



Central Durham Crematorium Joint Committee

Date **Wednesday 27 January 2010**
Time **5.30 pm**
Venue **Committee Room 1B - County Hall, Durham**

Business

Part A

1. Minutes of the meetings held on 25 November 2009 and 14 December 2009. (Pages 1 - 10)
2. Report of the Superintendent and Registrar. (Pages 11 - 16)
3. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 17 - 20)
Budgetary Control Report, Quarter 3, 2009/10.
4. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 21 - 26)
Fees and Charges, 2010/11.
5. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 27 - 32)
Budget, 2010/11.
6. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 33 - 72)
Risk Register, 2009/10.
7. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 73 - 80)
Internal Audit Plan & Audit Scope 2009/10, and 2010/11.
8. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration.

Sharon Spence
Clerk to the Joint Committee

County Hall
Durham
19 January 2010

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

Durham County Council: M Plews (Vice-Chair), J Chaplow, N Foster,
R Rodgers, D Stoker, L Thomson,
M Williams and C Woods

Spennymoor Town Council: J Marr (Chair), F Walker and JL Wood

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

Agenda Item 1

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**DURHAM COUNTY COUNCIL
SPENNYMOOR TOWN COUNCIL**

CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE

**AT A SPECIAL MEETING of the CENTRAL DURHAM CREMATORIUM
JOINT COMMITTEE held in COMMITTEE ROOM 1A at the COUNTY HALL
on 14 DECEMBER 2009 at 4.15 pm.**

PRESENT

COUNCILLOR J Marr in the Chair

Members of the Committee:

Councillors N Foster, M Plews, R Rodgers, A Thomson, F Walker, J Wood
and C Woods

Officers Present:

Paul Darby	Head of Finance, HR and Business Support, Neighbourhood Services, Durham County Council
Graham Harrison	Bereavement Services Manager, Neighbourhood Services, Durham County Council
Paul Heppell	Audit Manager (District Audit), Audit Commission
Peter Jackson	Auditor, Internal Audit, Durham County Council
Alan José	Superintendent and Registrar, Durham Crematorium
Mark Outterside	Auditor (District Audit), Audit Commission
Derek Shingleton	Accountant, Spennymoor Town Council
Sharon Spence	Clerk to the Central Durham Crematorium Joint Committee

**A1 Report of the Treasurer to the Joint Committee – Revised
Statement of Accounts 2008/09**

The Head of Finance, HR and Business Support, Paul Darby asked members to receive the Report setting out the amended Statement of Accounts for 2008/09 which included a limited number of adjustments as to correct mis-statements and to improve presentation and ease of understanding. Members were also asked to note additional amendments to the Annual Governance Statement as set out within further papers circulated subsequent to the main Agenda papers.

Resolved:

That the revised Statement of Accounts 2008/09, including the abovementioned amendment to the Annual Governance Statement be approved.

A2 External Audit Report – Statement of Accounts 2008/09

The Head of Finance, HR and Business Support, Paul Darby introduced the Audit Manager (District Audit) - Audit Commission, Paul Heppell and the Auditor (District Audit) - Audit Commission, Mark Outterside.

The Audit Manager thanked the Chair for the opportunity to present the Report on behalf of the District Auditor, Cameron Waddell who was unable to be in attendance at this specially convened meeting.

The Audit Manager began by explaining that the process of External Audit was a national requirement and the Report would hopefully inform the Joint Committee as to the key issues identified within the annual audit work carried out. Members were reminded of the context of the Report, namely that of Local Government Reorganisation and the need for more rigorous Statement of Recommended Practice (SORP) accounting procedures as a consequence of an increase in income at the Crematorium.

The Audit Manager noted that the Report had two key functions, one to explain the District Auditor's opinion on the accuracy of financial statements within the Statement of Accounts, and secondly to give a conclusion on the value for money in relation to use of resources.

The Accountant from Spennymoor Town Council, Derek Shingleton noted that his copy of the Audit Report appeared to have been printed erroneously, omitting the even numbered pages. Several of the Members' copies also were missing the even pages. Accordingly, replacement copies were produced and circulated to Members.

The Committee were taken through the correct copy of the Report by the Audit Manager, who highlighted that in relation to the first key function of the District Auditor's Report, there were several issues highlighted and set out within the Report, including a lack of evidence relating to:

- adequate arrangements being in place for ensuring its draft financial statements complied with statutory requirements, statutory and regulatory timetables, and relevant accounting and reporting standards;
- effective internal audit arrangements being in place throughout the year in accordance with CIFPA standards; and
- sound internal financial controls for all key systems, particularly for income and the general ledger.

Within the District Auditor's Report, errors with the opening balances and errors in connection with fixed assets were noted, as was an amendment required to take into account the financial impact of the current economic climate on the figures, in particular those relating to land values. Also, the Audit Manager informed Members that the report highlighted issues relating to the need for robust year end cut off arrangements and to several specific SORP requirements that had not been met.

The Joint Committee were asked to note that adjusted amendments to the accounts and unadjusted mis-statements in the accounts were set out at Appendices 2 and 3 respectively. Members were apprised of the Draft Letter of Representation set out at Appendix 4 for Officers' use in responding to issues raised within the District Auditor's Report.

The Audit Manager asked Members to note that there was scope for the Annual Governance Statement to be enhanced, with more accurate identification of areas for improvement and actions that would enable such improvements to be put into practice.

Accordingly, the District Auditor's Report indicated that he would give an unqualified opinion on the Joint Committee's financial statements.

The Audit Manager explained the second key function of the Report, a conclusion upon the value for money offered in relation to the use of resources, was set out at Appendix 5. The Report noted that in this respect the Statement of Accounts was acceptable, albeit with two issues highlighted:

- a need to ensure financial reporting is timely, reliable and meets the needs of internal users, stakeholders and local people; and
- a need for adequate arrangements for managing risks and maintaining a sound system of internal control.

Accordingly, the District Auditor's Report indicated that he would give a qualified value for money conclusion, noting the abovementioned points.

The Audit Manager concluded by mentioning that the recommendations as contained within the main body of the Report were set out in an Action Plan at Appendix 6.

The Chair thanked the Audit Manager and asked if there were any questions.

The Accountant from Spennymoor Town Council asked the Head of Finance, HR and Business Support, via the Chair, whether the Joint Committee could be assured that the issues highlighted by the District Auditor's Report would indeed be addressed.

The Head of Finance HR and Business Support responded by noting several of the issues highlighted had already been addressed, and whilst some were related to the practical set up of accounts, notwithstanding monthly reconciliations between accounts being undertaken, it may be that in consultation with the Treasurer, Stuart Crowe and the Superintendent and Registrar, Alan José, that procedures and practices may need to be updated.

The Superintendent and Registrar noted that the Report could be read as giving a negative reflection of the work undertaken by Officers in preparing the Statement of Accounts. The Auditor (Internal Audit), Durham County Council commented that most of the material adjustments as set out in the Report referred to issues carried over from previous years accounts, not necessary from the 2008/09 period.

The Auditor (Internal Audit) also asked Members to note that the Consultant Accountant brought in to help with the Statement of Accounts had provided invaluable assistance and had brought himself up-to-speed very quickly despite no prior experience of Local Government. Both the Head of Finance HR and Business Support and the Superintendent and Registrar thanked the Auditor from Internal Audit and his colleagues for their help in bringing together the Statement of Accounts at such short notice especially as they were not asked to do so until after the statutory deadline for SORP reporting had passed.

The Auditor (District Audit), Audit Commission noted that the Report was not intended to appear critical of Officers, but was rather the issues highlighted were aimed at a higher level and that the Report simply applied the appropriate SORP criteria to the Joint Committee's Statement of Accounts and procedures. The Audit Manager agreed and noted that the operational aspects of the Crematorium were not in question, rather there was an opportunity for improvement in relation to the financial, auditing and governance arrangements in order to comply with SORP requirements.

The Head of Finance HR and Business Support assured the Joint Committee that the issues raised within the Report, and recommendations as set out within it, would be addressed in order to ensure future financial arrangements put in place would lead to Statements of Accounts that were SORP compliant.

The Chair thanked the Officers for their comments and asked the Members of the Joint Committee for agreement as regards agreeing with the External Audit – Annual Governance Report.

Resolved:

- (a) That the External Audit Report (Annual Governance Report) of the District Auditor be noted.
- (b) That the recommendations contained within the Annual Governance Report to be addressed by the appropriate Officers on behalf of the Central Durham Joint Crematorium Committee.

**Central Durham Crematorium
Joint Committee**

27 January 2010

Quarterly Update Report



Report of Alan José, Superintendent and Registrar to the Joint Committee

1. Purpose of the Report

To give Members of the Central Durham Crematorium Joint Committee the usual information contained within the Quarterly Update.

2. Cremations

I have to report for your information, the following statistics relating to the Crematorium for the period 1 October 2009 to 31 December 2009 inclusive:

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
OCT	199 + 5*	195 + 10*	177 + 3*	222	180 + 4*	192 + 1*
NOV	194 + 6* + 10**	193 + 4*	193 + 5*	200 + 3*	168	167 + 2*
DEC	194 + 5* + 1**	216 + 4*	183 + 1*	200 + 3*	200 + 5*	172 + 3*
TOTAL	587 + 16* + 11**	604 + 18*	553 + 9*	622 + 6*	548 + 9*	531 + 6*

* = NVF

** = STs

*** = BODY PARTS

Durham	183	
Outside Area	<u>348</u>	(listed at Appendix 2)
Total	<u>531</u> + 6 Nv	

3. Memorial Garden

I would wish to advise the Joint Committee that during the period 1 October 2009 to 31 December 2009 inclusive, the following Memorials have been sold:

Vase Blocks	9
Large Plaques	20
Small Plaques	<u>6</u>
Total	35

Financial Information (Net of VAT)

Vase Blocks	4,468.18
Large Plaques	6,499.58
Small Plaques	<u>1,172.18</u>
Total	£ 12,139.94

4. Influenza Pandemic – Planning

Minute Numbers 2083 (26 April 2006), 2104 (19 July 2006), 2121 (25 October 2006), 2136 (17 January 2007), 2166 (25 July 2007), 2178 (31 October 2007), 2187 (23 January 2008), 2205 (30 April 2008), B6 (17 June 2009), A5 (15 July 2009) and A2 (25 November 2009) refers.

The four additional trained Cremator Operators are working on a regular rota to maintain operating skills and the Superintendent & Registrar is in regular contact with the Civil Contingencies Unit, Regional Epidemiologist and Consultant in Communicable Diseases. Three additional volunteers have come forward for Cremator Operator Training at Mountsett Crematorium. It is hoped that this training will commence shortly.

5. 50 Year Anniversary

In addition to the publication of a booklet, it is proposed that a Memorial Service (or Services depending on demand) which would be held in a Marquee erected in the Crematorium grounds. Arrangements could be made for refreshments to be served afterwards and an exhibition of Funerals Services available to the public. This could include displays by Florists, Funeral Directors, Coffin Manufacturers etc. and tours of the Crematorium could also be available.

Investigations as to costs are ongoing and a full report will be presented to the next meeting of the Central Durham Crematorium Joint Committee.

6. Federation of Burial and Crematoria Authorities – Annual Return

As members of the F.B.C.A. (Federation of Burial and Crematoria Authorities) it is required that Statistical and Annual return is submitted each January together with confirmation that the F.B.C.A. Code of Practice has been observed during the year. A copy of this Report is set out at Appendix 3.

7. Recycling of Orthopaedic Implants and Non-Ferrous Metals

For some ten years, Ortho Metals has been providing a turnkey solution for the collection and recycling of metal implants from Crematoria across Europe and in the U.S.A.

The initiative for recycling orthopaedic implants has been supported by the I.C.C.M. (Institute of Cemetery and Crematorium Management) who have monitored the scheme in the U.K.

All monies made from the sale of the metals is donated to Charity – decision as to which Charities is overseen by the I.C.C.M. with Charities selected at local level by the I.C.C.M. Branches across the Country. Recent recipients include: Red Cross, Clinic Clowns, Various Hospices, Cancer Foundation and Disabled Sportsmen and Women.

To date over £100,000.00 has been donated to charity via this scheme. Locally, Sunderland, Newcastle-upon-Tyne, South Shields, and Middlesbrough Crematoria are members of the scheme, where it is working very successfully.

To implement the scheme at Durham (and Mountsett) Crematorium would be a simple way to recycle precious metals and to reduce the carbon footprint of the Crematorium.

8. Staffing

I would advise the Committee that a member of the Crematorium Staff, Mr John Willis, had an accident at his home last week and has broken his leg in three places.

Mr Willis is expected to be off work for some 8 to 10 weeks.

To cover his duties at this busy time of the year, I have arranged with Durham County Council that Mr Ray Goodson, one of our qualified Pandemic Cremator Operators is seconded to the Crematorium on a temporary basis.

9. Recommendation

That the Report be noted and the Superintendent & Registrar make the necessary arrangements for Durham Crematorium to enrol in the Ortho Metals recycling scheme.

Background Papers:

- OthoMetals – Promotional Documentation and website.
- Institute of Cemetary & Cremation Management – Report of Recycling Metals following Cremation (April 2005).
- Institute of Cemetary & Cremation Management – Frequently Asked Questions (25 June 2008)

Contact: Alan José

Tel: 0191 384 8677

Appendix 1: Implications

Finance

As outlined in the Report

Staffing

As outlined in the Report

Equality and diversity

None

Accommodation

None

Crime and disorder

None

Environment

None

Human rights

None

Localities and rurality

None

Young people

None

Consultation

None

Appendix 2: Breakdown of figures

	Oct	Nov	Dec		Oct	Nov	Dec
Amble (Northumberland)				Lincolnshire			
Barnard Castle				Hexham			1
Berwick-Upon-Tweed				Lanchester			1
Billingham	1		1	Middlesbrough	1		
Binchester				Morpeth			
Birtley		1		Murton	4	3	1
Bishop Auckland	9	5	12	Nettlesworth			
Bishop Middleham	1		2	Newcastle	2		1
Blackhall	1	2	2	Newton Aycliffe	3	10	8
Blackpool				Northallerton			
Burnhope				Ouston			
Chester				Redcar			1
Chester Le Street	13	12	10	Peterlee	10	6	6
Chester Moor				Sacriston	3	1	2
Chilton	1	2	3	Seaham	5	5	
Consett				Scarborough			1
Cornsay				Sedgefield	2	2	2
Coundon	1			Shildon	4	1	1
Cowhill				Shiney Row			
Crook	9	13	9	Shotton	2		2
Darlington	1		2	Somerset			
Doncaster				South Hetton			
Easington	1	3	6	Staindrop			
East Rainton				Stanhope		2	1
Edmondsley				Stanley		1	1
Egypt				Station Town			1
Esh Winning				Stockton			1
Fencehouses	1			Sunderland			
Ferryhill	8	8	9	Sunnybrow		1	
Fishburn	4	3	1	Thirsk			
Frosterley		2	1	Thornley		3	2
Gateshead				Toft Hill			
Great Lumley			2	Tow Law		1	
Hartlepool			2	Trimdon	1	4	2
Harrogate				Warrington			
Haswell	1			Washington	1		
Hetton Le Hole	1	4	5	West Auckland	2		1
Hampshire				West Cornforth	3	1	1
Horden	2	3	3	Wheatley Hill	5	3	2
Houghton	6	1	1	Willington	4	4	6
Howden	1		1	Wingate		2	1
Hunwick	1		1	Winlaton			
Lancs (Morecambe)				Wolsingham	2	1	1
Langley Park	1			Yorkshire			
Leeds							
Daily Total					118	110	120

Appendix 3: National Cremation Statistics For The Year 2009

Name: Durham Crematorium

S/060

NUMBER OF CREMATIONS

The LAST NUMBER in your Cremation Register at 31 December 2009	(a) 93149
The LAST NUMBER in your Cremation Register at 31 December 2008	(b) 90894
TOTAL CREMATIONS for the year 2009 [(a) – (b)]	(c) 2255
Add: Total Cremations SINCE OPENING to 31 December 2008	(d) 90894
TOTAL CREMATIONS to 31 December 2009 [(c) + (d)]	93149

DISPOSAL OF CREMATED REMAINS FOR THE YEAR 2009

Strew in grounds of this Crematorium	1063
Interred in grounds of this Crematorium	-
Placed in niches at this Crematorium	5
Removed from this Crematorium	1187
No collectible remains obtained	-
Awaiting instructions for disposal	-
Total [Should agree with (c) above]	2255

OTHER CREMATIONS CARRIED OUT IN THE YEAR 2009

(Not to be included in the above)

Number of CREMATIONS OF FOETAL REMAINS	32
Number of SOCIAL TERMINATIONS (identified by Hospital Number only)	-
Number of CREMATIONS OF BODY PARTS under the Cremation (Amendment) Regulations 2000	-

INSPECTION OF CREMATION FORMS IN THE YEAR 2009

Number of requests received to inspect cremation forms during the year	2
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CODE OF CREMATION PRACTICE

It is hereby certified that during the year 2009 the Code of Cremation Practice of the Federation of British Cremation Authorities has been observed at this Crematorium

Central Durham Crematorium Joint Committee



27 January 2010

Financial Monitoring Report – Position at 31/12/09, with Projected Outturn at 31/03/10



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Stuart Crowe – Corporate Director: Resources

1. Purpose of the Report

- 1.1 The purpose of this report is to set out details of income and expenditure in the period 1 April to 31 December 2009, with a projection of the anticipated outturn to 31 March 2010, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.
- 1.2 The report also sets out details of the funds and reserves of the Joint Committee at 1 April 2009 and estimated position at 31 March 2010, taking into account the forecast financial outturn.

2. Background

- 2.1 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.

3. Financial Performance

- 3.1 Budgetary control reports, incorporating outturn projections, are considered by Neighbourhood Services' Management Team on a monthly basis. The County Councils Corporate Management Team also considers monthly budgetary control reports, with quarterly reports being considered by Cabinet / Overview and Scrutiny Committee. The year to date and outturn projections for the Central Durham Crematorium are included within these reports.
- 3.2 The projections contained with this report have been calculated using income and expenditure for the year to date, consideration of expenditure patterns in previous years and information supplied by the Superintendent & Registrar. The following table highlights the year to date actual and projected outturn financial performance:

Subjective Analysis	Original Base Budget 2009/10 £	Year to Date Actual (Apr- Dec) £	Probable Outturn 2009/10 £	Variance Over/ (Under) £
Employees	242,000	151,617	211,010	(30,990)
Premises	177,683	107,181	180,984	3,301
Transport	1,500	303	1,000	(500)
Supplies & Services	52,584	19,984	51,192	(1,392)
Agency & Contracted	33,733	12,654	33,733	0
Transfer Payments	0	0	0	0
Capital Charges	0	0	0	0
Central Support Costs	32,000	24,600	32,000	0
Gross Expenditure	539,500	316,339	509,919	(29,581)
Income	(995,750)	(735,519)	(997,851)	(2,101)
Net Income	(456,250)	(419,180)	(487,932)	(31,682)
Transfer to Reserves				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	130,000	0	161,682	31,682
- Small Plant	5,000	0	5,000	0
- Central Heating Renewal Fund	10,000	0	10,000	0
Distributable Surplus	(306,250)	0	(306,250)	0
80% Durham County Council	245,000	0	245,000	0
20% Spennymoor Town Council	61,250	0	61,250	0
Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2009 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2010 £
Masterplan Memorial Garden	(13,875)	(5,000)	0	(18,875)
Major Capital Works	(421,111)	(161,682)	0	(582,793)
Small Plant	(13,002)	(5,000)	0	(18,002)
Central Heating Renewal Fund	(13,000)	(10,000)	0	(23,000)
Total	(460,988)	(181,682)	0	(642,670)

4. Explanation of Significant Variances Between Original Budget and Forecast Outturn

The following section outlines the reasons for significant variances by subjective analysis area.

- 4.1 Employees
The probable outturn is projecting a £30,990 saving based on current staffing levels. The base budget assumed a 1.50% pay award, however, the outturn projections factor in the agreed 1% pay award.
- 4.2 Premises
This is mainly due to a predicted overspend on electricity due to charges being higher than anticipated.
- 4.3 Transport
This is a predicted underspend on car allowances as the Medical Referees are not claiming their allowances.
- 4.4 Supplies and Services
This is mainly due to an anticipated underspend on computer maintenance.
- 4.5 Income
The projected additional income of £2,101 is due to a number of factors.

Medical Reference fees (net of expenditure) are anticipated to result in an additional £4,083. Masterplan sales are projecting an unachievable income of £5,144, however due to a reduction in expenditure, the net effect results in an additional £2,494. Miscellaneous income is projected to achieve an additional £10,806.

These additional income streams offset unachievable income in relation to interest on investments (due to a reduction in interest rates, over the level budgeted) and reduced income from the sale of seats.

- 4.6 Earmarked Reserves
At this stage, and in line with the previous report, it has been assumed that the anticipated additional surplus will be retained within the CDCJC. Members of the committee will need to consider options at the year end.

5. Recommendations and reasons

It is recommended that:-

- (a) Members note the April to December 2009 Revenue spend financial monitoring report and associated forecasts in terms of the outturn position 2009/10; and
- (b) Quarterly reports continue to be submitted to Members for consideration, in line with the Forward Plan.

Background Papers:

None.

Contact:	Paul Darby, Head of Finance, HR & Business Support	Tel: 0191 383 6594
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Appendix 1: Implications

Finance

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

Staffing

There are no staffing implications associated with this report.

Equality and Diversity

There are no Equality and Diversity implications associated with this report.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

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

Sustainability

There are no Sustainability implications associated with this report.

Human Rights

There are no Human Rights implications associated with this report.

Localities and Rurality

There are no Localities and Rurality implications associated with this report.

Young People

There are no Young People implications associated with this report.

Consultation

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

Health

There are no Health implications associated with this report.



Central Durham Crematorium Joint Committee

27 January 2010

Fees and Charges 2010/11



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Stuart Crowe – Treasurer to the Joint Committee

Purpose of the Report

1. The purpose of this report is to set out details of the proposed fees and charges for the Central Durham Crematorium for 2010/11.

Background Information

2. Durham County Council's Fees and Charges Policy provides a framework for the County Council's approach to charging. The policy is built around the following principles;
 - Develop an entrepreneurial approach so that charges, whether new or reviewed, are properly considered, and consistent;
 - Compliance with the Local Government Act 2003, which gives wide general powers to provide and charge for "Discretionary Services";
 - Adherence with the financial duty to ensure income does not exceed cost;
 - Charges may be set, so that different people are charged different amounts and in different areas to satisfy local needs and objectives. (A service can also continue to be provided free); and
 - The income derived from charging will normally be used to offset the costs of providing the service being charged for, including support service costs.
3. In reviewing existing charges or setting of new charges inflationary pressures; the potential impact of competition in terms of price and quality; trends in demand; results of customer surveys; budget targets; cost structure implications; impact on other service areas; alternative more effective charging structures and proposals for targeted promotions etc need to be fully taken into consideration.

4. The County Councils general approach to fees and charges harmonisation post Local Government Review was to ensure that all statutory and regulatory fees and charges were being applied correctly and consistently; and to harmonise policy, standards of service and discretionary fees and charges where it was appropriate to do so, particularly where maintaining different charges was inequitable and unfair.
5. Bereavement services (including cemetery charges) were harmonised with effect from 1 April 2009. However, since the fees and charges for the Central Durham and Mountsett Crematoria had already been set by the two respective Joint Committees and communicated by that stage, discussions on harmonisation within these areas was deferred until 2010/11.
6. In accordance with the County Council's fees and charges harmonisation policy, it is the intention that Mountsett Crematorium will increase its fees and charges in line with those agreed for Central Durham.

Fees and Charges 2010/11

7. The proposals for 2010/11 have been developed in the context of the business case for the cremator replacement / mercury abatement requirements, considered by members at 25 November meeting, which assumed an increase in gross income of 3% next year.
8. The revised charges take into account the views of the Superintendent Registrar with regards to the local market and customer impact from the proposed increases, together with benchmarking data on the charges levied in other neighbouring facilities. Significantly, the proposals seek to harmonise policy with regards to charges with that of the Mountsett Crematorium.
9. The following revisions to fees and charges are proposed:

Cremation

Adult Cremation fees are increased by 4.4% to £400 in 2010/11. This results in an increase of £17 per adult over the age of 16 years. Fees levied for 2010/11 (inclusive of medical referees and environmental surcharge) are therefore proposed at £470.

It is proposed that charges for children up to 1 month and up to 16 years are removed.

Book of Remembrance

The charges for the book of remembrance have not been reviewed for a number of years. In that time, costs in relation to calligraphy have increased significantly. It is therefore proposed that fees in respect of the Book of Remembrance are increased from £34 to £36 (5.88%) to cover these costs.

It is proposed that all other fees and charges remain the same as in 2009/10. A full schedule of the proposed fees and charges for the Central Durham Crematorium is shown in Appendix 2, with benchmarking comparison data shown in Appendix 3 for members' information.

Recommendations and reasons

10 It is recommended that:-

- Members of the Joint Committee note and approve the proposed fees and charges.
- The approved fees and charges are incorporated into the 2010/11 budget.

Background Papers

2009/10 Budget and Financial Monitoring Reports
Cremator Replacement / Mercury Abatement Options Appraisal Report
2010/11 Budget Working Papers
DCC Fees and Charges Policy

Contact(s): Paul Darby 0191 383 6594

Appendix 1: Implications

Finance

A detailed schedule of the proposed fees and charges for the Central Durham Crematorium is included at Appendix 2. These proposals have been factored into budget projections for 2010/11 and are in line with the financial business case developed for the planned cremator replacement, as considered by the Joint Committee in November 2009.

Staffing

There are no staffing implications associated with this report.

Equality and Diversity

The proposals set out in this report seek to harmonise fees and charges policy with the Mountsett Crematorium and provide equity of treatment / access across County Durham.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

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

Sustainability

The proposals set out in the report are in line with the financial business case developed for the planned cremator replacement, providing sufficient funding to sustain both the operating costs and asset management investment needs of the Central Durham Crematorium.

Human Rights

There are no Human Rights implications associated with this report.

Localities and Rurality

There are no Localities and Rurality implications associated with this report.

Young People

There are no Young People implications associated with this report.

Consultation

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

Health

There are no Health implications associated with this report.

FEES & CHARGES LEVIED BY NEIGHBOURING FACILITIES (2009/10)

	Darlington	Hartlepool	South Tyneside	Sunderland	Newcastle	Gateshead	Middlesbrough	North Tyneside
	£	£	£	£	£	£	£	£
Non-viable Foetus	£150	£16	£0	£114	£0	£0	£11	£9
Infant Child	£150 12 mths	£16 under 5 yrs	£0 up to 14 yrs	£0 up to 28 days	£0 up to 12 yrs	£0	£21 up to 1 month	£0
Child	£150 up to 18 yrs	£100 up to 16 yrs	£0	£107 under 10 yrs	£0 13 yrs & over	£0	£43 under 16 yrs	£0
Adult	£457 over 18 yrs	£490 over 16 yrs	£394.50 over 15 yrs	£447 over 10 yrs	£381	£392 over 18yrs	£514 over 16 years	£372 over 18 yrs
Surcharges Non Resident (Adult) Environmental surcharge	£0 £50	£0 Included	£0.00 £35	£595 Included	£0 Included	£0 Included	£0 Included	£0 Included
Saturdays/ Additional	Not applicable	Not applicable	50%	50%	Not applicable	100%	£37	Not applicable
Certificate of Cremation	Included	Included	Included	Included	Included	Included	Included	Included
Medical Referees Fees	£19	Included	£28.50	£20	£23	£21.50	Included	£19
2 line entry Book of Remembrance	£50	£55	£43.50	£37	£54	£34	£36.60	£46
Body Parts	£90	£0	£0	£0	£0	£0	£0	£0

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Central Durham Crematorium Joint Committee

27 January 2010

2010/11 Revenue Budget



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Stuart Crowe – Treasurer to the Joint Committee

Purpose of the Report

1. The purpose of this report is to set out for members' consideration proposals with regards to the 2010/11 revenue budget for the Central Durham Crematorium.

Background Information

2. The 2010/11 budget has been developed with the Superintendent Registrar, taking into account the proposed Fees and Charges set out in the previous report, the 2009/10 estimated outturn position and known expenditure pressures in the coming year, together with the requirements set out in the financial business case for the cremator replacement, considered by members in November 2009.

Budget Proposals 2010/11

3. The proposed 2010/11 revenue budget is shown in Appendix 2. The main changes to the 2009/2010 budget are as follows:

Employees

The 2010/11 Budget has been reduced by £22,000. This takes into consideration a reduced pay award from 1.5% to 1% as per 2009/2010 and the projected outturn (net of incremental increases agreed within individual employees' contracts). The 2009/10 base budget also included sums for honoraria payments to the Treasurer, however, these payments are not now being made following LGR.

Premises

An additional £12,000 maintenance costs have been built into the budgets. This will cover the anticipated costs in repairing the driveways and footpaths following the effects of the severe winter weather this year. In addition, additional tree work and grounds maintenance costs have been included in order to meet the standards required for the Crematoria of the Year Award, an application for which is planned in the coming year.

Supplies and Services

The supplies and services budget builds in provision for an additional £15,205. The main requirements are:

- Replacement Organ – The cost of a new organ is £9,000. The budgets assume a part exchange of £1,000, resulting in a non-recurring net budget requirement of £8,000;
- Identity tokens - £1,200
- Service booklets – New replacement service booklet are required at an estimated cost of £1,000;
- 50 Years Service Celebrations – A £5,000 provision has been included to cover costs such as Marquee Hire etc. associated with this “one off” event;.

Agency and Contracted

An additional £16,500 has been included in the budget to cover the costs of a number of feasibility studies associated with the Cremator replacement proposals. Ecological Surveys are estimated to cost £1,500, along with other feasibility studies costing approximately £15,000 for the design of the new car park proposed in the Cremator Replacement / Mercury Abatement report considered at the 25 November meeting.

Capital Charges

No loan repayments or capital financing costs associated with the replacement cremator/ mercury abatement capital scheme have been factored into the budget at this stage. It is assumed that due to timing issues, the majority of spend on this capital scheme will take place during 2011/2012. As the capital scheme progresses, such payments/ charges will be reviewed and, in accordance with the business case considered in November, will replace the annual contributions to reserves and balances during the 10 year pay back period. .

Income

The budget factors in the budgetary impact of applying the increases in fees and charges proposed in the fees and charges report considered earlier. As members will be aware, the proposals are to increase the Adult Cremation fee by 4.4% to £400 next year – the gross fee (inclusive of medical referees and environmental surcharge) would therefore be £470 in 2010/11. However, the current fees levied for infants up to 1 month and children up 16 years would be removed. The proposals would harmonise both policy and fee levels with Mountsett. The net effect of these proposals is that forecast additional income of £36,190 will be received next year, in line with the financial business case required to finance the cremator replacement.

The increase in charges for the book of remembrance, increased from £34 to £36, will result in additional income of £1,400 being generated in 2010/11.

Offsetting this additional income however, is a reduction in forecast income from interest receivable. As members will recall, surplus funds are invested by the accountable body and any interest earned on cash investment balances is credited to the Central Durham Crematorium accounts. As a result of lower interest rates, interest receivable needs to

be reduced by £3750. This has been calculated based on an estimated interest rate of 0.48% next year (as per 2009/2010).

Earmarked Reserves

Transfers to the Masterplan Memorial Garden, Small Plant and Central Heating Renewals Reserves are budgeted in line with the 2009/10 levels.

Transfers to the Transfers to the Major Capital Works Reserve have been increased to offset the net effect of the above budget adjustments, whilst maintaining the distributed surplus at 2009/2010 levels next year. This results in an additional £11,860 contribution to the Major Capital Works Reserve. As noted above the budget with regards to transfer to reserves will need reviewing during the course of the year as capital financing costs / profiles become more certain.

The estimated total earmarked reserves and balances of the Central Durham Crematorium Joint Committee at 31 March 2011, taking into account the quarter 3 budgetary control report 2009/10 and the proposed transfers to earmarked reserves in the 2010/11 budget is £804,530.

Recommendations and reasons

4 It is recommended that:

- Members of the Joint Committee note and approve the budget proposals contained within the report (as set out at Appendix 2).

Background Papers

2009/10 Budget and Financial Monitoring Reports
Cremator Replacement / Mercury Abatement Options Appraisal Report
2010/11 Budget Working Papers
2010/11 Fees and Charges report
DCC fees and charges policy

Contact(s): Paul Darby 0191 383 6594

Appendix 1: Implications

Finance

A detailed schedule of the proposed budget for the Central Durham Crematorium is included at Appendix 2, with an explanation of proposed changes set out in the body of the report.

Staffing

There are no staffing implications associated with this report.

Equality and Diversity

The proposals set out in this report in terms of fees and charges policy are based on harmonisation with the Mountsett Crematorium and provide equity of treatment / access across County Durham.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

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

Sustainability

The proposals set out in the report are in line with the financial business case developed for the planned cremator replacement, providing sufficient funding to sustain both the operating costs and asset management investment needs of the Central Durham Crematorium.

Human Rights

There are no Human Rights implications associated with this report.

Localities and Rurality

There are no Localities and Rurality implications associated with this report.

Young People

There are no Young People implications associated with this report.

Consultation

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

Health

There are no Health implications associated with this report.

APPENDIX 2

2009/2010 Base Budget	2009/2010 Projected Outturn		2010/2011 Proposed Budget
£		EXPENDITURE	£
242,000	211,010	Employees	220,000
177,683	180,984	Premises	189,700
1,500	1,000	Transport	1,500
52,584	51,192	Supplies and Services	67,790
33,733	33,733	Agency & Contracted	50,230
32,000	32,000	Central Support Costs	32,000
539,500	509,919	Gross Expenditure	561,220
(995,750)	(997,851)	INCOME	(1,029,330)
(456,250)	(487,932)	Net Income	(468,110)
		Transfer to Reserves	
5,000	5,000	- Masterplan Memorial Garden	5,000
130,000	161,682	- Major Capital Works	141,860
5,000	5,000	- Small Plant	5,000
10,000	10,000	- Central Heating Renewal Fund	10,000
(306,250)	(306,250)	Distributable Surplus	(306,250)
245,000	245,000	80% Durham County	245,000
61,250	61,250	20% Spennymoor Town Council	61,250

Actual Balance @ 1 Apr 2009 £	Estimated Balance @ 31 Mar 2010 £	Central Durham Crematorium Earmarked Reserves and Balances	Estimated Balance @ 31 Mar 2011 £
(13,875)	(18,875)	Masterplan Memorial Garden	(23,875)
(421,111)	(582,793)	Major Capital Works	(724,653)
(13,002)	(18,002)	Small Plant	(23,002)
(13,000)	(23,000)	Central Heating Renewal Fund	(33,000)
(460,988)	(642,670)	TOTAL	(804,530)

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Central Durham Crematorium Joint Committee

27 January 2010

Risk Register Update



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Stuart Crowe – Treasurer to the Joint Committee

Purpose of the Report

1. To provide an update on the current position of the Risk Register for the Durham Crematorium Committee and to set out proposals for regular routine reporting of risk.

Background

2. In the past the Risk Register for Durham Crematorium was produced and monitored by the Superintendent and Registrar and the Director of Strategic Resources at City of Durham. The risk register included a comprehensive register that included all risks of a service and operational nature, with all risks scored on the methodology/approach to Risk Management within the former City of Durham Council.
3. The Forward Plan for 2009/10 commits the Joint Committee to considering an update to the Risk Assessment by 31/1/10.

Risk Assessment – December 2009

4. Following LGR, the Durham Crematorium Risk Register has been reviewed, reassessed and updated in accordance with the Durham County Council methodology / approach to Risk Management. This entails an assessment of both the gross and net risks from each area, the difference between the gross and net risk score being that the net risk result is after taking into account existing control measures. Full details of the Durham County Risk Management Methodology are set out at Appendix 2 for members information.
5. Two risk registers have been prepared separately, identifying Service and Operational risks. In preparing the updated risk registers comparisons have also been made with the Mountsett Crematorium Risk Register to ensure consistency of risks across the County.
6. Both sections of the risk register have been reviewed by the Superintendent and Registrar and the Bereavement Services Manager, Neighbourhood Services, Durham County Council. Gross and Net Risk ratings have been agreed by consensus and actions to mitigate and / or tackle issues arising from the individual risks have been agreed for the forthcoming year.

7. The service risks (i.e. those that are key to the service achieving its strategic objectives and priorities for improvement, linked to service improvement plans and the budget setting cycle) have been plotted onto a risk matrix, based on Net Risk Scores. This is set out in Appendix 3, together with individual risk assessments for each of these. The risk matrix plots the risk to a grid based upon the assessment of likelihood and impact scores. The higher a risk is towards the top right corner of the matrix the more significant the risk is to the service.
8. As with Service Risks, the Operational Risks (i.e. those that are key to the operational areas of the service which relate to individual tasks carried out on a routine basis) have also been plotted onto a risk matrix and these are set out at Appendix 4 together with individual risk assessments for each of these. These assessments confirm that these risks are well managed and it can be demonstrated that there is a risk culture embedded within the business.

Embedding Risk Management

9. In order to ensure that risk management continues to be embedded and that the risk register is kept up to date, regular reviews will need to be carried out to ensure any new and emerging risks are identified, existing risks are removed if no longer appropriate and existing risks are reviewed taking into account current issues.

Conclusions

10. The Risk Register has been rescored in accordance with Durham County Council Criteria. Comparisons have been made with the Mountsett Crematorium Risk Register to ensure risks that may have previously been omitted are now included ensure consistency.

Recommendations and Reasons

11. It is recommended that :-
 - Members of the Central Durham Joint Crematorium Committee note the content of this report and the updated position;
 - The Risk Registers be kept up to date and reviewed by the Joint Committee on a half yearly basis; and
 - An annual report on the approach to risk management being prepared in April / May to inform the Annual Governance Statement.

Contact:	Paul Darby	Tel: 0191 383 6594
	Marian Shanks	Tel: 0191 372 7639

Appendix 1: Implications

Finance

There are no financial implications associated with this report. Exposure to financial risk is integral to the gross and net risk assessments undertaken and included in the Risk Registers attached at Appendix 3 and 4.

Staffing

There are no staffing implications associated with this report.

Equality and Diversity

There are no implications associated with this report

Accommodation

There are no implications associated with this report

Crime and Disorder

There are no implications associated with this report

Sustainability

Risk Management improves governance arrangements and is integral to the management of the facility and has a positive influence over the sustainability of the operation.

Human Rights

There are no implications associated with this report

Localities and Rurality

There are no implications associated with this report

Young People

There are no implications associated with this report

Consultation

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

Health

There are no implications associated with this report

Appendix 2: Durham County Council Risk Management Process

The risk management process at Durham County Council is based upon a cycle:-



Once a Risk has been identified it is analysed and evaluated as follows:-

- Likelihood X Impact (taking into account Financial + Service Delivery + Stakeholder impacts)

Initially the **Gross Risk** is assessed by scoring the impact and likelihood of the risk **without** taking account of any controls that the Council may already have in place. It is essential to determine this Gross risk, as it is the key baseline against which to evaluate this risk on an ongoing basis.

The **Net Risk** is then determined **after** taking account of any controls that the Council may already have in place, and the likelihood that the risk event may occur over a given period.

In order to calculate the scores for Likelihood and Impact the Risk Assessment criteria is used as outlined below.

After scoring the risk a decision is made whether to Tolerate, Transfer, Treat or Terminate the risk. If any control improvements or actions have been identified as a result of reviewing the risk these are allocated to a responsible officer with timescales to ensure they are carried out before the next review.

DURHAM COUNTY COUNCIL – IMPACT FACTORS

Factor	Severity	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 / 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 	<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 	<ul style="list-style-type: none"> • Serious reputational damage to the Council regionally, nationally and internationally • Damage to relationships with central government or other public bodies e.g. One North-East, 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 • Failure of Service to maintain existing status under other Inspection regimes e.g. Ofsted • Resolution requires approval at CMT level • Limited strike action within a Service 	<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
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 	<ul style="list-style-type: none"> • Results in negative press coverage within County Durham • Minor criticism by Community • Minor criticism by other stakeholders e.g. Partners, central government • Significant number of complaints from service users • Serious Reputational damage to own Service area
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 	<ul style="list-style-type: none"> • Results in negative press coverage within the locality / ward • Insignificant criticism by Community • Insignificant criticism by other stakeholders e.g. Partners, central government • Insignificant number of complaints from service users • Minor Reputational damage to own Service area

DURHAM COUNTY COUNCIL - LIKELIHOOD FACTORS

Factor	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 3: Service Risk Register

RISK MATRIX							
5	Highly Probable						LIKELIHOOD
4	Probable						
3	Possible		11	3,15			
2	Unlikely	4,20	7,10,16				
1	Remote	13,14,17,18,19	1,2,5,6,8,12	9			
		Insignificant (Score 1-3)	Minor (Score 4-6)	Moderate (Score 7-9)	Major (Score 10-12)	Critical (Score 13-15)	
		IMPACT					

Risk. No.	Risk – Ranked by Risk Number	Net Risk Score	Ranking
1	Not implementing changes in legislation	6	8
2	Non compliance with the new fire order	6	8
3	Impact of staff morale due to uncertainty over Job Evaluation and Single Status	21	1
4	Sickness absence of key staff	6	8
5	Disclosure of confidential information through incorrect disposal / maintenance of information	5	13
6	Failure of Cremators / Specialist Equipment	6	8
7	ICT and Power Failure	10	4
8	Loss of Income/Money	5	13
9	Breakdown of Partnership	7	7
10	Loss of knowledge and ability to cover existing workload through premature staff loss	10	4
11	Managing excess deaths	12	3
12	Adverse inspection / Audit report	5	13
13	Financial Losses due to reputation	3	16
14	Contractual failure in relation to future planned projects or maintenance leading to financial claims or losses and loss of reputation and income e.g. Replacement of Cremators	3	16
15	Inability to meet 2012 legislation changes	21	1
16	Inability to recruit appropriately qualified staff at short notice	10	4
17	Administrative duties	3	16
18	Lack of awareness of the Impact of Equalities, DDA, Access to Services and Age Legislation	3	16
19	Lack of evidence for Employers Liability Claims	3	16
20	Damage to Public or Vehicles due to tree branches falling	6	8

Risk. No.	Risk – Ranked by Net Risk Score	Net Risk Score	Ranking
3	Impact of staff morale due to uncertainty over Job Evaluation and Single Status	21	1
15	Inability to meet 2012 legislation changes	21	1
11	Managing excess deaths	12	3
7	ICT and Power Failure	10	4
10	Loss of knowledge and ability to cover existing workload through premature staff loss	10	4
16	Inability to recruit appropriately qualified staff at short notice	10	4
9	Breakdown of Partnership	7	7
1	Not implementing changes in legislation	6	8
2	Non compliance with the new fire order	6	8
4	Sickness absence of key staff	6	8
6	Failure of Cremators / Specialist Equipment	6	8
20	Damage to Public or Vehicles due to tree branches falling	6	8
5	Disclosure of confidential information through incorrect disposal / maintenance of information	5	13
8	Loss of Income/Money	5	13
12	Adverse inspection / Audit report	5	13
13	Financial Losses due to reputation	3	16
14	Contractual failure in relation to future planned projects or maintenance leading to financial claims or losses and loss of reputation and income e.g. Replacement of Cremators	3	16
17	Administrative duties	3	16
18	Lack of awareness of the Impact of Equalities, DDA, Access to Services and Age Legislation	3	16
19	Lack of evidence for Employers Liability Claims	3	16

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	1	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Not implementing changes in Legislation	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Non compliance with the law 	
Potential Impact	<ul style="list-style-type: none"> Reputational Damage Criticism by Stakeholders Results in negative press coverage. 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	6	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	12	
Existing Control Measures		
<ul style="list-style-type: none"> Regular updates from professional institutes – ICCMM & FBCA Membership of external organisations Updates received from a number of sources inc Justice Dept Copies of periodicals circulated among staff members Share best practice and communication with Durham Copies of various periodicals received and circulated to staff 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Net Impact Score (sum above)	6	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	6	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Continue with current controls	A Jose	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	2	
Risk Owner	Ian Ramsey	
Detail of Risk	Service Risk – Non compliance with new fire order	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Non compliance with new fire order 	
Potential Impact	<ul style="list-style-type: none"> Injury to staff and public Damage to building 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	6	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	12	
Existing Control Measures		
<ul style="list-style-type: none"> Staff aware of the new order. Responsible officer for building in place Fire wardens in place Fire extinguishers in place Relevant information displayed Auto gas control fitted in control room Regular inspections carried out Fire Alarm Testing Carried out Weekly 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Net Impact Score (sum above)	6	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	6	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1.Continue with Current Controls	I Ramsey	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	3	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Impact of morale of staff due to Job Evaluation and Single Status	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Job Evaluation Rationalisation of grades and salaries Job Evaluation not implemented in COD Job Evaluation to recommence in new Authority. 	
Potential Impact	<ul style="list-style-type: none"> Impact on staff morale affecting ability to deliver services 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	4	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	7	
Likelihood (1 to 5)	5	
Total Gross Risk Score (Total Impact * Likelihood)	35	
Existing Control Measures		
<ul style="list-style-type: none"> Regular meeting and team briefings Bereavement Services Manager appointed for County Council 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	4	
Stakeholder Impact (1 to 5)	2	
Total Net Impact Score (sum above)	7	
Likelihood (1 to 5)	3	
Total Net Risk Score (Total Impact * Likelihood)	21	
CONCLUSION		
<ul style="list-style-type: none"> TREAT 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Keep staff informed of process 2. Management participate in job evaluation process	Alan Jose	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	4	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Sickness absence of key staff	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Unexpected sickness absence by key staff Prolonged Sickness Absences 	
Potential Impact	<ul style="list-style-type: none"> Failure to deliver service 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	6	
Likelihood (1 to 5)	3	
Total Gross Risk Score (Total Impact * Likelihood)	18	
Existing Control Measures		
<ul style="list-style-type: none"> Internal procedures and policies are in place. Back to Work interviews are undertaken Sickness Monitoring is undertake Family friendly policies in place with HR advice available 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	3	
Likelihood (1 to 5)	2	
Total Net Risk Score (Total Impact * Likelihood)	6	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures and TREAT 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1.Continue with Current Controls	A Jose	Ongoing
2.Reinforce Sickness Absence Policies and Procedures	A Jost	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
CORPORATE THEME	T6	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Disclosure of confidential information through the incorrect disposal/maintenance of information	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Loss of data Data disclosed to persons not authorised 	
Potential Impact	<ul style="list-style-type: none"> Breach of confidentiality Breach of Data Protection 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	3	
Total Gross Impact Score (sum above)	5	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	10	
Existing Control Measures		
<ul style="list-style-type: none"> Internal procedures and policies are in place for document retention and disposal Secure environment for storage of information Passwords in place for electronic data storage Document retention and disposal policy in place Contract with Securishred 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	3	
Total Net Impact Score (sum above)	5	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	5	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures and planned actions and TREAT 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1.Improve filing/folder referencing system on the server – dependant on using Council Server	A Jose	Ongoing
2.Improve archiving of old documents	A Jose	Ongoing
3.Consider Scanning documents and holding them electronically	A Jose	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	6	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Failure of cremators/specialist equipment	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Age and wear and tear 	
Potential Impact	<ul style="list-style-type: none"> Impact on the ability to deliver services 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	6	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	12	
Existing Control Measures		
<ul style="list-style-type: none"> Maintenance contract in place –response within 24 hours, services every 4 months Contingency plans in place to cover long term breakdown Daily log completed Set procedures in place Specialised trained staff available in event of failure Health and Safety evaluated Cremators relined in 2008 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Net Impact Score (sum above)	6	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	6	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures and planned actions and TREAT 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1.Procedures recorded	Steven Tinkler	April 2009
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	7	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – IT and Power failure	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Loss of utility services Non delivery of Service 	
Potential Impact	<ul style="list-style-type: none"> Impact on the ability to deliver services 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	1	
Total Gross Impact Score (sum above)	5	
Likelihood (1 to 5)	3	
Total Gross Risk Score (Total Impact * Likelihood)	15	
Existing Control Measures		
<ul style="list-style-type: none"> Business Continuity Plan in place Discussions with ICT undertaken Alternative location available for critical function Paper records available Regular backups daily and stored off site 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	5	
Likelihood (1 to 5)	2	
Total Net Risk Score (Total Impact * Likelihood)	10	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures and planned actions and TREAT 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Develop off site back up pack including telephone numbers and contact details	A Jose	2009 to be reviewed
2. Continue with ongoing controls	A Jose	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	8	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Loss of income/money	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Theft Non payment of crematorium fees 	
Potential Impact	<ul style="list-style-type: none"> Detrimental Impact on the service 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	5	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	10	
Existing Control Measures		
<ul style="list-style-type: none"> Cash/cheques collected and banked in a safe and timely manner Any overdue accounts are subject to recovery Accountancy reconcile income on a regular basis Schedule of income maintained on a daily basis Reconciliation of Paying in book Weekly summary sheets are calculated and kept Written Procedures in Place for dealing with income Maximum levels of cash stored is £1000 Electronic Register implemented 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
Total Net Impact Score (sum above)	5	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	5	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	9	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Breakdown of Partnership	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Partner withdraws funding Partner becomes insolvent 	
Potential Impact	<ul style="list-style-type: none"> Detrimental Impact on finances 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	7	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	14	
Existing Control Measures		
<ul style="list-style-type: none"> Formal partnership agreement in place Maintain a good working relationship 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Net Impact Score (sum above)	7	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	7	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	10	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Loss of knowledge and ability to cover existing workload through premature staff loss.	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Staff leaving for alternative employment Sudden departure of staff 	
Potential Impact	<ul style="list-style-type: none"> Failure in service delivery 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	3	
Total Gross Impact Score (sum above)	7	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	14	
Existing Control Measures		
<ul style="list-style-type: none"> Good employment terms and conditions Work forward planned Regular liaison with outside bodies – ICCM and FBCA Close communication with small team Exit interviews carried out Job Shadowing Procedure notes available for key areas Regular communication with staff 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
Total Net Impact Score (sum above)	5	
Likelihood (1 to 5)	2	
Total Net Risk Score (Total Impact * Likelihood)	10	
CONCLUSION		
<ul style="list-style-type: none"> TREAT 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1.Develop procedure notes for all areas	S Tinkler	July 10
2.Continue with current controls	S Tinkler	Ongoing
Completed by		Date
Marian Shanks		18/12/09

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	11	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Managing excess deaths	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Flu pandemic Catastrophic incident Loss of experienced staff/not enough trained staff 	
Potential Impact	<ul style="list-style-type: none"> Huge strain on crematorium capacity - unable to cope Equipment failure Staff Overtime Existing Staff Resources unable to cope Number of deaths too high to cope with Funeral Directors unable to deliver coffins 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Delivery Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	6	
Likelihood (1 to 5)	3	
Total Gross Risk Score (Total Impact * Likelihood)	21	
Existing Control Measures		
<ul style="list-style-type: none"> Internal Policies and Procedures in Place Testing has been carried out to ensure cremators are able to cope with 8 cremations per day Plans are in place should the requirement be to move from normal to enhanced operation Stocks of consumable spares for each cremator is purchased and stored on site Stocks of Cremation forms held Training of additional volunteer Cremator Technicians in Durham has been undertaken – working one day per month to keep up skills Procedure notes for administration are prepared and kept in the Crematorium/Cemetery Office Supplies of suitable containers for Cremated remains, flat pack urns or heavy duty plastic bags 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	4	
Likelihood (1 to 5)	3	
Total Net Risk Score (Total Impact * Likelihood)	12	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures and planned actions and TREAT 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1.Procedure notes to be prepared for Funeral Directors and Clergy to advise how services would operate at enhanced and critical levels	A Jose	March 10
2.Working with Civil Contingencies unit excess deaths group	A Jose	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	12	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Adverse inspection/audit report	
BACKGROUND TO RISK VENT		
Risk Causes	<ul style="list-style-type: none"> Lack of evidence for inspections 	
Potential Impact	<ul style="list-style-type: none"> Detrimental Impact on the service Reputational Damage 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)		1
Service Delivery Impact (1 to 5)		3
Stakeholder Impact (1 to 5)		3
Total Gross Impact Score (sum above)		7
Likelihood (1 to 5)		2
Total Gross Risk Score (Total Impact * Likelihood)		14
Existing Control Measures		
<ul style="list-style-type: none"> Policies and procedures in place adhered to and can be evidenced. Filing systems in place New employees are subject to an induction process Health and Safety policy available. Regular Health & safety inspection of building carried out and documented Fire Risk assessments in place Adequate signage for first aiders, fire wardens and fire extinguishers in place Staff aware of need to provide evidence of activities Develop Document retention register in accordance with policy 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)		1
Service Impact (1 to 5)		2
Stakeholder Impact (1 to 5)		2
Total Net Impact Score (sum above)		5
Likelihood (1 to 5)		1
Total Net Risk Score (Total Impact * Likelihood)		5
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	13	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Financial Losses due to reputation	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Inability to provide service expected 	
Potential Impact	<ul style="list-style-type: none"> Detrimental Impact on the service Reputational Damage 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	4	
Likelihood (1 to 5)	1	
Total Gross Risk Score (Total Impact * Likelihood)	4	
Existing Control Measures		
<ul style="list-style-type: none"> Formal procedures in place to avoid loss of reputation Job shadowing to encourage knowledge of all processes Good relations with partners and associated bodies Contingency Planning Flexible staff willing to work late and or cover other areas Staff carry out work on own initiative Options Appraisal Business Plans developed 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	3	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1.Continue with existing control measures	A Jose	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	14	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Contractual failure in relation to future planned projects or maintenance leading to financial claims or losses and loss of reputation and income e.g. Replacement of Cremators	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Inability to deliver projects on time Inability to maintain equipment 	
Potential Impact	<ul style="list-style-type: none"> Detrimental Impact on the service Reputational Damage 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	5	
Likelihood (1 to 5)	1	
Total Gross Risk Score (Total Impact * Likelihood)	5	
Existing Control Measures		
<ul style="list-style-type: none"> Consultants are used Feasibility study undertaken before projects are commenced Options appraisal carried out Project managers assigned to each project 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	3	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures and planned actions and TREAT 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1.Continue with existing control measures	A Jose	Ongoing
2.Develop prince 2 methodology for projects	A Jose	Ongoing
3.Management of Service Vehicles whilst works are ongoing	A Jose	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	15	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Inability to meet 2012 Legislative change	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Equipment will not meet targets set by DEFRA 	
Potential Impact	<ul style="list-style-type: none"> Financial 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	3	
Total Gross Impact Score (sum above)	8	
Likelihood (1 to 5)	3	
Total Gross Risk Score (Total Impact * Likelihood)	24	
Existing Control Measures		
<ul style="list-style-type: none"> Monitoring Situation DEFRA has reported progress is not suitable to be on target for 2012 Regular reports being produced on progress Option of burden sharing agreement costing £100k pa 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Net Impact Score (sum above)	7	
Likelihood (1 to 5)	3	
Total Net Risk Score (Total Impact * Likelihood)	21	
CONCLUSION		
<ul style="list-style-type: none"> TREAT 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Investigate new equipment	A Jose	Ongoing
2. Monitor situation	A Jose	Ongoing
Completed by		Date
Marian Shanks		18/12/09

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	16	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Inability to recruit appropriately qualified staff at short notice	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> National and Regional shortage of appropriately qualified staff 	
Potential Impact	<ul style="list-style-type: none"> Impaired service deliver 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	6	
Likelihood (1 to 5)	3	
Total Gross Risk Score (Total Impact * Likelihood)	18	
Existing Control Measures		
<ul style="list-style-type: none"> Good terms and conditions Pool of volunteers have been trained in the event of pandemic who may be interested in the event of vacancies Attractive professional working environment Good networking 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
Total Net Impact Score (sum above)	5	
Likelihood (1 to 5)	2	
Total Net Risk Score (Total Impact * Likelihood)	10	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Monitor situation	A Jose	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	17	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Administrative duties	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> One member of staff deals with Administration 	
Potential Impact	<ul style="list-style-type: none"> Administration duties fall behind due to staff absence 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	4	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	8	
Existing Control Measures		
<ul style="list-style-type: none"> Staff multiskilled and are able to cover at times of absence Contacted previous admin staff to see if they would cover in an emergency Work practice procedures are in place Documentation completed on time and chased up where appropriate 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	3	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Continue with existing control measures	A Jose	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	18	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Lack of awareness of the Impact of Equalities, DDA, Access to Services and Age Legislation	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Claims arise from lack of compliance with legislation 	
Potential Impact	<ul style="list-style-type: none"> Reputational damage 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	4	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	8	
Existing Control Measures		
<ul style="list-style-type: none"> Staff aware of Equalities policies and procedures Review of documentation Access and Disability assessments carried out Buildings have been assessed for DDA compliance Training and awareness carried out 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	3	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Continue with existing control measures	A Jose	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	19	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Lack of evidence for Employers Liability Claims	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Claims arise from lack of compliance with Health and Safety policy 	
Potential Impact	<ul style="list-style-type: none"> Reputational damage Financial damage 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	4	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	8	
Existing Control Measures		
<ul style="list-style-type: none"> Staff aware of Health and Safety policies and procedures – copy held on site Regular Health and Safety inspections of the building which is evidenced Trained First Aiders in place Fire Wardens and relative notices in place. Fire Drills undertaken Fire risk assessment has been carried out Fire extinguishers are labelled and regularly serviced Fire alarms are tested regularly Risk assessments carried out and staff are aware of them 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	3	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Continue with existing control measures	A Jose	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	20	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Damage to Public / Vehicles due to tree branches falling	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> High Winds Disease Heavy Snow 	
Potential Impact	<ul style="list-style-type: none"> Damage to Vehicles / Equipment Injury to Public or Staff 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	1	
Total Gross Impact Score (sum above)	4	
Likelihood (1 to 5)	3	
Total Gross Risk Score (Total Impact * Likelihood)	12	
Existing Control Measures		
<ul style="list-style-type: none"> 2 yearly inspection scheduled by Olivers Tree Expert Services Any recommendations made by tree experts acted upon immediately Visual inspections carried out in grounds by staff monthly 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	3	
Likelihood (1 to 5)	2	
Total Net Risk Score (Total Impact * Likelihood)	6	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Continue with existing control measures	A Jose	Ongoing
Completed by	Date	
Marian Shanks	18/12/09	

Appendix 4: Operational Risk Register

RISK MATRIX							
5	Highly Probable						LIKELIHOOD
4	Probable						
3	Possible						
2	Unlikely		5				
1	Remote	7,8	2,3,4,6	1,9			
		Insignificant (Score 1-3)	Minor (Score 4-6)	Moderate (Score 7-9)	Major (Score 10-12)	Critical (Score 13-15)	
		IMPACT					

Risk. No.	Risk – Ranked by Risk Number	Net Risk Score	Ranking
1	Injury to staff and visitors	7	2
2	Exterior Pathways, Steps and Grounds	5	4
3	Use of hand tools and machinery for gardening on site, driveway and car park	5	4
4	Cleaning, Maintenance and Gardening Duties	5	4
5	Risk Assessments and Reviews not undertaken	10	1
6	Violent or other Assault on officer whilst lone working	5	4
7	Limited Space in Office Area	3	8
8	Slips, trips and falls	3	8
9	Fire	7	2

Risk. No.	Risk – Ranked by Net Risk Score	Net Risk Score	Ranking
5	Risk Assessments and Reviews not undertaken	10	1
1	Injury to staff and visitors	7	2
9	Fire	7	2
2	Exterior Pathways, Steps and Grounds	5	4
3	Use of hand tools and machinery for gardening on site, driveway and car park	5	4
4	Cleaning, Maintenance and Gardening Duties	5	4
6	Violent or other Assault on officer whilst lone working	5	4
7	Limited Space in Office Area	3	8
8	Slips, trips and falls	3	8

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	1	
Risk Owner	Alan Jose	
Detail of Risk	Operational Risk Injury to staff and visitors	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Hot apparatus – staff handling hot ash pans Staff raking down and removing metal from remains Hydraulic lifting gear. Dust Transferring remains into and between containers. Noise from machinery Staff trapping fingers or limbs in equipment Noise 	
Potential Impact	<ul style="list-style-type: none"> Injury to staff 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	7	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	14	
Existing Control Measures		
<ul style="list-style-type: none"> Only certified and trained staff allowed to operate Machinery regularly maintained and serviced Extractor fans and masks used. Make sure others are at a distance whilst work is ongoing PPE issued to staff Operators carry out visual checks of equipment Dust cabinet has extraction fan, staff use dust masks 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Net Impact Score (sum above)	7	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	7	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures and planned actions - TREAT 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Risk Assessment s distributed to staff	Ian Ramsey	June 2010
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	2	
Risk Owner	Alan Jose	
Detail of Risk	Operational Risk Exterior pathway and steps and grounds	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> • Path and steps in state of disrepair • Holes in grounds due to animals • Kerbstones 	
Potential Impact	<ul style="list-style-type: none"> • Injury to staff and public 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	3	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Gross Impact Score (sum above)	5	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	10	
Existing Control Measures		
<ul style="list-style-type: none"> • Paths and steps well maintained • Inspected regularly • Access levels regularly cleaned • Handrails on steps safety ridge on top and bottom • Kerbstones filled in by staff 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	3	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	5	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	5	
CONCLUSION		
<ul style="list-style-type: none"> • TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	3	
Risk Owner	Alan Jose	
Detail of Risk	Operational Risk Use of hand tools and machinery for gardening on site, driveway and car park	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Vibration 	
	<ul style="list-style-type: none"> Noise 	
Potential Impact	<ul style="list-style-type: none"> Injury to staff 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	3	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Gross Impact Score (sum above)	5	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	10	
Existing Control Measures		
<ul style="list-style-type: none"> Tools kept in good order, defective tools replaced 		
<ul style="list-style-type: none"> Machinery regularly serviced and maintained 		
<ul style="list-style-type: none"> Tools kept in locked storage area 		
<ul style="list-style-type: none"> Power tools used away from the public 		
<ul style="list-style-type: none"> Staff trained in the use of all equipment 		
<ul style="list-style-type: none"> PPE issued to staff as appropriate 		
<ul style="list-style-type: none"> High Viz jackets used when dealing with traffic 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	3	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	5	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	5	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	4	
Risk Owner	Alan Jose	
Detail of Risk	Operational Risk Cleaning, Maintenance and Gardening duties	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Hazardous cleaning materials Wet floor Noise (vacuums) Work at Height Fountain Pump maintenance Fertilizers and insecticides Using ladders Candles Maintenance of heating system Inspection Hole CCTV equipment Electrical Equipment Manual Handling Injury to staff/public Fire 	
Potential Impact		
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)		3
Service Delivery Impact (1 to 5)		1
Stakeholder Impact (1 to 5)		1
Total Gross Impact Score (sum above)		5
Likelihood (1 to 5)		2
Total Gross Risk Score (Total Impact * Likelihood)		10
Existing Control Measures		
<ul style="list-style-type: none"> Least hazardous cleaning products used Chemicals and other COSHH Items kept in locked store COSHH data sheets on site Pat Testing carried out on electrical items Floors mopped at quiet times wet floor signage displayed Cleaner assisted by other staff if lifting is required Cleaner not required to work at height other trained staff assist PPE available – gloves, goggles, dust masks etc Two person task to lift cover No smoking policy Candle snuffer available 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)		3
Service Impact (1 to 5)		1
Stakeholder Impact (1 to 5)		1
Total Net Impact Score (sum above)		5
Likelihood (1 to 5)		1
Total Net Risk Score (Total Impact * Likelihood)		5
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	5	
Risk Owner	Alan Jose	
Detail of Risk	Operational Risk Risk Assessments and reviews not undertaken	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Staff unaware of risks affecting service 	
Potential Impact	<ul style="list-style-type: none"> Detrimental Impact on the service 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
Total Gross Impact Score (sum above)	6	
Likelihood (1 to 5)	3	
Total Gross Risk Score (Total Impact * Likelihood)	18	
Existing Control Measures		
<ul style="list-style-type: none"> Staff trained in risk assessments. Full review undertaken Risk assessment procedures in place Health & Safety recommendations carried out Encourage clear desk policy Work station assessments carried out 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
Total Net Impact Score (sum above)	5	
Likelihood (1 to 5)	2	
Total Net Risk Score (Total Impact * Likelihood)	10	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	6	
Risk Owner	Alan Jose	
Detail of Risk	Operational Risk Violent or other assault on officer whilst lone working	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> • Irate and emotional member of the public • Remote location 	
Potential Impact	<ul style="list-style-type: none"> • Injury to staff 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	3	
Total Gross Impact Score (sum above)	6	
Likelihood (1 to 5)	1	
Total Gross Risk Score (Total Impact * Likelihood)	6	
Existing Control Measures		
<ul style="list-style-type: none"> • Risk assessments carried out. • Procedures tested • Code of conduct in place • One to one training • Information shared at Team Briefings 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
Total Net Impact Score (sum above)	5	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	5	
CONCLUSION		
<ul style="list-style-type: none"> • TOLERATE after taking into account existing control measures 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	7	
Risk Owner	Alan Jose	
Detail of Risk	Operational Risk Limited space in office area	
BACKGROUND TO RISK EVENT		
Risk Causes	Not sufficient space for staff using office area	
Potential Impact	<ul style="list-style-type: none"> Injury to staff 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Gross Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Gross Risk Score (Total Impact * Likelihood)	3	
Existing Control Measures		
<ul style="list-style-type: none"> Furniture moved to provide maximum space around desks Shelves checked to ensure they are secure and sturdy 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	3	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures and planned actions - TREAT 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Explore possibility of larger office space	A Jose	June 10
Completed by	Date	
Marian Shanks	18/12/09	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	8	
Risk Owner	Alan Jose	
Detail of Risk	Operational Risk Slips, Trips and Falls	
BACKGROUND TO RISK EVENT		
Risk Causes	Manual handling Tripping hazards Step ladders 2 rung	
Potential Impact	<ul style="list-style-type: none"> Injury to staff 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Gross Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Gross Risk Score (Total Impact * Likelihood)	3	
Existing Control Measures		
<ul style="list-style-type: none"> Manual handling training provided where appropriate Good Housekeeping – walkways kept clear at all times. Ladder Register kept and maintained Ladder Training carried out 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	3	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures and planned actions 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Ensure training is kept up to date	A Jose	June 10
Completed by	Date	
Marian Shanks	18/12/09	

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Central Durham Crematorium Joint Committee

27 January 2010

Internal Audit Plan & Audit Scope 2009-10 and 2010-11



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Stuart Crowe – Corporate Director: Resources

Purpose of the Report

1. The purpose of this report is to set out details of the Audit Plan and Scope for 2009/10 and arrangements for 2010/11, together with proposals for strengthening the governance arrangements of the Joint Committee with regards to assurance through Internal Audit activity.

Background

2. The Annual Governance (AG) Report 2008/09 recommended that; “The Joint Committee should formalise arrangements with Durham County Council for the Provision of internal audit through the development of a formal service level agreement”.
3. The AG report goes on to also recommend that: “The Joint Committee should strengthen existing internal audit arrangements through agreement of an annual plan of work, ensuring that internal audit work covers all of the key financial systems for the year and production of an annual report to inform the Annual Governance Statement”.
4. Prior to vesting day the Central Durham Crematorium has been subject to an annual internal audit review by Durham City Council’s Internal Audit Service. This arrangement is long standing but was not subject to a formal Service Level Agreement and only significant weaknesses were brought to the attention of the Joint Committee. There was no audit plan or audit scope presented for members consideration previously as this was deemed unnecessary by former Treasurers to the Joint Crematorium Committee.
5. Internal audit reviews have previously been risk based, taking into account the Crematorium’s strategic and operational risks, (extracted from Durham City Council’s risk register, and detailed in a control risk self assessment form for discussion at the pre audit meeting with the Crematorium Superintendent); any business plans or improvement plans and has been undertaken using a system based auditing approach. This involves the identification, documentation, evaluation and audit testing in relation to system objectives and internal controls. The adequacy, reliability and effectiveness of internal controls were evaluated under the following key and sub headings

Ensuring that financial and operational information is complete, reliable and accurate.

- A suitable system has been established to ensure that all collections are accurate, complete, timely and properly accounted for.
- Medical referee fees paid to Doctors have been calculated correctly and checked prior to payment.

Ensuring that statutory and regulatory requirements are complied with, including management policies such as Contract Procedure Rules and Financial Regulations.

- Notices of Cremation are supported by the necessary documentation.
- Receipts are provided to customers in respect of all transactions.
- Collections are banked or paid into a cash office without delay.
- Written procedure notes have been prepared, are regularly updated and cover the main elements of the system.

Ensuring that financial and other assets are safeguarded, and that adequate arrangements are in place to prevent and detect fraud.

- Collections are safeguarded against loss and theft and cash is handled and stored securely
- Arrears are monitored and recovery action taken when necessary
- Adequate physical security is maintained over income and assets
- Access to petty cash is limited to authorised persons only and used for legitimate expenses.
- Separation of duties exists between collection, recording and banking of monies.
- Regular reconciliation of the bank account is carried out by persons independent of the collection, recording and banking procedures.
- All financial stationery, including orders and receipts is pre numbered and held securely.
- Only official stationery and documents have been used and have been subjected to appropriate authorisation.

6. This internal audit review was usually carried out in the last quarter of the financial year to ensure adequate coverage of transactions carried out during the year. The audit concentrated on the major risk areas which were predominately relating to income. Assurance on expenditure items such as salaries and wages, creditors and debtors were based on the general annual audits carried out on those particular areas by the internal audit service. This was considered reasonable on the basis that all expenditure items relating to the Crematorium were processed through the appropriate financial systems of Durham City Council. Income on the other hand was recorded manually by the Crematorium and deposited in a separate independent Crematorium Bank Account.

2008/09 – LGR Transition Year

7. Since the turnover of the Central Durham Crematorium has been in excess of £1M in the last two financial years there was a need to produce a fully SORP compliant set of financial statements for the first time in 2008/09.

8. However, due to the challenges faced in the transition year of Local Government Reorganisation and the loss of key personnel from the Accountancy Section (which

necessitated mutual aid support from within the Internal Audit team) a much reduced internal audit plan was agreed with the Audit Commission, covering major systems only, this included a review of the Central Durham Crematorium.

9. Due to the prescriptive nature of the Crematoria business, the lack of problems in previous years and the internal audit risk score (medium) it was decided that the review of the Crematorium would be carried out in May/June 2009 rather than in the last quarter of the financial year as normal. The Audit Commission took the view that the sample of transactions used for audit testing in the internal audit review provided little assurance to the Joint Committee for 2008/09 that risks material to the achievement of the control objectives are adequately managed. However, the extensive level of testing carried out by External Audit was more than sufficient to supplement the work of internal audit and provide such assurance.
10. Members will recall that the Audit Commission also identified inadequate internal control processes, as the Joint Committee did not maintain a general ledger to record all income, expenditure and capital transactions. However, all expenditure for the Crematorium for 2008/09 was processed through Durham City Council's Agresso system and whilst income records are manually maintained by the Crematorium Superintendent, monies were regularly banked and all income records fed into an excel spreadsheet maintained by Durham City Council Accountancy staff with regular reconciliations carried out to the crematorium records and to the bank account.
11. The way working papers were presented and the fact that more experienced staff had either left the authority or were not available, meant that the external auditors who worked on the audit (who were undertaking this audit for the first time at the former Durham City Council) were not provided with sufficient explanation / assurance and led to the comments with regards to accounting practice.
12. Similar arrangements have been maintained in 2009/10 so far, however, consideration is currently being given to revising processes to allow income to be also directly accounted through the Oracle Financial Management system in the future.

Internal Audit Plan & Audit Scope

13. Internal audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisations objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
14. The primary objective of Internal Audit is to provide assurance on the effectiveness of the Joint Committee's entire internal control environment, which includes risk management, and corporate governance arrangements to Officers and Members by giving an independent and objective annual opinion and to inform the Joint Committee's Annual Governance Statement.
15. Internal audit provides this assurance to the Joint Committee by:
 - Identifying systems, processes and procedures for audit;

- Assessing the risk from strategic and operational risk registers, business plans, service improvement plans etc.;
- Developing and resourcing an annual plan of the areas to be reviewed;
- Providing an opinion on the adequacy and effectiveness of the internal controls;
- Providing details of any weaknesses that would be relevant to inform the Annual Governance Statement

Role of Internal Audit

16. Internal audit will, as part of its service to the Joint Committee:

- Agree the scope and objectives of any audit, by liaising closely with the Crematorium Superintendent at all stages of the audit;
- Identify risks and controls established to manage risks;
- Evaluate the effectiveness of internal controls to manage risks;
- Identify any absence of or weaknesses in controls;
- Report evidence based findings providing positive feedback where controls are effective;
- Make recommendations for improving controls and explain the implications if these are not implemented;
- Provide an assurance opinion on the effectiveness of the control environment;
- Follow up progress made by managers in the implementation of our recommendations;
- Summarise our findings in an annual report to the Joint Committee.

17. A copy of the terms of reference for the audit review in 2009/10 is attached at Appendix 2 for members' consideration. The planned number of audit days to be spent on this audit for 2009/10 was initially 4 days, however, in line with past reviews carried out by Durham City Council Internal Audit Service and the addition of some areas not previously covered it is suggested that this be increased to 9.

Quality Assurance

18. The Head of Internal Audit and Risk will ensure that audit work relating to the Joint Committee is allocated to staff with appropriate skills, experience and competence. Internal audit staff at all levels are subject to appropriate supervision and work is reviewed at certain key stages of the audit process to monitor progress and assess quality.

19. A Corporate performance management and assurance framework is in place to address competencies and relevant training needs.

20. The internal audit service is subject to periodical review by the Audit Commission and under the Accounts and Audit regulations 2003 (amended) independent review by persons nominated by the Council. Previously this task was undertaken by Durham City Council's Corporate Governance Working Group. Arrangements for the Annual review of Internal Audit to meet these requirements for 2009/10 has still to be decided, however, the outcome of this review will be presented to the Joint Committee for consideration.

21. The Audit Strategy and Terms of reference for the Durham County Internal Service are set out in an Internal Audit Charter. The Charter also sets out our performance indicators and reporting arrangements. A copy of the Charter is available if required..
22. At the conclusion of all audits, a customer satisfaction survey is forwarded to the service manager to enable them to comment on the performance of the audit team undertaking the audit. Periodically managers may also be asked to complete an annual customer satisfaction survey to allow managers to reflect on the performance of the internal audit service over the previous financial year.

Proposals to Strengthen Governance / Assurance

23. It is suggested that the following proposals be adopted to strengthen Governance/ Assurance for the Joint Committee:
- a) That a system be developed to allow details of income to be processed directly into the Council's Financial Management System;
 - b) Annual reviews of the Crematorium to be carried out in the last quarter of the financial year to ensure as much coverage as possible of the years transactions;
 - c) That an annual plan of the work to be carried out by internal audit together with the audit days required be submitted to the Joint Committee on an annual basis. This should be drawn up in consultation with the appropriate manager
 - d) Any terms of reference must include relevant expenditure items specifically relating to the Crematorium's operations during the year and budgetary control, financial reporting, risk management and governance arrangements.
 - e) That an Annual Report on the outcome of Internal Audit activity be presented to members for consideration as part of the development of the Annual Governance Statement.

Recommendations and reasons

24. It is recommended that:-

- Members agree to the provision of an Internal Audit Service to the Central Durham Crematorium and the Joint Committee through Durham County Council, in accordance with the approach, scope and plans set out in the report; and that the agreement to this report acts as a SLA for the provision of Internal Audit Services for 2009/10
- The outcome of Internal Audit annual reviews be reported to the Joint Committee to inform assurance on internal control and financial governance;

Background Documents

DCC Internal Audit Plan

Annual Governance Report 2008/09

Contact(s): Paul Darby 0191 383 6594

Appendix 1: Implications

Finance

There are no financial implications arising from this report. The Internal Audit service is provided for within the support service recharges included in the budgets of the Joint Committee. In terms of recharges, Internal Audit costs are approximately £250 per day, therefore the element of the support service recharge (based on 9 audit days) relating to the provision of Internal Audit is £2,250. Additional costs would be incurred if additional work was subsequently required, for example fraud and investigatory work, however, this would be brought to the attention of the Joint Committee at an early stage.

Staffing

There are no staffing implications associated with this report. Internal Auditors are provided from within the Governance and Internal Audit Team of Durham County Council.

Equality and Diversity

There are no Equality and Diversity implications associated with this report.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

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

Sustainability

There are no Sustainability implications associated with this report.

Human Rights

There are no Human Rights implications associated with this report.

Localities and Rurality

There are no Localities and Rurality implications associated with this report.

Young People

There are no Young People implications associated with this report.

Consultation

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

Health

There are no Health implications associated with this report.

Appendix 2: Terms of Reference : Review of Durham Crematorium

Background

1. Internal Audit is an assurance function that provides an independent and objective opinion to the Authority on governance, control, and risk management by evaluating their effectiveness in achieving the Authority's objectives. It objectively examines, evaluates, and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
2. A review of Durham Crematorium was agreed at the Audit Committee meeting held during February 2009 and was subsequently included for completion within the annual Internal Audit Plan.

Objective of Review

3. The objective of our review will be to ensure that:
 - Income is properly accounted for and can be reconciled.
 - Purchases comply with the authority's regulations.
 - All national policies are adhered to and all policies/service plans required for the operation of the Crematorium have been written.
 - All legal requirements are adhered to, including the Cremation Regulations 2008.
 - All procedures for cremations are in writing and are correct.
 - All equipment is serviced and maintained in accordance with manufacturer's instructions.
 - Set contingency plans are in place.
 - Salaries are correctly coded and paid.
 - Adequate risk management and Governance arrangements are in place.
 - Appropriate budgetary control mechanisms are in place.

Resource Requirements

4. The review will be undertaken by Sarah Bell. It is scheduled to start during the week commencing 18th January 2010 and will require approximately 7-9 days of audit resource input.

Reporting Arrangements

5. The Crematorium Superintendent will be kept regularly informed of progress on our review. On completion of the review, conclusions and potential recommendations will be discussed with Ian prior to the preparation and issue of our draft report, the target date for the issue of which is 12th February 2010.
6. A customer satisfaction survey will also be issued with the draft report for you to complete and return.

Implementation of Recommendations

7. Internal Audit will undertake appropriate follow-up work to confirm with responsible managers whether the recommendations agreed within the Action Plan that supports the internal control report have been implemented as intended and within timescale.

Contact Names

8. If you have any queries regarding this review please do not hesitate to contact Sarah Bell on 0191 383 3593.