



## **Mountsett Crematorium Joint Committee**

**Date**        **Friday 5 October 2012**  
**Time**        **10.00 am**  
**Venue**       **Beaumont Room 1/78 - County Hall, Durham**

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### **Business**

#### **Part A**

**[Items during which the Press and Public are welcome to attend.  
Members of the Public can ask questions with the Chairman's  
agreement]**

1. Minutes of the Meeting held on 15 June 2012 (Pages 1 - 4)
2. Declarations of Interest, if any.
3. Adoption of New Code of Conduct for Councillors (Pages 5 - 16)  
Report of the Clerk to the Joint Committee.
4. Small Bodies Annual Return - External Auditors Report and Response  
(Pages 17 - 30)  
Report of the Corporate Director, Resources and Treasurer to the Joint  
Committee.
5. Financial Monitoring Report 2012/13: Spend to 31/08/12 and Projected  
Outturn to 31/03/13 (Pages 31 - 36)  
Joint Report of the Corporate Director, Neighbourhood Services and  
Treasurer to the Joint Committee.
6. Risk Register 2012/13 - Update (Pages 37 - 46)  
Joint Report of the Corporate Director, Neighbourhood Services and  
Corporate Director, Resources
7. Such other business as in the opinion of the Chairman of the meeting  
is of sufficient urgency to warrant consideration.

#### **Part B**

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

8. Quarterly Report of the Bereavement Services Manager including  
Service Asset Management Plan (Pages 47 - 164)

**Colette Longbottom**  
Head of Legal and Democratic Services

County Hall  
Durham  
27 September 2012

To: **The Members of the Mountsett Crematorium Joint Committee**

**Durham County Council:-**

Councillors: O Temple (Chair), A Bainbridge, J Docherty, M Hodgson,  
J Hunter, O Johnson, J Nicholson, B Stephens and J Wilson

**Gateshead Council:**

Councillors K Dodds (Vice-Chair), M Ord, P Ronan, J Hamilton, D Davidson  
and P Mole

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**Contact: Lucy Stephenson**

**Tel: 0191 383 6644**

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**DURHAM COUNTY COUNCIL  
MOUNTSETT CREMATORIUM JOINT COMMITTEE**

At a Meeting of **Mountsett Crematorium Joint Committee** held at Mountsett Crematorium, Dipton on **Friday 15 June 2012 at 10.00 am**

**Present:**

**Councillor O Temple (Chair)**

**Members of the Committee:**

**Durham County Council**

Councillors A Bainbridge, J Hunter and J Nicholson

**Gateshead Council:**

Councillors P Ronan and D Davidson

**Apologies:**

Apologies for absence were received from (Durham County Council) Councillor(s) J Docherty, M Hodgson, O Johnson, B Stephens and J Wilson (Gateshead Council) Councillor(s) K Dodds, M Ord, J Hamilton and P Mole.

**1 Membership of the Joint Committee**

The Chair advised that membership of the committee was to be confirmed by Gateshead Council, with one current vacancy yet to be filled.

**Resolved:** that members note the position with regards to the Joint Committee's membership for 2012/13.

**2 Appointment of Chair for the Ensuing year.**

Nominations were sought for the Chair of the Joint Committee.

**Resolved:** that Councillor O Temple, be elected as Chair for the ensuing year.

**3 Appointment of Vice-Chair for the Ensuing year.**

Nominations were sought for the Vice-Chair of the Joint Committee.

**Resolved:** that Councillor K Dodds be elected as Vice-Chair for the ensuing year.

**4 Declarations of Interest, if any.**

There were no declarations of interest submitted.

**5 Minutes of the Meeting held on 27th April 2012.**

The Minutes of the meeting held 27<sup>th</sup> January 2012 be confirmed as correct record and signed by the Chair.

## **6 Mountsett Crematorium Performance and Operational Report.**

The Joint Committee received a report of Graham Harrison, Bereavement Services Manager which provided Members of the Mountsett Crematorium Joint Committee with an update relating to performance and other operational matters (for copy see file of minutes).

With regards to performance it was reported that there were 215 cremations undertaken during 1 April to 31 May 2012, compared to 192 in the comparable period last year, an increase of 23 (12%).

Moving on to provide an update in respect of Memorial plaques it was reported that during April to May the number of plaques sold was 4. This totalled £1,312.00. As this was a new service being provided by the Crematorium, there was no comparable data to report.

Moving on to operational matters, the Bereavement Services Manager reported on staffing and the current situation with regard to a period of long term illness.

Further details were provided in respect of progress against the Pre-Payment Cremation Bond, Green Flag application and Service Asset Management Plan.

With regards to the Green Flag application it was reported that winners were expected to be announced week commencing 16 July 2012.

Members were also updated in respect of the Asset Management Plan and advised that this would be considered in full at the next meeting of the Joint Committee in September 2012. Further details were provided in respect of the Fire Safety Audit which identified a number of works to the Crematorium. The financial impact of the works was c£11,000; which would be funded via the current Revenue and Repairs Maintenance Budget in 2012/13.

**Resolved:** that the Mountsett Crematorium Joint Committee note:-

- the current performance of the crematorium.
- the operational matters highlighted in the report, including the current situation with regards to the Superintendent and Registrar; the Pre-Payment Bond Scheme; the Green Flag Application; and the Service Asset Management Plan and;
- approve the progressing of the Fire Safety Audit remedial works as identified in the report.

## **7 Forward Plan 2012/13**

The Committee received a report which set out proposals with regards to a suggested forward plan of meetings on the Joint Committee for the remainder of 2012/13 (for copy see file of minutes).

Councillor Temple added that he had been made aware that the current schedule and timing of meetings clashed with one of the committee members other council commitments. With such he asked that the Clerk look at rearranging the timing of future meetings to accommodate all members from both authorities.

The Bereavement Services Manager also asked that future Annual meetings take place at 9.30 a.m. to allow more flexibility with appointments at the Crematorium.

**Resolved:** that the proposed schedule of business be approved on the proviso that the Clerk offers alternative dates, to accommodate all members as soon as practicable.

## **8 Mountsett Crematorium Performance and Operational Report.**

Paul Darby, Head of Finance (Financial Services) advised the report had required some changes to the previously circulated document, therefore it was necessary to seek agreement on those changes with Legal Officers of Gateshead Council.

Given the above Members agreed that this item should be deferred until the next meeting in September 2012, to allow for such agreement to be sought.

## **9 2011/12 Annual Governance Statement**

The Committee received a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which provided details of the Annual Governance Statement (AGS) for the year April 2011 to March 2012. The AGS was presented for approval by members as part of the consideration of the Statement of Accounts and Small Bodies in England Return 2011/12 (for copy see file of minutes).

The AGS was attached to the report at Appendix 2 and summarised the operations of the Joint Committee during the course of the year 2011/12. It was further reported that pages 43 and 44 had been amended under paragraph 3 to reflect the revised date for consideration of the constitution.

Paul Darby, Head of Finance (Financial Services) further advised that Internal Audit had provided Substantial Assurance on the Joint Committee's system of internal control, none of the minor governance and internal control issues raised warranted comment within the AGS.

**Resolved:** that the Mountsett Crematorium Joint Committee approves the Annual Governance Statement for consideration within the Statement of Accounts and Annual Return.

## **10 Revenue Outturn & Statement of Accounts for the Year Ended 31 March 2012.**

The committee received a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources which sought approval of the Small Bodies in England Annual Return and supporting Statement of Accounts for the financial year ended 31

March 2012. The report further included details of the outturn position against approved budgets for 2011/12 (for copy see file of minutes).

Paul Darby, Head of Finance (Financial Services) proceeded to run through the financial outturn position for 2011/12 advising that the final outturn position was broadly in line with the provisional outturn position with only a minor reduction of 2,034 in the overall net income for the year.

With reference to the Annual Return and Statement of Accounts it was reported that the documents had been prepared in line with CIPFA guidance and was a statutory document. It was also noted that page 20 of the Statement of Accounts had been amended under paragraph 3 to reflect the revised date for consideration of the Constitution.

**Resolved:** that the April 2011 to March 2012 Income and Expenditure within the Revenue Financial Monitoring Report and subsequent year balance of reserves, be noted.

## **11 2011/12 Small Bodies Return**

Paul Darby, Head of Finance (Financial Services) explained to members that the Small Bodies in England Annual Return required signing by the Chair following approval by the Joint Committee.

**Resolved:** that the Small Bodies in England Annual Return for the year ended 31 March 2012 be approved and signed by the Chair.

**Mountsett Crematorium Joint  
Committee**

**5 October 2012**

**Adoption of New Code of Conduct for  
Councillors**



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**Report of Sarah Grigor, Clerk to the Joint Committee**

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**Purpose of the Report**

1. To recommend the Joint Committee to agree the adoption of a new Code of Conduct.

**Background**

2. Members will recall in addition to formal recommendations made by the External Auditor in 2010, the following considerations/ recommendations were also made by the Treasurer to the Joint Committee based upon findings of the external audit of the Central Durham Crematorium Accounts 2009/10:

- R3 : Adoption of the lead authority member Code of Conduct by all members of the Mountsett Crematorium Joint Committee; and
- R4 : Requirement for a separate "Declaration of Interests" return to be completed by all members of the Joint Committee on an annual basis.

These recommendations were agreed by the Joint Committee at its meeting on 4 February 2011 and these points were formally incorporated into the Annual Governance Statement 2010/11 (Section 3 – Governance Framework), agreed by the Joint Committee at its meeting held on 17 June 2011.

3. On 25<sup>th</sup> July 2012 Durham County Council adopted a new Code of Conduct which incorporated the new statutory requirements on disclosable pecuniary interests following changes introduced under the Localism Act 2011.
4. Following the adoption of the new Code by the lead authority, it is therefore now necessary for the Joint Committee to adopt the same. In addition, each member is required under the new code to complete a Notification of Pecuniary or Other Interests form. Forms were circulated in hard copy to Members of the Joint Committee on 9 August 2012.

**Recommendations**

5. (i) That the Joint Committee adopt the Code of Conduct for Councillors annexed to this report as Appendix 2.  
(ii) That all Members of the Joint Committee complete a copy of the Notification of Pecuniary and Other Interests form and return to the Clerk (circulated to members 9 August 2012).

## **Background Papers**

- Annual Audit Letter 2009/10 – meeting of Central Durham Crematorium Joint Committee (CDCJC), 26 January 2011.
- Annual Governance Report and Annual Audit Letter, Progress Report – Report of the Treasurer to the Joint Committee – meeting of MCJC, 4 February 2011.
- Annual Governance Statement 2010/11 – Report of the Treasurer to the Joint Committee – meeting of MCJC, 25 June 2011.
- Adoption of New Code of Conduct for Councillors – Report of Head of Legal and Democratic Services and Monitoring Officer – meeting of Council, DCC, 25 July 2012.

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**Contact: Sarah Grigor**

**Telephone: 0191 383 6659**

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## **Appendix 1: Implications**

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**Finance** - Not directly in the report

**Staffing** - Not directly in the report

**Risk** - Not directly in the report

**Equality and Diversity** - Not directly in the report

**Accommodation** - Not directly in the report

**Crime and Disorder** - Not directly in the report

**Human Rights** - Not directly in the report

**Consultation** - Not directly in the report

**Procurement** - Not directly in the report

**Disability Discrimination Act** - Not directly in the report

**Legal Implications** - Within the body of the report

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## **Appendix 2: Code of Conduct for Members**

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### **The County Council of Durham Code of Conduct for Members**

The County Council of Durham (“the Council”) has adopted the following code which has effect from 26th July 2012 and which sets out the conduct that is expected of elected and co-opted members of the Council when they are acting in that capacity.

This means the code applies whenever you (a) conduct the business of the Council (including the business of your office as an elected councillor or co-opted member) or (b) act, claim to act or give the impression you are acting as a representative of the Council.

‘Co-opted member’ means any person who is a member of any committee or sub-committee of the Council with a right to vote but is not one of its elected members

The code is intended to be consistent with Nolan’s Seven Principles of Public Life, and should be read in the light of those principles, namely that Council Members will act with selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Those Principles are not part of this Code but are set out in full at Annex 1 for information.

#### **Part 1 - General Conduct**

1. You must treat others with respect, including Council officers and other elected members.
2. You must not bully any person (including specifically any Council employee) and you must not intimidate or improperly influence, or attempt to intimidate or improperly influence, any person who is involved in any complaint about any alleged breach of this code of conduct.
3. You must not do anything which compromises or is likely to compromise the impartiality of anyone who works for or on behalf of the Council.
4. You must not conduct yourself in a manner which could reasonably be regarded as bringing the Council, or your office as a member of the Council, into disrepute.
5. You must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person any advantage or disadvantage.
6. You must comply with any Protocol adopted by the Council which seeks to regulate the conduct of its elected members or co-opted members and which the Council has specifically declared should fall within the provisions of this code of conduct and which is listed in Annex 4 to this Code.
7. When using or authorising the use by others of the resources of the Council, you must act in accordance with the Council’s reasonable requirements (as set out in such protocol as it may adopt from time to

time for these purposes) and must ensure they are not used for party political purposes.

8. You must not prevent, or attempt to prevent, another person from gaining access to information to which they are entitled by law.
9. You must not disclose information which is given to you in confidence, or information which you believe or ought reasonably to be aware is of a confidential nature, unless:
  - (a) You have the consent of a person authorised to give it; or
  - (b) You are required by law to do so; or
  - (c) 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
  - (d) The disclosure is reasonable and in the public interest and made in good faith.
10. Where you have been involved in making any decision by the Council which is subsequently subject to scrutiny by an overview and scrutiny committee of the Council, you must not take part in that scrutiny process except to the extent you may be invited by the committee to give evidence to, or otherwise assist, it. In this paragraph, 'scrutiny' means the formal examination of a policy or decision previously approved or taken by or on behalf of the Council in order to reach a view as to its merits or effectiveness.

## **Part 2 - Registration of interests**

11. You must register in the Council's Register of Members Interests information about your registerable personal interests. In this code of conduct 'your registerable personal interests' means:
  - (a) any Disclosable Pecuniary Interest as set out in Annex 2; or
  - (b) any other interest held by you as set out in Annex 3.

You must register information about your registerable personal interests by giving written notice to the Monitoring Officer, who maintains the Register, within 28 days of:

- your appointment as a member of the Council; and
- any change taking place in your registerable personal interests.

(Note: Failure without reasonable excuse to register a Disclosable Pecuniary Interest is a criminal offence under section 34 Localism Act 2011 as well as being a breach of this code)

12. Where you think that disclosure of the details of any of your registerable personal interests could lead to you, or a person connected with you, being subject to violence or intimidation, the Monitoring Officer may at your request make a note on the Register that you have a personal interest, details of which are withheld.

### **Part 3 – Non-registerable interests**

13. You will have a non-registerable personal interest when you attend a meeting of the Council or Cabinet, or one of their committees or sub-committees, and you are, or ought reasonably to be, aware that a decision in relation to an item of business which is to be transacted might reasonably be regarded as affecting your well being or financial position, or the well being or financial position of a person described in paragraph 14 to a greater extent than most inhabitants of the area affected by the decision.
14. The persons referred to in paragraph 13 are:
  - (a) a member of your family;
  - (b) any person with whom you have a close association;
  - (c) in relation to persons described in (a) and (b), their employer, any firm in which they are a partner, or company of which they are a director or shareholder.

(Note:

  - (a) “A member of your family” means: your partner (i.e. your spouse, civil partner or anyone with whom you live in a similar capacity); your parent or parent-in-law; any child, stepchild or sibling of you or your partner; your grandparent, grandchild, aunt, uncle, nephew or niece; and the partners of any of those people.
  - (b) You have a “close association” with someone if your relationship is such that a reasonable member of the public might think you would be prepared to favour or disadvantage that person when deciding a matter which affects them).
15. When you attend a meeting of the Council or Cabinet, or one of their committees or sub-committees, and you are aware that you have a non-registerable interest in an item of business (as defined in paragraph 13) you must disclose that interest to the meeting before consideration of that item begins or (if later) when you become aware of the interest.

### **Part 4 - Non-Participation in Council Business**

16. When you attend a meeting of the Council or Cabinet, or one of their committees or sub-committees, and you are aware that the criteria set out in paragraph 17 are satisfied in relation to any matter to be considered, or being considered at that meeting, you must :
  - (a) Declare that fact to the meeting;
  - (b) Not participate (or further participate) in any discussion of the matter at the meeting; and
  - (c) Not participate in any vote (or further vote) taken on the matter at the meeting;
  - (d) Leave the room whilst the matter is being discussed.

17. The criteria for the purposes of paragraph 16 are that:
- (a) You have a registerable or non-registerable personal interest in the matter which is such that a member of the public knowing the relevant facts would reasonably think it so significant that it is likely to prejudice your judgement of the public interest; and either
  - (b) The matter will affect the financial position of yourself or one of the persons or bodies referred to in paragraph 14 or in any of your register entries; or
  - (c) The matter concerns a request for any permission, licence, consent or registration which relates to or affects any of the persons referred to in paragraph 14 or in any of your register entries.

18. If a Council function can be discharged by you as a member acting alone and you are aware you have a registerable or non-registerable personal interest in any matter to be dealt with by in that way which meets the criteria set out in paragraph 17, you shall not deal with that matter in any way (except to enable it to be dealt with by someone else).

(Note: Failure, without reasonable excuse, to comply with paragraph 16 to 18 in relation to a Disclosable Pecuniary Interest is a criminal offence under section 34 Localism Act 2011 as well as being a breach of this code)

19. Paragraphs 16 to 18 do not apply if (i) you have a relevant dispensation under section 33 of the Localism Act 2011 or (ii) the matter in question relates to any of the following functions of the Council:
- (a) housing, where you are a Council tenant provided the matter does not relate particularly to your tenancy or lease;
  - (b) school meals or school transport, where you are a parent or guardian of a child in full-time education or a parent governor of a school, unless the matter relates particularly to the school your child attends;
  - (c) statutory sick pay where you are in receipt of, or entitled to receipt of, such pay;
  - (d) an allowance, payment or indemnity given to members;
  - (e) any ceremonial honour given to members; and
  - (f) setting council tax or a precept under the Local Government Finance Act 1992.

## **Annex 1 to Code of Conduct**

### **Nolan's Seven Principles of Public Life**

#### **Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

#### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

#### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

#### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

#### **Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

#### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

#### **Leadership**

Holders of public office should promote and support these principles by leadership and example.

## Annex 2 to Code of Conduct

### Disclosable Pecuniary Interests

*(as defined by Regulations made by the Secretary of State under section 30 Localism Act 2011)*

**Please Note:** The following interests are Disclosable Pecuniary Interests if they are an interest of either (a) **yourself**, or (b) **your spouse or civil partner**, or (c) **a person with whom you are living as husband and wife**, or (d) **a person with whom you are living as if you were civil partners** (all of whom are referred to as “relevant persons”):-

**Employment, office, trade, profession or vocation** - Any employment, office, trade, profession or vocation carried on for profit or gain.

**Sponsorship** - Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out your duties as a member, or towards your election expenses.

This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

**Contracts** - Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the Council —

- (a) under which goods or services are to be provided or works are to be executed; and
- (b) which has not been fully discharged.

**Land** - Any beneficial interest in land which is within the area of the Council.

**Licences** - Any licence (alone or jointly with others) to occupy land in the area of the Council for a month or longer.

**Corporate tenancies** - Any tenancy where (to your knowledge)—

- (a) the landlord is the Council; and
- (b) the tenant is a body in which the relevant person has a beneficial interest.

**Securities** - Any beneficial interest in securities of a body where—

- (a) that body (to your knowledge) has a place of business or land in the area of the Council ; and
- (b) either—

- (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

- (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Note: In the above descriptions, the following words have the following meanings –

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.



## **Annex 3 to Code of Conduct**

### **Other Registerable Personal Interests**

The other interests which you must register under paragraph 11(b) of the code are:

1. Any body of which you are a member (or in a position of general control or management) to which you are appointed or nominated by the Council;
2. Any body which (i) exercises functions of a public nature or (ii) has charitable purposes or (iii) 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);
3. Any person from whom you have received within the previous three years a gift or hospitality with an estimated value of more than £50 which is attributable to your position as an elected or co-opted member of the Council.

Note: These mean only your interests and not those of your spouse or civil partner

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**Mountsett Crematorium Joint Committee**

**05 October 2012**

**External Audit Report - Issues Arising  
Report & Response for the Year Ended 31  
March 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 the report is to present to the Mountsett Crematorium Joint Committee, the External Auditors (BDO LLP) Annual Return Certificate and Issues Arising Report for the year ended 31 March 2012.
- 2 The report also details responses to the findings and recommendations identified within the Issues Arising Report for consideration by members.

**Background**

- 3 In June 2012, in line with the statutory requirements of a Smaller Relevant Body, the Mountsett Crematorium Joint Committee submitted the Small Bodies in England Annual Return for the year ended 31<sup>st</sup> March 2012 to BDO LLP for audit under the limited assurance audit regime.
- 4 This audit has now been finalised and BDO LLP have given an unqualified opinion on the Annual Return, having not identified any material issues or weaknesses. The Issues Arising Report dated 30 August 2012 has been received and is attached at Appendix 2).

**External Audit Recommendations and Action Plan**

- 5 The Audit has not highlighted any material weaknesses around the Joint Committees system of internal control. It has, however, identified two minor issues around the initialling of formal minutes and the updating of financial regulations and standing orders within the County Council.
- 6 The following recommendations have been made by the External Auditors. An action plan has also been implemented in order to strengthen the internal control arrangements of the Joint Committee.

**R1: Minutes**

***'The body should ensure with immediate effect that if a loose leaf minute book is maintained, the loose leaf pages are consecutively numbered and initialled by the person signing the minutes'***

The Clerk to the Joint Committee will, following each future meeting arrange for the presiding Chair to initial each page of the minutes. The last page will continue to be signed as follows:

**Signed by Councillor** .....  
(Chair to the Mountsett Crematorium Joint Committee on  
XX Month XXXX)

The minutes will then be placed into the ongoing minute book, consecutively numbered and bound (one file copy, one archived).

## **R2: Financial Regulations**

***'The body's Financial Regulations require updating in order to reference the Accounts and Audit Regulations 2011, if the body has not yet updated the Standing Orders and Financial Regulations, they must do so as soon as possible, or in any event before the end of the current financial year'***

The Joint Committee have adopted the Standing Orders and Financial Regulations of the lead Authority Durham County Council. The required updates being will be considered through the relevant Lead Authority channels. A further update will be presented to the Joint Committee following such consideration by the Lead Authority.

Members should note however that whilst the documents contain reference to an older version of the Accounts and Audit Regulations (2006), all financial administration and stewardship responsibilities of the Joint Committee have been undertaken in line with the Accounts and Audit Regulations 2011.

- 7 The actions identified above demonstrate the commitment of the Joint Committee in ensuring that all systems of internal control are as robust as possible.

## **8 Recommendations and Reasons**

It is recommended that:-

- Members note the External Audit certificate and recommendations included in the Issues Arising Report for the year ended 31 March 2012.
- Members note the response and action plan to the External Audit issues Arising Report.
- Members approve and accept the External Audit Certified Annual Return

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**Contact: Paul Darby 03000 261930**

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## **Appendix 1: Implications**

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### **Finance**

There are no financial implications associated with this report.

### **Staffing**

There are no staffing implications associated with this report.

### **Risk**

Addressing the recommendations identified in the External Auditor's Issues Arising Report for the year ended 31<sup>st</sup> March 2012 will ensure that the Joint Committee will improve its governance arrangements and address the minor inefficiencies identified with regards to the maintenance of the Joint Committees books and records. Failure to address these concerns could potentially adversely affect future audit conclusions and could also affect the working relationship that exists with our internal and external auditors.

### **Equality and Diversity / Public Sector Equality Duty**

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**

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

### **Procurement**

None

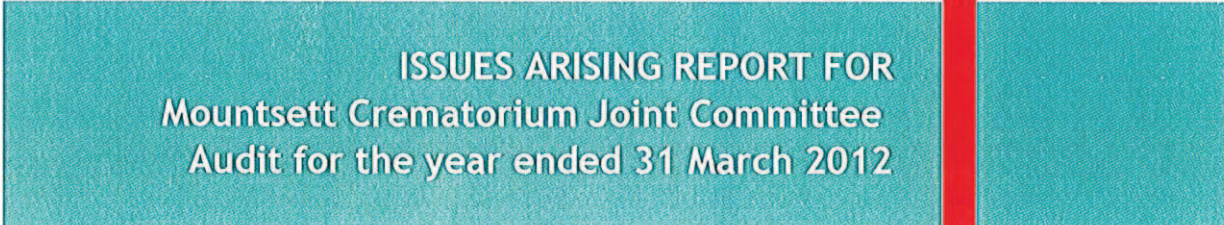

### **Disability Issues**

None

### **Legal Implications**

The Accounts and Audit Regulations and Code of 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.

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ISSUES ARISING REPORT FOR  
Mountsett Crematorium Joint Committee  
Audit for the year ended 31 March 2012

## Introduction

The following matters have been raised to draw items to the attention of Mountsett Crematorium Joint Committee. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2012.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Minutes
- Financial Regulations and Standing Orders need updating



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The following issue(s) have been raised to assist the body. The body is recommended to take action on the following issue(s) to ensure that the body acts within its statutory and regulatory framework.

### **Minutes**

#### *What is the issue?*

The body produced printed minutes, which were submitted for audit purposes. The pages were not initialled by the person signing the minutes.

#### *Why has this issue been raised?*

This body submitted minutes for audit purposes which were not maintained in accordance with schedule 12, paragraph 41(2) of the Local Government Act 1972.

#### *What do we recommend you do?*

The body should ensure with immediate effect that if a loose leaf minute book is maintained the loose leaf pages are consecutively numbered and initialled by the person signing the minutes.

Minutes must be maintained in accordance with the Local Government Act 1972. Loose leaf minute books are lawful but the loose leaf pages must be consecutively numbered and each page must be initialled by the person signing the minutes.

Further guidance on this matter can be obtained from the following source(s):

Local Council Administration, 8th Edition, Charles Arnold-Baker, Chapter 7

### **Financial Regulations and Standing Orders need updating**

#### *What is the issue?*

The body's Financial Regulations and Standing Orders require updating, as they do not refer to the 2011 Accounts and Audit regulations, but to an older outdated version.

#### *Why has this issue been raised?*

The body is at risk of not conducting their business legally, efficiently and effectively.

#### *What do we recommend you do?*

If the body have not yet updated the Standing Orders and Financial Regulations they must do so as soon as possible or in any event before the end of the current financial year.

The body can contact their local NALC representative who will be able to provide the body with an updated model set of Standing Orders and Financial Regulations, which incorporate the changes introduced by the Accounts and Audit (England) Regulations 2011, which the body should review, amend if necessary and formally adopt. This adoption must be minuted and the minute reference and date recorded on the Financial Regulations for future reference.

Further guidance on this matter can be obtained from the following source(s):

NALC representative, NALC website - ([www.nalc.gov.uk](http://www.nalc.gov.uk))

---

No other matters came to our attention.

For and on behalf of  
BDO LLP

Date: 30 August 2012

# Small Bodies in England

## Annual return for the year ended 31 March 2012

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Small relevant bodies in England with an annual turnover of £6.5 million or less must complete an annual return summarising their annual activities at the end of each financial year.

The annual return on pages 2 to 5 is made up of four sections:

- **Sections 1 and 2** are completed by the person nominated by the body.
- **Section 3** is completed by the external auditor.
- **Section 4** is completed by the body's internal audit provider.

Each body must approve this annual return no later than 30 June 2012.

### Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all sections highlighted in red. Do **not** leave any red box blank. Incomplete or incorrect returns require additional external audit work and may incur additional costs.

Send the annual return, together with your bank reconciliation as at 31 March 2012, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to your appointed external auditor by the due date.

Your auditor will identify and ask for any additional documents needed for audit. Therefore, unless requested, do **not** send any original financial records to the external auditor.

Audited and certified annual returns will be returned to the body for publication or public display of sections 1, 2 and 3. You must publish or display the audited annual return by 30 September 2012.

It should not be necessary for you to contact the external auditor or the Audit Commission directly for guidance.

More guidance on completing this annual return is available in the Practitioners' Guides for either local councils or internal drainage boards. These publications may be downloaded from the National Association of Local Councils (NALC) or Society of Local Council Clerks (SLCC) websites ([www.nalc.gov.uk](http://www.nalc.gov.uk) or [www.slcc.co.uk](http://www.slcc.co.uk)) or from the members area of the Association of Drainage Authorities website ([www.ada.org.uk](http://www.ada.org.uk)).

# Section 1 – Accounting statements for:

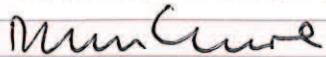
Enter name of reporting body here:

MOUNTSETT CREMATORIUM JOINT COMMITTEE

|  | Year ending        |                    | Notes and guidance   |
|--|--------------------|--------------------|--|
|  | 31 March 2011<br>£ | 31 March 2012<br>£ |  |
|  |                    |                    | Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.                                  |
| 1 Balances brought forward                   | 255,672            | 293,454            | Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year.  |
| 2 (+) Income from local taxation and/or levy | 0                  | 0                  | Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body.   |
| 3 (+) Total other receipts                   | 576,572            | 622,652            | Total income or receipts as recorded in the cashbook less income from taxation and/or levy (line 2). Include any grants received here.   |
| 4 (-) Staff costs                            | (110,461)          | (126,529)          | Total expenditure or payments made to and on behalf of all body employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses. |
| 5 (-) Loan interest/capital repayments       | 0                  | 0                  | Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).  |
| 6 (-) All other payments                     | (428,329)          | (343,794)          | Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).   |
| 7 (=) Balances carried forward               | 293,454            | 445,783            | Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)   |
| 8 Total cash and short term investments      | 256,955            | 440,596            | The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation.  |
| 9 Total fixed assets and long term assets    | 0                  | 0                  | The recorded book value at 31 March of all fixed assets owned by the body and any other long term assets e.g. loans to third parties and any long-term investments.                          |
| 10 Total borrowings                          | 0                  | 0                  | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).   |

I certify that for the year ended 31 March 2012 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:



Date

I confirm that these accounting statements were approved by the body on:

and recorded as minute reference:

Signed by Chair of meeting approving these accounting statements:



Date

## Section 2 – Annual governance statement

We acknowledge as the members of MOUNTSETT CREMATORIUM JOINT COMMITTEE our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2012, that:

|  | Agreed – |     | 'Yes' means that the body:  |
|--|----------|-----|---|
|  | Yes      | No* |   |
| 1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.   | ✓        |     | prepared its accounting statements in the way prescribed by law.  |
| 2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption <b>and</b> reviewed its effectiveness.  | ✓        |     | made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.   |
| 3 We taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances. | ✓        |     | has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.                                    |
| 4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.   | ✓        |     | during the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts.  |
| 5 We carried out an assessment of the risks facing the body <b>and</b> took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.   | ✓        |     | considered the financial and other risks it faces and has dealt with them properly.   |
| 6 We maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems.   | ✓        |     | arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the body. |
| 7 We took appropriate action on all matters raised in reports from internal and external audit.  | ✓        |     | responded to matters brought to its attention by internal and external audit.   |
| 8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.                                  | ✓        |     | disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.                             |

This annual governance statement is approved by the body and recorded as minute reference

MINUTE REFERENCE 9

dated 15 6 2012

Signed by:

Chair

[Signature]

dated

15/6/2012

Signed by:

Clerk

[Signature]

dated

15/06/2012

**\*Note:** Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the body will address the weaknesses identified.

## Section 3 – External auditor’s certificate and opinion

### Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2012 of:

MOUNTSETT CREMATORIUM JOINT COMMITTEE

### Respective responsibilities of the body and the auditor

The body is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The body prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2012; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

### External auditor’s report

(~~Except for the matters reported below~~)\* on the basis of our review, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (\*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the body:

Please see enclosed report

BDO LLP Southampton  
United Kingdom

(continue on a separate sheet if required)

External auditor’s signature

External auditor’s name  Date

**Note:** The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission’s publication entitled *Statement of Responsibilities of Auditors and of Audited Small Bodies*.

## Section 4 – Annual internal audit report to

MOLINTSETT CREMATORIUM JOINT COMMITTEE

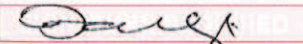
The body's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2012.

Internal audit has been carried out in accordance with the body's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the body.

| Internal control objective  | Agreed? Please choose from one of the following |     |               |
|---|---|-----|---------------|
|   | Yes   | No* | Not covered** |
| A Appropriate accounting records have been kept properly throughout the year.   | ✓   |     |               |
| B The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.  | ✓   |     |               |
| C The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.  | ✓   |     |               |
| D The annual taxation or levy or funding requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.   | ✓   |     |               |
| E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.  | ✓   |     |               |
| F Petty cash payments were properly supported by receipts, all expenditure was approved and VAT appropriately accounted for.  | ✓   |     |               |
| G Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.  | ✓   |     |               |
| H Asset and investments registers were complete and accurate and properly maintained.   |   |     | N/A           |
| I Periodic and year-end bank account reconciliations were properly carried out.   | ✓   |     |               |
| J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded. | ✓   |     |               |

For any other risk areas identified by the body (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Print name of person who carried out the internal audit: AARIL NALLAGE

Signature of person who carried out the internal audit:  Date: 22 05 2012

**\*Note:** If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**\*\*Note:** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

## Guidance notes on completing the 2012 annual return

- 1 Proper practices for preparing this annual return are found in the *Practitioners' Guides*\*. These publications are updated from time to time and contain everything you should need to prepare successfully for your financial year-end and the subsequent audit. Both NALC and SLCC have helplines if you want to talk through any problem you may encounter.
- 2 Make sure that your annual return is complete (i.e. no empty red boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of and approved by the body, properly initialled and an explanation is provided to the auditor. Annual returns containing unapproved or unexplained amendments will be returned unaudited and may incur additional costs.
- 3 Use the checklist provided below. Use a second pair of eyes, perhaps a member or the Chair, to review your annual return for completeness before sending it to the auditor.
- 4 Do not send the auditor any information not specifically asked for. Doing so is not helpful. However, you must advise the auditor of any change of Clerk, Responsible Financial Officer or Chair.
- 5 Make sure that the copy of the bank reconciliation which you send to your auditor with the annual return covers **all** your bank accounts. If your body holds any short-term investments, note their value on the bank reconciliation. The auditor must be able to agree your bank reconciliation to Box 8 on the Statement of Accounts. **You must provide an explanation for any difference between Box 7 and Box 8.** More help on bank reconciliation is available in the *Practitioners' Guides*\*.
- 6 **Explain fully** significant variances in the accounting statements on page 2. Do not just send in a copy of your detailed accounting records instead of this explanation. The auditor wants to know that **you** understand the reasons for all variances. Include a complete analysis to support your explanation. There are a number of examples provided in the *Practitioners' Guides*\* to assist you.
- 7 If the auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge.
- 8 Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2011) equals the balance brought forward in the current year (Box 1 of 2012).
- 9 **Do not complete section 3.** The external auditor will complete it at the conclusion of their audit.

| Completion checklist – 'No' answers mean you may not have met requirements |  | Done? |
|--|--|-------|
| All sections   | All red boxes have been completed?   | YES   |
|  | All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit. |       |
| Section 1  | Approval by the body confirmed by signature of Chair of meeting approving the accounting statements?                           |       |
|  | An explanation of significant variations from last year to this year is provided?  | YES   |
|  | Bank reconciliation as at 31 March 2012 agreed to Box 8?   |       |
|  | An explanation of any difference between Box 7 and Box 8 is provided?  |       |
| Section 2  | For any statement to which the response is 'no', an explanation is provided?   |       |
| Section 4  | All red boxes completed by internal audit and explanations provided?   |       |

**\*Note:** *Governance and Accountability for Local Councils in England – A Practitioners' Guides*, is available from NALC and SLCC representatives or *Governance and Accountability for Internal Drainage Boards in England – A Practitioners' Guides*, is available from the ADA at The Association of Drainage Authorities, 12 Cranes Drive, Surbiton, Surrey, KT5 8AL or from the NALC, SLCC or ADA websites - see page 1 for addresses.





## Mountsett Crematorium Joint Committee

5 October 2012

Financial Monitoring Report – Position at  
31/08/12, with Projected Outturn at 31/03/13



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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 details of income and expenditure in the period 1 April 2012 to 31 August 2012, together with the provisional outturn position for 2012/13, 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 2012 and forecast outturn position at 31 March 2013, taking into account the provisional financial outturn.

### Background

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

### Financial Performance

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 Mountsett Crematorium are included within this report.
5. The figures contained within this report have been extracted from the General Ledger, and are provisional at this stage, they have been scrutinised and supplemented with information supplied by the Bereavement Services Manager and the Assistant Superintendent & Registrar. The following table highlights the provisional outturn financial performance of the Mountsett Crematorium:

| <b>Subjective Analysis</b>                          | <b>Base Budget<br/>2012/13<br/>£</b>    | <b>Year to Date<br/>Actual –<br/>April –<br/>August<br/>£</b> | <b>Probable<br/>Outturn<br/>2011/2012<br/>£</b> | <b>Variance<br/>Over/<br/>(Under)<br/>£</b> |
|---|---|---|---|---|
| Employees   | 108,900                                 | 48,498  | 123,516   | 14,616                                      |
| Premises  | 124,609                                 | 39,939  | 182,957   | 58,348                                      |
| Transport   | 300                                     | 0   | 300   | 0   |
| Supplies & Services                                 | 59,828                                  | 16,514  | 54,017  | (5,811)                                     |
| Agency & Contracted                                 | 11,915                                  | 3,495   | 12,410  | 495   |
| Central Support Costs                               | 23,500                                  | 0   | 23,500  | 0   |
| <b>Gross Expenditure</b>                            | <b>329,052</b>                          | <b>108,446</b>  | <b>396,700</b>                                  | <b>67,648</b>                               |
| <b>Income</b>                                       | <b>(599,500)</b>                        | <b>(284,436)</b>  | <b>(634,826)</b>                                | <b>(35,326)</b>                             |
| <b>Net Income</b>                                   | <b>(270,448)</b>                        | <b>(175,990)</b>  | <b>(238,126)</b>                                | <b>32,322</b>                               |
| <b>Transfer to Reserves</b>                         |   |   |   |   |
| - Repairs Reserve                                   | 15,000                                  | 0   | (17,322)  | (32,322)                                    |
| - Cremator Reserve                                  | 90,558                                  | 0   | 90,558  | 0   |
| <b>Distributable Surplus</b>                        | <b>(164,890)</b>                        | <b>0</b>  | <b>(164,890)</b>                                | <b>0</b>                                    |
| <b>65% Durham County Council</b>                    | <b>107,178</b>                          | <b>0</b>  | <b>107,178</b>                                  | <b>0</b>                                    |
| <b>35% Gateshead Council</b>                        | <b>57,712</b>                           | <b>0</b>  | <b>57,712</b>                                   | <b>0</b>                                    |
|   |   |   |   |   |
| <b>Mountsett Crematorium<br/>Earmarked Reserves</b> | <b>Balance @<br/>1 April 2012<br/>£</b> | <b>Transfers<br/>to Reserve<br/>£</b>                         | <b>Transfers<br/>From<br/>Reserve<br/>£</b>     | <b>Balance @<br/>31 March 2013<br/>£</b>    |
| Repairs Reserve                                     | 29,284                                  | 0   | (17,322)  | 11,962                                      |
| Cremator Reserve                                    | 416,499                                 | 90,558  | 0   | 507,057                                     |
| <b>Total</b>  | <b>445,783</b>                          | <b>90,558</b>   | <b>(17,322)</b>                                 | <b>519,019</b>                              |

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

6. As can be seen from the table above, the projected outturn is showing a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £238,126 against a budgeted surplus of £270,448, (£32,322) less than the budgeted position. The following section outlines the reasons for any significant variances by subjective analysis areas:

### 6.1 **Employees**

The probable outturn is showing an anticipated overspend of **£14,616** against the approved budget. This overspend is mainly as a result of revised employee terms and conditions agreed in the latter part of the 2011/12 financial year. The review had not been undertaken in time for the 2012/13 budget setting process thus resulting in a projected **£13,706** variance to budget. In addition overtime undertaken to ensure business continuity during the Superintendent & Registrar's long term sickness absence is expected to total **£910**.

### 6.2 **Premises**

An over spend of **£58,348** is projected in relation to the Crematorium premises costs.

As members will recall, the condition survey and fire safety audit undertaken as part of the preparation for the Asset Management Plan highlighted a number of urgent repairs. Whilst some of these repairs can be funded from the repairs and maintenance budget provision, the full requirement has resulted in a projected overspend of **£54,439**. Members agreed to fund any over spend as a result of progressing these works by a contribution from the Repairs Reserve. The details of the urgent repairs are highlighted in the Service Asset Management Plan considered by members earlier in the agenda.

In addition, Utility costs for gas, electricity and water are anticipated to result in an over spend against budget of **£3,909**.

### 6.3 **Supplies and Services**

**An under spend of (£5,811)** is projected in relation to Supplies and Services. The reasons for this are identified below:

- The equipment, postage, printing and stationery budgets are anticipated to under spend by **(£3,604)**.
- The anticipated reduction in the Book of Remembrance entries (identified in the income element below) has resulted in a corresponding reduction in Calligraphy Costs **(£2,504)**.
- Telephones, sundries & clothing are collectively anticipated to under spend by **(£858)**.
- The projected increase in cremations (identified in the Income element below) has resulted in anticipated additional medical referee costs of **£1,155**.

### 6.4 **Agency and Contracted**

The actual cost of the Independent Testing of the Cremator & Abatement Equipment is **£495** higher than budget.

### 6.5 **Income**

An additional income of **(£35,326)** is projected within 2012/13. The reasons are as follows:

The base budget assumes a total of 1150 cremations during 2012/13. Taking into consideration the numbers to date along with previous years trends, it is anticipated that a further 70 cremations (additional to budget) will be undertaken during the year. This results in an additional **(£35,000)** income against the base budget.

Entries into the Book of Remembrance are expected to be below budget by **£5,971**. It is however, projected that plaque sales will increase significantly against budget resulting in an overachievement of income of **(£6,297)**.

#### 6.6 ***Earmarked Reserves***

Contributions from the revenue surplus towards earmarked reserves are forecast to be **(£32,322)** reduction to budget. This reduction is relative to the Repairs Reserve as a result of the urgent repairs progressed in 2012/13. The contribution to the Cremator Reserve is in line with budget.

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2013 are forecast to be **£519,019**, representing a £73,236 (16%) increase over the opening position at 1 April 2012.

#### **Recommendations and reasons**

7. It is recommended that:-

- Members note the April to August 2012 revenue spend financial monitoring report ,associated provisional outturn position and the forecast Crematorium earmarked reserve balances at 31 March 2013.

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**Contact(s): Paul Darby 0300 261930**

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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 Mountset 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 Bereavement Services Manager and Assistant Superintendent and Registrar. The projected outturn has been produced taking into consideration spend to date, trend data and market intelligence, and includes an element of prudence. This, together with the information supplied by the Bereavement Services Manager and Assistant Superintendent and Registrar, should mitigate the risks associated with achievement of the forecast outturn position.

### **Equality and Diversity / Public Sector Equality Duty**

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**

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

### **Procurement**

None

### **Disability Issues**

None

### **Legal Implications**

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

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**Mountsett Crematorium Joint Committee**

**05 October 2012**

**Risk Register 2012 / 13**



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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 with regards to the Risk Register of the Mountsett Crematorium Committee.

**Background**

2. A Risk Assessment report was presented to Members at the January 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 approach to Risk Management. In approving the report, the Committee committed to regular monitoring and reporting of both strategic and operation risks.

**Risk Assessment – September 2012**

3. The Risk Register considered and approved by the Joint Committee on 27 January 2012 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.
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 Bereavement Services Manager. 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 at Appendix 2. The risk matrix plots the risk to a grid based upon the assessment of likelihood and impact scores. The higher a risk is in the top right corner of the matrix the bigger a risk it is to the service.
7. Due to the long term absence of the Crematorium Manager at Mounsett impacting on service delivery and increased workload for staff, the net impact and likelihood of risks 4 and 10 have been increased temporarily. Risk 4 "Sickness absence of staff" has

increased from Minor / Unlikely to Minor / Probable. Risk 10 "Loss of knowledge and ability to cover existing workload through staff loss" has increased from Minor / Unlikely to Moderate / Probable. Actions are in place to mitigate these risks and once complete should reduce the net risk scores. The amended risk assessments are included in appendix 2.

8. As with Service Risks, the Operational Risks (i.e. those that are key to the operational areas of the service which relate to individual tasks carried out on a routine basis) have also been plotted onto a risk matrix and these are set out at Appendix 3.
9. Only one operational risk had an outstanding action Risk 8 "Slips, trips and falls". Since the report to committee in January the risk assessment training for ladder duties has been completed which has reduced this risk to a tolerable level.
10. There have been no changes to the remaining Operational Net Risk Scores following the review and all risks are considered to be at a tolerable level.
11. The emerging risk reported in January regarding the Local Authority becoming responsible for implementing the changes required under the reform of Health & Social Care bill regarding Death Registration where each Local Authority will have to appoint someone to oversee these responsibilities is still on the horizon. However, the Government has moved the implementation date for this to August 2013. A full risk assessment will be carried out nearer the time and details included in future reports.

### **Embedding Risk Management - Monitoring and Review**

12. In order to ensure that risk management is embedded and that the risk register is kept up to date, regular reviews will 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**

13. The original risk register has been revised and updated and rescored in accordance with Durham County Council criteria.

### **Recommendations**

14. It is recommended that:-
  - Members of the Mountsett Joint Crematorium Committee note the content of this report and the updated position.
  - The Risk Registers be kept up to date and reviewed by the Joint Committee on a half yearly basis.



## **Background Papers**

- Risk Assessment – Report to Mountsett Crematorium Joint Committee – 27<sup>th</sup> January 2012
- Risk Assessment – Report to Mountsett Crematorium Joint Committee – 30<sup>th</sup> September 2011
- Risk Assessment – Report to Mountsett Crematorium Joint Committee – 4<sup>th</sup> February 2011
- Risk Assessment – Report to Mountsett Crematorium Joint Committee – 23 September 2010
- Risk Assessment – Report to Mountsett Crematorium Joint Committee – 29 January 2010
- Risk Assessment – Report to Mountsett Crematorium Joint Committee – 12 June 2009
- External Audit Report – Report to Mountsett Crematorium Joint Committee – 30 October 2009

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**Contact(s): Paul Darby, 03000 261930**  
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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 2 and 3.

### **Staffing**

There are no staffing implications associated with this report.

### **Risk**

There are no implications in this report

### **Equality and Diversity / Public Sector Equality Duty**

There are no implications in this report

### **Accommodation**

There are no implications in this report

### **Crime and Disorder**

There are no implications in this report

### **Human Rights**

None

### **Consultation**

Officers of Gateshead Council were consulted on the contents of this report.

### **Procurement**

None

### **Disability Issues**

None

### **Legal Implications**

None

## Appendix 2: Service Risk Register

| RISK MATRIX |                 |                              |                      |                         |                        |                           |            |
|-------------|-----------------|------------------------------|----------------------|-------------------------|------------------------|---------------------------|------------|
| 5           | Highly Probable |                              |                      |                         |                        |                           | LIKELIHOOD |
| 4           | Probable        |                              | 4                    | 10                      |                        |                           |            |
| 3           | Possible        |                              | 11                   | 3                       |                        |                           |            |
| 2           | Unlikely        |                              | 7                    | 12                      |                        |                           |            |
| 1           | Remote          |                              | 1, 2, 5, 6, 8,       | 9                       |                        |                           |            |
|             |                 | Insignificant<br>(Score 1-3) | Minor<br>(Score 4-6) | Moderate<br>(Score 7-9) | Major<br>(Score 10-12) | Critical<br>(Score 13-15) |            |
| IMPACT      |                 |                              |                      |                         |                        |                           |            |

| Risk. No. | Risk – By Risk Number  | Net Risk Score | Ranking |
|-----------|--|----------------|---------|
| 1         | Not implementing changes in legislation  | 6              | 8       |
| 2         | Non compliance with the new fire order   | 6              | 8       |
| 3         | Impact on staff morale due to uncertainty over Job Evaluation and Single Status              | 21             | 2       |
| 4         | Sickness absence of staff  | 20             | 3       |
| 5         | Disclosure of confidential information through incorrect disposal/maintenance of information | 5              | 11      |
| 6         | Failure of Cremators   | 6              | 8       |
| 7         | Power Failure  | 10             | 6       |
| 8         | Loss of Income/Money   | 5              | 11      |
| 9         | Breakdown of Partnership   | 7              | 7       |
| 10        | Loss of knowledge and ability to cover existing workload through premature staff loss        | 28             | 1       |
| 11        | Managing Excess Deaths   | 12             | 5       |
| 12        | Pre-payment of bond premium is not sufficient to cover fees                                  | 16             | 4       |

| <b>Risk. No.</b> | <b>Risk – Ranked by Net Risk Score</b>   | <b>Net Risk Score</b> | <b>Ranking</b> |
|------------------|--|-----------------------|----------------|
| 10               | Loss of knowledge and ability to cover existing workload through premature staff loss        | 28                    | 1              |
| 3                | Impact on staff morale due to uncertainty over Job Evaluation and Single Status              | 21                    | 2              |
| 4                | Sickness absence of staff  | 20                    | 3              |
| 12               | Pre-payment of bond premium is not sufficient to cover fees                                  | 16                    | 4              |
| 11               | Managing Excess Deaths   | 12                    | 5              |
| 7                | Power Failure  | 10                    | 6              |
| 9                | Breakdown of Partnership   | 7                     | 7              |
| 1                | Not implementing changes in legislation  | 6                     | 8              |
| 2                | Non compliance with the new fire order   | 6                     | 8              |
| 6                | Failure of Cremators   | 6                     | 8              |
| 5                | Disclosure of confidential information through incorrect disposal/maintenance of information | 5                     | 11             |
| 8                | Loss of Income/Money   | 5                     | 11             |

| DESCRIPTION OF RISK   |   |             |
|---|---|-------------|
| Business Unit   | Mountsett Crematorium   |             |
| Risk  | 4   |             |
| Risk Owner  | Ian Staplin   |             |
| Detail of 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> <li>• Reputational damage</li> <li>• Loss of confidence</li> <li>• Loss of income due to invoices not being raised.</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)   | 5   |             |
| <b>Total Gross Risk Score (Total Impact * Likelihood)</b>   | <b>25</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 undertaken</li> <li>• Family friendly policies in place with HR advice available</li> <li>• Internal recruits have been recruited and trained as volunteer cremator technicians.</li> <li>• Reciprocal arrangement with Durham Crematorium for staff to cover in place</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)   | 4   |             |
| <b>Total Net Risk Score (Total Impact * Likelihood)</b>   | <b>20</b>   |             |
| CONCLUSION  |   |             |
| <ul style="list-style-type: none"> <li>• TOLERATE / TRANSFER / <b>TREAT</b> / TERMINATE</li> </ul>  |   |             |
| CONTROL IMPROVEMENTS/ ACTIONS   |   |             |
| Activity  | Responsible   | Timescales  |
| Cover provided by Bereavement Services Manager to arranged as and when required.  | G Harrison  | 31/12/12    |
| <b>Completed by</b>   |   | <b>Date</b> |
| T Maddison / G Harrison   |   | 29/08/12    |

| DESCRIPTION OF RISK   |   |            |
|---|---|------------|
| Business Unit   | Mountsett Crematorium   |            |
| Risk  | 10  |            |
| Risk Owner  | Ian Staplin   |            |
| Detail of Risk  | 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)   | 5   |            |
| <b>Total Gross Risk Score (Total Impact * Likelihood)</b>   | <b>35</b>   |            |
| Existing Control Measures   |   |            |
| <ul style="list-style-type: none"> <li>Reciprocal agreement in place with Durham Crematorium to provide emergency cover</li> <li>Close communication with small team</li> </ul> |   |            |
| NET RISK ASSESSMENT   |   |            |
| Financial Impact (1 to 5)   | 1   |            |
| Service Impact (1 to 5)   | 3   |            |
| Stakeholder Impact (1 to 5)   | 3   |            |
| <b>Total Net Impact Score (sum above)</b>   | <b>7</b>  |            |
| Likelihood (1 to 5)   | 4   |            |
| <b>Total Net Risk Score (Total Impact * Likelihood)</b>   | <b>28</b>   |            |
| CONCLUSION  |   |            |
| <ul style="list-style-type: none"> <li>TOLERATE / TRANSFER / <b>TREAT</b> / TERMINATE</li> </ul>  |   |            |
| CONTROL IMPROVEMENTS/ ACTIONS   |   |            |
| Activity  | Responsible   | Timescales |
| Await outcome of long term sickness decision.   | G Harrison  | 31/12/12   |
| Completed by  | Date  |            |
| T Maddison / G Harrison   | 29/08/12  |            |

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## Appendix 3: Operational Risk Register

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

| Risk. No. | Risk – By Risk Number                         | Net Risk Score | Ranking |
|-----------|---|----------------|---------|
| 1         | Injury to staff and visitors                  | 7              | 2       |
| 2         | Exterior Pathways and Steps                   | 5              | 5       |
| 3         | Use of hand tools and machinery for gardening | 5              | 5       |
| 4         | Cleaning Duties                               | 5              | 5       |
| 5         | Violence/Assault from Member of the Public    | 6              | 4       |
| 6         | Fire  | 7              | 2       |
| 7         | Risk Assessments and Reviews not undertaken   | 10             | 1       |
| 8         | Slips, trips and falls                        | 3              | 8       |

| <b>Risk. No.</b> | <b>Risk – Ranked by Net Risk Score</b>               | <b>Net Risk Score</b> | <b>Ranking</b> |
|------------------|--|-----------------------|----------------|
| <b>7</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>6</b>         | <b>Fire</b>  | <b>7</b>              | <b>2</b>       |
| <b>2</b>         | <b>Exterior Pathways and Steps</b>                   | <b>5</b>              | <b>5</b>       |
| <b>3</b>         | <b>Use of hand tools and machinery for gardening</b> | <b>5</b>              | <b>5</b>       |
| <b>4</b>         | <b>Cleaning Duties</b>                               | <b>5</b>              | <b>5</b>       |
| <b>5</b>         | <b>Violence/Assault from Member of the Public</b>    | <b>6</b>              | <b>4</b>       |
| <b>8</b>         | <b>Slips, trips and falls</b>                        | <b>3</b>              | <b>8</b>       |



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