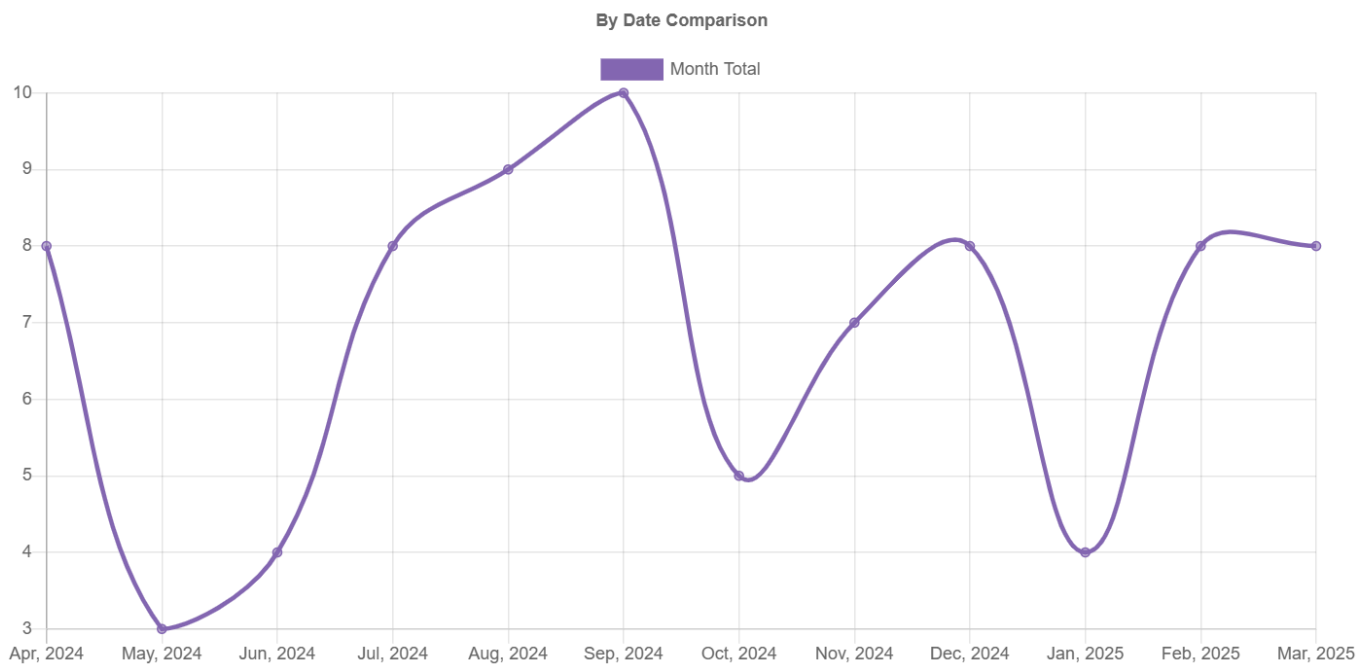
6. There were 404 cremations undertaken during the period 1 January 2025 to 31 March 2025, compared to 347 in the same period last year, an increase of 57. The profile of where families came from can be seen below:

Gateshead	116
Durham	199
Outside Area	89
Total	404

7. The total number of cremations in 2024/25 was 1,345 compared with 1,370 in 2023/24, a decrease of 25.
8. The 2024/25 budget was set at a prudent assumption of 1,350 cremations during the year. The actual number of cremations undertaken was therefore 5 less than the budget position. This is reflected in an under achievement of cremation fee income of £38,540 in year, which is included in the budgetary control report. As mentioned in paragraph 10, there were 82 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	1,191
2014/15	1,320
2015/16	1,296
2016/17	1,439
2017/18	1,396
2018/19	1,331
2019/20	1,399
2020/21	1,758
2021/22	1,463
2022/23	1,445
2023/24	1,370
2024/25	1,345
12 Year Average	1,396

10. For Members information, the table overleaf 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, with comparative data for the same period last year:



	2023/24	2024/25	Change
Direct Cremation – Attended	0	0	0
Direct Cremation - Unattended	62	82	+ 20
TOTAL	62	82	+ 20

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	£
Large Plaques	5	2,160	1	432
Small Plaques	8	2,304	11	3,168
Memorial leaves	7	700	17	1,700
Renewals	3	540	2	270
Total	23	5,704	31	5,570

12. In overall terms the number and value of memorials sold of 31 / £5,570 compares to 23 / £5,704 in the same period last year, a decrease of 8 memorials and a small increase in income of £134.00.

13. The table below identifies the total number and value of memorials sold during 2022/23 compared to 2023/24:

	2023/24 Total		2024/25 Total	
	Number	£	Number	£
Large Plaques	15	6,750	6	2,592
Small Plaques	54	15,294	56	15,948
Memorial leaves	51	5,100	43	4,300

Renewals	13	2,250	13	1,980
Total	133	29,394	118	24,820

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 Bereavement Services Manager & Registrar.

Recycling of Metals Scheme

16. Members were advised at the previous meeting that we had nominated Willowburn Hospice and Northeast Air Ambulance, (Appendix 3 shows the Cheque presentation of £6,250 to each charity made by the Chair of the Joint Committee).

Contact: Graham Harrison,

Tel: 03000 265606

Appendix 1: Implications

Legal Implications

As outlined in the report.

Finance

As identified in the report.

Consultation

None, however, Officers of Gateshead Council were provided with a copy of the report and given opportunity to comment/raise any detailed questions on the content of the report in advance of circulation to members of the Mountsett Crematorium.

Equality and Diversity / Public Sector Equality Duty

There are no implications.

Climate Change

There are no implications.

Human Rights

There are no implications.

Crime and Disorder

There are no implications.

Staffing

As identified in the report.

Accommodation

There are no implications.

Risk

There is an ongoing risk with regards to the functioning of the new cremators.

Procurement

There are no implications.

Appendix 2: Breakdown.

	Jan	Feb	Mar	Total Jan- Mar
County Durham				
ANNFIELD PLAIN	5	3	2	10
BEAMISH			1	1
BLACKHILL/BRIDGEHILL	3	4	3	10
BURNOPFIELD		5	6	11
CASTLESIDE	1			1
CATCHGATE	2	2	4	8
CHESTER LE STREET	2	2	1	5
CONSETT	11	9	16	36
CRAGHEAD		3		3
CROOK			1	1
DELVES LANE	3	9	2	14
DIPTON		3	4	7
DURHAM		1	1	2
EBCHESTER	3		1	4
ESH WINNING			1	1
GREENCROFT			1	1
LANCHESTER	1	4	6	11
LOW WESTWOOD		1	2	3
LEADGATE	2	3	4	9
MEDOMSLEY			2	2
MOORSIDE	2	1	1	4
NEW KYO		1		1
PETERLEE			1	1
SHIELD ROW		1		1
SHOTLEY BRIDGE			2	2
SOUTH MOOR	1	2	2	5
STANLEY	18	27	15	60
TANFIELD LEA	1			1
TANTOBIE	1	1		2
PELTON / WEST PELTON	1			1
WASHINGTON	1		1	2
Gateshead				
BENSHAM			1	1
BIRTLEY	1	1	1	3
BLACKHALL MILL		1		1
BLAYDON	2	1	4	7
CHOPWELL	1	2	1	4
CRAWCROOK	6	4	4	14
DUNSTON	1	2	2	5
GATESHEAD		3	5	8
GREENSIDE	2			2
HAMSTERLEY COLLIERY			1	1
HIGH SPEN	2	2		4
LOBLEY HILL	2		3	5

ROWLANDS GILL	3	4	5	12
RYTON	5	5	3	13
SUNNYSIDE		1	1	2
SWALWELL	3			3
WINLATON	4	9	6	19
WINLATON MILL	1		1	2
WHICKHAM	4	9	4	17
Other				
BLYTH			1	1
BURNLEY	1			1
CHESTER	1			1
CORBRIDGE	3	3	1	7
GOSFORTH		1		1
HERTFORDSHIRE			1	1
HEXHAM	2	6		8
LEEDS	1			1
MICKLEY			2	2
NEWCASTLE	1	1		2
OVINGHAM	1	1	1	3
PONTELAND		2	3	5
PRESTON	1			1
PRUDHOE	6	6	4	16
RIDING MILL		1		1
SOUTH SHIELDS			1	1
STOCKSFIELD	4	2	1	7
WYLAM		1	1	2
Total	116	150	138	404

Appendix 3:Cheque Presentation.



Cheque Presentation to Northeast Air Ambulance's Vicky Fisher

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 presents Members of Mountsett Crematorium Joint Committee (MCJC) 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, together with the provisional outturn position for 2024/25, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.
- 3 The report also details the funds and reserves of the Joint Committee at 1 April 2024 and provisional final position at 31 March 2025, taking into account the updated financial outturn.
- 4 The projected revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £370,589 against a budgeted surplus of £388,983, which is £18,394 less than than the budgeted position.
- 5 Contributions to the earmarked reserves are forecast as £18,394 less than originally budgeted.
- 6 In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of £53,204 is required. This is partly offset by a contribution from the revenue surplus of (£20,589) and, combined with a transfer of £15,000

to the Repairs Reserve, this results in a net transfer from the Cremator Replacement Reserve of £47,615.

- 7 The retained reserves of the MCJC at 31 March 2025 are forecast to be £463,251 along with a General Reserve of £389,084, giving total reserves and balances position of **£852,335** 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 outturn position at 31 March 2025, including the projected year position with regards to the reserves and balances of the Joint Committee.

Background

- 9 Scrutinising the financial performance of Mountsett 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 Mountsett 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 Mountsett 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 Mountsett Crematorium as at 31 March 2025.

Subjective Analysis	Base Budget 2024/25 £	Year to Date Actual April – March £	Provisional Outturn 2024/25 £	Variance Over/ (Under) £
Employees	241,305	251,449	251,449	10,144
Premises	515,430	470,120	479,264	(36,166)
Transport	1,400	938	938	(462)
Supplies & Services	111,016	107,371	112,076	1,060
Agency & Contracted	5,361	3,742	5,442	81
Capital Charges	0	0	0	0
Central Support Costs	33,450	33,450	33,450	0
Gross Expenditure	907,962	867,069	882,618	(25,344)
Income	(1,296,945)	(1,246,718)	(1,253,208)	43,737
Net Income	(388,983)	(379,648)	(370,589)	18,394
Transfer to / (from) Reserves				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	(29,221)	0	(47,615)	(18,394)
- General Reserve	53,204	0	53,204	0
Distributable Surplus	(350,000)	0	(350,000)	0
65% Durham County Council	227,500	227,500	227,500	0
35% Gateshead Council	122,500	122,500	122,500	0

Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2024 £	Transfers (to) / from Reserve £	Transfers (to) / from Reserve £	Balance @ 31 March 2025 £
Repairs Reserve	(129,370)	(15,000)	0	(144,370)
Cremator Reserve	(366,496)	(20,589)	68,204	(318,881)
General Reserve	(335,880)	(403,204)	350,000	(389,084)
Total	(831,746)	(438,793)	418,204	(852,335)

Explanation of Significant Variances between Original Budget and Forecast Outturn

- 13 As can be seen from the table above, the projected revenue outturn is indicating a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £370,589 against a budgeted surplus of £388,983, which is £18,394 less than 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 29 January 2025, of a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £369,574 against a budgeted surplus of £388,983, which is £19,409 more than the budgeted position. The provisional outturn surplus position is therefore £1,015 more than was previously forecast. A reconciliation of the projections at quarter 3 compared to the provisional outturn figures is as follows:

- Employee costs are **(£2,176)** lower than projected at quarter 3 due to overtime being lower than estimated previously.
- Premises costs are **(£5,012)** lower than previously projected due to the SAMP works for the replacement of carpets, which will be completed in the next financial year instead of the current year.
- Transport costs relating to mileage expenses are **£288** more than previously projected.
- Supplies and Service costs are **(£2,762)** less than previously projected, mainly due to the actuals for software (Plotbox) being lower than originally budgeted for.
- Income is **£8,647** lower than previously projected mainly due to an overestimation in crematorium fees income.

15 The following section outlines the reasons for any significant budget variances by subjective analysis area. Members should note that some transactions are undertaken annually at the year end and 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

15.1 **Employees**

The outturn is overspent by **£10,144**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are overspent by **£10,144** mainly due to an increase in staff overtime.

15.2 Premises

The outturn shows a forecast underspend of **(£36,166)** in relation to premises costs. The reasons for this are identified below:

- One off SAMP budget relating to the replacement of the main chapel doors has underspent by **(£330)**. This work was budgeted to take place in 2023/24 but was delayed.
- One off SAMP works relating to the replacement of carpets have been delayed until the next year due to the project not being complete in the current year. It is therefore underspent by **(£24,107)** in 2024/25.
- One off SAMP works relating to the replacement of chapel doors, the re-lining of the hearth, the installation of the memorial tree and the installation of memorial towers are now completed and the actuals have a minor variance to the budget, therefore forecast to underspend by **(£6,189)**.
- One off SAMP re-decoration works have come in significantly lower than budget due to the costing of the work being overestimated when setting the budget, leading to an underspend of **(£7,320)**.
- Major works have overspent by **£7,342** due to new aluminium doors and increased unexpected repairs such as boiler leaks.
- Cremator repairs have overspent by **£11,264** due to the replacement of a cremator charger.
- Energy budgets are underspent by **(£20,011)**. The budgets for utilities have been overestimated after the global increase in the cost of gas and electricity in previous years.
- Rates have overspent by **£20,271** due to an increase in rates following the 2024 revaluation of non-domestic properties by the Valuation Office Agency.
- Grounds maintenance costs are forecast to underspend by **(£4,021)** mainly due to winter maintenance costs being lower than in previous years.
- Other premises costs such as equipment purchase/replacement and burglar alarms are forecast to underspend by **(£13,395)**.

15.3 Supplies and Services

The outturn shows a forecast overspend of **£1,060** in relation to supplies and services costs. The reasons for this are identified below:

- Software licences is forecast to underspend by **(£6,737)** due to the costs for the Plotbox system being lower than anticipated.
- The Wesley Music System has overspent by **£3,854** due to the replacement of a digital service display board.
- Other supplies and services such as the cost of plaques and sundries are forecast to overspend by **£3,943**.

15.4 **Income**

An decrease in income of **£43,737** from the 2024/25 budget is included within the updated outturn forecasts. The reasons for this are identified below:

- The outturn forecast shows reduced income of **£38,540** compared to budget, which is mainly due to the high number of unattended direct cremations (82) which generate a lower level of income than other cremations.
- Other income streams such as plaques, webcasting and use of the chapel are forecast to overachieve by **(£9,127)**.
- Interest received has underachieved by **£14,324** due to the current year interest rates beginning to decrease after rising interest rates in previous years.

16 **Earmarked Reserves**

Contributions to the earmarked reserves are forecast as £18,394 less than originally budgeted.

In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of £53,204 is required. This is partly offset by a contribution from the revenue surplus of (£20,589) and, combined with a transfer of £15,000 to the Repairs Reserve, this results in a net transfer from the Cremator Replacement Reserve of £47,615.

The retained reserves of the MCJC at 31 March 2025 are forecast to be £463,251 along with a General Reserve of £389,084, giving total reserves and balances position of £852,335 at the year end.

Contact:	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 Mountsett Crematorium are included within the body of the report.

Consultation

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

Equality and Diversity / Public Sector Equality Duty

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

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

Procurement

None.

Climate Change

None.

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**Mountsett Crematorium
Joint Committee**

23 April 2025

Risk Register Update 2024/25 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 To inform the Mountsett 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 a couple of minor updates are included below.

- 8 **Appendix 4, risk 4** Sickness or 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 **Appendix 4, risk 6** Failure of cremators or specialist equipment:

Mountsett Crematorium previously had one temporary cremator installed whilst the 2 ATI Cremators were being replaced. This has now been replaced with two permanent IFZW units. This upgrade will maintain capacity, improve efficiency and assure the ability to handle demand. Performance to be reviewed at Review 1 2025-26, at which point a decision will be taken to reduce the Risk Impact and Likelihood.

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

Conclusion

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

Author

John Blowes Tel: 03000 269657

Appendix 1: Implications

Legal Implications

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

Finance

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

Consultation and Engagement

None, however, Officers of Gateshead Council were provided with a copy of the report and given opportunity to comment/raise any detailed questions on the content of the report in advance of circulation to members of the Mountsett Crematorium.

Equality and Diversity / Public Sector Equality Duty

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 Mountsett Crematorium Joint Committee.

Procurement

None.

Appendix 2: How Mountsett Crematorium risks are managed

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

Appendix 3B: Strategic Risk Assessment Criteria – Likelihood Factors

Factor and Description		Expected Frequency
5	Highly Probable	<ul style="list-style-type: none"> • More than once a year • Something that is already occurring or is likely to be a regular occurrence throughout a one-year period • Inevitable i.e., the event is expected to occur in most circumstances. • >80% chance of occurring
4	Probable	<ul style="list-style-type: none"> • Once a year • Something that has occurred in the last year or is likely to occur at least once throughout a one-year period. • Probable or where the conditions of the loss occur on a regular basis i.e., the event will probably occur in most circumstances. • 61% to 80% chance of occurring
3	Possible	<ul style="list-style-type: none"> • Every 1-3 years • Likely only to happen at some point over the next 1 to 3 years. • Possible but responding to well understood situations i.e., the event might occur at some time. • 31% to 60% chance of occurring.
2	Unlikely	<ul style="list-style-type: none"> • Every 3-5 years • 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. • 11% to 30% chance of occurring
1	Remote	<ul style="list-style-type: none"> • Over 5 years • Rare activity or is unlikely based on current intelligence i.e., the event may only occur in exceptional circumstances. • < 10% chance of occurring.

Appendix 4: Service Risk Register for Mountsett 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.

No.	Risk	Net Impact	Net Likelihood	Net Risk Score	Conclusion	Comments
1	Demand for cremations exceeds capacity.	Minor	Possible	18	Treat	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	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.
5	Breakdown of the partnership (with Gateshead Metropolitan Borough Council)	Moderate	Remote	7	Tolerate	No Change
6	Failure of cremators or specialist equipment.	Minor	Remote	6	Tolerate	Mountsett Crematorium previously had one temporary cremator installed whilst the 2 ATI Cremators were being replaced. This has now been replaced with two permanent IFZW units. This upgrade will maintain capacity, improve efficiency and assure the ability to handle demand. Performance to be reviewed at Review 1 2025-26, at which point a decision will be taken to reduce the Risk Impact and Likelihood.
7	Disclosure of confidential information through incorrect disposal / maintenance of information (data breach).	Minor	Remote	5	Tolerate	No Change
8	Loss of Income/Money	Minor	Remote	5	Tolerate	No Change

Appendix 5: Profile of Service Risks for Mountsett 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)				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	
Major (score 10 – 12)					
Moderate (score 7 – 9)	4 Sick Absence 5 Partnership	2 Health & Safety Breach			
Minor (score 4 – 6)	6 Cremator Failure 7 Data Breach 8 Loss of Income	3 ICT & Power	1 Cremations Capacity		
Insignificant (score 1 – 3)					
Likelihood	Remote (score 1)	Unlikely (score 2)	Possible (score 3)	Probable (score 4)	Highly Probable (score 5)

**Mountsett Crematorium
Joint Committee**

23 April 2025

Annual Internal Audit Report 2024/25



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 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

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

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



**MOUNTSETT CREMATORIUM
JOINT COMMITTEE**

**INTERNAL AUDIT
ANNUAL REPORT
2024/25**

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Appendix:

Appendix 3 Internal Audit Report Mountsett Crematorium 2024/25

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 27 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 February 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 in April 2024 and 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 were 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 Mountsett 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.



Internal Audit Report

Mountsett Crematorium

13590/2025

Final Report

Assurance Opinion: Substantial

Prepared by: Alison Clarke, Senior Auditor
Graeme Adcock, Internal Audit Assistant
Aaron Lonsdale, Apprentice Internal Auditor

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

Date issued: 08 April 2025

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Confidential

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Introduction

1. As part of the 2024/25 Internal Audit Plan, an audit was carried out in February 2024 to evaluate the control framework in place on the management of the risks associated with Mountsett 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 1,287 cremations took place at Mountsett 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 Mountsett 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 1st January and 31st December 2024, 156 book of remembrance entries, and 112 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 Mountsett Crematorium Joint Committee.

9. Testing was undertaken on expenditure incurred during 2024. 219 creditor invoices were paid in the year, and it was confirmed that requisitions had been appropriately raised and approved for all items of expenditure. 87% of requisitions had been approved by the budget holder prior to invoice having been received. The remaining 13% 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 were 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. 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 and reported quarterly to the Joint Crematorium Committee.
15. 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.
16. Sample testing identified that staff overtime payments were supported by timesheets that were appropriately authorised and supporting documentation was maintained to verify staff payments in relation to sick pay.
17. 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.
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 no high or medium priority findings.

20. Three best practice recommendations have been identified during the audit and are detailed in Appendix A.

Background

21. This review has been carried out in accordance with the Terms of Reference.
22. 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.
23. 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.
24. 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

25. 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

26. 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
Substantial Assurance	There is a sound system of control. Any weaknesses identified expose some of the system objectives to minor risk.
Moderate Assurance	Whilst there is basically a sound system of control, there are some weaknesses, which expose objectives to risk.
Limited Assurance	There are weaknesses in key areas in the system of control, which expose objectives to unacceptable levels of risk.

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

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

Appendix A – Best Practice Recommendations



Finding	Recommendation
<p>Best Practise Ref: 01 Fees and Charges</p> <p>Fees and charges were approved by Mountsett Crematorium Joint Committee.</p> <p>Testing identified one applicant who was charged £24.00 for adding an additional line to the book of remembrance. This fee is not listed in the approved fees and charges list; it is however confirmed in the suppliers list of fees.</p>	<p>DCC's Fees and Charges should publish all agreed fees and charges. The next time this is due to be updated the cost of adding an additional line into the BOR should be added.</p>
<p>Best Practise Ref: 02 Memorial Plaque Renewals</p> <p>A sample of four memorial plaque due for renewal in early 2024 was reviewed. It was found that two had not been removed at the time of audit following non-response to the plaque renewal letter issued over ten months prior.</p>	<p>As outlined in the plaque memorial renewal procedure, where no response is received to the plaque renewal letter, the plaque should be removed three months following the issue date of the renewal letter.</p>
<p>Best Practise Ref: 03 Procedures</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"> • Three make no reference to the systems in use ('ashes guide', 'emails-forms guide', and 'how to order webcasts + service recordings'). • Two only make reference to the previous system ('process' and 'how to order music'). • One references both the new and previous systems ('plaque memorial renewal procedure'). 	<p>All procedure documents should be reviewed and updated where necessary.</p>