



## Central Durham Crematorium Joint Committee

**Date**      **Wednesday 12 May 2010**  
**Time**      **5.30 pm**  
**Venue**     **Committee Room 1A - County Hall, Durham**

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### Business

#### Part A

1. Minutes of the meeting held on 27 January 2010. (Pages 1 - 10)
2. Joint Report of the Clerk to the Joint Committee / Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 11 - 14)  
Forward Plan 2010/11.
3. Report of the Superintendent and Registrar. (Pages 15 - 24)
4. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 25 - 28)  
Financial Monitoring Report - Provisional Outturn at 31 March 2010.
5. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 29 - 38)  
Draft 2009/10 Annual Governance Statement.
6. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration.

#### Part B

#### **Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)**

7. Internal Audit Report 2009/10. (Pages 39 - 48)
8. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services / Superintendent and Registrar: (Pages 49 - 60)  
Replacement of Cremators and Installation of Mercury Abatement Equipment, Update Report.
9. 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  
4 May 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

**DURHAM COUNTY COUNCIL**  
**SPENNYMOOR TOWN COUNCIL**

**CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE**

**AT A MEETING** of the **CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE** held in **COMMITTEE ROOM 1B** at the **COUNTY HALL** on **27 JANUARY 2010** at **5.30 pm**.

**PRESENT**

**COUNCILLOR J Marr** in the Chair

**Members of the Committee:**

Councillors J Chaplow, N Foster, M Plews, R Rodgers, A Thomson and F Walker

**Officers Present:**

|                  |  |
|------------------|--|
| Paul Darby       | Head of Finance, HR and Business Support,<br>Neighbourhood Services, Durham County Council |
| Alan José        | Superintendent and Registrar, Durham Crematorium   |
| Joanne McMahon   | Principal Account, Neighbourhood Services, DCC   |
| Derek Shingleton | Accountant, Spennymoor Town Council  |
| Sharon Spence    | Clerk to the Central Durham Crematorium Joint<br>Committee                                 |
| Graham Harrison  | Bereavement Services Manager, Durham County Council  |

Apologies for absence were received from Councillors D Stoker and J Wood.

**A1 Minutes of the meetings held on 15 July 2009**

The minutes of the meetings held on 25 November 2009 and 14 December 2009 were confirmed by the Joint Committee as a correct record and signed by the Chairman.

**A2 Report of the Superintendent and Registrar**

The Superintendent and Registrar, Alan José, presented a Report relating to the following issues associated with the Crematorium.

**Cremations**

The Superintendent and Registrar reported the number of cremations for the period 1 October 2009 to 31 December 2009 inclusive.

These were 531 (+ 6 NVF), a decrease of 17 (+ 3 NVF) on the same period in the previous year. The total of 531 (+ 6 NVF) included 348 from outside the area, with the remaining total being 183 for the area.

### **Memorial Gardens**

The Superintendent and Registrar reported that during the period 1 October 2009 to 31 December 2009, the following Vase Blocks and Memorial Plaques had been sold:

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

### Financial Information (Net of VAT)

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

### **Influenza Pandemic – Planning**

The Superintendent and Registrar asked Members to note that the four additionally trained Cremator Operators were continuing to work to a regular rota and that the Superintendent and Registrar was in regular contact with the Civil Contingencies Unit, Regional Epidemiologist and Consultant in Communicable Diseases. For information, Members asked to note that three additional volunteers had been identified as Cremator Operators for Mounsett Crematorium.

### **50 Year Anniversary**

The Joint Committee was informed that in addition to a booklet being prepared in conjunction with Professor Hillary Grainger, an expert in Crematoria Architecture, there would be a memorial service, with a marquee, possibly to be hired from Spennymoor Town Council. Members were asked to note that it was for Members to decide at what level the event should be pitched and that Members could choose a simple remembrance service, or aim to have an “open day” that incorporates a service in with several other events and activities that could include representation from other professionals from with the Funeral Services Industry.

## **Federation of Burial and Crematoria Authorities – Annual Return**

The Superintendent and Registrar noted the Federation of Burial and Crematoria Authorities Annual Return of Statistics had been submitted, noting only 2 requests to inspect cremation forms having been received in the 2008/09 period. Members were informed that there had been 1 request in the current, 2009/10 period.

## **Recycling of Orthopaedic Implants and Non-Ferrous Metals**

Members were made aware of the opportunity to join a recycling scheme for metal implants operated by OrthoMetals. The Joint Committee heard that the Institute of Crematory and Cremation Management had monitored the scheme in the UK and had reported positively on the company and the scheme. The Superintendent and Registrar noted that previously, the scheme generated money for charity, but could not be necessarily directed back into the local community but that now, this was possible with individual Crematoria being able to have a say in where money was used. The Superintendent and Registrar noted the scheme would cost nothing for Durham Crematorium to join, with OrthoMetals supplying the necessary storage bins and collecting the metal twice annually.

The Joint Committee heard that an additional bonus was that Durham Crematorium would no longer be required to bury such parts in unused parts of the Crematorium grounds, which were reaching saturation point in this regard.

## **Update on Staff**

The Superintendent and Registrar asked Members to note that due to an a member of staff, Mr J Willis, having broken their leg, Mr R Goodson, a standby Operator training in case of an outbreak of pandemic flu, would be seconded to the Crematorium on a temporary basis to help during this busy period of the year.

## **Resolved:**

- (a) That the Report be noted.
- (b) That the Superintendent and Registrar make the necessary arrangements for Durham Crematorium to enrol in the OrthoMetals recycling scheme.

**A3 Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services – Budgetary Control Report, Quarter 3**

The Head of Finance, HR and Business Support, Paul Darby explained to Members that that the report was draw together in conjunction with the Superintendent and Registrar and outlined the financial position as at 31 December 2009 and set out the projected outturn figures up to 31 March 2010. The Head of Finance, HR and Business Support concluded by asking the Joint Committee to note the variances as set out with the report and advised that whilst projections for the full-year were prudent, any additional income above initial estimates could be retained within the Crematorium accounts for use within the major capital works programme.

**Resolved:**

- (a) That Members note the April to December 2009 Revenue Spend Financial Monitoring Report and associated forecasts in terms of the outturn position 2009/10.
- (b) That quarterly reports continue to be submitted to Members for consideration, in line with the Forward Plan.

**A4 Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services – Fees and Charges 2010/11**

The Head of Finance, HR and Business Support asked Members to note that within the DCC Policy Framework, a lot of work had been undertaken in order to harmonise fee and charges from the former District Authorities. Members heard that the two Crematoria that DCC was a major partner in, Durham and Mountsett also had differing fees and charges but as their budgets had already been set at their Joint Committees, a harmonisation exercise for the crematoria had been deferred until now. The Joint Committee were informed that a harmonisation exercise had now been undertaken (and all of DCC Bereavement Services) and this had led to an increase for the basic adult fee by 4.4% for Durham Crematorium. The Head of Finance, HR and Business Support noted that this was still less than other crematoria allowing Durham to remain competitive. Members heard that in the context of the business case regarding cremator replacement, the increase in fees and charges were based on an assumed increase in gross income of 3% in the next year.

Councillor F Walker asked what the fees were for nearby facilities and whether Durham compared favourably. The Superintendent and Registrar replied that a nearby competitor charged approximately £120 more than Durham, though Members were asked to note that they operated a sliding scale of fees depending on the time of the service.

**Resolved:**

- (a) That Members of the Joint Committee note and approved the proposed Fees and Charges.
- (b) That the approved Fees and Charges are incorporated into the 2010/11 Budget.

**A5 Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services – 2010/11 Revenue Budget**

The Head of Finance, HR and Business Support referred Members to the Options Appraisal Report as set out in the agenda papers.

Members were asked to note that the budget was based on outturn report and the fees and charges as set out in the previous items together with input from the Superintendent and Registrar as regards issues such as maintenance to footpaths, replacement organ, identity tokens, service booklets, the planned 50 Years Celebrations and preparatory work connected to the cremator replacement.

The Head of Finance, HR and Business Support explained that the budget was prudent whilst taking into account work relating to the cremator replacement. The Joint Committee noted that the DCC Capital Programme would go to DCC Cabinet in February, but the Head of Finance, HR and Business Support noted that it was likely that the vast majority of the cremator replacement would be part of the 2011/12 budget.

The Head of Finance, HR and Business Support concluded by asking Members to note that the proposed surplus for Durham County Council and Spennymoor Town Council would remain the same as last year.

The Chair asked whether it was necessary for the additional identity tokens to be purchased as he believed they lasted up to 20 years. The Superintendent and Registrar replied stating that as each token carried through the cremation process as a means of identification, in fact one token was used up for each cremation.

Councillor N Foster asked whether the 50 Years Celebrations would be an opportunity to bring in companies from within funeral services and generate some additional revenue. The Superintendent and Registrar noted that if such companies were invited, it would be seen as being more of a public service rather than a profit making exercise, though it may be possible to have partner organisation provide sponsorship if this was deemed appropriate.

**Resolved:**

That the Members of the Joint Committee note and approve the budget proposals contained within the report.

## **A6 Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services – Risk Register Update**

The Head of Finance, HR and Business Support explained that following an audit at Mounsett Crematorium issues had been raised as regards risk registers. Members learnt that whilst the Superintendent and Registrar did have risk management procedures in place for Durham Crematorium, the Head of Finance, HR and Business Support had sort to codify these into a formal Risk Register in order to help satisfy Audit Commission requirements.

The Joint Committee were informed that the preparation of the Risk Register was in line with Durham County Council risk management procedures; identifying risks, noting the gross outcome of such risks, understanding what procedures were currently in place to deal with the risks, establishing the level of the risk, deciding on whether action was required and then carrying out such actions.

Members' attention was drawn to a matrix containing the level and likelihood of risks and to a list setting out the 20 primary risks and methods of mitigation. The Head of Finance, HR and Business Support explained that there would be quarterly reviews of the risk register with the Superintendent and Registrar with reports back to the Joint Committee every 6 months highlighting any changes, additions, mitigation and progress in relation to actions taken to mitigate risks. Members were told that the initial exercise had allowed a baseline to be established by which future performance would be assessed, helping to further satisfy criteria set by the Audit Commission relating to governance.

Members asked whether the baseline position within the risk register had been moderated in order to provide challenge to the Superintendent and Registrar. The Head of Finance, HR and Business Support confirmed that indeed the risk register had been moderated by an Officer within his Business Support section and that the risk register as presented to Members was a fair and accurate reflection.

### **Resolved:**

- (a) That Members of the Joint Committee note the contents of this report and the updated position.
- (b) That the Risk Registers be kept up to date and reviewed by the Joint Committee on a half yearly basis.
- (c) That an Annual Report on the approach to risk management be prepared in April / May to inform the Annual Governance Statement.



## **A7 Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services – Internal Audit Plan and Audit Scope 2009/10 and 2010/11**

The Head of Finance, HR and Business Support asked Members to note the report setting out details of the Audit Plan and Scope for 2009/10 and the arrangements for 2010/11. The Joint Committee were reminded of comments made at a previous meeting as regards the timing of the last audit coinciding with the Local Government Reorganisation (LGR) for County Durham, and that whilst this factor had not been taken into account by the Audit Commission, it had caused additional complication.

Members were informed that in order to help tackle issues raised by Audit Commission within the Annual Governance Report 2008/09, this report had several sections outlining the approach. Members noted an introduction setting out the background to why there was a need for the audit process, how LGR had affected the audit and clarification as regards conflict relating to some records.

The Head of Finance, HR and Business Support explained that the report also contained reference to recommendations set out within the Annual Governance Report 2008/09:

- “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”
- “The Joint Committee should strengthen existing internal audit arrangements through an 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”.

In order to address those recommendations and to further strengthen governance and assurance, the Joint Committee were asked to consider the following proposals:

- That a system be developed to allow details of income to be processed directly into Durham County Council’s Financial Management System
- Annual reviews of the Crematorium be carried out in the last quarter of the financial year to ensure as much coverage as possible of the years’ transactions
- That an annual plan of work to be carried out by internal audit together with the audit days required be submitted to the Joint committee on an annual basis, to be drawn up in consultation with the appropriate Manager
- 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

- That an annual report on the outcome of internal audit activity be presented to the Joint Committee for consideration as part of the development of the Annual Governance Statement.

**Resolved:**

- (a) 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 Service Level Agreement for the provision of Internal Audit Services for 2009/10.
- (b) That the outcome of Internal Audit Annual Reviews be reported to the Joint Committee to inform assurance on internal control and financial governance.

**A8 Such Other Business**

Several Members asked, through the Chair, questions as regarding the date of the next meeting of the Joint Committee.

The Head of Finance, HR and Business Support asked Members to note that it would be best if the meetings of the Joint committee could be moved slightly in order that they would fall in line with Durham County Council financial reporting, ensuring that the Joint Committee were receiving the correct information at the correct times in order to maintain assurance on internal control and financial governance, as set out and agreed in the previous item. Members were informed as the next scheduled meeting for the Joint Committee was at the end of April, this would mean that whilst the financial year would have ended, it would be unlikely that Statement of Accounts and a draft Annual Governance Report would be completed in time to go to that meeting.

The Joint Committee noted that these items would need to be reported to Members prior to the end of June and that accordingly it was preferable from a governance perspective to have the next meeting of the Joint Committee in late May or early June.

Members agreed that it the dates for the Joint Committee meeting should allow for timely financial reporting and that the options regarding dates could be circulated to Members for information, but be agreed formally at the Annual Meeting in July.

The Chair asked whether the next meetings would be May, then July. The Head of Finance, HR and Business Support confirmed that subject to Durham County Council and Spennymoor Town Council diary commitments, the 4 requisite ordinary meetings of the Joint Committee (including the Annual Meeting) could be May, July, September and January and so on.

Members were reminded that should any urgent business requiring the attention of the Joint Committee arise, a Special Meeting could be called subject to the Chair's agreement.

**Resolved:**

- (a) That the schedule for the meetings for the Joint Committee be amended in order to better align with financial reporting in order to strengthen assurance and financial governance.
- (b) That Members of the Joint Committee be informed of the amended schedule of meetings as soon as possible and that the new schedule is reported to the Joint Committee formally at the Annual Meeting.

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**Central Durham Crematorium Joint  
Committee**

**12 May 2010**

**Forward Plan 2010/11**



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**Joint Report of Sharon Spence – Clerk to the Joint Committee; Stuart Crowe – Corporate Director: Resources and Treasurer to the Joint Committee; Terry Collins – Corporate Director: Neighbourhood Services**

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**1. Purpose of the Report**

The purpose of the report is to set out proposals with regards to a suggested forward plan of meetings of the Joint Committee for 2010/11.

**2. Recommendations and reasons**

It is recommended that Members note and approve the Forward Plan attached at Appendix 2.

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

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## **Appendix 1: Implications**

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### **Finance**

There are no financial implications associated with this 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.

## Appendix 2: Forward Plan : 2010/11 Meetings

| Meeting Date                             | Items / Reports to Consider  | Report of  |
|--|--|--|
| <b>June</b><br>30/06/2010<br>(AGM – TBC) | Nomination and appointment of Chair and Vice Chair for the 2010/11 cycle   | Clerk to the Joint Committee   |
|  | Performance and Update Briefing Report (No. Cremations, Regulatory changes, strategic and operational developments within the Crematorium) | Superintendent & Registrar   |
|  | Financial Monitoring Report 2010/11: Spend to 31/05/10 and Projected Outturn to 31/03/11   | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |
|  | Annual Governance Statement 2009/10  | Report of Corporate Director, Resources – Treasurer to the Joint Committee |
|  | Statement of Accounts 2009/10  | Report of Corporate Director, Resources – Treasurer to the Joint Committee |
|  |  |  |
| <b>September</b><br>29/09/2010<br>(TBC)  | External Audit Report, Opinion and VFM Conclusion (Outcome of the audit of the 2009/10 Accounts)   | District Auditor   |
|  | Performance and Update Briefing Report (No. Cremations, Regulatory changes, strategic and operational developments within the Crematorium) | Superintendent & Registrar   |
|  | Financial Monitoring Report 2010/11: Spend to 31/08/10 and Projected Outturn to 31/03/11   | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |
|  | Risk Register 2010/11  | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |
|  | Internal Audit Plan / Scope 2010/11  | Report of Corporate Director, Resources – Treasurer to the Joint Committee |
|  | Progress Update – Cremator Replacement (Outcome of Tendering Exercise for Cremators and Update on Design, Planning etc.)                   | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |
|  |  |  |
| <b>January</b><br>26/01/2011<br>(TBC)    | Performance and Update Briefing Report (No. Cremations, Regulatory changes, strategic and operational developments within the Crematorium) | Superintendent & Registrar   |
|  | Financial Monitoring Report 2009/10: Spend to 31/12/10 and Projected Outturn to 31/03/11   | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |
|  | Fees and Charges 2011/12   | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |

| <b>Meeting Date</b>                                | <b>Items / Reports to Consider</b>   | <b>Report of</b>   |
|--|--|--|
| <b>January</b><br>26/01/2011<br>(TBC)<br>[Cont...] | 2011/12 Revenue and Capital Budgets  | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |
|  | Risk Register 2010/11  | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |
|  | Progress Update – Cremator Replacement   | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |
|  |  |  |
| April<br>27/04/2011<br>(TBC)                       | Performance and Update Briefing Report (No. Cremations, Regulatory changes, strategic and operational developments within the Crematorium) | Superintendent & Registrar   |
|  | Financial Monitoring Report – Provisional Outturn 2010/11  | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |
|  | Internal Audit Report 2010/11  | Report of Corporate Director, Resources – Treasurer to the Joint Committee   |
|  | Draft Annual Governance Statement 2010/11  | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |
|  | Progress Update – Cremator Replacement   | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |
|  |  |  |
| 29/06/2011<br>(AGM – TBC)                          | Nomination and appointment of Chair and Vice Chair for the 2011/12 cycle   | Clerk to the Joint Committee   |
|  | Forward Plan 2011/12   | Joint Report of the Clerk to the Joint Committee;<br>Corporate Director, Resources/Treasurer to the Joint Committee; Corporate Director Neighbourhoods |
|  | Performance and Update Briefing Report (No. Cremations, Regulatory changes, strategic and operational developments within the Crematorium) | Superintendent & Registrar   |
|  | Financial Monitoring Report 2010/11: Spend to 31/05/10 and Projected Outturn to 31/03/11   | Joint Report of Corporate Director of Neighbourhoods & Corporate Services  |
|  | Annual Governance Statement 2009/10  | Report of Corporate Director, Resources – Treasurer to the Joint Committee   |
|  | Statement of Accounts 2009/10  | Report of Corporate Director, Resources – Treasurer to the Joint Committee   |



**Central Durham Crematorium  
Joint Committee**

**12 May 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 January 2010 to 31 March 2010 inclusive:

|              | <b>2004/2005</b> | <b>2005/2006</b> | <b>2006/2007</b> | <b>2007/2008</b> | <b>2008/2009</b> | <b>2009/2010</b> |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|
| JAN          | 256 + 5*         | 227 + 13*        | 260 + 1*         | 257 + 2*         | 281 + 3*         | 218 + 3*         |
|              | + 12**           |                  |                  |                  |                  |                  |
| FEB          | 218 + 6*         | 194              | 206 + 10*        | 230 + 3*         | 238 + 3*         | 190 + 2*         |
|              | + 14**           |                  |                  |                  |                  |                  |
| MAR          | 226 + 12*        | 214 + 6*         | 240 + 2*         | 199 + 5*         | 187 + 2*         | 216 + 1*         |
|              | + 4**            |                  |                  |                  |                  |                  |
| <b>TOTAL</b> | <b>700 + 23*</b> | <b>635 + 19*</b> | <b>706 + 13*</b> | <b>686 + 10*</b> | <b>706 + 8*</b>  | <b>624 + 6*</b>  |
|              | + 30**           |                  |                  |                  |                  |                  |

\* = NVF

\*\* = STs

\*\*\* = BODY PARTS

|              |                          |                        |
|--------------|--------------------------|------------------------|
| Durham       | 208                      |                        |
| Outside Area | <u>416</u>               | (listed at Appendix 2) |
| <b>Total</b> | <b><u>624</u> + 6 Nv</b> |                        |

**3. Memorial Garden**

I would wish to advise the Joint Committee that during the period 1 January 2010 to 31 March 2010 inclusive, the following Memorials have been sold:

|               |           |
|---------------|-----------|
| Vase Blocks   | 5         |
| Large Plaques | 24        |
| Small Plaques | <u>4</u>  |
| <b>Total</b>  | <b>33</b> |

## Financial Information (Net of VAT)

|               |                   |
|---------------|-------------------|
| Vase Blocks   | 2,088.17          |
| Large Plaques | 5,727.67          |
| Small Plaques | <u>788.76</u>     |
| <b>Total</b>  | <b>£ 8,604.60</b> |

### **4. Independent Testing of Cremators**

#### **Inspection**

I would wish to advise the Central Durham Crematorium Joint Committee that during the period 13 January 2010 – 15 January 2010, all three L&P Cremators were independently tested by Catalyst Environmental as required under the terms of the Environmental Protection Act 1990.

I am pleased to advise that the test results for each of the three Cremators were within the limits as specified in the Secretary of States' notes for Crematoria.

#### **Category**

Under the terms of the Environmental Permitting (England & Wales) Regulations 2007, an inspection was carried out on Monday 29 March 2010 - the result of the inspection confirmed the category as "Medium" as has been the case since the inspection began in 1990.

In his capacity as "Regulator" (Environmental Protection Act 1990) the Senior Public Protection Officer Pollution Control has sent the information as set out at Appendix 3 and 4.

#### **Conclusion**

The effect of this information is to confirm the License to operate the Crematorium will be amended to reflect the fact that "it is imperative" that new cremators and Mercury Abatement Equipment is installed commissioned and in operation before 31 December 2012.

### **5. Annual Conference of Cremation and Burial Authorities – Stratford-upon-Avon, 5 July 2010 to 7 July 2010**

On the usual basis, two places have been reserved at the above Conference for the Chair of the Central Durham Crematorium Joint Committee and the Superintendent & Registrar to attend the event.

## **6. 50 Year Anniversary**

Further to previous reports after discussing dates that would be closest to the Anniversary of the opening date, it is suggested that the weekend of Friday 6 August 2010 to Sunday 8 August 2010 be designated for the celebration events. I can advise the Committee that Spennymoor Town Council have agreed to provide their Marquee for two days on 7 August 2010 and 8 August 2010 in the sum of £940.00 +VAT.

It will be necessary to hire chairs and I am awaiting quotations. I have discussed the provision of refreshments with the Senior Catering Supervisor for County Hall, who has advised that there will be no problem for this to be arranged for 7 August 2010 and 8 August 2010.

Local Clergy and Funeral Celebrants are being consulted and an order of Memorial Service drawn up.

It has been suggested that the Heads of Durham County Council may attend one of the days and the Mayors of Durham and Spennymoor the other.

Having discussed the matter with the Chairman and the Vice Chairman of the Central Durham Crematorium Joint Committee and also the Clerk to the Central Durham Crematorium Joint Committee, I have made enquiries about the holding of a Dinner at County Hall on Friday 6 August 2010. This evening would be an opportunity to invite Funeral Directors, Clergy and other associated with the Crematorium to join members of the Central Durham Crematorium Joint Committee and staff in marking the 50 Year Anniversary.

Also invited, could be the National Presidents of the Federation of Burial & Cremation Authorities and the President of the Institute of Cemetery and Crematorium Management. This would be an excellent opportunity for positive publicity and to hopefully enhance further the reputation of the Crematorium.

It is anticipated that these events can be organised using Durham County Council facilities and staff and be achieved within the agreed budget.

## **7. Funeral Pyres**

For information, I set out a copy of a letter received from the Ministry of Justice (Appendix 5) with regard to Funeral Pyres. I will continue to update the Committee on any developments.

## **8. Memorial Plaques - Garden of Remembrance**

As Members are aware, there is increasing concern about the carbon footprint of any operation and ways are being sought to reduce that of the Crematorium where possible, as in the recycling of metal implants which was introduced this year.

At the present time, the granite used for Memorial Plaques is imported from both India and China.

Natural materials are available that can be sought from within the U.K. and it is proposed that quotations are sought for the supply of Memorial Plaques that are U.K. based with the new contract to begin in July 2010.

## **9. Recommendation**

- a) That the Report be noted
- b) That the Joint Committee agree to the Chair and Superintendent & Registrar attending the Annual Conference of Cremation and Burial Authorities in Stratford-upon-Avon.
- c) That the Superintendent & Registrar be authorised to place the appropriate adverts for the supply of the U.K. sourced Memorial Plaques.

### **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)
- Report from Catalyst Environmental in respect of Cremators 1, 2, & 3 at Durham Crematorium (15 February 2010)
- Letter from The Phoenix Partnership to Superintendent & Registrar dated (19 February 2010)

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**Contact: Alan José, Superintendent & Registrar**  
**Tel: 0191 384 8677**

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## **Appendix 1: Implications**

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### **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



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## **Appendix 3: Information from the Senior Public Protection Officer**

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### **Environmental Protection Act 1990**

Nobel House  
17 Smith Square  
London SW1A 3JR  
**Telephone** 08459 335577  
**Email** [helpline@defra.gsi.gov.uk](mailto:helpline@defra.gsi.gov.uk)  
**Website**  
[www.defra.gov.uk](http://www.defra.gov.uk)

To Chief Executive  
Officers

I write to you with regards to your Council's responsibility for regulating crematoria under air pollution legislation, or operating one or more crematoria, or in many cases both. Please disregard this letter if none of these applies. In 2005 we set a timetable for 50% of national cremations to be the subject of mercury abatement by the end of 2012. The original deadline for 2010 was extended by two years following representations from various stakeholders.

We are now little more than 2½ years away from the deadline. Progress has been made, and I welcome the efforts of those authorities who have been active in installing abatement equipment or making arrangements to 'burden share' instead of upgrading. However, it is evident from the quarterly data my Department obtains from cremator manufacturers that much is still to be done. And, bearing in mind that it can take two or so years from preparing tender documents to commissioning new abatement plant, it is essential that any authorities who have not made decisions on whether to upgrade or burden share, and or begin the processes to achieve upgrading (where appropriate), begin to do so straightaway.

A considerable amount of publicity and guidance on this subject has been made available by my Department and by organisations such as the Federation of Burial and Cremation Authorities. Many authorities have been levying an environmental surcharge to cover the cost of these measures for several years. We will also shortly be issuing a direction to local authority regulators to add further permit conditions in order to reinforce the reporting of action being taken.

If, notwithstanding the available guidance, your officers have any queries about the above, they can contact my Department at [control.pollution@defra.gsi.gov.uk](mailto:control.pollution@defra.gsi.gov.uk).

*JIM FITZPATRICK MP*

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**Appendix 4: E-mail from the Senior Public Protection Officer**

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**From:** John Hayes  
**Sent:** 22 March 2010 16:12  
**To:** Durham Crematorium  
**Cc:** Denyse Holman  
**Subject:** Mercury Abatement

Hi Alan

Just to confirm that I carried out a check inspection of the crematorium on Monday 29 March 2010.

Regarding your report to the Joint Committee I can confirm that the government set a target, in 2005, to reduce mercury emissions by way of ensuring that 50% of national cremations by 2013 will be undertaken using abatement equipment and that a requirement was imposed on all crematoria to declare whether or not they intended to install abatement equipment or follow a route of burden sharing.

Durham City Crematorium has declared that it will be fitting mercury abatement equipment.

Whilst I appreciate the fact that all of us now connected with the County Council have gone through LGR the 31 December 2012 deadline cannot be altered and it is imperative that the works are completed by the deadline at the latest as no cremations will be allowed to take place at your Crematorium without the abatement equipment being installed, commissioned and operating after the deadline.

I hope that this information is helpful to you for your report and as I've previously said I'd be happy to attend any meeting with the Joint Committee in order to assist.

John Hayes



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## Appendix 5: Letter from the Ministry of Justice

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Ministry of  
**JUSTICE**

Coroners and Burials Division  
4th Floor (4.38)  
102 Petty France  
London  
SW1H 9AJ

T 020 3334 6407  
F 020 3334 2233  
E [judith.bernstein@justice.gsi.gov.uk](mailto:judith.bernstein@justice.gsi.gov.uk)

To all on the attached list

[www.justice.gov.uk](http://www.justice.gov.uk)

Via email

29 March 2010

Dear all

### **FUNERAL PYRES – COURT OF APPEAL JUDGMENT IN THE CASE OF *GHAI***

You will no doubt be aware that the Court of Appeal ruled in Mr Ghai's favour on the issue of funeral pyres. The media coverage of the Court's judgment was, however, misleading. Mr Ghai has not won the right to have an outdoor open air funeral pyre.

At the hearing, Mr Ghai fundamentally changed his position from that which he had argued in the Administrative Court. He conceded that his religious requirements could be potentially met by conducting a cremation within the scope of current cremation law. Mr Ghai argued that cremation could take place on a pyre in some sort of building that would be permitted under the 2008 Regulations.

The Court of Appeal acknowledged that Mr Ghai had changed his position and accepted his position on the meaning of a 'building'; on this basis it allowed his appeal. The Court also stated that the difficulties which may arise from planning and public health legislation, should an application to hold a pyre be submitted, had not been considered as part of the judgment.

Consequently, the way is not now open automatically for funeral pyres to be held. Burning bodies anywhere other than in a crematorium notified to the Secretary of State for Justice remains a criminal offence. There are still regulatory issues to be considered, such as planning permission, air pollution and obtaining any relevant licences.

The Ministry of Justice is already in discussions with Defra and CLG about the implications of the judgment. Consideration is being given to issuing formal guidance.

In the meantime, in the event of an application being made to hold a funeral pyre, enquiries about environmental issues should be addressed to Mike Etkind (the Head of Local Authority Pollution Control) at Defra. Contact [Mike.Etkind@defra.gsi.gov.uk](mailto:Mike.Etkind@defra.gsi.gov.uk); telephone 07979 530863.

Enquiries about planning issues should be addressed to Robert Segall (Planning System Improvement Division) at CLG. Contact [robert.segall@communities.gsi.gov.uk](mailto:robert.segall@communities.gsi.gov.uk); telephone 030344 41717.

Copies of the Court of Appeal's judgment and Order are attached for information, if you have not already seen them.

**Judith Bernstein**

Head of Current Coroner Policy

List of those receiving this letter

Rick Powell: Secretary, FBCA, Tim Morris: Secretary, ICCM, Roger Arber: Secretary, Cremation Society, Richard Barradell, APCC, Liz Hobson, LGA, Nigel Lymn Rose, NAFD, Alun Tucker, SAIF, Dr Roy Palmer, Coroners' Society, André Rebello, Coroners' Society, Simon Bennett, Dept of Health.

## Central Durham Crematorium Joint Committee

12 May 2010

### Financial Monitoring Report – Provisional Outturn at 31/03/10



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

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#### Purpose of the Report

1. The purpose of this report is to set out details of income and expenditure in the period 1 April to 31 March 2010, representing the provisional outturn position for 2009/10, and highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.
2. The report also sets out details of the funds and reserves of the Joint Committee at 1 April 2009 and initial outturn position at 31 March 2010, taking into account the provisional financial outturn.

#### Background

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

#### Financial Performance

4. 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 outturn projections for the Central Durham Crematorium are included within this report.
5. The figures contained within this report have been extracted from the General Ledger and are provisional at this stage, given that the finance team are mid closure in terms of the production of the Statement of Accounts. The figures have been scrutinised and supplemented with information supplied by the Superintendent Registrar. The following table highlights the provisional outturn financial performance of the Central Durham Crematorium:

| <b>Subjective Analysis</b>                           | <b>Original Base Budget 2009/10<br/>£</b> | <b>Provisional Outturn 2009/10<br/>£</b> | <b>Variance Over/ (Under)<br/>£</b> |                                      |
|--|---|--|-------------------------------------|--------------------------------------|
| Employees  | 242,000                                   | 210,555                                  | (31,445)                            |                                      |
| Premises   | 177,683                                   | 137,611                                  | (40,072)                            |                                      |
| Transport  | 1,500                                     | 2,302                                    | 802                                 |                                      |
| Supplies & Services                                  | 52,584                                    | 32,985                                   | (19,599)                            |                                      |
| Agency & Contracted                                  | 33,733                                    | 14,550                                   | (19,183)                            |                                      |
| Transfer Payments                                    | 0   | 0  | 0                                   |                                      |
| Capital Charges                                      | 0   | 0  | 0                                   |                                      |
| Central Support Costs                                | 32,000                                    | 32,000                                   | 0                                   |                                      |
| <b>Gross Expenditure</b>                             | <b>539,500</b>                            | <b>430,003</b>                           | <b>(109,497)</b>                    |                                      |
| <b>Income</b>  | <b>(995,750)</b>                          | <b>(1,017,000)</b>                       | <b>(21,250)</b>                     |                                      |
| <b>Net Income</b>                                    | <b>(456,250)</b>                          | <b>(586,997)</b>                         | <b>(130,747)</b>                    |                                      |
| <b>Transfer to Reserves</b>                          |   |  |                                     |                                      |
| - Masterplan Memorial Garden                         | 5,000                                     | 5,000                                    | 0                                   |                                      |
| - Major Capital Works                                | 130,000                                   | 260,747                                  | 130,747                             |                                      |
| - Small Plant  | 5,000                                     | 5,000                                    | 0                                   |                                      |
| - Central Heating Renewal Fund                       | 10,000                                    | 10,000                                   | 0                                   |                                      |
| <b>Distributable Surplus</b>                         | <b>(306,250)</b>                          | <b>(306,250)</b>                         | <b>0</b>                            |                                      |
| <b>80% Durham County Council</b>                     | <b>245,000</b>                            | <b>245,000</b>                           | <b>0</b>                            |                                      |
| <b>20% Spennymoor Town Council</b>                   | <b>61,250</b>                             | <b>61,250</b>                            | <b>0</b>                            |                                      |
|  |   |  |                                     |                                      |
| <b>Central Durham Crematorium Earmarked Reserves</b> | <b>Balance @ 1 April 2009<br/>£</b>       | <b>Transfers to Reserve<br/>£</b>        | <b>Transfers From Reserve<br/>£</b> | <b>Balance @ 31 March 2010<br/>£</b> |
| Masterplan Memorial Garden                           | (13,875)                                  | (5,000)                                  | 0                                   | (18,875)                             |
| Major Capital Works                                  | (421,111)                                 | (260,747)                                | 0                                   | (681,858)                            |
| Small Plant  | (13,002)                                  | (5,000)                                  | 0                                   | (18,002)                             |
| Central Heating Renewal Fund                         | (13,000)                                  | (10,000)                                 | 0                                   | (23,000)                             |
| <b>Total</b>   | <b>(460,988)</b>                          | <b>(280,747)</b>                         | <b>0</b>                            | <b>(741,735)</b>                     |

### Explanation of Significant Variances between Original Budget and Forecast Outturn

9. The probable outturn reported for the period 1<sup>st</sup> April 2009 to 31<sup>st</sup> December 2009 gave a very prudent approach to the anticipated position with regards to expenditure and income. The provisional outturn shows a favourable improvement in terms of year end net income generated. The following section outlines the reasons for significant variances by subjective analysis area.

### 9.1 *Employees*

The probable outturn is projecting a £31,445 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.

### 9.2 *Premises*

This is mainly due to a predicted underspend on gas and electricity due to charges being lower than anticipated. Expected cremator repairs and general equipment, repairs and replacement were all significantly lower than anticipated.

### 9.3 *Supplies and Services*

This is mainly due to an underspend on computer maintenance for contracts which have not been required.

### 9.4 *Agency and Contracted*

This is mainly due to the delay of the installation of the Deceased Online Reference System which will be carried out in future years.

### 9.5 *Income*

The projected additional income of £21,250 is due to a number of factors.

An increase in actual cremations (over the level assumed in the budget / previous probable outturn projections) resulting in an additional income of £17,128. Medical Reference fees (net of expenditure) are anticipated to result in an additional £3,470. Miscellaneous income is projected to achieve an additional £3,535.

These additional income streams offset unachievable income in relation to interest on investments (due to a reduction in interest rates) over the level budgeted.

### 9.6 *Earmarked Reserves*

In line with the previous report, it has been assumed that the additional surplus will be retained within the CDCJC. The previous probable outturn projection estimated that the additional net income (over the level budgeted) would be c.£32K. The provisional outturn shows that additional net income to transfer to earmarked reserves is £130,747. The retained reserves of the CDCJC at 31 March 2010 is forecast to be £642,670.

## **Recommendations and reasons**

10 It is recommended that:-

- a) Members note the April to March 2010 Revenue spend financial monitoring report and associated provisional outturn position 2009/10; and
- b) That the Committee approve the transfer of surplus funds to the earmarked Major Capital Works Reserves as part of the preparation of the Statement of Accounts 2009/10.

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**Contact:** Paul Darby, Head of Finance, HR & Business Support

**Tel:** 0191 383 6594

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## **Appendix 1: Implications**

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### **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

12 May 2010

### Draft 2009/2010 Annual Governance Statement



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

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#### Purpose of the Report

- 1 The purpose of this report is to provide the details of the draft Annual Governance Statement (AGS) for the year April 2009 to March 2010. The draft AGS, which will need to be formally approved by members in June as part of the consideration of the Statement of Accounts 2009/2010 is attached at Appendix B.

#### Background

- 2 The Central Durham Joint Crematorium Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in a way which functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 3 In discharging this overall responsibility the Joint Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risks.
- 4 The Joint Committee has adopted and operates under (via Durham County Council, its lead Authority), a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework – 'Delivering Good Governance in Local Government'. The Annual Governance Statement (AGS) explains how the Joint Committee complies with this code and also meets the requirements of the Accounts and Audit regulations 2003 as amended by the Accounts and Audit (Amendment) (England) regulations 2006 in relation to the publication of a Statement on Internal Control.
- 5 The AGS will need to be formally signed by the Chair to the Joint Committee and Treasurer to the Joint Committee (the Corporate Director: Resources) after the final statement is approved in June and published as part of the Joint Committee's Annual Statement of Accounts.

## The Annual Governance Statement

- 6 The format and structure of the statement is prescribed in guidance contained within the Statement of Recommended Practice 2009 (SORP) and is broken down into a number of different sections.
- 7 The terminology used is therefore consistent across all authorities. These are:-
  - Scope of Responsibility;
  - The purpose of the Governance Framework
  - The Governance Framework – incorporating details of the internal control environment i.e. the systems, procedures and processes by which the Joint Committee directs and controls its functions, including the formulation of strategy, its objectives and how it delivers its service to meet those objectives;
  - Review of Effectiveness – which sets out details of a review of the Governance Framework (set out above) and which is informed by the work of internal audit, the Superintendent Registrar, external auditors and other review agencies and inspectorates; and
  - Significant Governance Issues – the Joint Committee must identify any areas of significant internal control, including what action is being taken to address them.
- 8 The statement is initially compiled by the Neighbourhood Services Head of Finance, HR and Business Support, in accordance with guidance contained within the SORP. The statement reflects the current position within the Crematoria, however, should any major concerns arise between the production of the Statement and the date that the Statement is approved then this must be brought to the attention of the Head of Finance HR and Business Support and the statement amended to reflect the new position.
- 9 The statement is evidence based and relies on written assurances from the Superintendent Registrar (who prepares a standardised comprehensive assurance statement on an annual basis), Internal audit's views, having carried a review during the year and commented on the assurance given by each; external auditors and other review agencies and inspectorates and the assurances contained within their reports to the Joint Committee.
- 10 The draft statement is discussed and agreed by members of the Joint Committee, where some amendments may also be made. The Statement is then submitted to the Central Durham Crematorium Joint Committee with the Statement of Accounts for approval before submission to External Audit before 30 June 2010 with an External Audit opinion by 30 September 2010.

## Recommendations and reasons

- 11 It is recommended that:

That the Joint Committee consider the content of the Draft 2009/2010 Annual Governance Statement and approve it for inclusion within the Durham Crematorium 2009/2010 Statement of Accounts.

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

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## **Appendix 1: Implications**

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### **Finance**

Financial planning and management is a key component of effective corporate governance.

### **Staffing**

Ensuring the adequate capability of staff meets a core principle of the CIPFA/ SOLACE guidance.

### **Equality and Diversity**

Engaging local communities including hard to reach groups meets a core principle of the CIPFA/ SOLACE guidance.

### **Accommodation**

Asset management is a key component of effective corporate governance.

### **Crime and disorder**

None

### **Sustainability**

Moving forward, corporate governance will increasingly highlight the key risks around sustainability.

### **Human rights**

None

### **Localities and Rurality**

Engaging local communities meets a core principle of the CIPFA/ SOLACE guidance.

### **Young people**

None

### **Consultation**

Engaging local communities meets a core principle of the CIPFA/ SOLACE guidance.

### **Health**

None

## **DRAFT ANNUAL GOVERNANCE STATEMENT 2009/2010**

### **1. SCOPE OF RESPONSIBILITY**

The Central Durham Joint Crematorium Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. It also has a responsibility under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy efficiency and effectiveness. This Committee was jointly established by the City of Durham Council and Spennymoor Town Council. Following Local Government Reorganisation, as successor to the City of Durham Council, Durham County Council acts as the lead authority.

In discharging this overall responsibility, the Central Durham Joint Crematorium Committee is also responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

The Central Durham Joint Crematorium Committee has adopted and operates under the Code of Corporate Governance (the Local Code), policies and strategies including Contract Procedure rules, Financial procedure rules, financial regulations, developed, agreed and adopted by the Durham County Council, its lead authority.

This statement explains how the Central Durham Joint Crematorium Committee has complied with the code and also meets the requirements of Regulation 4(2) of the Accounts and Audit regulations 2003 as amended by the Accounts and Audit (Amendment) (England) regulations 2006 including circular 03/2006 which replaces the publication of a statement of internal control with an annual governance statement.

### **2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

The Governance framework comprises the systems, processes, culture and values by which the Central Durham Joint Crematorium Committee directs and controls its activities through which it accounts to, engages with and leads the community. It enables the Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Central Durham Joint Crematorium Committee's aims and objectives, its policies and procedures, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Central Durham Joint Crematorium Committee for the year ended 31<sup>st</sup> March 2010 and up to the date of approval of the annual report and statement of accounts.

### 3. THE GOVERNANCE FRAMEWORK

The governance framework supports the Central Durham Joint Crematorium in establishing, implementing and monitoring policies and objectives. The system of internal control refers to the system by which the Central Durham Joint Crematorium Committee directs and controls its operational functions and relates this to the community it serves. It is therefore the totality of the strategies and objectives of the joint committee and the management systems, procedures, and structures it has adopted, that together determine and control the way in which the Central Durham Joint Crematorium manages its business, and sets about delivering its services to meet those objectives.

The system of internal control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers appointed by the joint committee to facilitate its effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieve its objectives. The Central Durham Joint Crematorium's system of internal control reflects its control environment which encompasses its organisational structure.

In particular, the system includes control activities, information and communication processes and processes instigated by the Joint Committee and its lead authority for monitoring the continuing effectiveness of the system of internal control.

The key elements of the systems and processes that comprise the Joint Committee's governance arrangements include:

#### **Defining and documenting the roles and responsibilities of the Central Durham Joint Crematorium Committee member and officer functions, with clear delegation arrangements and protocols for effective communication**

The Joint Committee ensures that the necessary roles and responsibilities for the Governance of the crematorium are identified and allocated so that it is clear who is accountable for decisions that are made. The Joint Committee does this by:

- ◆ Electing a Chair, Vice Chair with defined executive responsibilities.
- ◆ The Central Durham Joint Crematorium Committee's Constitution which clearly describes the roles of the Chair and Vice Chair.
- ◆ Adopting Durham County Councils constitution, undertaking regular reviews of the operation of both the Joint Committee and Council Constitutions.
- ◆ Ensuring that all policy and decision making is facilitated through the Central Durham Crematorium Committee with all party membership being drawn from the constituent authorities.

- ◆ Making Durham County Council's nominated Senior Officer responsible for the proper administration of its financial affairs (Treasurer)
- ◆ Developing protocols that ensure effective communications between Members and Officers.
- ◆ Regularly reviewing the Corporate Governance arrangements in place.

**Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and officers**

The Joint Committee fosters a culture of behaviour based on shared values, high ethical principles and good conduct. The Joint Committee does this by:

- ◆ Adopting the Human Resource policies, plans and procedures of the lead authority, Durham County Council.
- ◆ Establishing and keeping under review, systems for reporting and dealing with any incidents of fraud and corruption.
- ◆ The Crematorium's values on leadership as set out in the business plan.
- ◆ Appropriate and timely advice, guidance and training for both Members and Officers.

**Reviewing and updating financial instructions and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required in managing risks.**

The Council and Joint Committee Constitutions set out how they operate, how decisions are made and the procedures which are followed to ensure that these are effective, transparent and accountable to service users

A risk management approach is in operation that aids the achievement of strategic objectives, supports decision making processes, protects the reputation and other assets of the Crematorium and is compliant with statutory and regulatory obligations. The Joint Committee ensures that the risk management approach:

- ◆ Is conducted in accordance with the risk management policy and strategy of Durham County Council. The Crematorium Superintendent is advised by the corporate risk management working group where strategic and operational risks are considered.
- ◆ Involves regular reports by internal audit, to standards defined in the CIPFA code of practice, and in accordance with the Accounts and Audit Regulations 2003. These include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the system of internal control, at the crematorium, together with recommendations for improvement
- ◆ Involves independent annual audits carried out by the Audit Commission with the recommended outcome of these reviews actioned and undertaken.
- ◆ Ensures financial management is undertaken by the Neighbourhood Services Head of Finance, HR and Business Support under the scheme of delegated responsibilities by the Treasurer of the Joint Committee in accordance with the

standing orders, contract procedure and procurement rules, financial regulations and financial procedure rules of Durham County Council.

- ◆ Ensures comprehensive monthly budgetary control systems including the preparation of regular financial reports which indicate actual expenditure against budget and forecast year end positions are undertaken and reported quarterly to the Joint Committee.
- ◆ Ensures SMART targets are set to measure financial and other performance
- ◆ Ensures clearly defined capital expenditure guidelines are adhered to

#### **4. REVIEW OF EFFECTIVENESS**

The Central Durham Joint Crematorium Committee has responsibility for conducting, at least annually, a review of the effectiveness of its system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the authority who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates.

The Crematorium Joint Committee has established the following processes to achieve this aim:

- ◆ Formalised arrangements with Durham County Council for the provision of internal audit through the development of a formal service level agreement.
- ◆ Strengthened existing internal audit arrangements through an agreed annual plan of work covering all key financial systems for the year and the production of an annual report to inform the annual governance statement
- ◆ Risk based assessments of key financial systems (as agreed in the annual plan of work) carried out in the final quarter of the financial year to ensure maximum coverage of the Crematorium's financial transactions and provide an informed opinion on the robustness, adequacy and effectiveness of the system of internal control, at the crematorium, together with recommendations for improvement
- ◆ The production of a Risk Register with regular reviews undertaken by the Crematorium Superintendent Registrar and action plan reports produced and approved where necessary.
- ◆ Strengthened year end procedures for producing financial statements with the production of a full closedown timetable including risk assessment and control and ensuring those involved in the closedown process are fully aware of the SORP requirements for 2009/2010
- ◆ Annual reviews of corporate governance arrangements and the annual review undertaken by the lead authority, Durham County Council, of its corporate governance arrangements, together with the arrangements that the lead authority, Durham County Council has in place to detect and deter fraud and corruption.
- ◆ Performance monitoring undertaken through the use of comparative statistics with other crematoria.

- ◆ The Internal audit section is subject to regular inspection by the Council's external auditors who report annually to the Council. The external auditors place great reliance on the work carried out by the Internal Audit Section.
- ◆ The Internal audit section is also subject to an annual review of its activities and performance by key senior officers of the Council in order to meet the requirements of the Accounts and Audit Regulations 2003 (amended). A formal report on the performance of the Internal Audit section is considered by the County Council's Audit Committee in this respect.
- ◆ Internal Audit Reports presented to, and reviewed by the Joint Committee
- ◆ Attendance at Regional and National Seminars in a `speaker` capacity by the Superintendent Registrar and provision of advice and mentoring to Durham university PHD students
- ◆ Commissioning of an options appraisal for procurement of replacement cremators and mercury abatement equipment to ensure the installation of such equipment by the regulatory deadline

In summary the governance framework and the system of internal control in place at the Central Durham Crematorium for the year ended 31<sup>st</sup> March 2010 and up to the date of approval of the annual report and accounts and except for the details of internal control issues at section 5 accords with proper practice.

## 5. SIGNIFICANT GOVERNANCE ISSUES

The Joint Committee is fully committed to the principles of corporate governance, and has made further progress in recent months in developing its arrangements. Following the production of the External Auditors Annual Governance Report for 2008/09 an action plan of the recommendations was produced and undertaken.

In addition to the issues contained within the action plan, Internal Audit sought assurance, via its annual plan of work and review of key systems.

The following governance and internal control issues have been identified:

### Recording of Transactions

All transactions including income should be recorded within a single general ledger to reduce the risk of error caused by manual processes. An action plan has been produced and discussions made around the system setup within the Oracle FMS and bank account arrangements. Further work will continue to ensure the recording of all transactions within Oracle, however, procedures have been put in place to conduct and present robust reconciliation data between the two current systems, which should allay the concerns raised by the external auditor during the 2008/09 audit.

### Receipt Issues

Pre numbered receipts should not be amended following the cancellation of a cremation to avoid the risk of possible fraudulent activity. New procedures have been introduced and will continue to be undertaken whereby receipts issued for `cancelled` cremations will be made void and referenced to the miscellaneous receipt book from which a new receipt will be issued.

### Stock Control

Stock records should be held and maintained for all stocks held in emergency stores to ensure all purchases/ sales are properly accounted for. Records for emergency stocks are being compiled by the Superintendent Registrar, further work will continue to ensure that full records are established and maintained in 2010/11.

### Treasury Management Arrangements

Arrangements with Durham County Council regarding Treasury Management should be formally documented including the terms of agreement for all funds held on behalf of the Joint Committee. Meetings have taken place in the year and the updated Treasury Management Strategy has been requested along with regular update reports which will be presented to the Joint Committee on a quarterly basis from 2010/11 onwards..

## **5. DECLARATION OF THOSE CHARGED WITH GOVERNANCE**

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and the system of internal control by the Crematorium Joint Committee and are satisfied that plans to address weaknesses and ensure continuous improvement of the system is in place

### **SIGNED**

**Councillor John Marr**

**Chair to the Joint Committee**

**Date:**

**Stuart Crowe, CPFA**

**Treasurer to the Joint Committee**

**Date:**

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

## **Agenda Item 7**

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