



## Central Durham Crematorium Joint Committee

**Date**        **Wednesday 26 January 2011**  
**Time**        **5.30 pm**  
**Venue**       **Committee Room 1A, County Hall, Durham**

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### Business

#### Part A

1. Minutes of the meetings held 29 September 2010, 11 October 2010 and 21 December 2010. (Pages 1 - 24)
2. Audit Commission Annual Audit Letter 2009/2010 (Pages 25 - 38)  
Catherine Banks, Audit Manager, Audit Commission.
3. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 39 - 72)
  - External Audit 2009/2010 – Annual Governance Report and Annual Audit Letter – Progress Update.
4. Report of the Superintendent and Registrar (Pages 73 - 80)
5. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 81 - 86)
  - Financial Monitoring Report – Spend to 31 December 2010 and Forecast Outturn at 31 March 2011.
6. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 87 - 126)
  - Risk Register Update 2010/2011.
7. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 127 - 152)
  - Review of the Effectiveness of the System of Internal Audit for 2009/2010.
8. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 153 - 166)
  - SLA Support Services 2011/2012.

9. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 167 - 172)
  - Fees and Charges 2011/2012.
10. Joint Report of the Treasurer to the Joint Committee / Corporate Director Neighbourhood Services: (Pages 173 - 180)
  - 2011/2012 Revenue and Capital Budgets.
11. Report of the Clerk to the Joint Committee: (Pages 181 - 182)
  - Start Time of the Meetings.
12. 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  
18 January 2011

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

Durham County Council: M Plews (Chair), J Blakey, J Chaplow,  
N Foster, G Holland, A Hopgood, D Stoker  
and M Williams

Spennymoor Town Council: J Marr (Vice-Chair), JV Graham and  
JL Wood

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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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of the Local Government Act 1972.

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

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# Annual Audit Letter

Central Durham Crematorium Joint Committee  
Audit 2009/10

**The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.**

**Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.**

**As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.**

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## Key messages

**This report summarises my findings from the 2009/10 audit. My audit comprises two elements:**

- **the audit of your financial statements (pages 4 to 5);**  
**and**
- **my assessment of your arrangements to achieve value for money in your use of resources (page 6).**

**I have included only significant recommendations in this report. The Joint Committee has accepted these recommendations.**

### **Audit opinion and financial statements**

**1** I issued an unqualified opinion on your accounts for 2009/10. I also issued my certificate of completion of the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.

**2** I am pleased to report the quality of your accounts, and supporting working papers, was much higher than last year.

### **Value for money**

**3** You have improved your approach to financial reporting and internal control in several key areas over the past 12 months. I have therefore concluded that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources for the year ending 31 March 2010.

## Current and future challenges

**4** The economic downturn continues to have a significant impact on public finances and the bodies that manage them. The Government's October spending review has also set out significant reductions in funding across the public sector. While the Joint Committee has a history of sound financial performance, and balances remain healthy, the need to fit Mercury Abatement equipment to cremators remains a key priority. Given the projected cost of this project it is important that it is kept under review.

**5** In 2010/11 your accounts will need to comply with International Financial Reporting Standards (IFRS) for the first time. From ongoing discussions, it appears that reasonable progress is being made to ensure next year's accounts are produced and approved by the statutory deadline of 30 June 2011.

## Independence

**6** I can confirm the audit has been carried out in accordance with the Audit Commission's policies on integrity, objectivity and independence.

# Financial statements and annual governance statement

**The Joint Committee's financial statements and annual governance statement are an important means by which the Joint Committee accounts for its stewardship of public funds.**

**I gave an unqualified opinion on the Joint Committee's 2009/10 financial statements on 30 September 2010, the statutory target date.**

## Overall conclusion from the audit

**7** You prepared your accounts in time to meet the statutory deadline of 30 June 2010 this year. The quality of the accounts was also much better this year, with fewer amendments required following the audit. Working papers to support the accounts were also much improved.

**8** Although a number of errors were found during the audit none of these led to any change in year-end balances or reserves. Nevertheless, there is scope to reduce the number of errors identified and good internal quality review is an important way of achieving this. This will be particularly important given the 2010/11 accounts will be prepared under International Financial Reporting Standards (IFRS), which will be a significant challenge for all local government organisations.

## Significant weaknesses in internal control

**9** Over the last 12 months you have strengthened your internal control arrangements in a number of key areas and I did not identify any significant weaknesses in internal control arrangements this year.

**10** However, my work showed that processes used to prepare the draft accounts were not always efficient and involved a lot of staff time in carrying out manual checks which could usefully be automated.



## Treasury management

**11** In 2008/09 we identified that there was no written agreement in place between Durham County Council and the Joint Committee setting out the terms of treasury management agreements.

**12** This remains the case and there is still no written agreement in place with Durham County Council. In addition, there is need for a regular reconciliation of regular formal agreement of the account balance between the two parties.

### Recommendations

**R1** Officers and members should review the current arrangements for maintaining the books and records for the Joint Committee and consider possible alternatives to the significant staff time which is used in carrying out manual checks.

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**R2** Officers should implement a written agreement between Durham County Council and the Committee setting out the terms of the treasury management agreements.

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**R3** A formal agreement of the account balance used for all transactions between Durham County Council and the Committee should be agreed.

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# Value for money

**I considered whether the Joint Committee is managing and using its money, time and people to deliver value for money.**

**I assessed your performance against the criteria specified by the Audit Commission and have reported the outcome as the value for money (VFM) conclusion.**

## VFM conclusion

**13** I assessed your arrangements to achieve economy, efficiency and effectiveness in your use of money, time and people against criteria specified by the Audit Commission. The Audit Commission specifies each year, which Key Lines of Enquiry (KLOE) are the relevant criteria for the VFM conclusion at each type of audited body.

**14** Last year I identified significant scope for improvement in financial reporting and internal control arrangements and concluded that you did not have adequate arrangements to secure economy, efficiency and effectiveness in all of the areas assessed.

**15** Good progress has been made in both of these areas over the past 12 months. As a result I issued an unqualified conclusion stating you had satisfactory arrangements to secure economy, efficiency and effectiveness in your use of resources.

**16** The table below summarises my findings.

Criteria	Adequate arrangements?	
	2009/10	2008/09
<b>Managing finances</b>		
Understanding costs and achieving efficiencies	Yes	Yes
Financial Reporting	Yes	No
<b>Governing the business</b>		
Good Governance	Yes	Yes
Risk management and internal control	Yes	No

# Current and future challenges

## Future challenges and developments

**17** The Joint Committee, along with all public sector organisations, faces significant challenges in managing its finances. The current economic situation, together with the implications of the Comprehensive Spending Review, make it more important than ever that resources are managed strategically, getting value for money in all areas of spend.

**18** While the Joint Committee's financial position remains comparatively healthy the need to fit Mercury Abatement equipment to cremators by 31 December 2012 remains a significant operational and financial challenge.

**19** From 2010/11, you will be required to produce accounts that comply with International Financial Reporting Standards (IFRS). Although the size and nature of the Joint Committee's business will limit the impact this has in practice it will nevertheless require additional work in a number of key areas, notably on accounting for property, plant and equipment. Ongoing discussions suggest you are making reasonable progress, but further work needs to be done before the 2009/10 accounts can be restated and the 2010/11 accounts produced.

## Closing remarks

**20** I have discussed and agreed this letter with the Treasurer. I will present this letter at the next meeting of the Joint Committee. I will also provide copies to all members.

**21** Full detailed findings, conclusions and recommendations in the areas covered by our audit were included in the reports I issued to the Joint Committee during the year.

Report	Date issued
Audit Fee Letter	April 2010
Audit Opinion Plan	June 2010
Annual Governance Statement	September 2010

**22** You have taken a positive and helpful approach to our audit and I wish to thank all members and staff for their continued support and cooperation during the audit.

Cameron Waddell  
District Auditor  
November 2010

# Appendix 1 Audit fees

	Actual	Proposed	Variance
Financial statements and annual governance statement	11,540	11,540	0
Value for money	1,460	1,460	0
<b>Total audit fees</b>	<b>13,000</b>	<b>13,000</b>	<b>0</b>

## Appendix 2 Glossary

### **Annual governance statement**

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and where appropriate, lead their communities.

The annual governance statement is a public report by the Joint Committee on the extent to which it complies with its own local governance code, including how it has monitored the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.

### **Audit opinion**

On completion of the audit of the accounts, auditors must give their opinion on the financial statements, including:

- whether they give a true and fair view of the financial position of the audited body and its spending and income for the year in question;
- whether they have been prepared properly, following the relevant accounting rules; and
- for local probation boards and trusts, on the regularity of their spending and income.

### **Financial statements**

The annual accounts and accompanying notes.

### **Qualified**

The auditor has some reservations or concerns.

### **Unqualified**

The auditor does not have any reservations.

### **Value for money conclusion**

The auditor's conclusion on whether the audited body has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of money, people and time.

## Appendix 3 Action Plan

### Recommendations

#### Recommendation 1

Officers and members should review the current arrangements for maintaining the books and records for the Joint Committee and consider possible alternatives to the significant staff time which is used in carrying out manual checks.

<b>Responsibility</b>	Head of Finance, HR and Business Support (Neighbourhoods, Durham County Council)
<b>Priority</b>	Medium
<b>Date</b>	April 2011
<b>Comments</b>	Options report to be considered by the Joint Committee in January 2011. Manual checking/existing systems to be maintained (for control and assurance purposes) until decision reached with regards to any changes going forward.

#### Recommendation 2

Officers should implement a written agreement between Durham County Council and the Committee setting out the terms of the treasury management agreements.

<b>Responsibility</b>	Head of Finance, HR and Business Support (Neighbourhoods, Durham County Council)
<b>Priority</b>	Medium
<b>Date</b>	March 2011
<b>Comments</b>	Currently in progress.

#### Recommendation 3

A formal agreement of the account balance used for all transactions between Durham County Council and the Committee should be agreed.

<b>Responsibility</b>	Head of Finance, HR and Business Support (Neighbourhoods, Durham County Council)
<b>Priority</b>	Medium
<b>Date</b>	March 2011
<b>Comments</b>	Account balance will be agreed on a regular basis.

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- any director/member or officer in their individual capacity; or
- any third party.



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November 2010





## Central Durham Crematorium Joint Committee

26 January 2011

External Audit 2009/2010 - Annual Governance Report and Annual Audit letter – Progress Update



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### Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources & Treasurer to the Joint Committee

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#### Purpose of the Report

1. The purpose of this report is to update members of the Central Durham Crematorium Joint Committee on the progress made against the Audit Commissions findings and recommendations from the 2009/2010 Audit, as detailed in the Annual Governance Report and Annual Audit letter.

#### Background Information

2. Members will be aware that the Audit Commission issued an unqualified opinion on the 2009/2010 Accounts stating that the Joint Committee has adequate arrangements to secure economy, efficiency and effectiveness in its use of resources. A certificate of completion in accordance with the requirements of the Audit Commission Act 1998 and the Audit Commission Code of Practice was also issued.
3. Whilst the Audit did not highlight any material weaknesses in internal control, a number of minor inefficiencies were identified in relation to the maintenance of the Joint Committees accounting systems, books and records.
4. The following recommendations were made in order to strengthen the internal control arrangements of the Joint Committee:
  - **R1** : Officers and members review the current arrangements for maintaining the books & records of the Joint Committee, and consider possible alternatives to the significant staff time which is used in carrying out manual checks.
  - **R2** : Officers ensure a written record is in place between Durham County Council and the Committee setting out the terms of the Treasury Management Arrangements.
  - **R3** : A formal agreement of the Account Balance used for all transactions between Durham County Council and the Committee be introduced.

5. In addition to these formal recommendations, the following considerations were also made:
- **R4** : Adoption of the lead authority member Code of Conduct by all members of the Central Durham Crematorium Joint Committee;
  - **R5** : Requirement for a separate “Declaration of Interests” return to be completed by all members of the Joint Committee on an annual basis; and
  - **R6** : The requirement for the production of the 2010/11 Accounts in compliance with International Financial Reporting Standards (IFRS)

### **Progress Update**

6. Significant progress has been made towards addressing the 2009/10 External Auditor recommendations:

#### ***R1 – Alternative to the current system of maintaining books and records***

7. Officers have reviewed the current arrangements for maintaining the books & records of the Joint Committee, and have considered the following possible alternatives:

- **The use of the DCC Financial Management System (ORACLE) under a separate company solely used for the Central Durham Crematorium Joint Committee affairs.**

This would require all historic transactions to be transferred from the County Councils records to the newly set up company for the Central Durham Crematorium Joint Committee. This along with interface redirections/ rewrites etc would result in extensive set - up time and whilst such changes would separate the Crematorium transactions, the issues surrounding the required use of the former district council Agresso Financial system for direct input and subsequent translation into the Oracle System would remain. It is debateable that this option would result in any reduction in the requirement for manual checks therefore this option is not considered to be viable.

- **Procurement of a “stand-alone” financial management system/ software package (SAGE).**

The SAGE 50 Accounts Professional 2011 accounts software provides multi user access enabling robust Financial, Budget, Customer, Supplier and purchase order Management. It is currently used by officers at Spennymoor Town Council.

Initial enquiries have indicated that the Sage 50 Accounts Professional 2011 Starter Solution which includes Sage Cover, an element of Training and an invoice starter pack would provide best value for money in line with the Joint Committees requirements. The cost of this starter solution is £1,400. In addition, in order to access the system at both the Crematorium and at County Hall, an additional licence costing £250 would be required.

With any new system it is imperative that user training is undertaken in order to get the optimum results from it. Sage provides training passport products – comprehensive and flexible training provision purchased in multiples of 3, 5 or 10 days to be redeemed against any module over a 12 month period. The cost of this product ranges from £575 for 3 day to £1,120 for 10 days

The need for the Crematorium to ensure internal control and sound financial management would be satisfied by the introduction of the Sage software package and in comparison to the Oracle option, the setup time would be much reduced. The costs of the new system are relatively modest and could be accommodated within the revenue budget for 2011/12.

It is therefore proposed, subject to member approval, to procure and implement the SAGE system for the crematoria accounting requirements. The new systems and procedures be in place no later than 1 April 2011.

### ***R2 – Written Agreement for Treasury Management Arrangements***

8. Members will recall that the written agreement for the year ended 31<sup>st</sup> March 2011 was presented for consideration (as an appendix to the Audit Commission's Annual Governance Report – App 7) at the Central Durham Crematorium Joint Committee Meeting on 29<sup>th</sup> September 2011.
9. The agreement, signed by the Head of Finance: Resources – Jeff Garfoot and the Chair to the Joint Committee - Councillor Maria Plews in November 2010 is attached Appendix 2 and therefore this recommendation has been fully met.

### ***R3 – Formal Agreement of the Account Balance between DCC and the CDCJC***

10. Further discussions with the Audit Manager, Audit Commission (Catherine Banks) has highlighted that the requirement for a formal agreement is not necessary, rather a year-end reconciliation needs to be presented to the Joint Committee as part of the 2010/2011 Final Outturn Report. This reconciliation, which will be included in the year end outturn report presented to the CDCJC in June this year, will provide assurance to both the Joint Committee and External Audit of the transactions carried out between the two bodies.
11. It should be noted that the implementation of the SAGE Financial Management System will diminish the need for this reconciliation after 2010/11, as, other than payroll reimbursements, all other receipts and payments will be made direct from the SAGE system and will bypass the DCC Creditor system.

### ***R4 – Adoption of the Lead Authority Member code of Conduct***

12. The External Audit highlighted that members of the Joint Committee have not, since vesting day of the new authority, formally considered and adopted the Durham County Council (as lead authority) Member Code of Conduct.
13. Attached at Appendix 3 is the Durham County Council Code of Conduct for Members and at Appendix 4 the written undertaking requiring signature for consideration by

members. Formally considering these policies and adopting the Code, plus signing the written undertaking as part of this meeting will satisfy the requirements of this particular recommendation.

### ***R5 – Declarations of Interest***

14. The External Audit of the 2009/2010 closure process also considered the Declaration of Personal Interests and the auditor has highlighted the need for members of the joint Committee to prepare a separate declaration, relevant to the activities of the Joint Committee. Attached at Appendix 5 is a proforma “Notification by a Member of a Local Authority of personal interest” (based on the DCC standard declaration of interest) for completion and signature by members. Copies of these are required from all members of the Joint Committee, including any NIL returns.

### ***R6 – IFRS Financial Reporting***

15. From 2010/2011, the Central Durham Crematorium Joint Committee will be required to produce accounts that comply with International Financial Reporting standards (IFRS).

16. Although the size and nature of the Joint Committees business will limit the impact this change in accounting practice will have in practice, additional work in a number of areas, such as accounting for plant and equipment is required.

17. Audit Commission and CIPFA workshops are being attended to realise the full impact of IFRS and enable the 2009/2010 accounts to be restated (this will be a requirement) and the 2010/2011 accounts produced in accordance with IFRS.

18. Officers will recast the 2009/10 Accounts in accordance with IFRS requirements and will present these at the April committee meeting to advise and highlight to members the reporting changes, giving an insight to the IFRS Accounts Format for 2010/11 and thereby prepare members for when the 2010/11 statements are presented for approval.

### **Recommendations and reasons**

19. It is recommended that:-

- Members of the Joint Committee note the progress made with regards to addressing the External Audit recommendations arising from the Annual Governance Report and Annual Audit letter 2009/10.
- Members of the Joint Committee note the contents of the Lead Authority Member Code of Conduct, formally adopt these and agree to signing the written undertaking and returning to the Head of Finance, HR & Business Support, Neighbourhood Services.
- Members of the Joint Committee complete and sign the declaration of Personal interest returning to the Head of Finance, HR & Business Support, Neighbourhood Services

## **Background Papers**

2009/2010 Annual Governance Report  
2009/2010 Annual Audit letter

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**Contact(s): Paul Darby 0191 383 6594**

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## **Appendix 1: Implications**

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### **Finance**

The purchase of the alternative financial management System (SAGE) will cost £3,000 during 2011/ 2012. These proposals have been factored into budget projections for 2011/12. Ongoing maintenance and system support totalling £1,000 would need to be factored into future years' budgets.

### **Staffing**

There are no staffing implications associated with this report.

### **Risk**

Addressing the recommendations arising from the Annual Governance Report and Annual Audit letter 2009/10 will ensure that the Joint Committee will improve its governance arrangements and address the inefficiencies identified with regards to the maintenance of the Joint Committees accounting systems, books and records. Failure to address these concerns could potentially adversely affect future audit conclusions and could also affect the excellent working relationship that exists with our external auditors.

### **Equality and Diversity**

None

### **Accommodation**

There are no Accommodation implications associated with this report.

### **Crime and Disorder**

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

### **Human Rights**

None

### **Consultation**

Officers of Spennymoor Town Council were consulted and have provided advice on Audit Recommendation 1 of this report.

### **Procurement**

None

### **Disability Discrimination Act**

None

### **Legal Implications**

The Accounts and Audit Regulations and Statement of Recommended Practice set out the legal and regulatory framework in which the accounts of the Joint Committee are prepared. The proposals within this report seek to strengthen the Joint Committees compliance with these regulations.

**THIS AGREEMENT** is made the [29th] of [September] two thousand and ten **BETWEEN**  
**DURHAM COUNTY COUNCIL (DCC)** of [address] and **CENTRAL DURHAM**  
**CREMATORIUM JOINT COMMITTEE (CDCJC)** of [address]

**WHEREAS** Central Durham Crematorium Joint Committee have requested and Durham County Council have agreed to provide Treasury Management Services in the detail set out below for the year ended 31 March 2011

**1. AND Durham Crematorium Joint Committee agrees to:**

- ✓ The Surplus cash balance of £850,000 being invested for the year 2010/2011
- ✓ Notify DCC two working days in advance of the transfer of funds

**2. Durham County Council agrees to:**

- ✓ Invest notional cash balances on behalf of CDCJC in line with the County Council's Investment Strategy
- ✓ Provide access to the County Council's Investment Strategy
- ✓ Transfer funds between CDCJC and DCC bank accounts upon request
- ✓ Pay interest to CDCJC on a quarterly basis at the average 7 day LIBID rate

Signed by .....

*J. Garfoot*

For and on behalf of **DURHAM COUNTY COUNCIL**

Jeff Garfoot  
Head of Finance

Date .....

*24<sup>th</sup> November 2010*

Signed by .....

*M. Plews*

For and on behalf of the **CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE**

Councillor Maria Plews  
Chair

Date .....

*18/11/10*

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**CODE OF CONDUCT  
FOR MEMBERS**

**Adopted by Durham County Council on 28 June 2007**

## CODE OF CONDUCT FOR MEMBERS

### EXECUTIVE SUMMARY

The revised Code of Conduct is contained within a Statutory Instrument and it covers elected members, co-opted members and independent members of the Standards Committee.

<b>Interpretation</b>	<p><b>Paragraph 1</b></p> <p>The Code applies to any member of the Authority and it is your responsibility to comply with the Code.</p>
<b>Scope</b>	<p><b>Paragraph 2</b></p> <p>The Code applies whenever you are acting in your official capacity, and in relation to conduct in your private capacity the code only applies where such conduct has resulted in a criminal conviction. Additionally, where you are acting as a representative of the Authority, you must continue to observe the Authority's code, unless you are subject to another relevant authority's code, or unless (in relation to any other body) it conflicts with any other legal obligations.</p>
<b>General Obligations</b>	<p><b>Paragraph 3</b></p> <p>You must treat others with respect and not to do anything which may cause the Authority to breach equality legislation, or which compromises the impartiality of those who work for the Authority or bully anyone or intimidate persons involved in code of conduct cases.</p> <p><b>Paragraph 4</b></p> <p>You must not without consent disclose confidential information you have acquired and you must not prevent others from gaining access to information to which they are entitled.</p> <p><b>Paragraph 5</b></p> <p>You must not conduct yourself in a manner which could bring the Authority into disrepute.</p>
<b>General Obligations</b>	<p><b>Paragraph 6</b></p> <p>You must not use your position improperly to gain an advantage or confer a disadvantage and when using or authorising the use of the Authority's resources, you must act in accordance with the Authority's reasonable requirements, you must not permit those resources to be used for political purposes and you must have regard to the Local Authority Code of Publicity.</p>

<p><b>Personal Interests</b></p>	<p><b>Paragraph 7</b></p> <p>You must have regard to advice given by the Chief Finance Officer and Monitoring Officer and must give reasons for decisions made in accordance with any statutory requirements.</p> <p><b>Paragraph 8</b></p> <p>This paragraph provides a list of matters which constitute a personal interest.</p>
<p><b>Disclosure of Personal Interests</b></p>	<p><b>Paragraph 9</b></p> <p>Generally if you have a personal interest in any business of the Authority you must disclose that interest at any meeting at which the business is considered.</p>
<p><b>Prejudicial Interests</b></p>	<p><b>Paragraph 10</b></p> <p>Generally a personal interest is also a prejudicial interest if that interest could be regarded by a member of the public as so significant that it is likely to prejudice your judgement of the public interest. The paragraph provides that in specified circumstances you may regard yourself as not having a prejudicial interest.</p>
<p><b>Overview and Scrutiny Committees</b></p>	<p><b>Paragraph 11</b></p> <p>If you have been involved in making a decision or taking action on a matter you must not be involved in the Overview and Scrutiny Committee's consideration of that decision or action.</p>
<p><b>Participation in Relation to Disclosed Prejudicial Interests</b></p>	<p><b>Paragraph 12</b></p> <p>If you have a prejudicial interest you must, unless, for example, you are making representations and members of the public are also allowed to make representations on that matter, or you have obtained a dispensation, withdraw from any meetings at which the business is being considered, and you must not improperly influence decisions in relation to the business</p>
<p><b>Registration of Personal Interests</b></p>	<p><b>Paragraph 13</b></p> <p>You must notify the Monitoring Officer of your personal interests and any change to those interests must also be notified.</p>

**Notification  
of sensitive  
information**

**Paragraph 14**

You can notify the Monitoring Officer of any sensitive information the availability of which to the public creates, or is likely to create, a serious risk that you or a person who lives with you may be subjected to violence or intimidation.

# Code of Conduct for Members

## PART 1

### GENERAL PROVISIONS

#### 1 Introduction and interpretation

- (1) This Code applies to you as a member of the Authority.
- (2) You should read this Code together with the general principles prescribed by the Secretary of State (appended herewith).
- (3) It is your responsibility to comply with the provisions of this Code.
- (4) In this Code -

“meeting” means any meeting of -

- (a) the Authority;
- (b) the executive of the Authority;
- (c) any of the Authority’s or its executive’s committees, sub-committees, joint committees, joint sub-committees, or area committees;

“member” includes a co-opted member and an appointed member.

- (5) *(Only applicable to parish councils).*

#### 2 Scope

- (1) Subject to sub-paragraphs (2) to (5), you must comply with this Code whenever you -
  - (a) conduct the business of your authority (which, in this Code, includes the business of the office to which you are elected or appointed); or
  - (b) act, claim to act or give the impression you are acting as a representative of your authority, and references to your official capacity are construed accordingly.
- (2) Subject to sub-paragraphs (3) and (4), this Code does not have effect in relation to your conduct other than where it is in your official capacity.
- (3) In addition to having effect in relation to conduct in your official capacity, paragraphs 3(2)(c), 5 and 6(a) also have effect, at any other time, where that conduct constitutes a criminal offence for which you have been convicted.

- (4) Conduct to which this Code applies (whether that is conduct in your official capacity or conduct mentioned in sub-paragraph (3)) includes a criminal offence for which you are convicted (including an offence you committed before the date you took office, but for which you are convicted after that date).
- (5) Where you act as a representative of your authority -
  - (a) on another relevant authority, you must, when acting for that other authority, comply with that other authority's code of conduct; or
  - (b) on any other body, you must, when acting for that other body, comply with your authority's code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

### 3 **General obligations**

- (1) You must treat others with respect.
- (2) You must not -
  - (a) do anything which may cause your authority to breach any of the equality enactments (as defined in section 33 of the Equality Act 2006(a));
  - (b) bully any person;
  - (c) intimidate or attempt to intimidate any person who is or is likely to be -
    - (i) a complainant,
    - (ii) a witness, or
    - (iii) involved in the administration of any investigation or proceedings, in relation to an allegation that a member (including yourself) has failed to comply with his or her authority's code of conduct; or
  - (d) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, your authority.
- (3) *(Only applicable to police authorities and the Metropolitan Police Authority).*

### 4 You must not -

- (a) disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where -

- (i) you have the consent of a person authorised to give it;
  - (ii) you are required by law to do so;
  - (iii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or
  - (iv) the disclosure is -
    - (aa) reasonable and in the public interest; and
    - (bb) made in good faith and in compliance with the reasonable requirements of the authority; or
  - (b) prevent another person from gaining access to information to which that person is entitled by law.
- 5 You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute.
- 6 You -
- (a) must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person, an advantage or disadvantage; and
  - (b) must, when using or authorising the use by others of the resources of your authority -
    - (i) act in accordance with your authority's reasonable requirements;
    - (ii) ensure that such resources are not used improperly for political purposes (including party political purposes); and
  - (c) must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.
- 7
- (1) When reaching decisions on any matter you must have regard to any relevant advice provided to you by -
    - (a) your authority's chief finance officer; or
    - (b) your authority's monitoring officer, where that officer is acting pursuant to his or her statutory duties.
  - (2) You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by your authority.

## PART 2

### INTERESTS

#### Personal Interests

8

- (1) You have a personal interest in any business of your authority where either -
- (a) it relates to or is likely to affect -
- (i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
  - (ii) any body -
    - (aa) exercising functions of a public nature;
    - (bb) directed to charitable purposes; or
    - (cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union),  
of which you are a member or in a position of general control or management;
  - (iii) any employment or business carried on by you;
  - (iv) any person or body who employs or has appointed you;
  - (v) any person or body, other than a relevant authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties;
  - (vi) any person or body who has a place of business or land in your authority's area, and in whom you have a beneficial interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower);
  - (vii) any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi);



- (viii) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £25;
  - (ix) any land in your authority's area in which you have a beneficial interest;
  - (x) any land where the landlord is your authority and you are, or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi) is, the tenant;
  - (xi) any land in the authority's area for which you have a licence (alone or jointly with others) to occupy for 28 days or longer; or
- (b) a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of –
- (i) (in the case of authorities with electoral divisions or wards) other council tax payers, ratepayers or inhabitants of the electoral division or ward, as the case may be, affected by the decision;
  - (ii) *(only applicable to the Greater London Authority)*
  - (iii) *(only applicable to all other cases).*
- (2) In sub-paragraph (1)(b), a relevant person is -
- (a) a member of your family or any person with whom you have a close association; or
  - (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
  - (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
  - (d) any body of a type described in sub-paragraph (1)(a)(i) or (ii).

### **Disclosure of personal interests**

9

- (1) Subject to sub-paragraphs (2) to (7), where you have a personal interest in any business of your authority and you attend a meeting of your authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

- (2) Where you have a personal interest in any business of your authority which relates to or is likely to affect a person described in paragraph 8(1)(a)(i) or 8(1)(a)(ii)(aa), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that business.
- (3) Where you have a personal interest in any business of the authority of the type mentioned in paragraph 8(1)(a)(viii), you need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.
- (4) Sub-paragraph (1) only applies where you are aware or ought reasonably to be aware of the existence of the personal interest.
- (5) Where you have a personal interest but, by virtue of paragraph 14, sensitive information relating to it is not registered in your authority's register of members' interests, you must indicate to the meeting that you have a personal interest, but need not disclose the sensitive information to the meeting.
- (6) Subject to paragraph 12(1)(b), where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must ensure that any written statement of that decision records the existence and nature of that interest.
- (7) In this paragraph, "executive decision" is to be construed in accordance with any regulations made by the Secretary of State under section 22 of the Local Government Act 2000(a).

### **Prejudicial interest generally**

10

- (1) Subject to sub-paragraph (2), where you have a personal interest in any business of your authority you also have a prejudicial interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.
- (2) You do not have a prejudicial interest in any business of the authority where that business -
  - (a) does not affect your financial position or the financial position of a person or body described in paragraph 8;
  - (b) does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 8; or

- (c) relates to the functions of your authority in respect of -
  - (i) housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease;
  - (ii) school meals or school transport and travelling expenses, where you are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;
  - (iii) statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of, such pay;
  - (iv) an allowance, payment or indemnity given to members;
  - (v) any ceremonial honour given to members; and
  - (vi) setting council tax or a precept under the Local Government Finance Act 1992.

### **Prejudicial interests arising in relation to overview and scrutiny committees**

11 You also have a prejudicial interest in any business before an overview and scrutiny committee of your authority (or of a sub-committee of such a committee) where -

- (a) that business relates to a decision made (whether implemented or not) or action taken by your authority's executive or another of your authority's committees, sub-committees, joint committees or joint sub-committees; and
- (b) at the time the decision was made or action was taken, you were a member of the executive, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.

### **Effect of prejudicial interests on participation**

12

- (1) Subject to sub-paragraph (2), where you have a prejudicial interest in any business of your authority -
  - (a) you must withdraw from the room or chamber where a meeting considering the business is being held -
    - (i) in a case where sub-paragraph (2) applies, immediately after making representations, answering questions or giving evidence;

- (ii) in any other case, whenever it becomes apparent that the business is being considered at that meeting;

unless you have obtained a dispensation from your authority's standards committee;

- (b) you must not exercise executive functions in relation to that business; and
  - (c) you must not seek improperly to influence a decision about that business.
- (2) Where you have a prejudicial interest in any business of your authority, you may attend a meeting (including a meeting of the overview and scrutiny committee of your authority or of a sub-committee of such a committee) but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

## PART 3

### Registration of Members' Interests

13

- (1) Subject to paragraph 14, you must, within 28 days of –
  - (a) this Code being adopted by or applied to your authority; or
  - (b) your election or appointment to office (where that is later),

register in your authority's register of members' interests (maintained under section 81(1) of the Local Government Act 2000) details of your personal interests where they fall within a category mentioned in paragraph 8(1)(a), by providing written notification to your authority's monitoring officer.

- (2) Subject to paragraph 14, you must, within 28 days of becoming aware of any new personal interest or change to any personal interest registered under paragraph (1), register details of that new personal interest or change by providing written notification to your authority's monitoring officer.

#### **Sensitive information**

14

- (1) Where you consider that the information relating to any of your personal interests is sensitive information, and your authority's monitoring officer agrees, you need not include that information when registering that interest, or, as the case may be, a change to that interest under paragraph 13.
- (2) You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under paragraph (1) is no longer sensitive information, notify your authority's monitoring officer asking that the information be included in your authority's register of members' interests.
- (3) In this Code, "sensitive information" means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person who lives with you may be subjected to violence or intimidation.

## THE GENERAL PRINCIPLES WHICH GOVERN THE CONDUCT OF MEMBERS

**Extract from “The Relevant Authorities (General Principles) Order 2001:  
Statutory Instrument 2001 No. 14012**

1	<i>Selflessness</i>	Members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.
2	<i>Honesty and Integrity</i>	Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.
3	<i>Objectivity</i>	Members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.
4	<i>Accountability</i>	Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.
5	<i>Openness</i>	Members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.
6	<i>Personal Judgement</i>	Members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

7	<i>Respect for Others</i>	Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers, and its other employees.
8	<i>Duty to Uphold the Law</i>	Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.
9	<i>Stewardship</i>	Members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.
10	<i>Leadership</i>	Members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

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**Written Undertaking**

I, ....., being a member of the Central Durham Crematorium Joint Committee, undertake to observe the code as to the conduct which is expected of Members of Durham County Council.

Signed.....Date .....

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## Notification by Member of a Local Authority of Personal Interests

I, *(full name)*

a Member of *(authority)*

Central Durham Crematorium Joint Committee

GIVE NOTICE that I have the following personal interests *(please state "None" where appropriate)*:

- (a) I am a member or in a position of general control or management of the following body/ies to which I have been appointed or nominated by the authority – **this relates to any appointments to outside bodies excluding school governorships etc.**

- (b) I am a member or in a position of general control or management of the following body/ies exercising functions of a public nature – **this includes details of any dual and triple hatted appointments you hold e.g. membership of Town and/or Parish Councils**

- (c) I am a member or in a position of general control or management of the following body/ies directed to charitable purposes, **e.g. local Freemasons Lodge, ROAB, Rotary Club**

- (d) I am a member or in a position of general control or management of the following body/ies one of whose principal purposes include the influence of public opinion or policy – **this includes membership of a political party and relevant Association of Councillors, membership of campaigning and, lobbying groups, e.g. Amnesty International, Countryside Alliance, Friends of the Earth, Trade Unions, CBI and professional associations**

- (e) [My Employment] [Business carried on by me] *(delete whichever does not apply)*

- (f) Name of [person] [body] who [employs] [has appointed] me.

- (g) Name of person(s) or body/ies (other than a relevant authority) who has/have made a payment to me in respect of my election or any expenses incurred by me in carrying out my duties.

- (h) Name(s) of any person(s) or body/ies having a place of business or land in the authority's area, and in which I have a beneficial interest in a class of securities of that person(s) or body/ies that exceeds the nominal value of £25,000, or one hundredth of the total issued share capital (whichever is lower)

- (i) Description of any contract for goods, services or works made between the authority and myself or a firm in which I am a partner, a company of which I am a remunerated director, or a person or body of the description specified in (h) above.

- (j) Address or other description (sufficient to identify location) of any land in the authority's area in which I have a beneficial interest – **this includes details of your home address**

- (k) Address or other description (sufficient to identify location) of any land where the landlord is the authority and I am, or a firm in which I am a partner, a company of which I am a remunerated director, or a person or body of the description specified in (h) above is, a tenant.

- (l) Address or other description (sufficient to identify the location) of any land in the authority's area for which I have a license (alone or jointly with others) to occupy for 28 days or longer.

Date

Signed .....

**NOTE - A member must within 28 days of becoming aware of any new personal interest or change to any personal interest specified above, register details of that new personal interest or change by providing written notification to the authority's monitoring officer of that change (form LGA 3 may be used for this purpose)**

## NOTES

### The Local Authorities (Model Code of Conduct) Order 2007

#### Personal interests

8. —(1) You have a personal interest in any business of your authority where either—

(a) it relates to or is likely to affect—

(i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;

(ii) anybody—

(aa) exercising functions of a public nature;

(bb) directed to charitable purposes; or

(cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union),

of which you are a member or in a position of general control or management;

(iii) any employment or business carried on by you;

(iv) any person or body who employs or has appointed you;

(v) any person or body, other than a relevant authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties;

(vi) any person or body who has a place of business or land in your authority's area, and in whom you have a beneficial interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower);

(vii) any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi);

(viii) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £25;

(ix) any land in your authority's area in which you have a beneficial interest;

(x) any land where the landlord is your authority and you are, or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi) is, the tenant;

(xi) any land in the authority's area for which you have a licence (alone or jointly with others) to occupy for 28 days or longer; or

(b) a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of—

(i) (in the case of authorities with electoral divisions or wards) other council tax payers, ratepayers or inhabitants of the electoral division or ward, as the case may be, affected by the decision;

(ii) (in the case of the Greater London Authority) other council tax payers, ratepayers or inhabitants of the Assembly constituency affected by the decision; or

(iii) (in all other cases) other council tax payers, ratepayers or inhabitants of your authority's area.

(2) In sub-paragraph (1)(b), a relevant person is—

(a) a member of your family or any person with whom you have a close association; or

(b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;

(c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or

(d) any body of a type described in sub-paragraph (1)(a)(i) or (ii).

#### Disclosure of personal interests

9. —(1) Subject to sub-paragraphs (2) to (7), where you have a personal interest in any business of your authority and you attend a meeting of your authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

(2) Where you have a personal interest in any business of your authority which relates to or is likely to affect a person described in paragraph 8(1)(a)(i) or 8(1)(a)(ii)(aa), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that business.

(3) Where you have a personal interest in any business of the authority of the type mentioned in paragraph 8(1)(a)(viii), you need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.

## **Prejudicial interest generally**

**10.** —(1) Subject to sub-paragraph (2), where you have a personal interest in any business of your authority you also have a prejudicial interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.

(2) You do not have a prejudicial interest in any business of the authority where that business—

- (a) does not affect your financial position or the financial position of a person or body described in paragraph 8;
- (b) does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 8; or
- (c) relates to the functions of your authority in respect of—
  - (i) housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease;
  - (ii) school meals or school transport and travelling expenses, where you are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;
  - (iii) statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of, such pay;
  - (iv) an allowance, payment or indemnity given to members;
  - (v) any ceremonial honour given to members; and
  - (vi) setting council tax or a precept under the Local Government Finance Act 1992.

## **Prejudicial interests arising in relation to overview and scrutiny committees**

**11.** You also have a prejudicial interest in any business before an overview and scrutiny committee of your authority (or of a sub-committee of such a committee) where—

- (a) that business relates to a decision made (whether implemented or not) or action taken by your authority's executive or another of your authority's committees, sub-committees, joint committees or joint sub-committees; and
- (b) at the time the decision was made or action was taken, you were a member of the executive, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.

## **Effect of prejudicial interests on participation**

**12.** —(1) Subject to sub-paragraph (2), where you have a prejudicial interest in any business of your authority—

- (a) you must withdraw from the room or chamber where a meeting considering the business is being held—
  - (i) in a case where sub-paragraph (2) applies, immediately after making representations, answering questions or giving evidence;
  - (ii) in any other case, whenever it becomes apparent that the business is being considered at that meeting;unless you have obtained a dispensation from your authority's standards committee;
- (b) you must not exercise executive functions in relation to that business; and
- (c) you must not seek improperly to influence a decision about that business.

(2) Where you have a prejudicial interest in any business of your authority, you may attend a meeting (including a meeting of the overview and scrutiny committee of your authority or of a sub-committee of such a committee) but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

## **Sensitive information**

**14.** —(1) Where you consider that the information relating to any of your personal interests is sensitive information, and your authority's monitoring officer agrees, you need not include that information when registering that interest, or, as the case may be, a change to that interest under paragraph 13.

(2) You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under paragraph (1) is no longer sensitive information, notify your authority's monitoring officer asking that the information be included in your authority's register of members' interests.

(3) In this Code, "sensitive information" means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person who lives with you may be subjected to violence or intimidation.



## GUIDANCE NOTES ON COMPLETING THIS FORM

- (a) If the Council has appointed or nominated you as its official representative on any outside body or bodies please set out in this section the name(s) of any such body/ies.
- (b) If you are a member, or you hold a position of general control or management, of any other public authority or body (for example, the police or fire authority for the area) details should be included in this section.
- (c) If you are a member, or you hold a position of general control or management, of any charity or similar organisation, details should be included in this section.
- (d) If you are a member, or you hold a position of general control or management, of any organisation whose main purpose is to influence public opinion or policy (for example, a lobbying or campaigning group, whether national or local) you should set out the name(s) here.
- (e) In this section you should include details of your job, or any business that you carry on. Please indicate which, by deleting those words in square brackets which do not apply.
- (f) If you are employed, or have been appointed, give in this section the name of the person or body who employs or has appointed you. Please indicate whichever applies by deleting the appropriate words in square brackets.
- (g) Complete this section by giving details of any payments you have received in respect of your election expenses (for example, from a political party or other group) or payments made to you in connection with carrying out your official duties. This does **not** include any allowance received by you from the Council of which you are a member.
- (h) If you are a shareholder of a company or similar body, which occupies premises in the Council's area, you should give details of such company or other body. This only applies if your holding is over a nominal value of £25,000 or over 1 per cent of the total share capital of a relevant company. If less than this, there is no need to complete this section.
- (i) If you are a partner in a firm or a paid director of a company, such as in (h) above, which supplies goods, services or works to the Council, you should give in this section particulars of any contract between the firm/company and the Council (continue on a separate sheet if there is not enough space).
- (j) This section should be completed with details of any property or land within the Council's area, **including your home**, in which you have a "beneficial interest". Having a "beneficial interest" means being the owner, landlord or tenant of land or other property, except if it is held under a trust.
- (k) If you are a partner in a firm or a paid director of a company or similar body which is a tenant of the Council, please give the address of the premises or description of any relevant land, sufficient to identify it.
- (l) In this section you should give details of any premises or land occupied by you (either alone or with others) in respect of which you have a license (rather than, for example, a lease or other tenancy agreement) to occupy for 28 days or more.

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Central Durham Crematorium Joint Committee



26 January 2011



Report of the Superintendant and Registrar

Report of Alan José, Superintendant and Registrar

Purpose of the Report

- To provide members of the Central Durham Crematorium Joint Committee with the usual quarterly update relating to performance and other operational matters.

Performance Update

Number of Cremations

- The table below provides details of the number of cremations for the period 1st July 2010 to 30th September 2010 inclusive and the number of cremations for the period 1st October 2010 to 31<sup>st</sup> December 2010 inclusive, with comparative data in the same periods last year:

	2009/2010	2010/2011	Change
<b>Quarter 2</b>			
JULY	182 + 3*	178 + 4*	-4 + 1*
AUGUST	142 + 2*	176 + 0*	+34 -2*
SEPTEMBER	176 + 2*	173 + 5*	-3+ 3*
<b>TOTAL QTR2</b>	<b>500 + 7*</b>	<b>527 + 9*</b>	<b>=27 + 2*</b>
	<b>2009/2010</b>	<b>2010/2011</b>	<b>Change</b>
<b>Quarter 3</b>			
OCTOBER	192 + 1*	181 + 1*	-11
NOVEMBER	167 + 2*	204 + 0*	+37 - 2*
DECEMBER	172 + 3*	178 + 3*	+6
<b>TOTAL QTR3</b>	<b>531 + 6*</b>	<b>563 + 4*</b>	<b>=32 - 2*</b>

\* = Non Viable Foetus (NVF)    \*\* = Stillborns (STs)    \*\*\* = Body parts

- The full profile of where families came from can be seen in Appendix 2. In summary, 432 cremations have come from Durham and 658 from outside of the area. This has lead to 527 + 9 Nvf cremations undertaken for the period 1st July 2010 to 30th

September 2010, compared to 500 + 7 Nvf in the comparable period last year, an increase of 27. As for the period 1st October 2010 to 31<sup>st</sup> December 2010, 563 + 4 Nvf cremations were undertaken, compared to 531 + 6 Nvf in the comparable period last year an increase of 32.

## Memorials

4. The table below outlines the number and value of the Memorials sold for the last two quarters:

	QTR2 2010/11 [July to Sept]		QTR3 2010/11 [Oct to Dec]	
	Number	£	Number	£
<b>Vase Blocks</b>	13	£ 5,946.55	10	£ 5,481.00
<b>Large Plaques</b>	36	£ 11,568.13	23	£ 8,182.00
<b>Small Plaques</b>	4	£ 828.92	2	£ 436.00
<b>Columbaria</b>	0	£ -	4	£ 4,239.90
<b>Total</b>	<b>53</b>	<b>£ 18,343.60</b>	<b>39</b>	<b>£ 18,338.90</b>

## Operational matters

### Crematorium Risk Register – Contaminated Bodies

5. The Audit Action plan highlighted that there was no documented guidelines in place regarding the disposal of a contaminated body. Guidance has been sought from the Consultant in Communicable Disease at The Health Protection Agency in Newcastle and I have been informed by them that, upon notification that a contaminated body was to be cremated, contact should be made with the Health Protection Agency, whereby advice would be given on a case by case basis.
6. This advice has been discussed with the Internal Auditors and it has been agreed that, in order to satisfy the requirement of the Audit Action Plan in respect of contaminated bodies, the following action will be added to the operational risk register: “*Such directions as may be given by the Health Protection Agency will be adhered to*”. Procedures will be put in place to ensure that, in the event of the receipt or potential receipt of a contaminated body, staff are aware of the need to contact the Health Protection Agency to seek advice and to make appropriate records of and act on that advice.

### Staffing Issues

7. At the CDCJC meeting on 29 September 2010 Members considered and agreed that a vacancy that had arisen at the Durham Crematorium should be recruited to and internally advertised at both DCC and Spennymoor TC.
8. This has not occurred and this vacancy has been continued to be covered by using temporary staff trained up in preparation for a Pandemic and operating without any difficulties. The position remains vacant, however, due to the scale of the budget cuts

from Government and ongoing Expressions of Interest for Early or Voluntary Retirement/ Redundancy taking place within the County Council (which closes on the 21 January 2011), a recruitment process has yet to commence. With all these factors taken into account it is proposed to continue with the current “temporary” arrangements until such time as the overall situation is clearer and then advertise to fill this post.

### **Joint Conference of Cremation and Burial Authorities**

9. The Federation of Burial & Cremation Authorities / Cremation Society of Great Britain are to hold their Joint Conference in Bristol on 4 to 6 July 2011. In line with previous arrangements, two places have been reserved at the Annual Conference in respect of the Chairman and the Superintendent & Registrar.
10. 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 in Appendix 3.

### **Cremator Replacement & Crematoria Redevelopment Project - Update**

11. At the Special Meeting on 21 December 2010 it was agreed to proceed with the planning application and award of the contracts for the required works. In doing so members were keen that they received regular updates on the progress made.
12. In response to this, the lead officers and I have met to further discuss works scheduling and the practicalities in terms of ensuring that, in between formal meetings of the Joint Committee, members receive regular updates, including financial updates on expenditure in relation to the project. Once the works commence it is proposed that a monthly email communication be distributed to members of the committee to advise of works underway, spend to date and forthcoming milestones. Appropriate site visits will also be arranged at key points in the construction phase. This will be preceded by a regular update within this report. Special Meetings could also be convened if members so wished.
13. In terms of progress since the Special Meeting on 21 December, there is little further to report at this stage, other than to confirm that the planning application has been submitted, in accordance with the timescales outlined in the December report. Discussions with planning colleagues reveals that a decision is expected within the next 8 weeks.
14. The Chair and Vice Chair have requested that a visit be arranged to Bretby Crematorium to provide Members of the Committee with the opportunity to see an IFZW Cremator installation, which is fully operational and installed in the last year. The Crematorium is located in Staffordshire (@ 3 hours drive) and enquiries have been made with the Registrar for this facility, who is happy to assist.

## **Recommendations and reasons**

15. It is recommended that Member of the Central Durham Joint Committee:-

- Note the content of this report with regards to current performance of the crematorium;.
- Note the comments regarding the Internal Audit action plan and action taken regarding amendments made to the operational Risk Register and operational procedures to accommodate this recommendation;
- Consider and agree to continue to temporarily fill the vacant post until the wider picture is clearer at which time a recruitment exercise will be undertaken, with the post advertised internally and simultaneously within the two partner authorities;
- Consider and agree to the Chairman and the Superintendent & Registrar to attend the Joint Conference;
- Note the progress with regards to the cremator replacement and crematoria redevelopment project; and
- Consider and agree to a visit to the IFZW installation site at Bretby Crematorium.

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**Contact(s): Alan José 0191 384 8677**

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## **Appendix 1: Implications**

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**Finance** – As identified in the report.

**Staffing** - A member of staff has left the Authority and this will be reviewed in due course.

**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.

**Human Rights** - There are no Human Rights implications associated with this report.

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

**Procurement** - None

**Disability Discrimination Act** - None

**Legal Implications** - None

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**Appendix 2: Breakdown of figures**


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	JULY	AUG	SEPT	OCT	NOV	DEC
<b>BARNARD CASTLE</b>		1				1
Berwick			1			
Billingham			1			
<b>BIRTLEY</b>	1			1		
<b>BISHOP AUCKLAND</b>	7	8	9	11	13	11
<b>BISHOP MIDDLEHAM</b>	1					2
<b>BLACKHALL</b>	2	3	2	2		1
Bristol			1			
<b>CHESTER LE STREET</b>	7	10	6	14	14	9
<b>CHILTON</b>	2	5	2	1	1	3
<b>CONSETT</b>	2		3		1	
<b>CORNSAY</b>					1	
<b>BOUNDON</b>		1			2	
<b>CROOK</b>	9	5	7	7	9	4
<b>DARLINGTON</b>		1	1			
<b>EASINGTON</b>		4	4	2	4	3
<b>ESH WINNING</b>	2			1		
<b>FENCEHOUSES</b>	2	1	1	1	1	
<b>FERRYHILL</b>	11	6	11	3	9	8
<b>FISHBURN</b>	2				2	
<b>FROSTERLEY</b>			1	1		
<b>GREAT LUMLEY</b>				1		
<b>HAMSTERLEY</b>					1	
<b>HARTLEPOOL</b>		2	2	1	1	1
<b>HASWELL</b>	1	1		1	2	
<b>HETTON LE HOLE</b>	3	2	4	2	4	3
<b>HORDEN</b>	4	4	3	3	3	2
<b>HOUGHTON</b>	2	3	2	1	2	2
<b>HOWDEN</b>		1				
<b>HUNWICK</b>					1	
<b>LANCHESTER</b>	2	1				
<b>LANGLEY PARK</b>	1			1	2	2
<b>NOTTINGHAM</b>				1		
<b>LONDON / KENT</b>				1	2	
<b>MIDDLETON/Teasdale</b>		1				
<b>MURTON</b>	3	2		6	6	1
<b>NETTLESWORTH</b>				1		
<b>NEWCASTLE</b>	1	1	1			1
<b>NEWTON AYCLIFFE</b>	3	16	7	3	7	6
<b>PELAW</b>	1			2		
<b>PETERLEE</b>	11	8	10	13	3	9
<b>SACRISTON</b>	7	4	1	5	1	
<b>SEAHAM</b>	2	4	1	4	8	6
<b>SEATON</b>						
<b>SEDFIELD</b>	1	4	1	4	4	3
<b>SHILDON</b>	1		1	4	4	
<b>SHOTTON</b>	2	2	3	1	5	2



	<b>JULY</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>
<b>SOUTH HETTON</b>		1	1			1
<b>STANHOPE</b>				2	1	2
<b>STANLEY</b>					1	
<b>STATION TOWN</b>					1	
<b>STOCKTON</b>		2	2			
<b>SUNDERLAND</b>						1
<b>SUNNYBROW</b>	1	2		1	1	
<b>THORNLEY</b>	2	1	1	1	2	
<b>TOW LAW</b>	1	2	1		1	
<b>TRIMDON</b>	1	2	2	4	2	2
<b>WASHINGTON</b>				1		4
<b>WEST AUCKLAND</b>	2					1
<b>WEST CORNFORTH</b>	2	1	2	7	2	3
<b>WHEATLEY HILL</b>	2	2	2		1	2
<b>WILLINGTON</b>	1	4	3	2	4	10
<b>WINGATE</b>	2	2	4	3		1
<b>WOLSINGHAM</b>	1	2	2	2		
<b>TOTAL</b>	<b>108</b>	<b>122</b>	<b>106</b>	<b>122</b>	<b>129</b>	<b>107</b>

**Appendix 3: Breakdown of figures**

**NATIONAL CREMATION STATISTICS FOR THE YEAR 2010**

Name: Durham Crematorium

S/060

**NUMBER OF CREMATIONS**

The LAST NUMBER in your Cremation Register at 31 December 2010 (a) **95425**

The LAST NUMBER in your Cremation Register at 31 December 2009 (b) **93149**

TOTAL CREMATIONS for the year 2010 [(a) – (b)] (c) **2276**

Add: Total Cremations SINCE OPENING to 31 December 2009 (d) **93149**

TOTAL CREMATIONS to 31 December 2010 [(c) + (d)] **95425**

**DISPOSAL OF CREMATED REMAINS FOR THE YEAR 2010**

*Strew in grounds of this Crematorium* **1049**

*Interred in grounds of this Crematorium*

Placed in niches at this Crematorium **13**  
**1214**

*Removed from this Crematorium*

*No collectible remains obtained*

-

*Awaiting instructions for disposal*

**Total [Should agree with (c) above] 2276**

OTHER CREMATIONS CARRIED OUT IN THE YEAR 2010

(Not to be included in the above)

**Number of CREMATIONS OF FOETAL REMAINS 20**

Number of SOCIAL TERMINATIONS (identified by Hospital Number only)

Number of CREMATIONS OF BODY PARTS **0**

under the Cremation (Amendment) Regulations 2000

INSPECTION OF CREMATION FORMS IN THE YEAR 2010

Number of requests received to inspect cremation forms during the year ..0...

**CODE OF CREMATION PRACTICE**

It is hereby certified that during the year 2010 the Code of Cremation Practice of the Federation of British Cremation Authorities has been observed at this Crematorium

Date ..... Signature.....

Name of signatory (BLOCK CAPITALS  
for (Name of Cremation Authority)

**MR A S JOSÉ**  
Central Durham Crematorium Joint Committee



## Central Durham Crematorium Joint Committee

26 January 2011

**Financial Monitoring Report – Position at 31/12/10, with Forecast Outturn at 31/03/11**



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**Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; and Don McLure – Corporate Director: Resources & 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 2010 to 31 December 2010, together with the forecast outturn position for 2010/11, 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 2010 and the projected position at 31 March 2011, taking into account the forecast financial outturn projection of income and expenditure this year.

### **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 Council's 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 have been scrutinised and supplemented with information and market intelligence supplied by the Superintendent and Registrar. The following table highlights the projected outturn financial performance of the Central Durham Crematorium at 31 March 2011:

<b>Subjective Analysis</b>	<b>Base Budget 2010/2011 £</b>	<b>Year to Date Actual – April – Dec £</b>	<b>Projected Outturn 2010/2011 £</b>	<b>Variance Over/ (Under) £</b>
Employees	220,000	148,734	207,804	(12,196)
Premises	189,700	102,654	182,378	(7,322)
Transport	1,500	2,054	2,000	500
Supplies & Services	132,990	77,213	120,906	(12,084)
Agency & Contracted	50,230	36,653	54,001	3,771
Central Support Costs	32,000	0	32,000	0
<b>Gross Expenditure</b>	<b>626,420</b>	<b>367,308</b>	<b>599,089</b>	<b>(27,331)</b>
<b>Income</b>	<b>(1,094,530)</b>	<b>(863,302)</b>	<b>(1,148,032)</b>	<b>(53,502)</b>
<b>Net Income</b>	<b>(468,110)</b>	<b>(495,994)</b>	<b>(548,943)</b>	<b>(80,833)</b>
<b>Transfer to Reserves</b>				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	141,860	0	222,693	80,833
- Small Plant	5,000	0	5,000	0
- Central Heating Renewal Fund	10,000	0	10,000	0
<b>Distributable Surplus</b>	<b>(306,250)</b>	<b>0</b>	<b>(306,250)</b>	<b>0</b>
<b>80% Durham County Council</b>	<b>245,000</b>	<b>0</b>	<b>245,000</b>	<b>0</b>
<b>20% Spennymoor Town Council</b>	<b>61,250</b>	<b>0</b>	<b>61,250</b>	<b>0</b>
<b>Central Durham Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2010 £</b>	<b>Transfers to Reserve £</b>	<b>Transfers From Reserve £</b>	<b>Balance @ 31 March 2011 £</b>
General Reserve	(424,060)	(306,250)	306,250	(424,060)
Masterplan Memorial Garden	(16,250)	(5,000)	0	(21,250)
Major Capital Works	(655,964)	(222,693)	543,998	(334,659)
Small Plant	(18,001)	(5,000)	23,001	0
Central Heating Renewal Fund	(23,001)	(10,000)	33,001	0
Cremator Replacement Fund	0	(600,000)	0	(600,000)
<b>Total</b>	<b>(1,137,276)</b>	<b>(1,148,943)</b>	<b>906,250</b>	<b>(1,379,969)</b>

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

6. As can be seen above, the projected outturn is showing a surplus (before transfers to reserves and distribution of surpluses to the partners authorities) of £548,943 against a forecast surplus of £468,110 (before transfers to reserves and distribution of surpluses

to the partners authorities), £80,883 more than the budgeted position. The following section outlines the reasons for any significant variances by subjective analysis area:

### **6.1 Employees**

The forecast outturn indicates a £12,196 underspend based on current staffing levels. The base budget assumed a 1.0 % pay award (£2,200), however, it is anticipated that this will not materialise. In addition to this, are forecast savings of £3,000 within the training and staff advertising budgets, savings of £3,500 on Agency staffing requirements and £1,500 within the employee advertising budgets. Further savings of £2,200 have been made as a result of other staff changes in the year..

### **6.2 Premises**

The forecast outturn is projecting a £7,322 underspend in this area. The main variances against the agreed budget are detailed below:

- NNDR costs are £6,300 over the budgeted level. This is net of a refund of £1,800 relating to a rateable value adjustment, which was received from Durham County Council. This refund dates back a number of years and is a one off saving in 2010/11. The underlying budget pressure in this area being £8,100;
- There is a forecast saving of £10,700 against the budget for repairs to roads and footpaths, following the decision by the Superintendent and Registrar (in light of the forthcoming redevelopment scheme) to undertake only emergency “patching repairs” during 2010/2011;
- Central Heating Maintenance works are projected to be £1,600 lower than budget; and
- The additional tree works anticipated in the budget have not been required during 2010/11, resulting in a saving of £1,300.

### **6.3 Supplies and Services**

The £12,084 forecast underspend on supplies and services expenditure is due to several factors, the main reasons are as follows:

- The Public BOR Visual Reference System and Replacement Computer budget of £7,500 will not be required during 2010/11. The procurement and implementation of this system has been delayed until 2012/13 at the earliest and as a result this element has also been removed from the 2011/12 budget, subject to approval by the Joint Committee;
- The £3,000 budget provision for Barcoded Identity Tokens will not be spent during 2010/11;
- Unbudgeted advertising costs of £1,400 have been incurred. These relate to advertising the Notification of the Audit of the 2009/2010 Statement of Accounts in various press; and
- A reduced number of vases and Columbaria units have been purchased during the year, resulting in a £3,000 saving.

#### **6.4 Agency and Contracted**

The £3,771 overspend on Agency and Contracted is due to a number of factors detailed below:

- The on- line referencing system budget of £11,912 is not now required during the current year. The procurement and implementation of this system has been delayed until 2012/13 at the earliest and as a result this budget has also been removed from the 2011/12 budget, subject to consideration and approval by the Joint Committee;
- The Audit Commission audit and inspection costs for 2010/11 will be £13,500. This is £10,000 more than the current budgeted level and with the introduction of the new IFRS regime, can be expected to continue at this level. The external audit fee budget will need to be increased in 2011/12 to reflect these significantly higher costs;
- The Feasibility Studies undertaken in relation to Cremator Replacement Capital scheme are anticipated to cost a further £10,000 to the original £15,000 budget. Feasibility Studies are usually charged at between 1% and 2% of the total value of the works. Based on the £2.4M Capital scheme it would be reasonable to assume that these charges would have totalled £25,000 and therefore the outturn seems reasonable; and
- The Crematoria brochures, which will not be produced during 2010/11, have resulted in a £4,500 saving in printing and publications expenditure.

#### **6.5 Income**

Income is expected to exceed the budget by £53,502. This is as a result of higher than anticipated / budgeted cremations being undertaken during the year.

#### **6.6 Earmarked Reserves**

In line with previous practise, the additional surplus generated is to be transferred to the Major Repairs Reserve at the year end.

The balances on the Small Plant and Central Heating Renewals Reserves, along with an element (£544,000) of the Major Capital Works are to be transferred to a newly created Cremator Replacement Reserve at 31 March 2011. This reserve will total £600,000 at the year end and will be applied to part finance the Cremator Replacement and Building Works Capital Scheme next year.

The earmarked reserves (including the newly created Cremator Replacement Reserve) of the CDCJC at 31 March 2011 are forecast to be £955,909, along with a General Reserve of £424,060, giving a forecast total reserve projection £1,379,969 at the year end.

## **Recommendations and reasons**

10 It is recommended that:-

- Members note the April to December 2010 Revenue spend financial monitoring report and associated provisional outturn position 2010/11;

## **Background Documents**

2010/11 Revenue Budget and Fees and Charges Report – As approved by the CDCJC

Previous 2010/11 Financial Monitoring Reports – As previously presented to the CDCJC

Oracle Financial Management System Reports

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**Contact(s): Paul Darby 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.

### **Risk**

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

### **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.

### **Human Rights**

There are no Human Rights implications associated with this report

### **Consultation**

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

### **Procurement**

None

### **Disability Discrimination Act**

None

### **Legal Implications**

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





## Central Durham Crematorium Joint Committee

26 January 2011

Risk Register Update 2010/11



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

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#### Purpose of the Report

1. To provide an update on the current position of the Risk Register for the Durham Crematorium Committee, in accordance with the arrangements established for the routine reporting of risk issues.

#### Background

2. A Risk Assessment report was presented to members at the 29 September 2010 meeting which included a comprehensive risk register that identified all known risks of a Service and Operational nature, with all risks scored using the Durham County Council methodology and approach to Risk Management. In approving the report, the Committee committed to regular monitoring and reporting of both strategic and operation risks.

#### Risk Assessment – January 2011

3. The Risk Register considered and approved by the Joint Committee in September 2010 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 risk 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.
4. In line with the previous report, two risk registers have been prepared, separately identifying Service and Operational risks.
5. Both sections of the Risk Register have been reviewed by the Risk Officer responsible for Neighbourhood Services and the Superintendent and Registrar. 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.
6. 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. All Strategic risks have low Net Scores and there have been no changes to the scores following the review. These risks are all considered to be at tolerable levels.
9. The action associated with Risk 5 “Disclosure of confidential information through the incorrect disposal/maintenance of information”, has been addressed in the plans for the forthcoming extension to the crematorium. It will remain an action until the works have been completed.
10. The actions associated with Risk 7 “IT and power failure” have now been completed and moved into the control measures.
11. There are no outstanding actions at this time.
12. 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 being well managed and it can be demonstrated that there is a risk culture embedded within the business.
13. As with the Service Risks, there have been no changes to Operational Net Risk Scores following the review and all risks are considered to be at a tolerable level.
14. All risk actions have now been completed with the exception of one, Risk 7 “Limited space in office area”, however, the accommodation issues have also been addressed in the plans for the forthcoming extension. This Action will remain until the works have been completed.
15. No new emerging risk were identified during the review, however, the possible adverse impact of the Wear Valley Crematorium at Coundon may still have materialise, as mentioned in September’s report, and this continues to be monitored on a regular basis, to identify any worrying trends as soon as possible.

### **Embedding Risk Management**

16. 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 continue 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**

17. The original risk register has been revised and updated and rescored, where appropriate, in accordance with Durham County Council criteria.

## Recommendations and Reasons

18. It is recommended that :-

- Members of the Central Durham Joint Crematorium Committee note the content of this report and the updated position following the January review;
- The Risk Registers are kept up to date and continue to be reviewed by the Joint Committee on a half yearly basis.

## Background Papers

- Risk Assessment – Report to Central Durham Crematorium Joint Committee – 29 September 2010
- Risk Assessment – Report to Central Durham Crematorium Joint Committee – 27 January 2010
- Risk Assessment – Report to Central Durham Crematorium Joint Committee – 12 June 2009
- External Audit Report – Report to Central Durham Crematorium Joint Committee – 30 October 2009

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<b>Contact:</b>	<b>Paul Darby</b>	<b>Tel: 0191 383 6594</b>
	<b>Marian Shanks</b>	<b>Tel: 0191 372 7639</b>

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## **Appendix 1: Implications**

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### **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**

None

### **Risk**

The report and associated appendices sets out in detail the strategic and operational risks, control measures in place to mitigate these and improvement actions associated with these. Each risk has been scored and against the Durham County Council risk management methodology. Maintaining and continually reviewing the risk register is a key component of the control and governance framework for the Central Durham Crematorium Joint Committee.

### **Equality and Diversity**

None

### **Accommodation**

None

### **Crime and Disorder**

None

### **Human Rights**

None

### **Consultation**

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

### **Procurement**

None

### **Disability Discrimination Act**

None

### **Legal Implications**

None

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## Appendix 2: Durham County Council Risk Management Process

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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"> <li>• Inability to meet statutory duties</li> <li>• Key services can no longer be delivered – emergency actions needed, which need Cabinet approval.</li> <li>• Significant Legal Action / Challenge</li> <li>• Intervention or sanctions by regulatory body / prosecution or litigation (including corporate manslaughter)</li> <li>• Strike action which is Council-wide or service-wide in a critical Service for a long period</li> </ul>	<ul style="list-style-type: none"> <li>• Perception of the majority of potential partners and stakeholders that the Council is not 'fit to deal with'.</li> <li>• Loss of life</li> </ul>
4	Major	£5M - £15M  3% - 5% of Service budget	<ul style="list-style-type: none"> <li>• Major disruption to some statutory and / or non statutory services i.e. key service delivery adversely affected – crisis management implemented, which needs Cabinet approval.</li> <li>• Strike action which is Council-wide or service-wide in a critical Service for a short period</li> </ul>	<ul style="list-style-type: none"> <li>• Serious reputational damage to the Council regionally, nationally and internationally</li> <li>• Damage to relationships with central government or other public bodies e.g. One North-East, Environment Agency, other Councils</li> <li>• Perception of small number of potential partners and stakeholders that the Council is not 'fit to deal with'.</li> <li>• Serious injury to individual</li> </ul>
3	Moderate	£1M - £5M  1% - 3% of Service budget	<ul style="list-style-type: none"> <li>• Moderate disruption to statutory and / or non statutory services i.e. some disruption to service delivery – action plans to rectify</li> <li>• Failure of Service to maintain existing status under other Inspection regimes e.g. Ofsted</li> <li>• Resolution requires approval at CMT level</li> <li>• Limited strike action within a Service</li> </ul>	<ul style="list-style-type: none"> <li>• Results in negative Regional or National press / media coverage</li> <li>• Minor reputational damage to the County Council</li> <li>• Major criticism by other stakeholders e.g. Partners, central government</li> </ul>
2	Minor	£0.5M - £1M  0.2% - 1% of Service budget	<ul style="list-style-type: none"> <li>• Minor service disruption / customer dissatisfaction i.e. little disruption to service delivery – no long term or permanent impact on key services</li> <li>• Capable of resolution by Service Management Team</li> </ul>	<ul style="list-style-type: none"> <li>• Results in negative press coverage within County Durham</li> <li>• Minor criticism by Community</li> <li>• Minor criticism by other stakeholders e.g. Partners, central government</li> <li>• Significant number of complaints from service users</li> <li>• Serious Reputational damage to own Service area</li> </ul>
1	Insignificant	< £0.5M  < 0.2% of Service budget	<ul style="list-style-type: none"> <li>• Insignificant service disruption e.g. very little or no disruption to services</li> <li>• Impairment of quality of service</li> <li>• Capable of resolution by Head of Service and their management team</li> </ul>	<ul style="list-style-type: none"> <li>• Results in negative press coverage within the locality / ward</li> <li>• Insignificant criticism by Community</li> <li>• Insignificant criticism by other stakeholders e.g. Partners, central government</li> <li>• Insignificant number of complaints from service users</li> <li>• Minor Reputational damage to own Service area</li> </ul>

## DURHAM COUNTY COUNCIL - LIKELIHOOD FACTORS

Factor	Description	Expected Frequency
5	Highly Probable	<ul style="list-style-type: none"> <li>• <b>More than once a year</b></li> <li>• Something that is already occurring or is likely to be a regular occurrence throughout a one year period</li> <li>• Inevitable i.e. the event is expected to occur in most circumstances</li> <li>• &gt;80% chance of occurring</li> </ul>
4	Probable	<ul style="list-style-type: none"> <li>• <b>Once a year</b></li> <li>• Something that has occurred in the last year, or is likely to occur at least once throughout a one-year period.</li> <li>• Probable or where the conditions of the loss occur on a regular basis i.e. the event will probably occur in most circumstances</li> <li>• 61% to 80% chance of occurring</li> </ul>
3	Possible	<ul style="list-style-type: none"> <li>• <b>Every 1-3 years</b></li> <li>• Likely only to happen at some point over the next 1 to 3 years.</li> <li>• Possible but responding to well understood situations i.e. the event might occur at some time</li> <li>• 31% to 60% chance of occurring</li> </ul>
2	Unlikely	<ul style="list-style-type: none"> <li>• <b>Every 3-5 years</b></li> <li>• Likely only to happen at some point over the next 3 to 5 years or likely to continue to occur i.e. the event is not expected to occur</li> <li>• 11% to 30% chance of occurring</li> </ul>
1	Remote	<ul style="list-style-type: none"> <li>• <b>Over 5 years</b></li> <li>• Rare activity or is unlikely based on current intelligence i.e. the event may only occur in exceptional circumstances</li> <li>• &lt; 10% chance of occurring</li> </ul>

**Appendix 3: Service Risk Register**

RISK MATRIX							
5	Highly Probable						LIKELIHOOD
4	Probable						
3	Possible		11				
2	Unlikely	4,20	7,10,16	3, 15			
1	Remote	13,14, 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					



<b>Risk. No.</b>	<b>Risk – Ranked by Risk Number</b>	<b>Net Risk Score</b>	<b>Ranking</b>
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	14	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	14	1
16	Inability to recruit appropriately qualified staff at short notice	10	4
17	Administrative duties CLOSED September 2010		
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

<b>Risk. No.</b>	<b>Risk – Ranked by Net Risk Score</b>	<b>Net Risk Score</b>	<b>Ranking</b>
3	Impact of staff morale due to uncertainty over Job Evaluation and Single Status	14	1
15	Inability to meet 2012 legislation changes	14	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 CLOSED September 2010		
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"> <li>Non compliance with the law</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Reputational Damage</li> <li>Criticism by Stakeholders</li> <li>Results in negative press coverage.</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)		1
Service Delivery Impact (1 to 5)		3
Stakeholder Impact (1 to 5)		2
<b>Total Gross Impact Score (sum above)</b>		<b>6</b>
Likelihood (1 to 5)		2
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>		<b>12</b>
Existing Control Measures		
<ul style="list-style-type: none"> <li>Regular updates from professional institutes – ICCMM &amp; FBCA</li> <li>Membership of external organisations</li> <li>Updates received from a number of sources inc Justice Dept</li> <li>Copies of periodicals circulated among staff members</li> <li>Share best practice and communication with Durham</li> <li>Copies of various periodicals received and circulated to staff</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)		1
Service Impact (1 to 5)		3
Stakeholder Impact (1 to 5)		2
<b>Total Net Impact Score (sum above)</b>		<b>6</b>
Likelihood (1 to 5)		1
<b>Total Net Risk Score (Total Impact * Likelihood)</b>		<b>6</b>
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
<b>Completed by</b>	<b>Date</b>	
T Maddison/A Jose	12/01/11	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	2	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Non compliance with new fire order	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> <li>Non compliance with new fire order</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Injury to staff and public</li> <li>Damage to building</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
<b>Total Gross Impact Score (sum above)</b>	<b>6</b>	
Likelihood (1 to 5)	2	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>12</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Staff aware of the new order.</li> <li>Responsible officer for building in place</li> <li>Fire wardens in place</li> <li>Fire extinguishers in place</li> <li>Relevant information displayed</li> <li>Auto gas control fitted in control room</li> <li>Regular inspections carried out</li> <li>Fire Alarm Testing Carried out Weekly</li> <li>Draft Fire Risk Assessment in place pending Health &amp; Safety approval.</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
<b>Total Net Impact Score (sum above)</b>	<b>6</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>6</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

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"> <li>Job Evaluation</li> <li>Rationalisation of grades and salaries</li> <li>Job Evaluation not implemented in COD</li> <li>Job Evaluation to recommence in new Authority.</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Impact on staff morale affecting ability to deliver services</li> </ul>	
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"> <li>Regular meeting and team briefings</li> <li>Bereavement Services Manager appointed for County Council</li> <li>Staff kept fully informed of the process.</li> <li>Management participating in the process.</li> </ul>		
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)	2	
Total Net Risk Score (Total Impact * Likelihood)	14	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

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"> <li>Unexpected sickness absence by key staff</li> <li>Prolonged Sickness Absences</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Failure to deliver service</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
<b>Total Gross Impact Score (sum above)</b>	<b>6</b>	
Likelihood (1 to 5)	3	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>18</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Internal procedures and policies are in place.</li> <li>Back to Work interviews are undertaken</li> <li>Sickness Monitoring is undertake</li> <li>Family friendly policies in place with HR advice available</li> <li>Trained cremator technicians available at short notice</li> <li>Reciprocal arrangement with Mountsett Crematorium.</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Net Impact Score (sum above)</b>	<b>3</b>	
Likelihood (1 to 5)	2	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>6</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	5	
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"> <li>Loss of data</li> <li>Data disclosed to persons not authorised</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Breach of confidentiality</li> <li>Breach of Data Protection</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	3	
<b>Total Gross Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	2	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>10</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Internal procedures and policies are in place for document retention and disposal</li> <li>Secure environment for storage of information</li> <li>Passwords in place for electronic data storage</li> <li>Document retention and disposal policy in place</li> <li>Contract with Securishred</li> <li>Book of Remembrance and Registers are scanned annually and held on external hard drive</li> <li>Improved filing/folder referencing system on the server</li> <li>Register is kept in a fire resistant safe and associated papers are kept in a separate location within the crematorium overnight.</li> <li>All records over 5 years old are stored at County Hall.</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	3	
<b>Total Net Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>5</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures and planned actions</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
A fire resistant room has been built into the design of the new extension for the crematorium.	A Jose	31/07/2012
Completed by	Date	
T Maddison/A Jose	12/01/11	

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"> <li>Age and wear and tear</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Impact on the ability to deliver services</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)		1
Service Delivery Impact (1 to 5)		3
Stakeholder Impact (1 to 5)		2
<b>Total Gross Impact Score (sum above)</b>		<b>6</b>
Likelihood (1 to 5)		2
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>		<b>12</b>
Existing Control Measures		
<ul style="list-style-type: none"> <li>Maintenance contract in place –response within 24 hours, services every 4 months</li> <li>Contingency plans in place to cover long term breakdown</li> <li>Daily log completed</li> <li>Set procedures in place</li> <li>Specialised trained staff available in event of failure</li> <li>Health and Safety evaluated</li> <li>Cremators relined in 2008</li> <li>Reciprocal arrangements in place with Mountsett, Darlington and Sunderland Crematoriums</li> <li>Cremators to be replaced by June 2012</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)		1
Service Impact (1 to 5)		3
Stakeholder Impact (1 to 5)		2
<b>Total Net Impact Score (sum above)</b>		<b>6</b>
Likelihood (1 to 5)		1
<b>Total Net Risk Score (Total Impact * Likelihood)</b>		<b>6</b>
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures and planned actions</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	



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"> <li>Loss of utility services</li> <li>Non delivery of Service</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Impact on the ability to deliver services</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	1	
<b>Total Gross Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	3	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>15</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Business Continuity Plan in place</li> <li>Discussions with ICT undertaken</li> <li>Alternative location available for critical function</li> <li>Paper records available</li> <li>Off site back up pack implemented</li> <li>PC's replaced</li> <li>Regular backups daily and stored off site</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	1	
<b>Total Net Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	2	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>10</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

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"> <li>Theft</li> <li>Non payment of crematorium fees</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Detrimental Impact on the service</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
<b>Total Gross Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	2	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>10</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Cash/cheques collected and banked in a safe and timely manner</li> <li>Any overdue accounts are subject to recovery</li> <li>Accountancy reconcile income on a regular basis</li> <li>Schedule of income maintained on a daily basis</li> <li>Reconciliation of Paying in book</li> <li>Weekly summary sheets are calculated and kept</li> <li>Written Procedures in Place for dealing with income</li> <li>Maximum levels of cash stored is £1000</li> <li>Electronic Register implemented</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
<b>Total Net Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>5</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

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"> <li>Partner withdraws funding</li> <li>Partner becomes insolvent</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Detrimental Impact on finances</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
<b>Total Gross Impact Score (sum above)</b>	<b>7</b>	
Likelihood (1 to 5)	2	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>14</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Formal partnership agreement in place</li> <li>Maintain a good working relationship</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
<b>Total Net Impact Score (sum above)</b>	<b>7</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>7</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	10	
Risk Owner	Alan Jose	
Detail of Risk	<b>Service Risk –</b> Loss of knowledge and ability to cover existing workload through staff loss.	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> <li>Staff leaving for alternative employment</li> <li>Sudden departure of staff</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Failure in service delivery</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)		1
Service Delivery Impact (1 to 5)		3
Stakeholder Impact (1 to 5)		3
<b>Total Gross Impact Score (sum above)</b>		<b>7</b>
Likelihood (1 to 5)		2
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>		<b>14</b>
Existing Control Measures		
<ul style="list-style-type: none"> <li>Good employment terms and conditions</li> <li>Work forward planned</li> <li>Regular liaison with outside bodies – ICCM and FBCA</li> <li>Close communication with small team</li> <li>Exit interviews carried out</li> <li>Job Shadowing</li> <li>Procedure notes available for key areas</li> <li>Regular communication with staff</li> <li>Trained cremator technicians available at short notice</li> <li>Reciprocal arrangement with Mountsett crematorium</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)		1
Service Impact (1 to 5)		2
Stakeholder Impact (1 to 5)		2
<b>Total Net Impact Score (sum above)</b>		<b>5</b>
Likelihood (1 to 5)		2
<b>Total Net Risk Score (Total Impact * Likelihood)</b>		<b>10</b>
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

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"> <li>Flu pandemic</li> <li>Catastrophic incident</li> <li>Loss of experienced staff/not enough trained staff</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Huge strain on crematorium capacity - unable to cope</li> <li>Equipment failure</li> <li>Staff Overtime</li> <li>Existing Staff Resources unable to cope</li> <li>Number of deaths too high to cope with</li> <li>Funeral Directors unable to deliver coffins</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Delivery Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
<b>Total Gross Impact Score (sum above)</b>	<b>6</b>	
Likelihood (1 to 5)	3	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>21</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Internal Policies and Procedures in Place</li> <li>Testing has been carried out to ensure cremators are able to cope with 8 cremations each per day 7 days per week.</li> <li>Plans are in place should the requirement be to move from normal to enhanced operation</li> <li>Stocks of consumable spares for each cremator is purchased and stored on site</li> <li>Stocks of Cremation forms held</li> <li>Training of additional volunteer Cremator Technicians in Durham has been undertaken – working one day per month to keep up skills</li> <li>Procedure notes for administration are prepared and kept in the Crematorium/Cemetery Office</li> <li>Supplies of suitable containers for Cremated remains, flat pack urns or heavy duty plastic bags</li> <li>Excess death plan in place</li> <li>Working with Civil Contingencies unit excess deaths group</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Net Impact Score (sum above)</b>	<b>4</b>	
Likelihood (1 to 5)	3	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>12</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures and planned actions</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
<b>Completed by</b>	<b>Date</b>	
T Maddison/A Jose	12/01/11	

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"> <li>Lack of evidence for inspections</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Detrimental Impact on the service</li> <li>Reputational Damage</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	3	
<b>Total Gross Impact Score (sum above)</b>	<b>7</b>	
Likelihood (1 to 5)	2	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>14</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Policies and procedures in place adhered to and can be evidenced.</li> <li>Filing systems in place</li> <li>New employees are subject to an induction process</li> <li>Health and Safety policy available.</li> <li>Regular Health &amp; safety inspection of building carried out and documented</li> <li>Fire Risk assessments in place</li> <li>Adequate signage for first aiders, fire wardens and fire extinguishers in place</li> <li>Staff aware of need to provide evidence of activities</li> <li>Develop Document retention register in accordance with policy</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
<b>Total Net Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>5</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

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"> <li>Inability to provide service expected</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Detrimental Impact on the service</li> <li>Reputational Damage</li> </ul>	
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"> <li>Formal procedures in place to avoid loss of reputation</li> <li>Job shadowing to encourage knowledge of all processes</li> <li>Good relations with partners and associated bodies</li> <li>Contingency Planning</li> <li>Flexible staff willing to work late and or cover other areas</li> <li>Staff carry out work on own initiative</li> <li>Options Appraisal</li> <li>Business Plans developed</li> </ul>		
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"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	14	
Risk Owner	Alan Jose	
Detail of Risk	<b>Service Risk –</b> 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"> <li>Inability to deliver projects on time</li> <li>Inability to maintain equipment</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Detrimental Impact on the service</li> <li>Reputational Damage</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
<b>Total Gross Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	1	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>5</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Consultants are used</li> <li>Feasibility study undertaken before projects are commenced</li> <li>Options appraisal carried out</li> <li>Project managers assigned to each project.</li> <li>Project Risk Assessment will be in place</li> <li>Procedures in place for management of service vehicles whilst works are ongoing.</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Net Impact Score (sum above)</b>	<b>3</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>3</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures and planned actions</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
<b>Completed by</b>	<b>Date</b>	
T Maddison/A Jose	12/01/11	



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"> <li>Equipment will not meet targets set by DEFRA</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Financial</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	3	
<b>Total Gross Impact Score (sum above)</b>	<b>8</b>	
Likelihood (1 to 5)	3	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>24</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Monitoring Situation</li> <li>DEFRA has reported progress is not suitable to be on target for 2012</li> <li>Regular reports being produced on progress</li> <li>Option of burden sharing agreement costing £100k pa</li> <li>£2.4 million funding has been approved for the investment in a new extension to the crematorium, plus associated car parking, access road and footpath improvements</li> <li>Cremators are to be replaced by June 2012.</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
<b>Total Net Impact Score (sum above)</b>	<b>7</b>	
Likelihood (1 to 5)	2	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>14</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	16	
Risk Owner	Alan Jose	
Detail of Risk	<b>Service Risk –</b> Inability to recruit appropriately qualified staff at short notice	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> <li>National and Regional shortage of appropriately qualified staff</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Impaired service deliver</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
<b>Total Gross Impact Score (sum above)</b>	<b>6</b>	
Likelihood (1 to 5)	3	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>18</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Good terms and conditions</li> <li>Pool of volunteers have been trained in the event of pandemic who may be interested in the event of vacancies</li> <li>Attractive professional working environment</li> <li>Good networking</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
<b>Total Net Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	2	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>10</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	18	
Risk Owner	Alan Jose	
Detail of Risk	<b>Service Risk –</b> 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"> <li>Claims arise from lack of compliance with legislation</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Reputational damage</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	2	
<b>Total Gross Impact Score (sum above)</b>	<b>4</b>	
Likelihood (1 to 5)	2	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>8</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Staff aware of Equalities policies and procedures</li> <li>Review of documentation</li> <li>Access and Disability assessments carried out</li> <li>Buildings have been assessed for DDA compliance</li> <li>Training and awareness carried out</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Net Impact Score (sum above)</b>	<b>3</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>3</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
<b>Completed by</b>	<b>Date</b>	
T Maddison/A Jose	12/01/11	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	19	
Risk Owner	Alan Jose	
Detail of Risk	<b>Service Risk –</b> Lack of evidence for Employers Liability Claims	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> <li>Claims arise from lack of compliance with Health and Safety policy</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Reputational damage</li> <li>Financial damage</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	2	
<b>Total Gross Impact Score (sum above)</b>	<b>4</b>	
Likelihood (1 to 5)	2	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>8</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Staff aware of Health and Safety policies and procedures – copy held on site</li> <li>Regular Health and Safety inspections of the building which is evidenced</li> <li>Trained First Aiders in place</li> <li>Fire Wardens and relative notices in place.</li> <li>Fire Drills undertaken</li> <li>Fire risk assessment has been carried out</li> <li>Fire extinguishers are labelled and regularly serviced</li> <li>Fire alarms are tested regularly</li> <li>Risk assessments carried out and staff are aware of them</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Net Impact Score (sum above)</b>	<b>3</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>3</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	20	
Risk Owner	Alan Jose	
Detail of Risk	<b>Service Risk –</b> Damage to Public / Vehicles due to tree branches falling	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> <li>High Winds</li> <li>Disease</li> <li>Heavy Snow</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Damage to Vehicles / Equipment</li> <li>Injury to Public or Staff</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	1	
<b>Total Gross Impact Score (sum above)</b>	<b>4</b>	
Likelihood (1 to 5)	3	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>12</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>2 yearly inspection scheduled by Olivers Tree Expert Services</li> <li>Any recommendations made by tree experts acted upon immediately</li> <li>Visual inspections carried out in grounds by staff monthly</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Net Impact Score (sum above)</b>	<b>3</b>	
Likelihood (1 to 5)	2	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>6</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

## 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			
		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	3
3	Use of hand tools and machinery for gardening on site, driveway and car park	5	3
4	Cleaning, Maintenance and Gardening Duties	5	3
5	Risk Assessments and Reviews not undertaken	10	1
6	Violent or other Assault on officer whilst lone working	5	3
7	Limited Space in Office Area	3	7
8	Slips, trips and falls	3	7

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

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"> <li>Hot apparatus – staff handling hot ash pans</li> <li>Staff raking down and removing metal from remains</li> <li>Hydraulic lifting gear.</li> <li>Dust</li> <li>Transferring remains into and between containers.</li> <li>Noise from machinery</li> <li>Staff trapping fingers or limbs in equipment</li> <li>Noise</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Injury to staff and visitors</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
<b>Total Gross Impact Score (sum above)</b>	<b>7</b>	
Likelihood (1 to 5)	2	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>14</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Only certified and trained staff allowed to operate</li> <li>Machinery regularly maintained and serviced</li> <li>Extractor fans and masks used.</li> <li>Make sure others are at a distance whilst work is ongoing</li> <li>PPE issued to staff</li> <li>Operators carry out visual checks of equipment</li> <li>Risk Assessments reviewed on a regular basis</li> <li>Dust cabinet has extraction fan, staff use dust masks</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	2	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
<b>Total Net Impact Score (sum above)</b>	<b>7</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>7</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1.		
Completed by		Date
T Maddison/A Jose		12/01/11



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"> <li>• Path and steps in state of disrepair</li> <li>• Holes in grounds due to animals</li> <li>• Kerbstones</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>• Injury to staff and public</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	3	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Gross Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	2	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>10</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>• Paths and steps well maintained</li> <li>• Inspected regularly</li> <li>• Access levels regularly cleaned</li> <li>• Handrails on steps safety ridge on top and bottom</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	3	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Net Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>5</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li>• <b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
<b>Completed by</b>	<b>Date</b>	
T Maddiosn/A Jose	12/01/11	

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"> <li>Vibration</li> </ul>	
	<ul style="list-style-type: none"> <li>Noise</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Injury to staff</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	3	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Gross Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	2	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>10</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Tools kept in good order, defective tools replaced</li> </ul>		
<ul style="list-style-type: none"> <li>Machinery regularly serviced and maintained</li> </ul>		
<ul style="list-style-type: none"> <li>Tools kept in locked storage area</li> </ul>		
<ul style="list-style-type: none"> <li>Power tools used away from the public</li> </ul>		
<ul style="list-style-type: none"> <li>Staff trained in the use of all equipment</li> </ul>		
<ul style="list-style-type: none"> <li>PPE issued to staff as appropriate</li> </ul>		
<ul style="list-style-type: none"> <li>High Viz jackets used when dealing with traffic</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	3	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Net Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>5</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

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"> <li>Hazardous cleaning materials</li> <li>Wet floor</li> <li>Noise (vacuums)</li> <li>Work at Height</li> <li>Fountain Pump maintenance</li> <li>Fertilizers and insecticides</li> <li>Using ladders</li> <li>Candles</li> <li>Maintenance of heating system</li> <li>Inspection Hole</li> <li>CCTV equipment</li> <li>Electrical Equipment</li> <li>Manual Handling</li> <li>Injury to staff/public</li> <li>Fire</li> </ul>	
Potential Impact		
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)		3
Service Delivery Impact (1 to 5)		1
Stakeholder Impact (1 to 5)		1
<b>Total Gross Impact Score (sum above)</b>		<b>5</b>
Likelihood (1 to 5)		2
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>		<b>10</b>
Existing Control Measures		
<ul style="list-style-type: none"> <li>Least hazardous cleaning products used</li> <li>Chemicals and other COSHH Items kept in locked store</li> <li>COSHH data sheets on site</li> <li>Pat Testing carried out on electrical items</li> <li>Floors mopped at quiet times wet floor signage displayed</li> <li>Cleaner assisted by other staff if lifting is required</li> <li>Cleaner not required to work at height other trained staff assist</li> <li>PPE available – gloves, goggles, dust masks etc</li> <li>Two person task to lift cover</li> <li>No smoking policy</li> <li>Candle snuffer available</li> <li>Ladder training completed by all staff</li> <li>Manual Handling training completed by staff.</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)		3
Service Impact (1 to 5)		1
Stakeholder Impact (1 to 5)		1
<b>Total Net Impact Score (sum above)</b>		<b>5</b>
Likelihood (1 to 5)		1
<b>Total Net Risk Score (Total Impact * Likelihood)</b>		<b>5</b>
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE</b> after taking into account existing control measures</li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
<b>Completed by</b>	<b>Date</b>	
T Maddison	12/01/11	

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"> <li>Staff unaware of risks affecting service</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Detrimental Impact on the service</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	2	
<b>Total Gross Impact Score (sum above)</b>	<b>6</b>	
Likelihood (1 to 5)	3	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>18</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Staff trained in risk assessments.</li> <li>Full review undertaken</li> <li>Risk assessment procedures in place</li> <li>Health &amp; Safety recommendations carried out</li> <li>Encourage clear desk policy</li> <li>Work station assessments carried out</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
<b>Total Net Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	2	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>10</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

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"> <li>• Irate and emotional member of the public</li> <li>• Remote location</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>• Injury to staff</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	3	
<b>Total Gross Impact Score (sum above)</b>	<b>6</b>	
Likelihood (1 to 5)	1	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>6</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>• Risk assessments carried out.</li> <li>• Procedures tested</li> <li>• Code of conduct in place</li> <li>• One to one training</li> <li>• Information shared at Team Briefings</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	2	
Stakeholder Impact (1 to 5)	2	
<b>Total Net Impact Score (sum above)</b>	<b>5</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>5</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li>• <b>TOLERATE</b> after taking into account existing control measures</li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
<b>Completed by</b>	<b>Date</b>	
T Maddison/A Jose	12/01/11	

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	<ul style="list-style-type: none"> <li>Not sufficient space for staff using office area</li> </ul>	
Potential Impact	<ul style="list-style-type: none"> <li>Injury to staff</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Gross Impact Score (sum above)</b>	<b>3</b>	
Likelihood (1 to 5)	1	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>3</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Furniture moved to provide maximum space around desks</li> <li>Shelves checked to ensure they are secure and sturdy</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Net Impact Score (sum above)</b>	<b>3</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>3</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures and planned actions</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Accommodation issues have been addressed in the plans for the new extension proposed for the crematorium.	A Jose	31/07/12
Completed by	Date	
T Maddison/A Jose	12/01/11	

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"> <li>Injury to staff</li> </ul>	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Gross Impact Score (sum above)</b>	<b>3</b>	
Likelihood (1 to 5)	1	
<b>Total Gross Risk Score (Total Impact * Likelihood)</b>	<b>3</b>	
Existing Control Measures		
<ul style="list-style-type: none"> <li>Manual handling training provided where appropriate</li> <li>Good Housekeeping – walkways kept clear at all times.</li> <li>Ladder Register kept and maintained</li> <li>Ladder Training carried out</li> <li>Staff training kept up to date</li> <li>Staff training is kept up to date</li> </ul>		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
<b>Total Net Impact Score (sum above)</b>	<b>3</b>	
Likelihood (1 to 5)	1	
<b>Total Net Risk Score (Total Impact * Likelihood)</b>	<b>3</b>	
CONCLUSION		
<ul style="list-style-type: none"> <li><b>TOLERATE after taking into account existing control measures and planned actions</b></li> </ul>		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Maddison/A Jose	12/01/11	

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**Central Durham Crematorium Joint  
Committee**

**26 January 2011**

**Review of the Effectiveness of the System  
of Internal Audit**



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**Joint Report of Terry Collins – Corporate Director: Neighbourhood  
Services; Don McLure – Corporate Director: Resources & Treasurer to  
the Joint Committee**

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**Purpose of the Report**

1. To outline the findings of a review of the effectiveness of the system of internal audit.

**Background**

2. The Central Durham Crematorium Joint Committee (CDCJC) has a requirement under the Accounts and Audit (Amended) (England) Regulations 2006 to review the effectiveness of its system of internal audit each year.
3. The review helps to inform consideration of the system of internal control, which in turn supports the Joint Committee's Annual Governance Statement (AGS).

4. Guidance produced by the CIPFA Audit Panel defines the system of internal audit as:

*“the framework of assurance available to satisfy a body that the risks to its objectives, and the risks inherent in undertaking its work, have been properly identified and are being managed by controls that are adequately designed and effective in operation.”*

5. There is an expectation placed upon the Joint Committee to consider the effectiveness of key elements of the system which include:
  - the process by which the control environment and key controls have been identified - the risk management system and processes;
  - the process by which assurance has been gained over controls – its coverage of the key controls and key assurance providers;
  - the adequacy and effectiveness of the remedial action taken where there are deficits in controls, which will be led by the joint committee and implemented by management; and
  - the operation of the Joint Committee and the Internal Audit function to current codes and standards.

6. Since vesting day, an Internal Audit Service has been provided to the CDCJC by Durham County Council, in continuation of an informal agreement between the former Durham City Council and the CDCJC.
7. A review of Durham County Council's system of Internal Audit was undertaken in March 2010 and reported to the Audit Committee of the County Council, who concluded that the system was "effective". A copy of that review was made available to the external auditor during the conduct of the audit on the 2009/10 Statement of accounts and Annual Governance Statement, but was not presented to the Joint Committee for consideration.
8. To be fully compliant with the Account and Audit Regulations 2006, the Joint Committee should undertake its own independent review of the effectiveness of the internal Audit service. This report aims to address this. Sources of assurance and supporting evidence to assist the Committee in reaching its conclusion are detailed below, drawing on the self-assessment checklist attached at Appendix 2.

### **Risk Management**

9. Separate reports on the Joint Committee's risk management arrangements are presented to the Joint Committee every six months. Arrangements for the identification, monitoring and management of risk, both strategic and operational risk, are considered to be strong and fully embedded.

### **Internal Audit**

10. The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 sets the Standard for Internal Audit across 11 key areas of activity.
11. CIPFA has developed a self assessment checklist based on the Code of Practice which sets the minimum standards required to maintain an effective internal audit service.
12. A desktop self- assessment of the Durham County Internal Audit Service has been jointly undertaken by the Head of Finance, HR & Business Support, Neighbourhood Services and the Manager of Internal Audit & Risk (The Head of Internal Audit) against this checklist to inform this review.
13. To enable the Joint Committee to form its own independent view, the checklist has been amended to reflect the specific relationship between the two parties. The resultant assessment is attached for Member consideration at Appendix 2. As can be seen, a number of areas have been improved (compliance achieved) during the current year when compared to 2009/10 and in overall terms the service compares favourably against the CIPFA checklist.

## **Additional assurance**

14. In order to provide some independent assurance of the effectiveness of the Internal Audit Service provided to the Joint Crematorium, a brief review of the service was also undertaken by the external auditor as part of the 2009/10 final accounts audit process.
15. This included a review of the effectiveness of the system of internal audit reported to the Council's Audit Committee. No formal report was issued as a result of this review but some verbal feedback was given as to how the service could be improved. This primarily related to improving the accountability for the audit service to the Joint Committee. This was already in the process of being addressed through the development of an Internal Audit Charter setting out the audit strategy and terms of reference for the service to be provided and the implementation of a formal SLA. Both documents were approved by the Joint Committee at its meeting on 29<sup>th</sup> September 2010.
16. The external auditor also made recommendations about the need for the Joint Committee to review its own terms of reference to ensure that they included the expected role and responsibilities of an Audit Committee. This will need to be developed.
17. The effectiveness of the internal audit service is also measured through quality assurance questionnaires. At the completion of each audit assignment it is standard practice to issue a customer satisfaction survey to the manager responsible for the activity reviewed. Managers are asked to rate each aspect of the audit review process on a scale of 1-5 (1 very poor, 2 poor, 3 satisfactory, 4 good, 5 very good). During 2009/10 only 1 survey was issued, which was completed and returned by the Superintendent and Registrar, who concluded that the service was considered to be good (level 4).
18. Additional performance indicators have been incorporated into the Internal Charter which will be measured and reported upon in the 2010/11 Annual Internal Audit Report.

## **Summary and Key Observations**

19. It is evident that the informal arrangement for the provision of internal audit services in place between the Joint Crematorium and the former District Council, which continued in 2009/10 within Durham County Council, did not comply with all of the requirements of CIPFA's Code of Practice for Internal Audit.
20. Areas of non compliance in 2009/10 have been substantially addressed in the current year through the formalisation of arrangements to improve accountability.
21. The review of the effectiveness of the System of Internal Audit in operation during 2010/11 (attached at Appendix 2) will be updated and any amendments reported to the Joint Committee as part of the annual audit report.

## **Recommendation**

22. Members are asked to consider the contents of the report and whether, based on the evidence disclosed, they are satisfied with the effectiveness of the system of Internal Audit and therefore whether assurance can be placed on the work of this service.
23. Members are asked to note that the review against the CIPFA checklist will be refreshed and updated, with the resultant outcomes reported in the Annual Report of the Head of Internal Audit in April.

## **Background Papers**

Audit Files & Working Papers  
CIPFA Checklist

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**Contact(s): Paul Darby 0191 383**

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## **Appendix 1: Implications**

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### ***Finance***

There are no direct financial implications arising for the Joint Crematorium as a result of this report, although the Internal Audit Service aims, through audit planning arrangements, to review core systems in operation and ensure through the broad programme of work ensure that the Joint Crematorium has made safe and efficient arrangements for the proper administration of its financial affairs.

### **Staffing**

None

### **Risk**

Risk is intrinsic to the system of internal audit and governance.

### **Equality and Diversity**

None

### **Accommodation**

None

### **Crime and Disorder**

None

### **Human Rights**

None

### **Consultation**

None

### **Procurement**

None

### **Disability Discrimination Act**

None

### **Legal Implications**

None

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Appendix 2

Scope of Internal Audit		Y	P	N	Comments/Areas for Improvement
1	Terms of Reference	Y	P	N	Comments/Areas for Improvement
1.1.1	<p>Do Terms of Reference:</p> <ul style="list-style-type: none"> <li>a) Establish the responsibilities and objectives of IA?</li> <li>b) Establish the organisational independence of IA</li> <li>c) establish the accountability, reporting lines and relationships between the H of IA and: <ul style="list-style-type: none"> <li>o with those charged with governance?</li> <li>o those parties to whom the H of IA may report?</li> </ul> </li> <li>d) Recognise that IA's remit extends to the entire control environment of the organisation?</li> <li>e) Identify IA's contribution to the review of the effectiveness of the control environment?</li> <li>f) Require and enable the H of IA to deliver an annual audit opinion?</li> <li>g) define the role of IA in any fraud-related or consultancy work (see also 1.3.2)</li> <li>h) Explain how IA's resource requirements will be assessed?</li> <li>i) Establish IA's right of access to all records, assets, personnel and premises, including those of partner organisations, and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities?</li> </ul>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>This was not in place in 2009/10, but has been addressed during 2010/11 with the implementation of an Internal Audit Charter, which has been specifically tailored to meet the requirements of the Joint Committee and has been presented to the Joint Committees for approval.(see below) as previously there were no formal terms of reference in place.</p>
1.1.2	Does the H of IA advise the organisation on the content and the need for subsequent review of the terms of reference?	✓			The new Internal Audit Charter refers to it being reviewed annually
1.1.3	Have the terms of reference been formally approved by the organisation?	✓			The new Internal Audit Charter for the Central Durham Crematorium Joint Committee was approved on the 29 <sup>th</sup> September 2010.
1.1.4	Are terms of reference regularly reviewed?	✓			The new Internal Audit Charter is planned to be reviewed on an annual basis and will be submitted to the relevant Joint Committee for approval.

<b>1 Scope of Internal Audit</b>		<b>Y</b>	<b>P</b>	<b>N</b>
<b>1.2</b>	<b>Scope of work</b>	<b>Y</b>	<b>P</b>	<b>N</b>
1.2.1	Are the organisations assurance, risk management and monitoring mechanisms taken into account when determining IA's work and where effort should be concentrated?	√		
1.2.2	Where services are provided in partnership has the H of IA identified: How assurance will be sought? Agreed access rights, where appropriate?	√		
<b>1.3</b>	<b>Other work</b>	<b>Y</b>	<b>P</b>	<b>N</b>
1.3.1	Where IA undertakes consultancy and/or fraud and corruption work, does it have the skills, and resources to do this?	√		
1.3.2	Do the terms of reference define IA's role in: Fraud and corruption? Consultancy work?	√ √		
<b>1.4</b>	<b>Fraud &amp; Corruption</b>	<b>Y</b>	<b>P</b>	<b>N</b>
1.4.1	Has the H of IA made arrangements, within the organisation's anti-fraud and anti-corruption policies, to be notified of all suspected or detected fraud, corruption or impropriety?	√		

The scope of Internal audits work has previously been agreed directly with the Crematorium Superintendent, on an ad hoc basis, however during 2010/11 this has now been formalised in a Service Level Agreement (SLA). Further improvements are planned in 2010/11 and beyond include ensuring that Service strategic and operational risks, risk management arrangements and monitoring mechanisms have been considered in determining the work required under the SLA

This was not in place in 2009/10, but has been addressed during 2010/11 within the Audit Charter and the SLA

Skills and any development needs will be addressed through the PDP process. Internal audit will only undertake work where it is considered that they have the necessary skills and can add value.

This was not in place in 2009/10, but has been addressed during 2010/11 within the Audit Charter

The Central Durham Crematorium Joint Committee has adhered to The Councils financial regulations, standing orders and other policies and procedures on an informal basis. Arrangements are now set out in the Counter Fraud Strategy which is adopted by the Joint Committee under the terms of the Audit Charter



2 Independence					
2.1	Principles of Independence	Y	P	N	
2.1.1	Is IA: a) Independent of all activities it audits? b) Free from non-audit (operational) duties?	√ √			
2.1.2	Where IA staff have been consulted during system, policy or procedure development, are they precluded from reviewing and making comments during routine or future audits?	√			The structure of the service allows adequate flexibility to ensure independence is not compromised
2.2	Organisational Independence	Y	P	N	
2.2.1	Does the status of IA allow it to demonstrate independence?	√			Defined in Audit Charter
2.2.2	Does the H of IA have direct access to: Officers? Members?	√ √			Defined in Audit Charter
2.2.3	Does the H of IA have to report in his or her own name to Members and officers?		√		The Head of Internal Audit does report in her own name and will submit an audit opinion on the control environment to the Joint Committee on an annual basis.
2.2.4	a) Is there an assessment that the budget for IA is adequate? b) does any budget delegated to service areas ensure that: IA adherence to the code is not compromised? The scope for IA is not affected? IA can continue to provide assurance for the Annual Governance Statement	√ √ √	√		N/a The fee for Internal Audit Services will be agreed annually with the Joint Committees and will be set in accordance with the level of work required in providing adequate assurance for the Annual Governance Statement.
2.3	Status of the Head of Internal Audit	Y	P	N	
2.3.1	Is the H of IA managed by a member of the Corporate Management Team?	√			The Head of IA reports directly to the Joint Committee

<b>2</b>	<b>Independence</b>					
<b>2.4</b>	<b>Independence of IA Contractors</b>		<b>Y</b>	<b>P</b>	<b>N</b>	
2.4.1	Does the planning process recognise and tackle potential conflicts of interest where contractors also provide non-internal audit services?				√	N/A
<b>2.5</b>	<b>Declaration of Interest</b>		<b>Y</b>	<b>P</b>	<b>N</b>	
2.5.1	Do all audit staff make formal declarations of interest?		√			
2.5.2	Does the planning process take account of the declarations of interest registered by staff?		√			
<b>3</b>	<b>Ethics for Internal Auditors</b>					
<b>3.1</b>	<b>Purpose</b>		<b>Y</b>	<b>P</b>	<b>N</b>	
3.1.1	Does the H of IA regularly remind staff of their ethical responsibilities?		√			Last addressed formally through IA away day in January 2010 but also more recently through completion of Job Record Documents as part of the job evaluation process.
<b>3.2</b>	<b>Integrity</b>		<b>Y</b>	<b>P</b>	<b>N</b>	
3.2.1	Has the IA team established an environment of trust and confidence?		√			Relationships between Audit staff and the Crematorium Superintendent and registrar is good. New reporting requirements under the terms of the SLA seeks to develop an environment of trust and confidence with the Joint Committee.
3.2.2	Do internal auditors demonstrate integrity in all aspects of their work?		√			Customer surveys completed at the end of each audit review provide feedback if this were not the case.
<b>3.3</b>	<b>Objectivity</b>		<b>Y</b>	<b>P</b>	<b>N</b>	
3.3.1	Are internal auditors perceived as being objective and free from conflicts of interest?		√			
3.3.2	Is a time period set by the H of IA for staff where they do not undertake an audit in an area where they have had previous operational roles?				√	This will be considered on a one to one risk assessed basis

<b>2</b>	<b>Independence</b>				
<b>3.3</b>	<b>Objectivity</b>		<b>Y</b>	<b>P</b>	<b>N</b>
3.3.3	Are staff rotated on regular/annually audited areas?			√	It is likely that to ensure consistency of practice staff may be expected to cover crematorium work two years in a row, however, plans are in place to train other staff so that this work can be rotated more appropriately.
<b>3.4</b>	<b>Competence</b>		<b>Y</b>	<b>P</b>	<b>N</b>
3.4.1	Does the H of IA ensure that staff have sufficient knowledge of: <ul style="list-style-type: none"> <li>a) The organisation's aims objectives, risks and governance arrangements?</li> <li>b) The purpose, risks and issues of the service area?</li> <li>c) The scope of each audit assignment?</li> <li>d) Relevant legislation and other regulatory arrangements that relate to the audit?</li> </ul>		Y Y Y Y		<p>Close working relationships exists between IA and the Crematorium Superintendent.</p> <p>Audit Managers are primarily responsible for maintaining awareness within their respective client service areas and ensuring that all teams members carry out adequate research in relation to assignments they are allocated which will include objectives, risks, governance issues and relevant legislation and other regulatory arrangements surrounding the service under review.</p> <p>The scope of each audit assignment is discussed with the Crematorium Superintendent agreed and signed off so that all risks and issues will be included as part of the review if relevant.</p> <p>Where necessary, the Head of Internal Audit will arrange to buy in services where the in house team lacks sufficient knowledge in a particular area and it is not considered to be cost effective to develop those skills in house.</p>
<b>3.5</b>	<b>Confidentiality</b>		<b>Y</b>	<b>P</b>	<b>N</b>
3.5.1	Do IA staff understand their obligations in respect to confidentiality?		√		Part of employee Code of Conduct and Internal Audit Charter

4		Audit Committees					
4.1	Purpose of the Audit Committee	Y	P	N			
4.1.1	Does the organisation have an independent audit committee?	√					The Joint Crematorium Committee will operate as their own assumed audit committee in future. Terms of reference will need to be strengthened to reflect this expanded role.
4.2	Internal Audit's relationship with the Audit Committee	Y	P	N			
4.2.1	Is there an effective working relationship between the audit committee and IA?	√					Restricted at the moment to Committee meetings only, although the audit charter does include reference to direct access to Chair and regular meetings outside of the Committee(s) is possible if requested.
4.2.2	Does the committee approve the IA strategy and monitor progress?	√					See 1.1.3
4.2.3	Does the committee approve the annual internal audit plan and monitor progress?		√				Only the Crematorium Superintendent agreed the internal audit work for 2009/10 and prior years. With the introduction of the SLA the Joint Committee has had much more input into the level of work to be carried out and is now able to discuss and amend any proposed audit plan including allocated audit days in the future.
4.2.4	Does the H of IA: a) Attend the committee and contribute to its agenda? b) Participate in the committee's review of its own remit and effectiveness? c) Ensure that the committee receives and understands documents that describe how IA will fulfil its objectives? d) Report on outcomes of IA work to the committee? e) Establish if anything arising from the work of the committee requires consideration of changes to the audit plan, or vice versa? f) Present the annual IA report to the committee?	√ √ √ √ √ √					Only when relevant. Only if requested Review of Internal Audit Charter or SLA ) ) ) As part of the annual report ) )

<b>4</b>	<b>Audit Committees</b>					
<b>4.2</b>	<b>Internal Audit's relationship with the Audit Committee</b>	<b>Y</b>	<b>P</b>	<b>N</b>		
4.2.5	Is there the opportunity for the H of IA to meet privately with the audit committee?		√			Opportunity is always available but not yet utilised
<b>5</b>	<b>Relationships</b>					
<b>5.1</b>	<b>Principles of good relationships</b>	<b>Y</b>	<b>P</b>	<b>N</b>		
5.1.1	Is there a protocol that defines the working relationship for IA with: a) Management? b) Other IA's? c) External auditors? d) Other regulators and inspectors? e) Elected members?	√				Internal Audit Charter Area for development re partnership working/joint assurance Nothing formal in place – however long standing relationship via lead authority. No formal arrangements in place No formal arrangements in place
<b>5.2</b>	<b>Relationships with management</b>	<b>Y</b>	<b>P</b>	<b>N</b>		
5.2.1	Does the H of IA seek to maintain effective relationships between internal auditors and managers?	√				Particularly in relation to advice and guidance on financial matters. Review and agreement of audit reports prior to submission to Committee.
5.2.2	Is the timing of audit work planned in conjunction with management?	√				Timing of audit agreed annually with the Joint Committee(s)
<b>5.3</b>	<b>Relationships with other internal auditors</b>	<b>Y</b>	<b>P</b>	<b>N</b>		
5.3.1	Do arrangements exist with other internal auditors that include joint working, access to working papers, respective roles and confidentiality?		√			Where relevant.
<b>5.4</b>	<b>Relationships with external auditors</b>	<b>Y</b>	<b>P</b>	<b>N</b>		
5.4.1	Is it possible for IA and external audit to rely on each others work?	√				Wherever possible the work of both audit functions will complement and supplement each other.

5	Relationships					
<b>5.4</b>	<b>Relationships with external auditors</b>	<b>Y</b>	<b>P</b>	<b>N</b>		
5.4.2	Are there regular meetings between the H of IA and External Audit Manager?		√			Much more contact with Audit Commission (Central Durham Crematorium Joint Committee) than with the External auditors for Mounsett.
5.4.3	Are internal and external audit plans co-ordinated?		√			N/a work programmes for both rather fixed. Internal audit in respect of SLA and External audit statutory provision, although External Audit are consulted.
<b>5.5</b>	<b>Relationships with other regulators and inspectors</b>	<b>Y</b>	<b>P</b>	<b>N</b>		
5.5.1	Has the H of IA sought to establish a dialog with the regulatory and inspection agencies that interact with the organisation?			√		Would be willing where this is considered relevant.
<b>5.6</b>	<b>Relationships with Elected Members</b>	<b>Y</b>	<b>P</b>	<b>N</b>		
5.6.1	Do the terms of reference for IA define channels of communication with Members and describe how such relationships should operate?	√				Contained within the Internal Audit Charter
5.6.2	Does the H of IA maintain good working relationships with Members?	√				Regular reports to Joint Committees
<b>6</b>	<b>Staffing, Training and Continual Professional Development</b>					
<b>6.1</b>	<b>Staffing Internal Audit</b>	<b>Y</b>	<b>P</b>	<b>N</b>		
6.1.1	Is IA appropriately staffed (numbers, grades, qualifications, personal attributes and experience) to achieve its objectives and comply with these standards?	√				In respect of meeting SLA requirements resources are built in to the audit plan for this. Audit will also be carried out by person(s) with appropriate qualifications and experience.
6.1.2	Does the H of IA have access to appropriate resources where the necessary skills and expertise are not available within the audit team?		√			This is unlikely to happen unless under extreme circumstances. An Internal audit framework with an external partner is being developed to address this issue.
6.1.3	Is the H of IA professionally qualified and experienced?	√				CIPFA qualified and IIA affiliated member.
6.1.4	Does the H of IA have wide experience of IA and management?	√				25 years audit experience, 15 at a senior level

6	Staffing, Training and Continual Professional Development					
6.1	Staffing Internal Audit		Y	P	N	
6.1.5	a) Do all IA staff have up to date job descriptions? b) Are there person specifications that define the required qualifications, competencies, skills, experience and personal attributes for IA staff?	✓ ✓				Reviewed recently for LGR. Job Record Documents prepared for all staff as part of the Pay and Reward / Job Evaluation Project.
6.2	Training and Continual Professional Development		Y	P	N	
6.2.1	a) Has the H of IA defined the skills and competencies for each level of auditor? b) Are individual auditors periodically assessed against these predetermined skills and competencies? c) Are training and development needs identified and included in an appropriate ongoing development programme? d) Is the development programme recorded, regularly reviewed and monitored?	✓  ✓ ✓	 ✓			Job descriptions/Personal Specifications  Quality assurance processes provide on-going assessment. More formal assessment of competencies being considered using CIPFA's "Excellent Internal Auditor" framework  Part of Corporate Performance Appraisal Process  Annual returns provided for HR
6.2.2	Do individual auditors maintain a record of their professional training and development activities?	✓				
7	Audit Strategy and Planning					
7.1	Audit Strategy		Y	P	N	
7.1.1	a) Is there an IA strategy for delivering the service? b) Is it kept up to date with the organisation and its changing priorities?	✓ ✓				Part of Internal Audit Charter  Reviewed annually

7		Audit Strategy and Planning		Y	P	N
7.1		Audit Strategy		Y	P	N
7.1.2	Does the strategy include: a) IA objectives and outcomes? b) How the H of IA will form and evidence his/her opinion on the control environment? c) How IA's work will identify and address local and national issues and risks? d) How the service will be provided, i.e. internally, externally, or a mix of both? e) The resources and skills required to deliver the strategy?	✓ ✓ ✓ ✓ ✓				
7.1.3	Has the strategy been approved by the Audit Committee?	✓				June 2009 by the Councils Audit Committee, not the Durham Crematorium Joint Committee. SLA and Audit Charter report does however include an overview of this strategy in terms of its impact on the CDCJC.
7.2		Audit Planning		Y	P	N
7.2.1	Is there a risk based plan that is informed by the organisation's risk management, performance management and other assurance processes?	✓				Further improvements planned for 2011/12
7.2.2	Where the risk management process is not fully developed or reliable, does the H of IA undertake his/her own risk assessment process?	✓				From an audit perspective within 'Galileo' and for every audit review using Control risk self assessment criteria
7.2.3	Are stakeholders consulted on the audit plan?	✓				Both officers and members of the joint Committees have the opportunity to influence the work carried out. This is also explained in the audit charter and SLA.
7.2.4	Does the plan demonstrate a clear understanding of the organisations functions?	✓				



7		Audit Strategy and Planning		
7.2	Audit Planning	Y	P	N
7.2.5	<p>Does the plan:</p> <ul style="list-style-type: none"> <li>a) Cover a fixed period of no more than one year?</li> <li>b) Outline the assignments to be carried out?</li> <li>c) Prioritise assignments?</li> <li>d) Estimate the resources required?</li> <li>e) Differentiate between assurance and other work?</li> <li>f) Allow a degree of flexibility?</li> </ul>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>✓</p>
7.2.6	Is there an imbalance between the resources available and resources needed to cover the plan, is the audit committee informed of the proposed solutions?			✓
7.2.7	Has the plan been approved by the audit committee?	✓		
7.2.8	If significant matters arise that jeopardise the delivery of the plan, are these addressed and reported to the audit committee?	✓		
8		Undertaking Audit Work		
8.1	Planning	Y	P	N
8.1.1	<ul style="list-style-type: none"> <li>a) Is a brief prepared for each audit?</li> <li>b) Is the brief discussed and agreed with the relevant managers?</li> </ul>	<p>✓</p> <p>✓</p>		<p>TOR prepared and agreed for each review</p> <p>Also use of Control risk self assessment</p>
8.1.2	<p>Does the brief set out:</p> <ul style="list-style-type: none"> <li>a) Objectives?</li> <li>b) Scope?</li> <li>c) Timing?</li> <li>d) Resources?</li> <li>e) Reporting requirements?</li> </ul>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		

8		Undertaking Audit Work					
8.2		Approach		Y	P	N	
8.2.1	Is a risk-based audit approach used?			√			
8.2.2	Does the audit approach show when management should be informed of interim findings where key (serious) issues have arisen?			√			Covered in Internal Audit Charter
8.2.3	Does the audit approach include a quality review process for each audit?			√			All working papers and reports reviewed by Audit Managers
8.3		Recording Audit Assignments		Y	P	N	
8.3.1	Has the H of IA defined a standard for audit documentation and working papers?			√			Templates used
8.3.2	Do quality reviews ensure that the defined standard is followed consistently for all audit work?			√			Review carried out at each stage of the audit.
8.3.3	Are working papers such that an experienced auditor can easily: a) Identify the work that has been performed? b) Re-perform it if necessary? c) See how the work supports the conclusions reached?			√ √ √			.
8		Undertaking Audit Work					
8.3		Recording Audit Assignments (contd.)		Y	P	N	
8.3.4	Is there a defined policy for the retention of all audit documentation, both paper and electronic?			√			In accordance with Information Commissioner guidelines at present. Draft Retention and Disposals policy still to be approved.
8.3.5	Do all retention and access policies conform to appropriate legislation, i.e. Data Protection Act, Freedom of Information Act, etc and any organisational requirements?				√		. See above
8.3.6	Is there an access policy for audit files and records?			√			The external auditor has access to audit files and records. F & I work access is restricted to staff engaged on reviews.

9		Due Professional Care						
9.1		Responsibilities of the Individual Auditor			Y	P	N	
9.1.1	<p>Are there documents that set out the requirements on all audit staff in terms of:</p> <p>a) Being fair and not allowing prejudice or bias to override objectivity?</p> <p>b) Declaring interests that could be perceived to be conflicting or could potentially lead to conflict?</p> <p>c) Receiving and giving gifts and hospitality from employees, clients, suppliers or third parties?</p> <p>d) Using all reasonable care in obtaining sufficient, relevant and reliable evidence on which to base conclusions?</p> <p>e) Being alert to the possibility of intentional wrongdoing, errors or omissions, poor value for money, failure to comply with management policy or conflict of interest?</p> <p>f) Having sufficient knowledge to identify indicators that fraud or corruption may have been committed?</p> <p>g) Disclosing all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice?</p> <p>h) Disclosing any non-compliance with these standards?</p> <p>i) Not using information they gain in the course of their duties for personal use?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>Durham County Council's Internal Audit Charter</p> <p>Durham County Council's Internal Audit Charter/Employee Code of Conduct</p> <p>Durham County Council's Employee Code of Conduct</p> <p>Durham County Council's Internal Audit Charter, Counter Fraud Strategy</p> <p>Risk Matrices</p> <p>Durham County Council's Employee Code of Conduct</p> <p>Areas where partial response will be addressed through the development of a detailed IA Manual</p>				
9.2		Responsibilities of the Head of Internal Audit			Y	P	N	
9.2.1	Has the H of IA established a monitoring and review programme to ensure that due professional care is achieved and maintained?	✓						Quality assurance arrangements and customer surveys
9.2.2	Are there systems in place for individual auditors to disclose any suspicions of fraud, corruption or improper conduct?	✓						Day to day management arrangements. Confidential Reporting Code/Whistle blowing policy

10 Reporting		Y	P	N
<b>10.1 Principles of Reporting</b>				
10.1.1	Is an opinion on the control environment and risk exposure given in each audit?	√		Internal Audit Charter
10.1.2	Has the H of IA determined the way in which IA will report?	√		Internal Audit Charter
10.1.3	Has the H of IA set out the standards for audit reporting?	√		Internal Audit Charter
10.1.4	Are there laid down timescales for reports to be issued?	√		Internal Audit Charter
<b>10.2 Reporting on Audit Work</b>		Y	P	N
	Do the reporting standards include:			
10.2.1	a) Format of the reports?	√		
10.2.2	b) Quality assurance of reports?	√		
10.2.3	c) The need to state the scope and purpose of the audit?	√		
	d) The requirement to give an opinion?	√		
10.2.4	e) Process for agreeing reports with the recipient?	√		
10.2.5	f) An action plan or record of points arising from the audit and, where appropriate, of agreements reached with management together with appropriate timescales?	√		
10.2.6				Internal Audit Charter
10.2.7	Does the audit reporting process include discussion and agreement of reports?	√		Internal Audit Charter
10.2.8	Has the H of IA determined a process for prioritising recommendations according to risk?	√		Internal Audit Charter
10.2.9	Are areas of disagreement recorded appropriately?	√		
10.2.10	Are those weaknesses giving rise to significant risks that are not agreed drawn to the attention of senior management?	√		
10.2.11	Is the circulation of each report determined when preparing the audit brief?		√	Steps taken in the current year to ensure that circulation of reports and the manager with authority to agree TOR's and clear draft reports, i.e the Key contact is agreed with the relevant Manager prior to each review commencing.

10 Reporting						
10.2 Reporting on Audit Work			Y	P	N	
10.2.12	a) Does the reporting process include details of circulation of that particular audit report? b) Is this included in the brief for each individual audit?	√ √	√			Copy of the audit charter to be supplied to each lead officer at pre audit meeting wef from 2011/12
10.2.13	Does the H of IA have mechanisms in place to ensure that: a) Recommendations that have a wider impact are reported to the appropriate forums? b) Risk registers are updated?	√ √	√			All final reports and their circulation is reviewed by the H of IA  Pro-forma in use for reassessment to take place following each review and fed back to risk management (this is also relevant for any review carried out to the Central Durham Crematorium)
10.3 Follow-up Audits and Reporting			Y	P	N	
10.3.1	Has the H of IA defined the need for and the form of any follow-up action?	√	√			Internal Audit Charter and quarterly report templates to Directors. Mirrored for Crematorium Joint Committees
10.3.2	Has the H of IA established appropriate escalation procedures for IA recommendations not implemented by the agreed date?	√	√			As above
10.3.3	Where appropriate, is a revised opinion given following a follow-up audit and reported to management?	√	√			
10.3.4	Are the findings of audits and follow-ups used to inform the planning of future audit work?	√	√			This will inform the work to be carried out in future years under the SLA.
10.4 Annual Reporting and Presentation of Audit Opinion			Y	P	N	
10.4.1	Does the H of IA provide an annual report to support the Annual Governance Statement	√	√			In 2009/10 only the audit report relating to the annual review of the Crematorium was reported to the Joint Committee. This has been strengthened with the introduction of the SLA and an annual report will be presented.

10		Reporting		Y	P	N
10.4		Annual Reporting and Presentation of Audit Opinion		Y	P	N
10.4.2	<p>Does the H of IA's annual report:</p> <p>a) Include an opinion on the overall adequacy and effectiveness of the organisation's control environment?</p> <p>b) Disclose any qualifications to that opinion, together with the reasons for the Qualification?</p> <p>c) Present as summary of the audit work from which the opinion was derived, including reliance placed on work by other assurance bodies?</p> <p>d) Draw attention to any issues the H of IA judges particularly relevant to the preparation of the Annual Governance Statement?</p> <p>e) Compare the actual work undertaken with the planned work and summarise the performance of the internal audit function against its performance measures and targets?</p> <p>f) Comment on compliance with the standards of the Code?</p> <p>g) Communicate the results of the internal audit quality assurance programme?</p>			✓	✓	✓
10.4.3	Has the H of IA made provision for interim reporting to the organisation during the year?	✓				
11		Performance, Quality and Effectiveness		Y	P	N
11.1		Principles of Performance, Quality and Effectiveness		Y	P	N
11.1.1	Is there an audit manual?				✓	
11.1.2	<p>Does the manual provide guidance on:</p> <p>a) Carrying out day to day audit work?</p> <p>b) Complying with the Code?</p>				✓	✓
						As above
						<p>Arrangements for 2010/11 as part of the SLA will be to present an annual audit report and audit opinion, review of the audit work carried out, outline any issues that may be relevant for inclusion in the Annual Governance Statement, and compare performance achieved with that planned</p> <p>Reference made to Internal Audit Charter which refers to Code of Practice. Covered in this effectiveness review</p> <p>Reference made to follow-up arrangements</p> <p>Crematorium Joint Committee will agree SLA annually, which will include reporting arrangements</p> <p>Processes and procedures in relation to the audit management database Galileo. Full Audit Manual under development</p>

<b>11 Performance, Quality and Effectiveness</b>		<b>Y</b>	<b>P</b>	<b>N</b>
<b>11.1</b>	<b>Principles of Performance, Quality and Effectiveness</b>			
11.1.3	Is the audit manual reviewed regularly and updated to reflect changes in working practices and standards?		√	As above
11.1.4	Does the H of IA have arrangements in place to access the performance and effectiveness of: a) Each individual audit? b) The internal audit service as a whole?	√ √		Review process, customer surveys on completion of each review  PI' s agreed and monitored
<b>11.2</b>	<b>Quality Assurance of Audit Work</b>	<b>Y</b>	<b>P</b>	<b>N</b>
11.2.1	Does the H of IA have processes in place to ensure that work is allocated to auditors who have the appropriate skills, experience and competence?	√		Review process, PDP's, quality test checks, Regular Management Team meetings
11.2.2	Does the H of IA have a process in place to ensure that all staff are supervised appropriately throughout all audits?	√		Management structure and review processes
11.2.3	Does the supervisory process cover: a) Monitoring process? b) Assessing quality of audit work? c) Coaching staff?	√ √ √		
<b>11.3</b>	<b>Performance and Effectiveness of the Internal Audit Service</b>	<b>Y</b>	<b>P</b>	<b>N</b>
11.3.1	Does the H of IA have a performance management and quality assurance programme in place?	√		Bi weekly managers meetings, monthly 1-2-1's with Audit Managers, monthly team meetings, divisional forum 3 times year, service improvement plan, training plan, review of all final audit reports, away day

11 Performance, Quality and Effectiveness		Y	P	N
11.3 Performance and Effectiveness of the Internal Audit Service		Y	P	N
11.3.2	<p>Does the performance management and quality assurance framework include as a minimum:</p> <p>a) A comprehensive set of targets to measure performance:</p> <ul style="list-style-type: none"> <li>• Which are developed in consultation with appropriate parties?</li> <li>• Which are included in service level agreements, where appropriate?</li> <li>• Against which the H of IA measures, monitors and reports appropriately on progress?</li> </ul> <p>b) User feedback obtained for each individual audit and periodically the whole service?</p> <p>c) A periodic review of the whole service against the strategy and the achievement of its aims and objectives, the results of which are used to inform the future strategy?</p> <p>d) Internal quality reviews to be undertaken periodically to ensure compliance with this Code and the audit manual?</p> <p>e) An action plan to implement improvements?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>Developed in consultation with staff and approved by Audit Committee for 2010/11 SLA's with Police and Fire Authorities under review</p> <p>Assumed acceptance by Crematorium Joint Committee as these have been approved by the Council's Audit Committee.</p> <p>Post audit questionnaire, annual feedback questionnaire to be considered</p> <p>Annual review of Internal Audit Charter and periodic reviews of audit need risk assessment process</p> <p>Where documented procedures are in existence</p> <p>Operational improvement plan/SIP</p>
11.3.3	<p>Does the H of IA compare the performance and the effectiveness of the service over time, in terms of both the achievement of targets and the quality of the service provided to the user?</p>			<p>✓</p>
11.3.4	<p>Do the results of the performance management and quality assurance programme evidence that the internal audit service is:</p> <p>a) Meeting its aims and objectives?</p> <p>b) Compliant with the Code?</p> <p>c) Meeting IA quality standards?</p> <p>d) Effective, efficient, continuously improving?</p> <p>e) Adding value and assisting the organisation in achieving its objectives?</p>		<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>Performance management and quality assurance programme to be reviewed during 2010/11 to improve accountability and effectiveness of service</p>



11	Performance, Quality and Effectiveness			
11.3	Performance and Effectiveness of the Internal Audit Service			
	Y	P	N	
11.3.5	√			Not in 2009/10
11.3.6	√			

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## Central Durham Crematorium Joint Committee

26 January 2011

### Provision of Support Services 2011-2012




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### Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – 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 present for approval a proposed Service Level Agreement (SLA) for Support Service provision by Durham County Council to the Central Durham Crematorium Joint Committee for the period April 2011 to March 2012.

#### Background

2. Following the approval of the Internal Audit SLA in September 2010, Members requested a similar formal SLA be prepared for consideration in relation to the Support Services provided by Durham County Council to the Central Durham Crematorium Joint Committee.
3. This report sets out details of the proposed SLA for the period 1 April 2011 to 31 March 2012 to cover the following functions:
  - Management Services
  - Financial Services
  - Administration Services
  - Payroll Services
  - Creditor Services
  - Human Resources Services

#### Service Level Agreement (SLA)

4. It is proposed that an annual SLA be established for the provision of Support Service functions to the Joint Committee to provide a commitment for both parties over the medium term. This includes the provision of Management advice and attendance at Joint Committee Meetings by the Head of Finance, HR and Business Support, in addition to Accountancy, HR, Payroll, Creditor and Administration Services.
5. The proposed SLA, attached at Appendix 2, has been developed in consultation with the Head of Finance, HR and Business Support under the delegated responsibility of the Treasurer to the Joint Committee and reflects the nature of the current partnership, the services to be provided, the period of agreement and total estimated annual budget.

6. Members should be aware that previously the cost of the work carried out by Support Services has been included in an overall administration recharge and does not provide an individual service breakdown. It is therefore proposed that all work carried out directly on behalf of the Joint Committee will be recharged in future and the resultant budget requirement for Support Services is set out in the SLA. Details of all work to be carried out will be itemised so that costs are more transparent.
7. The Support Service SLA is attached at Appendix 2 for consideration and approval by members. Attached at Schedule 1 to the Appendix provides a more detailed breakdown of the following functions and responsibilities:

#### **Management Services**

- Overall support service management and attendance at Joint Committee Meetings

#### **Financial Services**

- Preparation and production of Revenue Budget
- Budget Monitoring and guidance
- Preparation and production of Annual Statement of Accounts

#### **Administration Services**

- Committee and Secretarial services including the remit of Clerk to the Joint Committee (providing advice and guidance to Members)

#### **Payroll Services**

- Employee crematorium salary processing

#### **Creditor Services**

- Processing and payment of Crematorium invoices

#### **Human Resources Services**

- Provision of Health & Safety advice and guidance in compliance with relevant Health and Safety legislation.
- Management and co-ordination of arrangements regarding employee relations and interaction with trade union officials.
- Delivery and facilitation of staff training, recruitment and selection processes

#### **Recommendations**

8. It is recommended that:-
  - Members consider and approve the Service Level Agreement attached at Appendix 2 (including relevant schedule) for the year 2011 / 2012

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**Contact(s): Paul Darby 0191 383 6594**

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**Implications**

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**Finance**

With the approval of a service level agreement costs in respect of the support service will be agreed in advance for the forthcoming (subject to any agreed inflationary increase) and will cover a specified functions. This means that the cost of the service is more transparent and the committee has more control over the work areas covered. Details of how costs will be factored into the Joint Committee budget and how they will be recharged are shown in the Service Level Agreement.

**Staffing**

There are no staffing implications associated with this report. All staff are provided from within the various functional areas of Durham County Council.

**Risk**

Many tasks considered within the SLA must be completed within statutory deadlines and in line with changing guidance .By ensuring such tasks are delivered by staff who are appropriately experienced, qualified and competent and who receive adequate training and supervision, any relative risk will be minimised

**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.

**Human Rights**

There are no Human Rights implications associated with this report.

**Consultation**

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

**Procurement**

None

**Disability Discrimination Act**

None

**Legal Implications**

The services outlined within this report will be provided in accordance with the guidelines and legislation relevant to each function.

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## APPENDIX 2



# **Service Level Agreement**

for the provision of Support Services to

**CENTRAL DURHAM CREMATORIUM JOINT  
COMMITTEE**

## AGREEMENT FOR THE PROVISION OF SUPPORT SERVICES

**THIS AGREEMENT** is made the [26th] of [January] **two thousand and eleven**  
**BETWEEN DURHAM COUNTY COUNCIL** ( "the Council" ) **and CENTRAL DURHAM**  
**CREMATORIUM JOINT COMMITTEE** ( "the Partnership" )

### **1. PROVISION OF SERVICES**

- 1.1. The Central Durham Crematorium Joint Committee engages the Council to provide Support Services as set out in Schedule 1 and in return for the payments as set out in Schedule 2.

### **2. DURATION**

- 2.1. This agreement will be effective 1<sup>st</sup> April 2011 and will continue until 31<sup>st</sup> March 2012 ("the Term")

### **3. THE COUNCIL'S OBLIGATIONS**

#### **3.1. Services**

- 3.1.1. The scope of the Support Services available to the Central Durham Crematorium Joint Committee is summarised in Schedule 1.
- 3.1.2. The Council will provide Support Services with all reasonable skill and care and in compliance with:
- The Accounts and Audit Regulations 2003 as amended by The Accounts and Audit (Amendment) (England) Regulations 2006, (Regulations)
  - The Code of Practice on Local Authority Accounting in the United Kingdom
  - All other relevant CIPFA guidelines, best professional practice and legislation
  - The Local Government Act 2000 and other associated legislation
  - All appropriate Employee and Health and Safety legislation
  - All appropriate
  - The Joint Committee's relevant policies, rules, standing orders, procedures and standards. (These are the policies, rules, standing orders, procedures and standards of Durham County Council adopted by the Central Durham Crematorium Joint Committee)
  - The terms and conditions of this agreement.



3.1.3. To ensure that the Services are delivered by such staff who are appropriately experienced qualified and competent and who receive adequate training and supervision.

3.1.4. To submit to the Joint Committee, a reconciliation of the charges for services provided during the year to be recharged to the Joint Committee in accordance with Schedule 2.

### **3.2. Accommodation**

3.2.1. To provide at its own cost its own office accommodation, administrative support and services as may be necessary for the provision of Support Services.

### **3.3. Insurance**

3.3.1. To ensure that adequate insurance cover is affected and maintained in respect of any property held by it for the purposes of this agreement, employee liability, public liability and liability for professional negligence.

## **4. THE JOINT COMMITTEE'S OBLIGATIONS**

### **4.1. Support Services Fee Provision**

4.1.1. To make available such Support Services provision as set out in Schedule 2 for the provision of agreed services for the year 2011/12. Notwithstanding the contents of Schedule 2, the Support Services provision will be the subject to regular review and agreement by both parties as part of the Joint Committee's normal budget timetable. Final confirmation of the Support Services provision must be agreed no later than the 31<sup>st</sup> March in each year.

4.1.2. Both parties intend that the annual Support Services fee provision will be set at such a level as to cover the costs incurred by the Council in delivering the Central Support Functions. An indicative annual budget and time allocated to each of these areas as at the date of this agreement is set out in Schedule 2.

4.1.3. The parties agree that, without affecting the annual Support Services fee provision and the principles set out in Schedule 2, at the Joint Committee's request;

- the percentage split between the service elements to be provided can be varied up to 10% provided always that the maximum number of days per element specified in Schedule 2 is not exceeded.
- Crematorium Joint Committee being satisfied that such changes will not have an adverse impact on the delivery of the service provision.

4.1.4. The parties agree that all variations, other than those referred to in the clause 4.1.3 above, require the expressed written consent of both parties.

- 4.1.5. To pay the Council annually the payments as set out in Schedule 2. The payment principles set out in Schedule 2 will apply for the purposes of determining the payments paid to the Council by the Joint Committee.

## **4.2. Service Delivery**

- 4.2.1. The Joint Committee is required to make arrangements for:  
Allowing Council staff access to the Joint Committee's business premises if necessary at reasonable times for the provision of the Support Services
- 4.2.1.1. The provision of suitable accommodation for the use of the Support Services on the Joint Committee's business premises, at its own cost, as may be necessary.
- 4.2.1.2. Agreed adherence to Durham County Council's Members Code of Conduct and Constitution.
- 4.2.1.3. Allowing Council staff access to all relevant assets, records (including those belonging to third parties, subject to the Joint Committee having lawful authority to do so) documents, correspondence, electronic files, software and other systems as may be necessary for the provision of the Service.
- 4.2.1.4. Allowing and facilitating where necessary direct access by the Head of Finance/Principal Accountant to the Chair of the Joint Committee and the Treasurer (or his nominated representative) for the purpose of delivering the relevant services.
- 4.2.1.5. Approving the Annual Statement of Accounts, Annual Governance Statement, Revenue Budget and all other Financial Reports
- 4.2.1.6. Taking whatever action it considers necessary as a result of issues highlighted by the Head of Finance HR & Business Support

## **5. MANAGEMENT OF THE SERVICE**

- 5.1. Paul Darby, (Head of Finance HR and Business Support) is responsible for the overall management and delivery of the support service functions and will (under delegated responsibility) in practice fulfil the role of the Treasurer for the Joint Committee. Any queries arising from financial and other relevant reports and any general day to day enquiries about the service should be addressed to the Head of Finance HR and Business Support

- In person at Durham County Council, County Hall, Durham
- E-mail: [paul.darby@durham.gov.uk](mailto:paul.darby@durham.gov.uk)
- Telephone 0191 383 6594

- 5.2. The Head of Finance, HR and Business Support will report to the Director of Neighbourhood Services and to the Director of Resources and Treasurer to

the Joint Committee and to the Central Durham Crematorium Joint Committee.

- 5.3. The Head of Finance, HR and Business Support and the Crematorium Superintendent will meet periodically to review performance on delivering agreed services and agree any changes to the delivery of the Service. Such meetings may be attended by other such persons as either party may wish.
- 5.4. The Corporate Director of Resources at the Council is ultimately responsible for the performance and effectiveness of services provided to the Joint Committee under this agreement. Any issues concerning any aspect of the delivery of the service or terms of this agreement that can not be satisfactory resolved with Head of Finance, HR and Business Support should be referred to the Council's Corporate Director: Resources.

Contact details are:

Don McLure, Corporate Director: Resources  
Durham County Council,  
County Hall, Durham  
e.mail:don.mclure@durham.gov.uk  
Telephone 0191 383 3550

- 5.5 The Head of Finance, HR and Business Support will meet with the Crematorium Superintendent each financial year to consider the support service fee for the following financial year. Such meetings will be scheduled in line with the Joint Committee's normal budget timetable. (Final confirmation of the support service fee provision must be agreed no later than the 31<sup>st</sup> March in each year) and be attended by such other persons as either party may wish.
- 5.6 The Crematorium Superintendent is responsible for ensuring :
  - Responses to reports are received within timescales specified
  - Providing information to substantiate the implementation of any recommendations when requested.
  - Co-operating with Support Services staff when required
  - Liaising with the Head of Finance, HR and Business Support / Principal Accountant : Direct Services
  - Compliance with relevant Codes of Conduct and Durham County Council Policies and Procedures

## **6 INFORMATION AND CONFIDENTIALITY**

- 6.1 Each party will provide all information within its control necessary to enable the other to discharge its obligations under this agreement.
- 6.2 Neither party shall, without the written consent of the other party, make use of for its own purposes or disclose or allow to be disclosed to any person,

(except as may be required by law or by an authorised body in evaluating the work undertaken e.g. external audit), this Agreement or any material connected with it.

## **7 DATA PROTECTION AND FREEDOM OF INFORMATION**

7.1 Each party will:

7.1.1 Comply with the Data Protection Act 1998

7.1.2 Maintain the confidentiality of personal data to which it has authorised access under the terms of this Agreement

7.1.3 Take reasonable technical and organisational measures against the unauthorised or unlawful processing of personal data and against the accidental loss or destruction of or damage to personal data (including adequate back up procedures and disaster recovery systems).

7.1.4 Provide such assistance and/or information reasonably required by the other in connection with any requests for information received by that party under the Freedom of Information Act 2000.

## **8 TERMINATION**

8.1 Either party may terminate the agreement before the 1<sup>st</sup> April 2012 by giving the other not less than 3 months prior written notice.

## **9 VARIATION**

9.1 The terms of this agreement may only be varied by written agreement signed by both parties

**AS WITNESSED**

**Signed by:**.....

Duly authorised for and on behalf of **DURHAM COUNTY COUNCIL**

**Date**

**Signed by:**.....

Duly authorised for and on behalf of the  
**CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE.**

**Date**

## Schedule 1

The following Support Services will be provided.

### Management Services

1. Monitoring and reporting of progress made in the delivery of agreed services to the Central Durham Crematorium Joint Committee
2. Report review and presentation of all financial and other Support Services reports to the Joint Committee

### Financial Services

- 4 Preparation and Production of the Annual Revenue Budget for approval by the Central Durham Crematorium Joint Committee.
- 5 Review and setting of the Annual Fees and Charges taking into consideration 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.
- 6 Budget Monitoring including the provision of sound financial advice.
- 7 Preparation of Monthly Payroll, Bank, Debtor and Creditor Reconciliations.
- 8 Production of the Annual Statement of Accounts for the Central Durham Crematorium Joint Committee in accordance with the Accounts and Audit Regulations and The Code of Practice on Local Authority Accounting in the United Kingdom.
- 9 Liaison with External Audit in relation to the Annual Statement of Accounts.

### Payroll Services

- 10 Monthly processing of all directly employed Central Durham Crematorium employee salaries and allowances.

### Human Resources

- 11 Provision of Health And Safety Advice and guidance in compliance with relevant Health and Safety guidelines and legislation.
- 12 Management and co-ordination of arrangements regarding employee relations and interaction with trade union officials.
- 13 Delivery and facilitation of the staff training, recruitment and selection processes

### Administration

- 14 Distribution of Joint Committee Papers (including electronic distribution)
- 15 Provision of Committee and Secretarial Services including the remit of Clerk (providing advice and guidance on the constitutional issues and protocols) to the Joint Committee and processing any follow up requirements as appropriate
- 16 Maintenance of Committee minutes and Indexing

#### **Creditor Payments**

- 17 Timely processing and payment of all Central Durham Crematorium Joint Committee Purchase order and direct Invoices in line with BVPI 8 Regulations and Durham County Council Payment Terms.

#### **Advice**

- 18 Provision of help and advice to the Crematorium Superintendent and other officers and nominated members of the Central Durham Crematorium Joint Committee on all Financial, and other Support Service function matters.

**BUDGET SCHEDULE**

AREA	2011/2012
<b>Management</b>	
Attendance at Joint Committee Meetings	
Report Review and overall Management	
	<b>2,100</b>
<b>Financial Services</b>	
Budget Preparation including fees and charges setting	
Budget Monitoring including monthly reconciliations	
Production of the Annual Statement of Accounts (including liaison with External Audit)	
	<b>18,200</b>
<b>Payroll Services</b>	
Employee payroll processing	<b>200</b>
<b>Human Resources</b>	
Health and Safety support and guidance	
Employee relations and interaction with trade unions	
Training and development facilitation	
	<b>1,500</b>
<b>Creditor Payments</b>	
Processing and payment of Invoices	<b>700</b>
<b>Administration</b>	
Distribution of Committee Papers	
Committee and Secretarial Services	
Minute maintenance and indexing	
	<b>3,800</b>
<b>Total</b>	<b>26,500</b>

**BASIS OF CHARGE**

- Charges in respect of the period 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012 will be recharged to the Joint Committee using the existing methodology (annually in arrears)
- This SLA charge is in addition to the Audit SLA totalling £5,500 previously considered by members.





## Central Durham Crematorium Joint Committee

26 January 2011

Fees and Charges 2011/12



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### Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources & 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 the proposed fees and charges for the Central Durham Crematorium for 2011/12.

#### Background Information

2. In reviewing existing charges or setting 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.
3. Members of the Joint Committee will be aware that with effect from 4 January 2011, the VAT rate was increased from 17.5% to 20%. Whilst this does not directly impact on Cremation Fees (which are not a business supply for the purposes of VAT), entries into the Book of Remembrance and the purchase of Memorials such as the leasing of seats, the purchase of columbaria units, plaques and vases are affected by the VAT increase. If these charges are not reviewed, to pass the VAT increase onto the customer, then the service will face a 2.5% cut in its income from these activities.

#### Fees and Charges 2011/12

4. The proposals for 2011/12 have been developed taking into consideration the views of the Superintendent and Registrar with regards to the local market and customer impact from any proposed increase, together with benchmarking data on the charges levied in other neighbouring facilities.
5. The proposals have also been developed in the context of the forthcoming Cremator Replacement and associated Redevelopment Works, and whilst it is anticipated that such works should cause little, or no disruption to crematorium service and its users (the crematorium will be fully operational throughout the construction period), it is

acknowledged that the fees and charges increase should be kept to a minimum to reflect the ongoing works.

6. Taking the above into consideration, the following revisions to the current fees and charges are proposed for 2011/12:

### ***Cremation Charges***

7. Adult Cremation fees are increased by 2.5% to £410 in 2011/12. This results in an increase of £10 per adult over the age of 16 years. Fees levied for 2011/2012 (inclusive of medical referees and environmental surcharge) are therefore proposed at £480.

### ***Book of Remembrance***

8. As a result of both the VAT change and increased calligraphy costs, the charge for entries into the book of remembrance is proposed to increase from £36 to £38. This increase consists of 2.5% relative to VAT, and a 3% increase in relation to actual fees. Based on an average of 790, 2 line entries per annum, it is anticipated that income will total £25,000 plus VAT. Should the VAT increase not be reflected in the charges then income receivable by the Joint Committee during 2011/12 would reduce by an estimated £625.

### ***Masterplan renewals***

- 9 In April 2011, the Memorial Walled Gardens will have been operational for ten years resulting in a number of memorial plaques now requiring renewal.
- 10 It is proposed that renewal fees, equal to 50% of the proposed 2011/12 Vase block and plaque lease fees, are introduced, resulting in an estimated £17,000 (plus VAT) additional income in 2011/12.

### ***VAT only Implications***

- 11 It is proposed that all other fees and charges will remain as 2010/11, unless they are subject to VAT. The following elements are proposed to increase only by 2.5% to reflect the VAT increase:
  - Leasing of Memorial Seats
  - Columbaria Units
  - Plaques
  - Vases
12. If the VAT was not passed on, then income receivable by the Joint Committee during 2011/12 would reduce by an estimated £1,500.
13. 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. As can be seen, the Central Durham Crematoria charges compares well and (even factoring in the 2011/12 proposed increases) is at the lower end in relation to the neighbouring crematoria, most of whom, at this time, have not yet finalised their fees and charges proposals for 2011/12.

## **Recommendations and reasons**

14. It is recommended that:-

- Members of the Joint Committee note and approve the proposed fees and charges at Appendix 2 effective from 1 April 2011;
- Members of the Joint Committee approve the increase in pricing for memorials and inserts to the Book of Remembrance in line with the VAT increase and that this is implemented with effect from 1 February 2011; and
- All approved fees and charges are incorporated into the 2011/12 budget.

## **Background Papers**

2010/11 Budget and Financial Monitoring Reports

2011/12 Budget Working Papers

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**Contact(s): Paul Darby 0191 383 6594**

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## **Appendix 1: Implications**

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### **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 2011/12.

### **Staffing**

There are no staffing implications associated with this report.

### **Risk**

The sensitive pricing of services is essential to maintain the competitiveness and reputation of the Central Durham Crematoria in the current economic climate. The proposed increases in fees and charges next year will ensure that the charges remain competitive in comparison with neighbouring facilities, and this, together with a prudent assumption in terms of the number of cremations undertaken next year, plus the strong reputation of the CDCJC, should ensure risk is minimised with regards to the achievement of the income budgets. Increases will be publicised in advance and communication carefully handled

### **Equality and Diversity**

The proposals set out in this report are based on a harmonised fees and charges policy with the Mountsett Crematorium and provide equity of treatment / access across County Durham. An equality Impact assessment screening has been undertaken which has revealed no issues.

### **Accommodation**

There are no Accommodation implications associated with this report.

### **Crime and Disorder**

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

### **Human Rights**

None

### **Consultation**

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

### **Procurement**

None

### **Disability Discrimination Act**

None

### **Legal Implications**

None

## SCHEDULE OF PROPOSED CREMATORIUM CHARGES 2011-12

	Durham					
	2010/2011 Charges incl VAT (where appropriate)	Proposed Charges 2011/2012 incl VAT (where appropriate)	VAT Status	Increase / (Decrease)		
	£	£		£	%	
Non-viable Foetus	£9	<b>£9</b>	O	£0	0.00%	
Child	£0	<b>£0 up to 1 mth</b>	O	£0	0.00%	
Child	£0 up to 16 yrs	<b>£0 up to 16 yrs</b>	O	£0	0.00%	
Adult	£400 over 16 yrs	<b>£410 over 16 yrs</b>	O	£10	2.50%	
<u>Surcharges</u>						
Non Resident (Adult)	£0	<b>£0</b>	O	£0	0.00%	
Environmental surcharge	£50	<b>£50</b>	O	£0	0.00%	
Saturdays Additional	50%	<b>50%</b>	O	Not Applicable	Not Applicable	
Certificate of Cremation	Included	<b>Included</b>	O	Not Applicable	Not Applicable	
Medical Referees Fees	£20	<b>£20</b>	O	£0	0.00%	
Body Parts	£9	<b>£9</b>	O	£0	0.00%	
2 line entry Book of Remembrance	£36	<b>£38</b>	S	£2	5.56%	
Seat for Lease of 10 years	£1,021.75	<b>£1,042</b>	E/S	£20.25	2.50%	£70 VAT Exempt
Columbaria Unit for Lease of 20 years	£1,215.63	<b>£1,240</b>	E/S	£24.37	2.50%	£70 VAT Exempt
Small Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£175.76	<b>£178</b>	E/S	£2.24	2.50%	£70 VAT Exempt
Large Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£299.13	<b>£304</b>	E/S	£4.87	2.50%	£70 VAT Exempt
Vase Block for Lease of 10 years Plus Cost of Plaque at supplier price	£522.38	<b>£532</b>	E/S	£9.62	2.50%	£70 VAT Exempt
Inside New Garden Large Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£328.50	<b>£334</b>	E/S	£5.50	2.50%	£70 VAT Exempt
Inside New Garden Vase Block for Lease of 10 years Plus Cost of Plaque at supplier price	£575.25	<b>£586</b>	E/S	£10.75	2.50%	£70 VAT Exempt

Proposed Durham 2011/12	Period charged from:	April 2010 to March 2011 *	Sept 2010 to August 2011 *	Feb 2011 to Jan 2012 includes 6% increase to be confirmed	Jan 2011 to Dec 2011 2011/12 set	Feb 2010 to Jan 2011 *	Jan 2011 to Dec 2011 2011/12 set	April 2010 to March 2011 *	April 2010 to March 2011 *	Mountsett 2011/12 **
Durham		Darlington	Hartlepool	South Tyneside	Sunderland	Newcastle	Gateshead	Middlesbrough	North Tyneside	Mountsett
£		£	£	£	£	£	£	£	£	£
£9	Non-viable Foetus	£0	£17	£30	£122	£0	£0	£11	£0	£9
£0 up to 1 month	Infant Child	£0 12 mths	£17 under 5 yrs	£32 up to 14 yrs	£0 up to 28 days	£0 up to 12 yrs	£0	£21 up to 1 month	£20	£0 up to 1 month
£0.00 up to 16 yrs	Child	£184 up to 18 yrs	£103 up to 16 yrs	£32 up to 14 yrs	£114 under 16 yrs	£435 13 yrs & over	£0	£44 under 16 yrs	£20	£0 up to 16 yrs
£410.00 over 16 yrs	Adult	£571 over 18 yrs	£599 over 16 yrs	£475 15yrs or over	£479 over 16 yrs	£435	£539 over 18yrs	£526 over 16 years	£390 over 18 yrs	£410 over 16 yrs
£0 £50	Surcharges Non Resident (Adult) Environmental surcharge	£0 Included	£0 Included	£710 £50	£636 Included	£0 Included	£0 Included	£0 Included	£0 Included	£0 £50
50%	Saturdays/ Additional	No Cremations on a Saturday	No Cremations on a Saturday	50%	50%	No Cremations on a Saturday	100%	£38	No Cremations on a Saturday	50%
Included	Certificate of Cremation	Included	£10	£17	Included	Included	Included	Included	Included	Included
£20	Medical Referees Fees	Included	Included	£32	£20	£24 13 yrs & over	£25	Included	£20	£20
£38	2 line entry Book of Remembrance (inclusive of VAT)		£56	£61	£40	£56	£37	£32	£49	£38
£0	Body Parts	£0	£0	£0	£68	£0	50% of appropriate charge	£31	£0	£0

\* All based on 10/11 Rates other than South Tyneside and Sunderland

\*\* Subject to consideration by the Mountsett Crematorium Joint Committee 04/02/2011



## Central Durham Crematorium Joint Committee

26 January 2011

### 2011/12 Revenue Budget

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#### Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – 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 for members' consideration proposals with regards to the 2011/12 revenue budget for the Central Durham Crematorium.

##### Background Information

2. The 2011/12 budget has been developed with the Superintendent and Registrar, taking into account the proposed Fees and Charges set out in the previous report, the 2010/11 forecast outturn position and known expenditure pressures in the coming year, together with the implications arising from the Cremator Replacement and Associated Building Works Report, considered by members in December 2010.
3. The Superintendent and Registrar has indicated that Neighbouring Crematoria have recorded significant reductions (from both budget and the previous financial year) in the number of cremations carried out during the first 9 months of the 2010/2011 financial year. In comparison, the number of cremations carried out at the Central Durham crematorium has increased. The position at 31 December shows that there have been 10 more cremations in the first 9 months than were budgeted for and 101 more than the same period in 2009/10. The reasons for this increase are two fold:
  - Whilst the nearby Wear Valley Crematorium have recorded 347 cremations this year, the effects have not been as detrimental as those anticipated and factored into the current year budget
  - There has been an increase in usage from the East of the County (Hartlepool and Sunderland)
4. In setting the 2011/212 budget, consideration has been given to the forthcoming Cremator Replacement and Redevelopment Works. Whilst every effort will be made to sensitively handle the works, it is anticipated that there may be an adverse impact on the number of cremations handled during this period. An element of prudence has therefore been factored into the budget next year to allow for any potential loss of business as a result of the redevelopment works.

##### Budget Proposals 2011/12

5. The proposed 2011/12 revenue budget is shown at Appendix 2, together with the forecast position with regards to the reserves of the Central Durham Crematorium. The main changes from the 2010/11 budget are as follows:

### ***Employees***

6. The 2010/11 Budget has been reduced by £10,550. This takes into consideration the Coalition Government's decision to freeze the pay award for Local Government staff during 2010/2011 and 2011/2012 (inflation totalling £2,000 was built into the 2010/11 base budget); and reductions in general and pandemic operator training and development of £3,600, employee advertising of £1,500 and agency costs of £3,450, which have all been taken out of the base budget for 2011/12.

### ***Premises***

7. The base budget has increased by £10,400 from 2010/11. This is due to a number of factors, detailed below:
- Estimated increase in NNDR charge of £7,200, taking into account the 2010/11 forecast outturn position. NNDR is now budgeted at £57,000 per annum;
  - Increased provision for footpath and road repairs and maintenance of £2,800; and
  - Increased Burglar/ fire alarm costs of £1,200.

### ***Supplies and Services***

8. The supplies and services budget has been reduced by £36,690 from 2010/11. The main changes are as follows:
- Replacement Organ – The 2010/11 budget built in the one –off purchase cost of a replacement organ, £8,000 has been removed from the 2011/12 budget;
  - Public BOR Visual Reference System and Replacement Computer budget of £7,500 will not be required for 2011/12. This system has been delayed during the current year and its need will be reviewed during 2011/ 12 with a view to re - introducing into the budget the following year if required;
  - In response to the 2009/10 External Audit Recommendation surrounding the inefficiencies in the maintenance of the CDCJC books and accounting records, a one – off budget of £3,000 has been included in 2011/12 to procure, set up and provide user training on a dedicated Financial Management System - SAGE;
  - 50 Years Service Celebrations – the £5,000 one – off provision included in the 2010/11 budget has been removed in 2011/12; and
  - Medical referees, Masterplan and vase blocks expenditure is budgeted to be £19,190 lower than the current year due to a reduced number of cremations anticipated for 2011/12.

### ***Agency and Contracted***



9. The Agency and Contracted Services budget has been reduced by £20,330 from 2010/11. The main year on year changes are as follows

- The additional £16,500 included in the 2010/11 budget to cover the costs of a number of feasibility studies associated with the Cremator replacement proposals has been removed in the 2011/12 budget;
- Audit fees have increased in line with the 2010/11 projected outturn, increasing the budget provision by £11,500. External Audit fees are now budgeted at £15,000 in total.
- The procurement of a deceased on line referencing system has been delayed, resulting in a reduction for the 2011/12 budget of £11,910. The requirement for this system will be reviewed during 2011/12 with a view to its reintroduction into the budget the following year if required; and
- Other budgets totalling £3,420 in relation to crematorium brochure production and print are also not required for the 2011/12 budget.

### ***Capital Financing Costs***

10. Loan repayments of £214,000 relating to the replacement cremator & associated redevelopment works capital scheme have been factored into the 2011/12 budget. This represents the annual borrowing costs of the £1.8m, 10 year annuity loan @ 3.39 % undertaken by Durham Council on behalf of the Joint Committee (as discussed and approved at the Special Central Durham Crematorium Joint Committee 21.12.10). These costs replace the contributions to the Major works, Small Plant and Central Heating Replacement Reserves, included in the 2010/11 base budget.

### ***Income***

11. 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 2.5% to £410 next year – the gross fee (inclusive of medical referees and environmental surcharge) would therefore be £480 in 2011/12;
- Increase in charges for the book of remembrance from £36 to £38 (inclusive of Vat );
- Introduce a lease renewal fee for existing Memorial Plaques (over 10 years) based on a 50% reduction on the new Vase Blocks and Plaques fees and charges.

12. As noted above, an element of prudence has been factored into the income budget projections next year. The 2010/11 budget was based on an assumed 2180 cremations in the current year. The outturn projected, based on the position to 31 December 2010, shows that 2,190 cremations will be undertaken in the current year, 10 more than budgeted. In consideration of the forthcoming cremator replacement and redevelopment works, the 2011/12 base budget has assumed a total 2,040 cremations next year, a reduction of 150 on the 2010/11 outturn and 140 less than the budget position in 2010/11.

13. The net effect of the increase in the cremation fee, assumed reductions in the number of cremations and other fees and charges proposals is that forecast income is broadly in line with the budgeted position for 2010/11 – with the year on year change being a modest £700 increase. Similar reductions have been factored into the Medical referees, Vase Block and Masterplan expenditure budgets for next year. Clearly, if cremation numbers are maintained in line with the current year then there would be a significant surplus generated next year.

### ***Earmarked Reserves***

14. The transfer to the Masterplan Memorial Garden Reserve next year is budgeted in line with the 2010/11 level (at £5,000).
15. As noted above and in the report to the Special Meeting in December, transfers to the Major Capital Works, Small Plant and Central Heating Renewals Reserves have been suspended to fund the Loan Repayment /Capital financing charges associated with the Cremator Replacement and associated redevelopment works.
16. The balances on the Small Plant and Central Heating Renewals Reserves, along with an element (£544,000) of the Major Capital Works will be transferred to a newly created Cremator Replacement Reserve at 31 March 2011. This reserve will total £600,000 at the year end and will be applied to part finance the Cremator Replacement and Building Works Capital Scheme next year.
17. The estimated total earmarked reserves and balances of the Central Durham Crematorium Joint Committee at 31 March 2012, taking into account the 2010/11 Quarter 3 budgetary control report; the proposed transfers to / from earmarked reserves in 2010/11 and 2011/12 (including the use of the Cremator Replacement Reserve next year) is £784,969 (shown in Appendix 2).

### **Recommendations and reasons**

18. 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).
- Members note the forecast level of reserves and balances at 31 March 2012 (also set out at Appendix 2)

### **Background Papers**

- 2010/2011 Budget and Financial Monitoring Reports
- Cremator Replacement and Associated Redevelopment Works Report 21.12.10
- 2011/12 Budget Working Papers
- 2011/2012 Fees and Charges report

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**Contact(s): Paul Darby 0191 383 6594**

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## **Appendix 1: Implications**

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### **Finance**

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

### **Staffing**

The employee budget provides for 8 members of staff.

### **Risk**

The budgets take into account the 2010/11 forecast outturn position and all known expenditure pressures and opportunities for efficiencies in the coming year, together with the implications arising from the Cremator Replacement and Associated Building Works Report, considered by members in December 2010.

Pricing sensitivity is essential to maintain the competitiveness and reputation of the Central Durham Crematoria in the current economic climate. The proposed increases in fees and charges next year will ensure that the charges remain competitive in comparison with neighbouring facilities, and this, together with a prudent assumption in terms of the number of cremations undertaken next year, plus the strong reputation of the CDCJC, should ensure risk is minimised with regards to the achievement of the income budgets.

### **Equality and Diversity**

The income proposals set out in this report are based on a harmonised fees and charges policy with the Mountsett Crematorium and provide equity of treatment / access across County Durham. An equality Impact assessment screening has been undertaken which has revealed no issues.

### **Accommodation**

There are no Accommodation implications associated with this report.

### **Crime and Disorder**

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

### **Human Rights**

None

### **Consultation**

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

### **Procurement**

None

### **Disability Discrimination Act**

None

### **Legal Implications**

The Central Durham Crematorium Joint Committee is required to set a balanced budget and the budget proposals contained within this report have been prepared in accordance with standard accounting policies and procedures.

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## APPENDIX 2

<b>CENTRAL DURHAM CREMATORIUM 2011/2012 BUDGET</b>				
<b>2009/2010 Actual Outturn (Memo Info)</b>	<b>2010/2011 Base Budget (Set QTR1)</b>	<b>2010/2011 Projected Outturn (QTR3)</b>		<b>2011/2012 Base Budget</b>
<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>
			<b>EXPENDITURE</b>	
216,768	220,000	207,804	Employees	209,450
136,068	189,700	182,378	Premises	200,300
2,726	1,500	2,000	Transport	2,000
92,341	132,990	120,906	Supplies and Services	96,300
39,370	50,230	54,001	Agency & Contracted	29,900
0	0	0	Capital Financing Costs	214,000
32,000	32,000	32,000	Support Service Costs	32,000
<b>519,273</b>	<b>626,420</b>	<b>599,089</b>	<b>Gross Expenditure</b>	<b>783,950</b>
<b>(1,080,376)</b>	<b>(1,094,530)</b>	<b>(1,148,032)</b>	<b>INCOME</b>	<b>(1,095,200)</b>
<b>(561,103)</b>	<b>(468,110)</b>	<b>(548,943)</b>	<b>Net Income</b>	<b>(311,250)</b>
			<b>Transfer to Reserves</b>	
5,000	5,000	5,000	- Masterplan Memorial Garden	5,000
234,853	141,860	222,693	- Major Capital Works	0
5,000	5,000	5,000	- Small Plant	0
10,000	10,000	10,000	- Central Heating Renewal Fund	0
<b>(306,250)</b>	<b>(306,250)</b>	<b>(306,250)</b>	<b>Distributable Surplus</b>	<b>(306,250)</b>
<b>245,000</b>	<b>245,000</b>	<b>245,000</b>	<b>80% Durham County</b>	<b>245,000</b>
<b>61,250</b>	<b>61,250</b>	<b>61,250</b>	<b>20% Spennymoor Town Council</b>	<b>61,250</b>

<b>Actual Balance @ 31/03/10</b>	<b>Budget Forecast Balance @ 31/03/11</b>	<b>Revised (QTR3) Forecast Balance @ 31/03/11</b>	<b>Reserve</b>	<b>Budget Forecast Balance @ 31/03/12</b>
<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>
(424,060)	(424,060)	(424,060)	General Reserve	(424,060)
(16,250)	(23,875)	(21,250)	Masterplan Memorial Garden	(26,250)
(655,964)	(724,653)	(334,659)	Major Capital Works	(334,659)
(18,002)	(23,002)	0	Small Plant	0
(23,000)	(33,000)	0	Central Heating Renewal Fund	0
0	0	(600,000)	Cremator Replacement Fund	
<b>(1,137,276)</b>	<b>(1,228,590)</b>	<b>(1,379,969)</b>	<b>TOTAL</b>	<b>(784,969)</b>

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**Central Durham Crematorium  
Joint Committee**

**26 January 2011**

**Start Times of the Meetings**



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**Report of Sharon Spence, Clerk to the Joint Committee**

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**1. Purpose of the Report**

At a Special Meeting of the Joint Committee held on 21 December 2010 it was agreed that the issue regarding the start time of meetings of the Central Durham Crematorium Joint Committee be discussed at the next ordinary meeting of the Committee.

**2. Background**

Although it was suggested that it may be preferable to Members if meetings were convened during normal "office hours" rather than early evening, Spennymoor Town Council Members preferred. 5.30pm.

**3. Recommendation**

That, in accordance with the previously agreed scheduled, meetings continue to be held at 5.30pm and the Joint Committee reconsider the matter at the Annual Meeting.

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**Contact: Sharon Spence, Clerk to the Joint Committee**  
**Tel: 0191 383 3507**

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**Appendix 1: Implications**

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**Finance -**

None

**Staffing -**

None

**Equality and Diversity -**

None

**Accommodation -**

None

**Crime and Disorder -**

None

**Human Rights -**

None

**Consultation -**

None

**Procurement -**

None

**Disability Discrimination Act -**

None

**Legal Implications -**

None