



Central Durham Crematorium Joint Committee

Date **Wednesday 23 April 2014**
Time **2.00 pm**
Venue **Committee Room 1A, County Hall, Durham**

Business

Part A

1. Apologies for Absence.
2. Minutes of the meeting held 22 January 2014. (Pages 1 - 10)
3. Declarations of Interest, if any.
4. Appointment of Clerk to the Joint Committee: (Pages 11 - 12)
Report of the Head of Legal and Democratic Services.
5. Quarterly Performance and Operational Report: (Pages 13 - 26)
Report of the Bereavement Services Manager.
6. Financial Monitoring Report - Provisional Outturn as at 31 March 2014.
(Pages 27 - 34)
Joint Report of the Treasurer to the Joint Committee / Corporate
Director of Resources and the Corporate Director of Neighbourhood
Services.
7. Annual Internal Audit Report 2013/14: (Pages 35 - 60)
Report of the Chief Internal Auditor and Corporate Fraud Manager.
8. Such other business as, in the opinion of the Chair of the meeting, is of
sufficient urgency to warrant consideration.

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
15 April 2014

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

Durham County Council: D Bell, A Bonner, J Buckham, J Chaplow, P Conway, K Corrigan, N Foster, B Moir, M Plews (Vice-Chairman), M Simmons, D Stoker and K Thompson

Spennymoor Town Council: JV Graham, J Marr (Chairman) and GD O'Hehir

DURHAM COUNTY COUNCIL

CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE

At a Meeting of **Central Durham Crematorium Joint Committee** held in **Committee Room 1A, County Hall, Durham** on **Wednesday 22 January 2014** at **2.00 pm**

Present:

Councillor M Plews (Vice-Chairman in the Chair)

Durham County Council:

Councillors J Chaplow, P Conway, K Corrigan, N Foster, B Moir, M Plews (Vice-Chair, in the Chair), M Simmons and K Thompson

Spennymoor Town Council:

Town Councillors JV Graham and GD O'Hehir

1 Apologies for Absence

Apologies for absence were received from Councillors D Bell, J Buckham and J Marr.

2 Minutes

The minutes of the meeting held 25 September 2013 were agreed as a correct record and signed and initialled by the Chairman.

3 Declarations of Interest

There were no Declarations of Interest.

4 Appointment of Clerk to the Joint Committee

The Clerk to the Joint Committee, Sharon Spence referred Members to the report within the agenda papers, noting her retirement from the Local Authority on 31 January 2014. Councillors noted that Durham County Council's Head of Legal and Democratic Services and Monitoring Officer, Colette Longbottom had asked for expressions of interest from solicitors within Durham County Council, to take on the role of Clerk to the Joint Committee.. Accordingly, it was noted that an appropriate Officer would be provided in due course to the Joint Committee.

Resolved:

That an Officer from the Durham County Council's Legal and Democratic Services Section be appointed Clerk to the Joint Committee.

5 Quarterly Performance and Operational Report

The Bereavement Services Manager, Graham Harrison asked Members to note the performance figures from September 2013 to December 2013 and the comparison to the same period for 2012, highlighting that there was a net decrease of 18 cremations. It was noted there was a total of 732 for the four month period with the October to December profile breakdown showing 170 from Durham, 26 from Spennymoor and 345 from outside of the area. Councillors were reminded that despite a slight decrease in the numbers of cremations, the figures were within the prudent budget forecast.

Members were asked to note that the number of memorials sold had increased significantly in comparison to the same period the previous year, with sales being £11,211.35 more than the comparable period last year. It was explained that the recently appointed Business Administration Apprentice had contacted families as regards renewals of memorial plaques and this had helped to boost the figures.

The Bereavement Services Manager added that the Business Administration Apprentice was fitting in very well, was building up a good working relationship with funeral directors and had demonstrated confidence in dealing with service users' enquires.

The Joint Committee were informed that the crematorium team were dealing with a long term absence, with 2 members of staff from the cemetery team helping to provide support to crematoria operations. It was noted that following recent staff appraisals, one member of staff had expressed an interest in undertaking further training in respect of the Institute of Cemetery and Crematorium Management (ICCM) diploma course. It was explained that this would help to build additional skills within the crematorium team and provide greater resilience and was supported by Management. Members noted the costs and timeframes associated with the course, and were informed that they had been factored into 2013/14 financial outturn.

Councillors were reminded that, at the September meeting, the Joint Committee had agreed for the Bereavement Services Manager to continue to run crematorium operations until January 2014. It was added that similarly, Mountsett Crematorium Joint Committee at their last meeting had also agreed for the Bereavement Services Manager to run crematorium operations at Mountsett Crematorium until January 2014. Councillors noted that operations at the crematoria were running smoothly and good progress was being made on activities such as the Feasibility Study regarding improvement works at Durham Crematorium and other strategic responsibilities. Members noted that continuation of these arrangements had been factored into the 2014/15 budget setting, and that the arrangements had equated to a saving of £10,129 in respect of salaries and £4,000 on the costs of bungalow.

Members noted that a review of the opening hours of the Crematorium at weekends had been completed, with proposals to alter the opening hours to better suit the needs of service users to: 9.00am to 2.00pm Saturdays; 10.00am to 1.00pm Sundays; and 10.00am to 2.00pm on Bank Holidays.

It was added that this would be in line with opening hours at Mountsett Crematorium and that it was proposed that the new times be introduced after Easter to allow time to communicate the changes to service users.

Councillors noted that the proposals would result in an additional 2.5 hours to weekend working and 2 hours on Bank Holidays, estimated to be £2,566 in additional costs.

The Joint Committee was reminded that Durham Crematorium, in a joint bid with the South Road Cemetery, had retained its Green Flag Award for 2013 and that an application would be made for the Award in 2014. It was explained that an updated management plan would reflect this application and any financial requirement in respect of necessary works was covered within existing budgets.

Councillors noted that the Recycling of Metals Scheme had generated a sum of £3,472 for the Tees Valley and Durham branch of CRUSE. The Bereavement Services Manager noted that he would speak to the Chairman and Vice-Chairman as regards future charities that could benefit from the scheme. Councillors were informed that the Christmas tree placed at the Crematorium by St. Cuthbert's Hospice had generated donations of £143 for the charity with St. Cuthbert's Hospice expressing their interest in supplying a tree for 2014, at no cost to the Joint Committee.

The Joint Committee noted the briefing not summarising the issues discussed at the ICCM Conference, held 30 September to 2 October 2013 as attached at Appendix 3 to the report.

The Bereavement Services Manager noted that following the meeting of the Joint Committee held 25 September 2013 Members had agreed to progress the feasibility study and refine costs associated with "Option C". Members noted these were set out within the report and Appendix 4 and were broadly in-line with previous estimates. It was explained that works would be split into 3 phases: office accommodation works (to be fully completed before moving on to the next phase); development of the new Book of Remembrance building, (again to be fully completed before moving on to the final phase); then the remodelling and extending of the chapel and other customer areas within the main building. It was noted that the works were based on a 2 year programme, with the office accommodation to be completed by Summer 2014 and the Book of Remembrance building to have foundations completed in 2014/15. The project to be finally completed by Autumn 2015, with phase 3 works being undertaken in 2015/16.

Members noted that the associated costs for phase 1 and 2 had been factored into the 2014/15 budget and there were various options for financing available to the Joint Committee should they wish to go ahead with redevelopment. Councillors noted that the options for the procurement of the works could be via competitive tender or in-house delivery, with Members understanding the advantages and disadvantages associated with each option.

It was pointed out that while the cost of the works was above the value that would require any competitive tender to be under European procurement rules, the County Council's Constitution notes that where an in-house service can deliver a project there is no statutory requirement to subject the works to competitive tender. The Joint Committee were reminded of the success of the cremator replacement works, the project coming in on time and within budget, and with minimum disruption to the facility during the works.

Members were informed that energy generation feasibility work had been progressed further and several issues undermining the business case for energy generation had come to light. Councillors noted that there would be a significant capital cost required in respect of energy generation equipment and this, together with the feed-in tariff rate being low as a consequence of the energy not being counted as renewable and the lack of grant funding available to offset the capital investment, meant that the payback period for the energy generation would be in excess of 40 years. Accordingly, Members noted that it was proposed to put the project on hold pending any further developments in relation to feed-in tariff, grant funding or other local developments.

Members asked questions in relation to: issues of competitive tender and opportunities for local businesses to secure contracts; the higher level of contingency allocated in comparison to the previous cremator replacement works project; and the high capital value that would be required in respect of energy generation.

The Head of Finance - Financial Services, Paul Darby reminded the Joint Committee that while the cremator replacement project had the Council's Direct Services as its main contractor, many of the specialist works had been sub-contracted and those had been subject to Tendering. The cremators themselves which were the largest element of the scheme had been subject to full EU Tendering.

Councillor K Thompson noted that if the Joint Committee was to decide to approve the Council's in-house service as the main contractor for redevelopment works, he felt that details of the sub-contracts should be reported back to the Joint Committee. The Head of Finance - Financial Services noted that for the cremator replacement works, the Joint Committee had received regular updates on progress and any issues arising. It was added that the contingency sum for the cremator replacement works had been a slightly lower percentage, and had been used in relation to deeper foundation that had been required.

Members noted that the flexibility of in-house team as main contractor for the cremator replacement works had meant that time and money was saved in relation to reprogramming and being able to find solutions without variations to contracts. The Head of Finance - Financial Services added that should the contingency as proposed for the new redevelopment works was not used, it would be retained by the Joint Committee. The Senior Projects Manager, Richard Fenwick explained that a slightly larger contingency percentage was felt appropriate as the 3 phase programme had greater risks, with works being to public areas of the building.

It was added that any potential sub-contracts would be through the appropriate frameworks and there would be an opportunity for local companies to tender at that stage.

The Senior Projects Manager explained that the high capital cost of the energy generation equipment was in part due to the highly specialist nature and scale of the equipment required. Members were reminded that heat recovery had been built in at the cremator replacement stage, providing heating and hot water for the crematorium.

Resolved:

- (i) That the current performance of the Crematorium and monitoring against budget be noted.
- (ii) That the positive situation with regards to the sale of Memorials be noted.
- (iii) That the current staffing arrangements and action on building resilience be noted.
- (iv) That the enrolment of a member of staff on the Institute of Cemetery and Cremation Management Diploma course be approved.
- (v) That the changes to the opening times at weekends and bank holidays be approved.
- (vi) That the distribution of the recycling income to the respective charities be noted.
- (vii) That provision of a Christmas tree by St. Cuthbert's Hospice for 2014 be approved.
- (viii) That the progress on the improvement works be noted and the funding for the project be approved.
- (ix) That the contract for the improvement works be awarded to Durham County Council's in-house team.
- (x) That progress with the energy generation feasibility study be noted and that further developments are held back until any changes in grants or feed-in tariffs.

6 Financial Monitoring Report - Position at 31/12/13, with Projected Outturn to 31/03/14

The Head of Finance - Financial Services referred Members to Financial Monitoring Report, as set out in the usual format, for the period to 31 December 2013 and with projected outturn to 31 March 2014 (for copy see file of minutes).

The Joint Committee noted that the income and expenditure were broadly in line with the budget and the variances as set out in the report meant that projections were for an additional surplus of £158,409 to be included in the major capital works reserves as previously agreed by Members. Members noted a projected Reserve of approximately £1.36 Million at the year-end, giving a strong financial position.

Councillor K Thompson asked whether the additional redistribution of surplus to the two constituent Authorities had in fact been agreed.

The Head of Finance - Financial Services noted that the budget report for 2014/15 as set out later in the agenda would set out the additional redistribution next year and added that would be for the Joint committee to debate and decide upon accordingly. This report was in line with the approved budget for 2013/14 and an additional distribution had not been factored in for this year.

Resolved:

That the April to December 2013 Revenue Spend Financial Monitoring Report and associated Provision Outturn position at 31 March 2014 be noted.

7 Fees and Charges 2014/15

The Head of Finance - Financial Services referred Members to Fees and Charges 2014/15 report (for copy see file of minutes).

It was noted that the report had been prepared in accordance with Members directions given at the meeting held 25 September 2013, with proposals for increased charges in line with the regional average.

Members noted that if agreed, then there would be an opportunity for the Joint Committee to direct how any additional income could be utilised in connection with redevelopment works to provide an improved crematorium facility for service users.

The Joint Committee were reminded that, in line with current practice, it was proposed to retain the nil fee for child cremation (under 16's). Members noted a proposal for a pilot operation during the first 6 months of the year to offer underutilised appointment times at a discount, once other appointment times have been filled, to ascertain whether this could help encourage uptake of these appointment times. The discounted rate would be the current 2013/14 charges.

Resolved:

- (i) That the proposed fees and charges be approved and be effective from 1 April 2014.
- (ii) That the approved fees and charges be incorporated into the 2014/15 Budget.

8 Provision of Support Services 2014/15

The Head of Finance - Financial Services referred Members to the report setting out the proposed Service Level Agreement (SLA) for Support Service provision by Durham County Council to the Central Durham Crematorium Joint Committee (for copy see file of minutes).

Councillors were reminded that the SLA had been in place for a few years, following External Audit recommendations, and set out the support services provided to the Joint Committee by Durham County Council:

- Management Services
- Financial Services
- Administration Services
- Payroll Services
- Creditor Services
- Human Resources Services.

It was noted that the SLA included all support services other than Internal Audit, which has its own SLA, and the breakdown of services provided and costs were set out within the report. Councillors were reminded that the SLA is reviewed and updated annually. It was noted that additional work in relation to the Service Asset Management Plan (SAMP) had been included in the 2014/15 charges

Resolved:

That the Service Level Agreement for the provision of Support Services to the Joint Committee for the year 2014/15 be approved.

9 Review of the Effectiveness of Internal Audit

Councillors were introduced to the new Chief Internal Auditor and Corporate Fraud Manager, Paul Bradley, who had replaced the Manager and Head of Internal Risk, Avril Wallage who had retired. The Head of Finance - Financial Services noted that it was a requirement for the body that reviews the accounts to also have a review of the effectiveness of Internal Audit (for copy see file of minutes).

Members noted that part of the role of Durham County Council's Audit Committee was to scrutinise the performance of Internal Audit. It was explained that this, and the work of External Auditors, provided assurance to the Joint Committee that the work carried out by Internal Audit was in line with best practice and the latest audit standards.

The Head of Finance - Financial Services explained that Appendix 2 to the report set out the main outcomes from the review and the resultant improvement plan. Members were reminded that the review feeds into the Annual Governance Statement and Statement of Accounts.

Resolved:

- (i) That the information demonstrating the efficiency and effectiveness of the Durham County Council Internal Audit Service be noted.
- (ii) That the actions to further improve the service during 2013/14 be noted.

10 Provision of Internal Audit Services

The Audit Manager, Internal Audit, Stephen Carter referred Members to the report setting out proposals for the continued delivery of Internal Audit and Risk Management Services for the Central Durham Crematorium Joint Committee by Durham County Council's Internal Audit service (for copy see file of minutes).

Members noted the proposed number of days providing audit services through until 2016/17, and the breakdown as set out in the proposed SLA attached at Appendix 2 to the report. It was noted that the daily rate of £275 was below the benchmarked average cost per audit day for Unitary Authorities of £317 and that, in addition to the SLA, an updated Audit Charter was attached at Appendix 3 reflecting requirements of the Public Sector Internal Audit Standards that came into effect 1 April 2013.

The Joint Committee was reminded that the Council's Internal Audit service was not only scrutinised by the Council's Audit Committee, it was subject to External Audit every five years.

Resolved:

- (i) That the extension of the Service Level Agreement for the provision of Internal Audit and Risk Services for the next 3 financial years be approved.
- (ii) That the Annual Audit Plan and fee as set out within Schedule 2 of the Service Level Agreement be approved.
- (iii) That the updated Internal Audit Charter as set out at Appendix 3 to the report be approved.

11 2014/15 Revenue and Capital Budgets

The Joint Committee considered a report of the Corporate Director Neighbourhood Services and Corporate Director Resources / Treasurer to the Joint Committee which set out for Members' consideration proposals with regards to the 2014/15 Revenue and Capital Budgets for the Central Durham Crematorium (for copy see file of minutes).

The Head of Finance - Financial Services advised that the changes in comparison to the 2013/14 budget were set out within the report and highlighted the main points, including: the modern apprentice being now included within the budget; decisions on the redevelopment works being reflected; and realignment across a number of areas to better reflect current activity and costs. Members were asked to note the inclusion of work relating to: the SAMP; the impact of the review of fees and charges; and consolidation of all cremation related costs within premises charges. It was explained that the income projections were prudent, to reflect the increased fee, however, acknowledging any potential reduction in the numbers of cremations the budgeted assumed numbers had been reduced.

The Joint Committee were reminded of proposals for an increased distribution of surplus to the constituent Authorities, which would be useful to both Authorities in the current period of austerity, and this was reflected in the report for Members' consideration.

Councillors were asked to note the movement of some funds into the general reserve to maintain a level of 30% of the gross income budget in line with the reserves policy agreed by the Joint Committee.

A question was raised as regards potential pension contribution increases as a result of recent changes. The Head of Finance - Financial Services explained that the employers' contribution for 2014/15 had increased marginally as the percentage had increased from 13.1% to 13.8%, however, in terms of the number of employees at the Crematorium this was a small increase. The impact of this increase had been factored into the 2014/15 budget proposals.

Resolved:

- (i) That the Joint Committee note and approve the budget proposals contained within the report.
- (ii) That the forecast level of reserves and balances at 31 March 2015 be noted.

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**Central Durham Crematorium
Joint Committee**

23 April 2014

**Appointment of Clerk to the
Joint Committee**



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

1. Purpose of the Report

To give Members the opportunity to appoint an appropriate Officer from Durham County Council in the role of Clerk to the Central Durham Crematorium Joint Committee.

2. Background

At the meeting of the Joint Committee held on 22 January 2014, it was resolved that an officer from Durham County Council's Legal and Democratic Services Section be appointed Clerk to the Joint Committee upon the retirement of Sharon Spence.

3. Proposal and reasons

As Sharon Spence has now retired the Head of Legal and Democratic Services recommends the appointment of Laura Renaudon, Solicitor - Planning and Development to serve as Clerk to the Joint Committee.

Laura has over 15 years' legal experience and was admitted as a solicitor in 2003 whilst working for a law firm in the City of London. Since 2004 she has worked for local authorities as a planning and environment lawyer; first in a Surrey borough and more recently in North Yorkshire where she was a senior planning solicitor to the County and also the Deputy Monitoring Officer to one of the national park authorities, before joining Durham as a planning lawyer last December. She has extensive experience of advising Members and Committees, and of defending their decisions at inquiries and in the courts. In 2009 she was appointed as an Assistant Deputy Coroner for North Yorkshire. In 2012 she was elected to the RTPI as a legal associate member and last year she obtained an LLM with distinction in environmental law and management. She is also a trained church organist and has performed in that respect at a number of services and funerals.

4. Recommendations

That Laura Renaudon be appointed Clerk to the Joint Committee.

Background Papers:

- Minutes of the meeting of the Central Durham Crematorium Joint Committee held 22 January 2014.

Contact: Colette Longbottom, Head of Legal and Democratic Services
Tel: 03000 269 732 E-mail: colette.longbottom@durham.gov.uk

Appendix 1: Implications

Finance

None specific within the report

Staffing

As outlined in the Report

Risk

None specific within the report

Equality and diversity / Public Sector Equality Duty

None specific within the report

Accommodation

None specific within the report

Crime and disorder

None specific within the report

Human rights

None specific within the report

Consultation

None specific within the report

Procurement

None specific within the report

Disability Issues

None specific within the report

Legal Implications

None specific within the report

Central Durham Crematorium
Joint Committee

23 April 2014



Durham Crematorium
Performance and Operational
Report

Report of Graham Harrison Bereavement Services Manager and Registrar

Purpose of the Report

- To provide Members of the Central Durham Crematorium Joint Committee with the 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 1 January 2014 to 31 March 2014 inclusive with comparative data in the same period for the previous year:

	2012/2013	2013/2014	Change
	Period Jan- March	Period Jan- March	
JANUARY	291 + 1*	226	- 65 - 1*
FEBRUARY	223	179 + 5*	- 44 + 5*
MARCH	216 + 1*	179 + 2*	- 37 + 1*
TOTAL QTR4	730 + 2*	584 + 7*	- 146 + 5*

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

- The full profile of where families came from can be seen in Appendix 2. In summary 190 came from Durham, 38 from Spennymoor and 356 from outside of the area. There have been 7 NVF cremations undertaken for the period 1st January 2014 to 31st March 2014, compared to 2 in the comparable period last year, an increase of 5 NVF and a decrease of 146 Cremations. Members should note however that 2012/13 was an exceptional year with a long winter and higher mortality rates compared with 2013/14.
- The total number of cremations undertaken during the 2013/14 year is 2,227. This is compared to 2,379 during 2012/13, a decrease of 152 between years. Members will recall however, that the 2013/14 budget was set on a prudent basis estimating that a total of 2140 cremations would be undertaken during the year. The actual cremations undertaken have therefore exceeded budget by a total of 87 cremations.

5. For Member's information, the comparative figures for the three financial years 2010/11 to 2012/13 are as follows:
- 2010/11: 2,282 cremations
 - 2011/12: 2,205 cremations
 - 2012/13: 2,379 cremations
6. A similar decrease in numbers at Mountsett Crematorium has been observed. Discussions have been undertaken with funeral directors who have advised on experiencing the same downward trend and reduction in their service provision. We continue to monitor the weekly figures when compared to previous years. The table in Appendix 4 shows how the figures fluctuate over the past 4 years and confirm that even with the lower levels they remain higher than those budgeted for 2014/15.
7. The table in Appendix 5 shows the comparison of Weekly Deaths (England & Wales) for the 4th quarter which shows how the figures fluctuate over the period and confirm that a decrease in weekly numbers can be seen. The annual cremation figures from neighbouring crematoria will shortly be released in the summer which will compare cremation trends and these will be brought to the meeting when released. Also discussions with I.F.Z.W. have indicated that a similar decrease in cremation numbers in Germany have been observed of between 8 to 12%.
8. Notwithstanding the reduction the crematorium has a good reputation with good service provision. To maintain this it is planned to produce a brochure promoting the various services available and retain market share. A survey of Funeral Directors will also be conducted in order to reflect on the existing provisions and provide an overview of areas for improvement in the current service.

Memorials

9. The Table below outlines the number and value of the memorials sold in Quarter 4 2013/14 compared to the same period during the previous year 2012/13.

	Period Jan-March 2013		Period Jan-March 2014	
	Number	£	Number	£
Vase Blocks	5	2,181.67	6	3,216.00
Large Plaques	17	4,956.01	24	8,155.15
Small Plaques	2	436.00	1	218.00
Niche	0	0.00	1	1,052.80
Renewal	1	145.00	76	12,549.75
Total	25	£7,718.68	108	£25,191.70

10. In overall terms for the period 1 January – 31 March 2014, the number and value of memorials total 108/£25,191.70 compared to 25/£7,718.68 in 2012/13 – an increase of 83/£17,473.02 over the comparative periods. As reported last quarter this primarily reflects the backlog exercise undertaken by Crematorium staff.

11. The table below identifies the total number of memorials sold during the 2013/14 year compared to the 2012/13 year:

	2013/14 Total		2012/13 Total	
	No	£	No	£
Vase Blocks	31	16,342	25	11,712
Large Plaques	99	34,352	88	25,671
Small Plaques	9	2,008	57	2,547
Niche	1	1,053	2	2,106
Renewal	173	29,401	50	8,040
Total	313	83,156	222	50,075

Cremation & Burial Conference & Exhibition 2013

12. As in previous years, the necessary arrangements have been made for representation at the Joint Conference of the Federation of Burial & Cremation Authorities and The Cremation Society of Great Britain. The Bereavement Services Manager along Councillor John Marr will be attending the Conference which is to be held at The Holiday Inn, Stratford-upon-Avon from Monday 7 to Wednesday 9 July 2014.

Operational Matters

13. Members were advised at the meeting held on 22nd January 2014 of a long term sickness absence and the assistance provided by Durham County Council's cemeteries staff to ensure business continuity. The long term sickness has now ended, however in order to maintain resilience, the cemetery staff will be available when required.
14. A member of the team has successfully gained certification in the Federation of Burial and Cremation Authorities training and examination scheme for Crematorium Technicians'.

Recycling of Metals Scheme

15. The Institute of Cemetery and Crematorium Management have informed us that the recycling of metals scheme has produced an overall surplus of £250,000 from the most recent collection throughout the Country.
16. The Central Durham Crematorium Joint Committee was asked to submit a nomination for a suitable Local or National death related charity by 17 March 2014.
17. The Bereavement Services Manager in discussions with the Vice Chair nominated Macmillan Cancer Support. I am pleased to announce that a cheque has been received to the sum of £4,412.00 and arrangements will be made to present the cheque in due course. Members are also asked to consider providing further nominations at the next committee meeting for agreement on future disbursements.

Crematorium Improvement Works

18. At the last meeting, members considered and agreed the indicative funding requirements for Phase I and II of the redevelopment works. The programming of these works is important to ensure that works are carried out in the quiet periods of the year in order to minimise the disturbance to customers and make use of the better weather during these summer months where groundwork is required. Appendix 3 shows the programme and highlights that to ensure the chapel is completed in a timely fashion then the office accommodation (phase 1) would be better constructed in summer 2014. The 2014/15 budget includes provision the works.
19. Members will recall the second phase requires the development of the new book of remembrance building which requires completion prior to the final phase. Finally the remodelling and extending the chapel and other customers areas in the main building.
20. It is proposed to plan for phase 2 & 3 completions by Spring 2015. Firstly with the vestry area being cleared along with the items within the Garden Meeting room and enable the construction of the new Chapel of Remembrance which will be an octagonal shape and imitate the formation already visible in both the crematorium building and the memorial gardens. This will allow for the 2 x book of remembrance display cabinets and 1 x digital book of remembrance to situate comfortably whilst providing additional space for floral tributes.
21. Costs have been refined for phases 1, 2 and 3 and are included in Appendix 3 reflecting that they are broadly in line with the originals discussed at the January 2014 meeting. The stage D report has now been completed and this offers The Joint Committee an opportunity to review the design, programme and cost of the more developed (from stage B) scheme. Complete with a summary, cost report, checklist and current drawings etc. Upon approval by the Joint Committee, the design team will produce all the detailed working drawings, schedules and specifications etc. to allow the in house team to first price and then build the project. Discussion has been taking place with regards to planning application and we are awaiting outcome with regards to the planning department granting planning permission under delegated powers.
22. The table below provide a summary of the changes in costs reported to the Joint Committee:

Phase	Initial Costing	Revised Costing (as per App 3)	Variance
Phase I	144,982	149,900	4,918
Phase II	149,146	145,072	6,926
Phase III	756,639	654,191	(102,448)

Recommended:

23. It is recommended that Members of the Central Durham Joint Committee consider and agree:-
- The current performance of the crematorium.
 - To note the plan to produce a brochure and survey in order to promote the service.
 - The current performance with regard to the sale of memorials
 - The attendance of the chair and the Bereavement Services Manager & Registrar at the Federation of Burial & Cremation Authorities and The Cremation Society of Great Britain.
 - Note the current tranche of money from the Recycling of Metals Scheme to Macmillan Cancer and nominate further charities for future disbursements.
 - To note the updated/ revised funding requirements for the redevelopment and that Phase I progresses as planned in the coming year

Contact: Graham Harrison, Bereavement Services Manager
Tel: 0191 384 8677

Appendix 1: Implications

Finance - As identified in the report.

Staffing - There are no risk implications associated with this report.

Risk – The reduction in cremation numbers identified within the report highlights the potential risk on future income and reserves and subsequently Phase III of the redevelopment works. The production of the brochure promoting the various services available along with the survey of funeral directors should mitigate any risk of not retaining the current market share.

A report for a decision on Phase II will be presented to the Joint Committee in due course.

Equality and Diversity/Public Sector Equality Duty - There are no Equality and Diversity implications associated with this report.

Accommodation – As identified within the 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

Appendix 2: Breakdown of figures

	January	February	March	Total Jan- Mar
DURHAM	79	53	58	190
BARNARD CASTLE	1			1
BINCHESTER	1			1
BIRTLEY	1			1
BISHOP AUCKLAND	9	7	9	25
BISHOP				
MIDDLEHAM	1	1	1	3
BLACKHALL	2	3	2	7
BILLINGHAM	1			1
BURNHOPE			1	1
CHESTER LE STREET	15	15	15	45
CHESHIRE	1			1
CYPRUS				0
CHILTON	2	1	1	4
CONSETT		1	2	3
CORNSAY	1		1	2
BOUNDON			2	2
CROOK	12	7	4	23
DARLINGTON			2	2
EASINGTON	7	2	3	12
DERBY				0
ESH WINNING		2	3	5
FENCEHOUSES	1			1
FERRYHILL	7	7	5	19
FISHBURN	2	3	1	6
FROSTERLEY				0
GATESHEAD				0
GLOSSOP, DERBY				0
GREAT LUMLEY	2	2	1	5
HAMPSHIRE				0
HARTLEPOOL		2	1	3
HASWELL	4	1	2	7
HETTON LE HOLE	3	3	4	10
HUNWICK			2	2
HORDEN	2	4	1	7
HOUGHTON	1	1		2
HOWDEN				0
KENT				0
KIRBY STEPHEN				0
LANCASHIRE				0
LANCHESTER				0
LANGLEY PARK				0
LONDON/KENT				0
LYTHAM				0
MIDDLETON TYAS				0
MORPETH				0
MORROCCO				0

Appendix 3: Costs for Improvement works

Phase1

Offices (includes meeting room& additional storage)

Removal of dividing wall separating offices and removal of storage

cupboards creating large office to accommodate further 3 people and meeting room

extend footprint floor /substructure 20- 25m2- included in structural costs	0.00	
external ramp / handrail take up and relay to revised falls	7,500.00	
surface water drain alterations	2,000.00	
Roof coverings and roof drainage(structure included with structural costs)	5,000.00	
external wall extension + new window	8,500.00	
new entrance lobby	7,500.00	
remove internal partition walls doors and screens	1,000.00	
block up door from office/ new hatch	1,000.00	
new internal walls, doors	3,000.00	
new floor wall and ceiling finishes	9,000.00	
office furniture (allow removing , relocation plus new)	3,000.00	
m and e alterations- included elsewhere	<u>0.00</u>	
	47,500.00	£47,500.00

Structural and M and E allowances as consultants reports

Structural allowance for Ph1 works	9,000.00	
Electrical Allowance for Ph1 works - engineers estimate +m/c prof & attendance	10,450.00	
Mechanical Allowance for all Ph 1 works - engineers estimate +m/c prof & attendance	15,400.00	
Security Works allowance - engineers estimate + m/c prof & attendance	7,150.00	
Allow for bwic m& e	<u>1,500.00</u>	
	<u>43,500.00</u>	£43,500.00

Total works

£91,000.00

Allowance for main contractors prelims -14 weeks		£15,000.00
Extra provision for hoarding to conceal works		£1,000.00
Extra allowance for out of hours working		£2,000.00

Sub total

£109,000.00

Allowance for contingency 10%		£10,900.00
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Additional Optimum Bias Risk 5%		£5,450.00
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Sub total

£125,350.00

Planning, build control, site investigation & other charges		£5,000.00
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Allowance for design fees incl feasibility	14.60%	£18,301.10
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Total - for Phase 1

£148,651.10

Allowance for increased cost to 9th June 2014	0.84%	£1,248.67
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Total Ph1 cost forecast

£149,899.77

Phase2**Relocated Chapel of Remembrance - new octagonal building**

Demolish shed and adjust levels	2,000.00	
floor /substructure say 20m2 - included in structural costs	0.00	
Octagonal copper look roof coverings incl canopy and roof drainage (roof structure included with structural cost)	7,000.00	
external walls - high structure, brick specials required	18,000.00	
entrance door and screen - extra height screen	8,000.00	
internal finishes	5,000.00	
relocated book of remembrance display cabinets/ digital book of remembrance and allowance for additional seating	15,870.00	
m& e alterations included elsewhere	0.00	
external paving, drainage, service ducts	<u>10,000.00</u>	
		£65,870.00

Structural and M and E allowances as consultants reports

Structural allowance for Ph2 works	8,500.00	
Electrical Allowance for Ph2 works - engineers estimate+m/c prof & attendance	6,600.00	
Mechanical Allowance for all Ph 2 works - engineers allowance incl external pipework +m/c prof & attendance	5,500.00	
Security Works allowance - engineers estimate + m/c prof & attendance	2,750.00	
allowance for BWIC	<u>500.00</u>	£23,850.00

Total works **£89,720.00**

Allowance for main contractors prelims - 14 weeks		£15,000.00
Extra provision for hoarding to conceal works		£4,000.00
Extra allowance for out of hours working		£3,000.00
Sub total		£111,720.00
Allowance for contingency 10%		£11,172.00
Additional Optimum Bias Risk 5%		£5,586.00
Sub total		£128,478.00

Planning, build control, site investigation & other charges		£5,000.00
Allowance for design fees incl feasibility	14.60%	£18,757.79

Total for Phase 2 **£152,235.79**

Allowance for increased cost to 15Sep 2014	2.52%	£3,836.34
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Total cost forecast **£156,072.13****costs exclude :-**

vat
loose furniture and equipment unless otherwise identified
it equipment and infrastructure

Prices are budget estimates based on schematic drawings

Phase3

The Chapel

Retain structure of existing chapel and provide space for additional 30 people, reconfiguration of pews and extend seating area into Chapel of remembrance.

Internal screen and finishes	10,000.00	
Wall, floor and ceiling- all new carpet to chapel and all circulation areas plus minor additional work to walls and ceiling	20,000.00	
m & e installations included elsewhere	0.00	
Additional seating / reinstate fittings – existing bench seating may need to be replaced to suit new seating plan	<u>20,000.00</u>	
entrance door and screen - extra height screen	50,000.00	£50,000.00
relocated book of remembrance display cabinets/ digital book of remembrance and allowance for additional seating	15,870.00	
m& e alterations included elsewhere	0.00	
external paving, drainage, service ducts	<u>10,000.00</u>	
		£65,870.00

WC'S

Additional toilet facilities for 90 people at existing location and reposition doorway to accessible toilet

Strip out existing toilets	1,000.00	
Alter lobby doors and extend external wall	3,500.00	
Brick up existing windows and form new	1,500.00	
New internal walls & doors to form new male / female toilets	5,000.00	
Cubicles, sanitary fittings	8,000.00	
Floor wall and ceiling finishes	5,000.00	
m& e alterations included elsewhere	0.00	
Accessible wc alterations	<u>3,000.00</u>	
	27,000.00	£27,000.00

Chapel of remembrance / New Internal Lobby area

Chapel of remembrance relocated to external plot

Remove existing doors and screens	1,000.00	
New partitions	5,000.00	
New screen to existing reception lobby	4,000.00	
Floor wall and ceiling finishes	4,000.00	
m& e alterations included elsewhere	<u>0.00</u>	
	14,000.00	£14,000.00

Offices – included with Ph1/2

Waiting Room

Located in the new extension adjacent to accessible toilet (includes new single entrance and vestry)

Demolish part external wall remove door and windows & support existing	2,500.00	
Extend office footprint floor/substructure say 15m2-included in structural costs	0.00	
Roof coverings and roof drainage(structure included with structural costs)	5,000.00	
External walls and parapets	12,000.00	
New windows	5,000.00	

External lobby door/screen	5,000.00	
Modify existing canopy	1,000.00	
Internal walls and doors	5,000.00	
New floor wall and ceiling finishes	4,000.00	
m& e alterations included elsewhere	<u>0.00</u>	
	39,500.00	£39,500.00

The Vestry

Currently at rear – relocate to front

Costs included with waiting room extension

Floral Tribute

Outdoor paved walkway behind existing garden wall.

Wood pergola to the length of the walkway

Remove stained glass windows & form doorway in former vestry to floral tribute

5,000.00

Paving

20,000.00

Pergola and other external work

20,000.00

45,000.00

£45,000.00

Structural and M and E allowances as consultants reports

Structural allowance for Ph3 only

20,000.00

Electrical Allowance for Ph3 only incl mc prof + attendance

48,400.00

Mechanical Allowance for Ph 3 only

36,000.00

Security Works allowance for Ph3 only incl mc prof + attendance

5,500.00

BWIC to M&E

4,000.00

£113,900.00

External Canopies

Lengthened and widened canopies with “copper” look roof

Budget for canopy replacement

100,000.00

£100,000.00

Existing External Door North West Elevation

External door height to be increased

Budget for replacement doors utilising existing handles etc

5,000.00

£5,000.00

Temporary Chapel – not included

Total

£394,400.00

Allowance for main contractors prelims - 21 weeks

£50,000.00

Extra provision for hoarding to conceal works

£5,000.00

Extra allowance for out of hours working

£10,000.00

Sub total

£459,400.00

Allowance for contingency 10%

£45,940.00

Additional Optimum Bias Risk 5%

£22,970.00

Sub total

£528,310.00

Planning, build control, site investigation & other charges

£20,000.00

Allowance for design fees incl feasibility

14.10%

£74,491.71

Total

£622,801.71

Allowance for inflation to projected start 13/4/15

5.04%

£31,389.21

Total cost allowance for Phase 3

£654,190.92

costs exclude :-

vat

loose furniture and equipment unless otherwise identified

it equipment and infrastructure

Prices are budget estimates based on schematic drawings

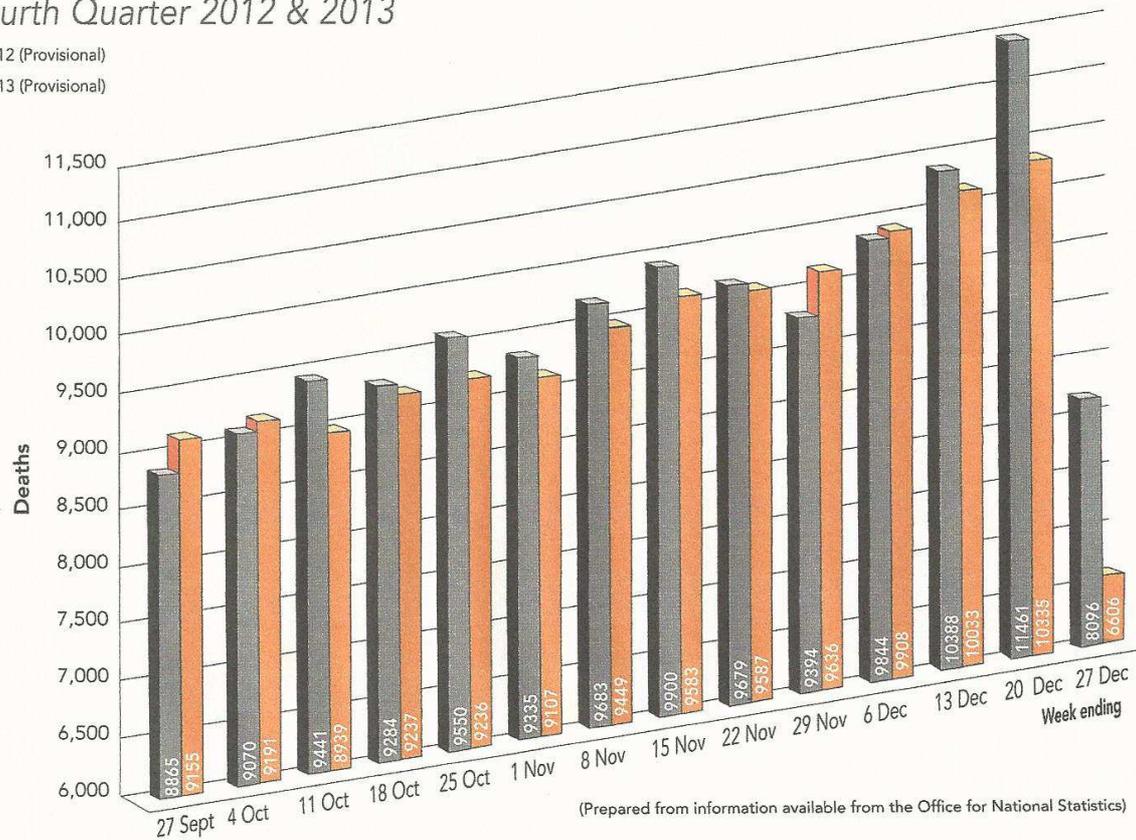
Appendix 4: Previous Years Comparison

Durham Crematorium					
	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
April	170	190	183	181	190
May	169	188	171	184	203
June	179	184	183	162	165
July	182	178	160	195	176
August	142	176	152	177	177
September	176	173	146	162	191
October	192	181	159	202	181
November	167	204	195	212	192
December	172	178	198	174	168
January	218	232	231	291	226
February	190	157	210	223	179
March	217	232	212	216	179
	2,174	2,273	2,200	2,379	2,227
Base					
Increase on 2009/10		4.55%	1.20%	9.43%	2.44%
Increase on 2010/11		N/a	-3.21%	4.66%	-2.02%
Increase on 2011/12		N/a	N/a	8.14%	1.23%
Increase on 2012/13		N/a	N/a	N/a	-6.39%
				Budgeted numbers 2013/14	2140
				Budgeted numbers 2014/15	2200

Comparison of Weekly Deaths (England & Wales)

Fourth Quarter 2012 & 2013

■ 2012 (Provisional)
■ 2013 (Provisional)



**Central Durham Crematorium
Joint Committee**

23 April 2014



**Financial Monitoring Report –
Provisional Outturn as at 31
March 2014**

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

Purpose of the Report

1. The purpose of this report is to set out details of income and expenditure in the period 1 April 2013 to 31 March 2014, together with the provisional outturn position for 2013/14, highlighting areas of over/under spend 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 2013 and the provisional year end position at 31 March 2014.

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 surplus received by DCC as a partner authority from the Central Durham Crematorium is included within this report.
5. Members should be aware that the 2013/14 closedown process has only recently commenced and whilst no major variances are anticipated between the provisional and final outturns, the final information incorporated into the Annual Return and associated Statement of Accounts may differ from that included within this report. Where this is the case, a full explanation will be provided in the June report.

6. 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 Bereavement Services Manager. The following table highlights the provisional outturn financial performance of the Central Durham Crematorium at 31 March 2014:

Subjective Analysis	Base Budget 2013/2014 £	Year to Date Actual – April – March £	Provisional Outturn 2013/2014 £	Variance Over/ (Under) £
Employees	204,915	190,721	219,354	14,439
Premises	279,840	197,550	220,132	(59,708)
Transport	3,900	669	2,379	(1,521)
Supplies & Services	124,225	100,598	104,700	(19,525)
Agency & Contracted	46,011	40,191	43,191	(2,820)
Transfer Payments	0	0	0	0
Capital Charges	213,738	213,738	213,738	0
Central Support Costs	34,800	34,800	34,800	0
Gross Expenditure	907,429	778,267	838,294	(69,135)
Income	(1,281,800)	(1,346,582)	(1,348,535)	(66,735)
Net Income	(374,371)	(568,315)	(510,241)	(135,870)
Transfer to Reserves				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	36,121	0	171,991	135,870
- Cremator Reline Reserve	25,000	0	25,000	0
- Small Plant	2,000	0	2,000	0
Distributable Surplus	(306,250)	0	(306,250)	0
80% Durham County Council	245,000	245,000	245,000	0
20% Spennymoor Town Council	61,250	61,250	61,250	0
Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2013 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2014 £
General Reserve	(384,540)	(306,250)	306,250	(384,540)
Masterplan Memorial Garden	(31,250)	(5,000)	0	(36,250)
Major Capital Works	(716,470)	(171,991)	0	(888,461)
Cremator Reline Reserve	0	(25,000)	0	(25,000)
Small Plant	(2,000)	(2,000)	0	(4,000)
Total	(1,134,260)	(510,241)	306,250	(1,338,251)

Explanation of Significant Variances between Original Budget and Forecast Outturn

7. As can be seen from the table above, the provisional outturn is showing a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £510,241 against a budgeted surplus of £374,371, £135,870 more than the budgeted position. This is as a result of an increased number of cremations to budget, premises works carried forward to 2014/15 and underspend within Supplies and Services. For Members information this reflects a £22,539 reduction on the previously reported forecasted surplus. The change in outturn is as a result of a reduction in the actual number of cremations in the final quarter of the year over that previously forecast.
8. The following section outlines the reasons for any significant variances by subjective analysis area/ type of expenditure. Members should note that some transactions are undertaken annually at the year end, in addition, in line with the accounting policies, sundry creditor and debtor provisions are required after the 31st March, this results in additional charges/income being reported between the actuals as at 31st March and the provisional outturn figures. The table overleaf includes (amongst others) the following provisions within the outturn:
- Bereavement Services Managers recharge from Durham County Council
 - Gas, electric and water charges not received from utility companies
 - Insurance recharge from Durham County Council
 - Cremator servicing and repairs charges not received from IFZW

8.1 *Employees*

The provisional outturn reflects a **£14,439** employee over spend. The reasons for this are in line with previous reporting and are set out below.

- The recruitment of a Modern Apprentice approved by the Joint Committee 24th April 2013 was not provided for within the original budget, resulting in a **£3,386** unbudgeted cost in the year.
- Long Term sickness cover has resulted in additional staffing/overtime payments of **£12,439** in the year.
- Savings within the Training budget of **(£1,715)**.
- Savings as a result of the revised management arrangements introduced within the crematoria establishments of **(£10,357)** have been achieved.
- Additional Cremator Operatives cover agreed by the Joint Committee on 24th April 2013 has totalled **£10,686** for the year.

8.2 *Premises*

A net under spend of **(£59,708)** has arisen in relation to Crematorium premises costs. There are number of reasons for this, as identified below:

- General Repairs & Maintenance budgets including internal decoration, fire and burglar alarms and cleaning has resulted in an underspend of **(£9,959)**.

- Utility costs for Gas, water and electricity are lower than budget by **(£9,858)**.
- The rateable value and subsequent charge for 2013/14 is lower than the original budgeted estimate. This has resulted in a **(£5,690)** saving within this budget.
- Following a review of the Crematorium Service Asset Management Plan (SAMP) the one off budget for the electric opening for the main gates has not been required, resulting in an underspend of **(£10,000)**
- The SAMP Review has also identified works to carry forward into 2014/15. This has resulted in a **(£29,000)** saving during 2013/14. The works include the replacement of copper roofing and canopy, relining of concrete guttering, replacement outside lighting, exterior brickwork pointing and path and road repairs. These will now be undertaken in 2014/15.
- Following the resignation of the Superintendent & Registrar and the subsequent changes to terms and conditions/ working arrangements attached to the post, the bungalow repairs and replacement budget of **(£4,200)** has not been required. This budget has also been removed from the 2014/15 budget.
- The general grounds maintenance & tree works has not been fully required during 2013/14 resulting in an under spend of **(£4,001)**
- Cremator equipment servicing and repairs has exceeded budget by **£17,000**. The costs for the servicing have increased and as a result the 2014/15 budget has also increased.
- Insurance recharge costs have been received at lower than that budgeted by **(£4,000)**.
- Expenditure on Furniture & Fittings has been lower than budget by **(£418)**.

8.3 *Supplies and Services*

An under spend of **(£19,525)** is anticipated in relation to Supplies and Services. The reasons for this are highlighted below:

- Expenditure on new Masterplan materials has reduced resulting in an underspend of **(£1,000)**.
- The increased cremation numbers over budget (highlighted within the income section of this report) has led to an increase in Medical Referees costs of **£1,436** over the budgeted amount.
- The Public BOR Visual Reference System originally identified to be purchased during 2013/14 will now be purchased during 2014/15 resulting in an underspend of **(£4,850)**. The 2014/15 budget includes provision for this system.

- Office, admin and other operational budgets such as conference, general advertising, postage, stationery and clothing have underspent by **(£3,441)**.
- The upgrade of the projector incorporated into the 2013/14 budget is no longer required, resulting in a saving of **(£6,365)**. This requirement has also been removed from the 2014/15 budget
- The requirement for Replacement Identity Tokens, Columbaria Units and Service Booklets has reduced this year by **(£3,826)**
- Licences, software & webcasting budgets have underspent by **(£518)**.
- The requirement for Cremator solutions & additives has been less than expected resulting in an underspend of **(£961)**.

8.4 *Agency and Contracted*

An under spend of **(£2,820)** is reported in connection with Agency and Contracted services, details are as follows:

- The cost of the Refuse Collection is **£1,087** higher than budgeted as a result of a price increase by the service provider during 2013/14. This increase has been reflected in the 2014/15 budget.
- The Independent Testing of the Cremator & Abatement Equipment for 2013/14 is **£760** higher than budget. This increase has been reflected in the 2014/15 budget.
- External Audit fees from BDO LLP have been received at **(£1,000)** lower than budgeted.
- The combined Waste Energy and Public Area Alterations feasibility study budget have underspent by **(£1,669)**.
- The reduced number of replacement cremation registers purchased during the year have resulted in an underspend of **(£498)**.
- The Spennymoor Operators Contingency budget has not been required during the 2013/14 year, resulting in a saving of **(£500)**.
- The Medical Referees Post Mortem budget of **(£1,000)** has not been required in the 2013/14 year.

8.5 *Income*

Additional income from the 2013/14 budget totalling **(£66,735)** is reported in this provisional outturn. The main reasons are detailed below.

- A backlog exercise has been undertaken at the crematorium regarding the renewal of Large Plaques and Vase Blocks. As a result, an additional **(£20,355)** income has been received to budget. It should be noted however that this may have a slightly negative impact on the 2014/15 renewals and as such the 2014/15 budget has been amended to reflect this.
- Cremation numbers have decreased by 152 compared to actual cremations undertaken during the previous year. Members will however recall that the 2013/14 budget was set at the prudent level of 2140 and therefore the actual cremations undertaken of 2227, is an increase of 87 to the 2013/14 budget. This has resulted in additional cremation fee income (inc the Medical Referee fees) of **(£45,424)**.
- The Book of Remembrance entries have not however followed the same trend as cremations during 2013/14. Income from Book of Remembrance Fees is lower than budget by **£1,829**.
- Income for miscellaneous items such as the scattering of ashes, webcasting, DVD and CD sales are higher than budget by **(£396)**.
- **(£2,389)** from Investments has been received.

8.6 *Earmarked Reserves*

Contributions from the revenue surplus towards earmarked reserves are reported as **£135,870** additional to budget.

The retained reserves of the CDCJC at 31 March 2014 are provisionally reported as £953,711 along with a General Reserve of £384,540, giving a total reserves and balances position of **£1,338,251** as at 31 March 2014.

Recommendations and Reasons

9. It is recommended that:

- Members note the April 2013 to March 2014 revenue spend financial monitoring report and associated provisional outturn position as at 31 March 2014, including the forecast year end position with regards to the reserves and balances of the Joint Committee.

Contact:	Paul Darby, Head of Finance – Financial Services
Tel:	03000 261 930
Contact:	Jo McMahon, Principal Accountant
Tel:	03000 261 968

Appendix 1: Implications

Finance

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

Staffing

There are no staffing implications associated with this report.

Risk

The figures contained within this report have been extracted from the General Ledger, and have been scrutinised and supplemented with information supplied by the Bereavement Services Manager. The projected outturn has been produced taking into consideration 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/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 Spennymoor Town Council were provided with a copy of the report and given opportunity to comment/raise any detailed queries on the contents of this report in advance of circulation to members of the CDCJC.

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.

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Central Durham Crematorium
Joint Committee

23 April 2014



Annual Internal Audit Report
2013/14

Report of the Chief Internal Auditor and Corporate Fraud Manager

Purpose of the Report

1. The purpose of this report is to present the Annual Internal Audit Report for 2013/14. (Copy attached at Appendix 2).

Background

2. This report fulfils the requirements of Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application note for the Chief Internal Auditor and Corporate Fraud Manager to deliver an annual audit opinion and a report that can be used by the Committee to inform its Annual Governance Statement.
3. The Annual Internal Audit Opinion makes conclusions on the overall adequacy and effectiveness of the Committees Framework of Governance, Risk Management and Control.
4. Based on the work undertaken, the Chief Internal Auditor and Corporate Fraud Manager is able to provide a **Full** overall assurance opinion on the adequacy and effectiveness of internal control operating across the Joint Committee in 2013/14. This opinion ranking provides assurance that there is a sound system of control in operation and there are no significant control weaknesses that warrant inclusion in the 2013/14 Annual Governance Statement.

Recommendation

5. Members note the content of the Annual Internal Audit Report and the overall 'Full' opinion provided on the adequacy and effectiveness of the Council's control environment for 2013/14.

Contact: Paul Bradley, Chief Internal Auditor and Corporate Fraud Manager
Tel: 03000 269 645 E-mail: paul.bradley@durham.gov.uk

Appendix 1: Implications

Finance

There are no direct financial implications arising for the Joint Committee as a result of this report, although we aim through our audit planning arrangements to review core systems in operation and ensure through our work that the Joint Committee has made safe and efficient arrangements for the proper administration of its financial affairs.

Staffing

None

Risk

There are no direct risk implications arising for the Joint Committee as a result of this report, although we aim through our planning arrangements to review the adequacy and effectiveness of the risk management arrangements in place.

Equality and Diversity / Public Sector Equality Duty

None

Accommodation

None

Crime and disorder

None

Human rights

None

Consultation

None

Procurement

None

Disability issues

None

Legal Implications

Compliance with PSIAS



**CENTRAL DURHAM CREMATORIUM
JOINT COMMITTEE**

**INTERNAL AUDIT
ANNUAL REPORT
2013/14**

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Appendix:

Appendix 3 Internal Audit Report Central Durham Crematorium 2013/14

Introduction

1. This report summarises the work carried out by Durham County Council Internal Audit and Risk Service during 2013/14, as part of the 4 year Service Level Agreement covering the provision of Internal Audit Services up to 31 March 2014.
2. The SLA was revised in year and an extension for the period April 2014 to June 2017 was agreed by the Joint Committee at its last meeting on 22 January 2014.
3. All Internal Audit work carried out in 2013/14 was in accordance with proper internal audit practices as described within the PSIAS that came into effect from 01 April 2013.
4. This report fulfils the requirements of Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application note for the Chief Internal Auditor and Corporate Fraud Manager to deliver an annual audit opinion and a report that can be used by the Committee to inform its Annual Governance Statement.

Service Provided and Audit Methodology

5. Internal Audit is an independent, objective assurance and consultancy activity designed to add value and improve an organisation's operations.
6. Our primary objective is to provide an independent and objective annual opinion on the Joint Committee's control environment which is comprised of the systems of governance, risk management and internal control.
7. The Internal Audit Charter establishes and defines the role, the terms of reference and the scope of audit work, including the audit strategy, organisational independence and the reporting lines of Internal Audit. The Charter was revised during 2013/14 to reflect PSIAS which was approved by the Joint Committee on 22 January 2014.
8. In accordance with the Internal Audit Charter, a risk based audit approach has been applied to work undertaken in 2013/14.
9. To determine the audit opinion the internal audit service has considered the following:
 - The adequacy of risk identification, assessment and mitigation
 - The adequacy and application of controls to mitigate identified risk
 - The adequacy and extent of compliance with the Council's corporate governance framework
 - The extent of compliance with relevant legislation
 - The extent to which the organisation's assets and interests are accounted for and safeguarded from loss of all kinds including fraud, waste, extravagance, inefficient administration and poor value for money
 - The quality and integrity of financial and other management information utilised within the organisation

Work carried out in 2013/14 to inform the annual audit opinion

10. The key areas of assurance of the control environment where assurance is required to inform our overall opinion are financial management, risk management and corporate governance.
11. Our assurance opinion for 2013/14 has been primarily determined through the annual review of processes and procedures in place on site at the Crematorium which evaluated the management of the following risks:
 - Non compliance with the Cremation Regulations 2008.
 - Non compliance with the Federation of British Cremation Authorities Code of Cremation Practice.
 - Ashes are disposed of incorrectly.
 - Equipment failure.
 - Health impact to the public.
 - Lack of experienced staff.
 - Insufficient capacity to meet demand in the event of an epidemic, pandemic or major disaster.
 - Injury to staff.
 - Income is not accounted for/misappropriated.
 - Unauthorised payments are made.
 - Stock / Assets are not accounted for / misappropriated.
 - Damage / theft of equipment.
 - Employees are incorrectly paid.
12. This audit was carried out during February 2014 in accordance with terms of reference agreed with the Crematorium's Bereavement Services Manager. The review concluded that the internal control systems in place provided a **full** level of assurance that the above risks were being effectively managed. The full audit report is attached as Appendix 3.
13. Further assurance on the effectiveness of risk management arrangements can also be taken from the work carried out by the County's Corporate Risk Officers who have continued to monitor strategic and operational risk registers during the year, with their most recent review being reported for consideration by the Joint Committee on 25 September 2013.
14. Processes in place provide assurance that the Bereavement Services Manager and his staff have a very good understanding of risk and adequate measures have been put in place to either mitigate or tolerate identified risks and it is evident from audit work carried out that risk management processes are well embedded.

15. No specific work has been carried out this year in reviewing the effectiveness of the Joint Committee's key corporate governance arrangements by Internal Audit as this was not considered a high risk area. The majority of the Joint Committee's key corporate governance arrangements in place reflect those of Durham County Council which are subject to an annual effectiveness review to inform the County Council's Annual Governance Statement. This is subject to review and challenge by the County's Audit Committee.
16. It should, however, be noted that in evaluating the control framework in place relating to the risks identified at paragraph 10, the adequacy and effectiveness of relevant policies and procedures that contribute to the Joint Committee's corporate governance arrangements were considered in arriving at the Full Assurance Opinion.

Conformance with Public Sector Internal Audit Standards (PSIAS) and results of Quality Assurance and Improvement Programme

17. The Committee at its meeting on 22 January 2014 received the evaluation carried out by the Chief Internal Auditor and Corporate Fraud Manager with regards to compliance with PSIAS and the subsequent Improvement Plan that was also agreed by the County Councils Audit Committee in June 2013.
18. The Chief Internal Auditor and Corporate Fraud Manager can therefore confirm that the Internal Audit Service conforms with PSIAS and will continually monitor the results of the Quarterly Assurance and Improvement Plan. A formal review will again be presented to the County Council's Audit Committee in June 2014.
19. The scope and terms of reference for this year's annual audit review were developed using a risk based approach agreed with the Bereavement Services Manager. This approach ensured that audit resources were applied to agreed high risk areas where there was little or no other assurance.
20. In accordance with the Internal Audit Charter audit working papers and all audit reports have been reviewed by an audit manager to ensure that expected quality standards are maintained and that all audit findings and conclusions were supported by appropriate testing and evidence.
21. The accuracy of audit findings were confirmed by the Bereavement Services Manager who was given the opportunity to challenge audit findings and the draft report prior to it being finalised.
22. A customer satisfaction survey is issued after every audit to provide feedback and help the service continually improve,

Audit Opinion Statement

23. The Joint Committee has responsibility for maintaining a sound system of internal control that supports the achievement of its objectives.

24. The Chief Internal Auditor and Corporate Fraud Manager is required to provide an opinion on the adequacy and effectiveness of the Joint Committee's risk management, control and governance processes.
25. In giving this opinion it should be noted that assurance can never be absolute and therefore only reasonable assurance can be provided that there are no major weaknesses in these processes.
- In assessing the level of assurance to be given, we based our opinion on:
 - The audit review of the Central Durham Crematorium undertaken during the year
 - Follow up action on audit recommendations
 - Matters arising from the work carried out by Internal Audit on the redevelopment of the Crematorium
 - Any significant recommendations not accepted by management and the consequent risk
 - The effects of any significant changes in the Crematorium's systems
 - Matters arising from previous reports to the Joint Committee
 - Any limitations which may have been placed on the scope of internal audit's annual review
 - The extent to which resource constraints may impinge on internal audit's ability to meet the full audit needs of the Joint Committee
 - The outcomes of the audit quality assurance process
 - Consideration of a number of other sources of assurance available
26. Based on the work undertaken, the Chief Internal Auditor and Corporate Fraud Manager is able to provide a **Full** overall assurance opinion on the adequacy and effectiveness of internal control operating across the Joint Committee in 2013/14. This opinion ranking is an improvement on the previous audit opinion of 2012/13 and provides assurance that there is a sound system of control with no material weaknesses. Consequently, there are no significant issues that warrant inclusion in the 2013/14 Annual Governance Statement.



INTERNAL AUDIT REPORT

Durham Crematorium
 Ref No 13580/2014
Final Report

Assurance Opinion:	Full Assurance
Prepared by:	Debra Lewis, Senior Auditor
Reviewed by:	David Mitchell, Principal Auditor Stephen Carter, Audit Manager
Date issued:	25th March 2014
Distribution List	
For Action:	Graham Harrison, Bereavement Services Manager
For Information:	Ian Hault, Neighbourhood Protection Manager Paul Darby, Head of Finance – Financial Services Terry Collins, Corporate Director for Neighbourhood Services Oliver Sherratt, Head of Direct Services Paul Bradley, Chief Internal Auditor and Corporate Fraud Manager Teresa Morgan, Strategic Insurance & Risk Officer Debra Kitching, Policy & Performance Team Leader

CONFIDENTIAL

This report is confidential and has been prepared solely for use by officers named on the distribution list and, if requested, the County Council's External Auditor and its Audit Committee to meet legal and professional obligations. It would therefore not be appropriate for this report or extracts from it to be made available to third parties and it must not be used in response to FOI or data protection enquiries without the written consent of the Chief Internal Auditor. We accept no responsibility to any third party who may receive this report, in whole or in part, for any reliance that they may place on it.

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EXECUTIVE SUMMARY

1. This report relates to the evaluation of the control framework in place to provide assurance on the management of the risks associated with the Durham Crematorium.
2. The objective of the review was to ensure that there are effective controls and procedures in place with regards to the running and operating of Durham Crematorium, and that practices are carried out in compliance with legislative requirements and the Code of Cremation Practice issued by the Federation of British Cremation Authorities.
3. Transactions were reviewed, from 1st January 2013 to 31st December 2013.
4. The review confirmed that there are effective arrangements in place for the management of the risks associated with the Durham Crematorium, and no recommendations were made as part of this audit review.
5. In conclusion, the audit work carried out can provide a Full level of assurance that the control framework in place is effective in managing risks.

BACKGROUND

6. This review has been carried out in accordance with the Terms of Reference attached at Appendix A.
7. This review aims to help management achieve its objectives by providing an opinion on the adequacy of the control framework in place to manage risks effectively. The conclusions from the review will inform the annual audit opinion provided by the Chief internal Auditor on the adequacy and effectiveness of the entire control environment operating across the whole of the Authority, required to inform the Annual Governance Statement.
8. The report is intended to present to management the findings and conclusions of the audit. Wherever possible findings and recommendations made to improve the control framework have been discussed with the appropriate officers and their views taken into account.
9. In carrying out the audit, the time and assistance afforded by the staff at Durham Crematorium was greatly appreciated.

SCOPE AND AUDIT APPROACH

10. The scope and audit approach for this review were agreed as part of the preparation stage of the audit and reflected in the agreed terms of reference. The scope was informed by a Control Risk Assessment (CRA) determined in consultation with appropriate officers.

FINDINGS AND RECOMMENDATIONS

11. The CRA has been updated to reflect actual evidenced controls in place and improvements agreed. This is attached in Appendix D, to aid monitoring and future self assessment of risks and the control framework. It is recommended that a Control Risk **Self** Assessment (CRSA) is carried out annually.

AUDIT FINDINGS AND ASSURANCE OPINION RATINGS

12. Details of how individual findings and assurance opinions have been assessed are detailed in Appendix B.

LIMITATIONS AND RESPONSIBILITIES

13. Details of limitations and responsibilities of auditors and management in relation to this review are summarised in Appendix C.

DURHAM COUNTY COUNCIL INTERNAL AUDIT SERVICE

Terms of Reference

Client	Neighbourhood Services
Service	Bereavement Services
Head of Service	Ian Hault, Neighbourhood Protection Manager Paul Darby, Head of Finance – Financial Services
Responsible Key Contact	Graham Harrison, Bereavement Services Manager
Nominated Manager	Graham Harrison, Bereavement Services Manager
Audit	Durham Crematorium

Introduction

1. This review is being undertaken in accordance with the approved Internal Audit Plan for 2013/14.

Overall Objective of the Audit

2. To evaluate the control environment of Durham Crematorium and provide an independent opinion on whether or not controls are adequate, appropriate and effective in providing reasonable assurance that risks to the achievement of service/system/process objectives are being managed effectively.
3. In arriving at this opinion consideration will be given to the effectiveness of:
 - relevant key corporate governance policies and procedures
 - the arrangements in place to identify, assess and monitor risks
 - the control design to ensure that the Council's assets and interests are accounted for and safeguarded from loss of all kinds including fraud, waste, extravagance, inefficient administration and poor value for money.

System Objectives

4. The objectives Durham Crematorium are :
 - To provide a sensitive, respectful service suitable for the bereaved.
 - To ensure cremations comply with the Cremation Regulations 2008.
 - To ensure the FBCA Code of Cremation Practice is complied with.
 - To ensure all income and expenditure is in line with financial regulations.

Control Risk Assessment

5. A summary of identified risks, the potential impact and expected controls, agreed as part of the audit planning process, using a control risk assessment (CRA) methodology to inform the scope of this review, is attached as an accompanying document.
6. The criteria used to assess identified gross risks (before controls are applied) are attached as Appendix A.

APPENDIX A – TERMS OF REFERENCE

Scope of Audit

7. The scope of this audit is to provide assurance on the management of the following risks:
- Non compliance with the Cremation Regulations 2008.
 - Non compliance with the Federation of British Cremation Authorities Code of Cremation Practice.
 - Ashes are disposed of incorrectly.
 - Equipment failure.
 - Health impact to the public.
 - Lack of experienced staff.
 - Insufficient capacity to meet demand in the event of an epidemic, pandemic or major disaster.
 - Injury to staff.
 - Income is not accounted for/misappropriated.
 - Unauthorised payments are made.
 - Stock / Assets are not accounted for / misappropriated.
 - Damage / theft of equipment.
 - Employees are incorrectly paid.

Audit Approach

8. The review will be carried out using a risk based approach informed by the CRA and will involve:
- Review of relevant documentation held and maintained
 - Interviews with responsible persons where necessary
 - Assessment of existing controls
 - Perform testing.

Key Contact

9. Key contacts for this review are
- Debra Lewis, Lead Auditor
 - David Mitchell, Principal Auditor

Target Dates

10. The target dates for this review are:
- Fieldwork start date: 3rd February 2014
 - 12 audit days
 - Draft report issued date: 31st March 2014
11. These timescales are subject to the following assumptions:
- All relevant documentation, including source data, reports and procedures will be made available promptly on request.
 - Staff and management will make reasonable time available for interviews and will promptly follow-up questions or requests for documentation.
 - Assistance will be available in scheduling meetings and interviews where required.

APPENDIX A – TERMS OF REFERENCE

Reporting Arrangements

12. Graham Harrison will be kept regularly informed of progress on our review. Any significant issues will be discussed as they arise.
13. On completion of the review, our findings together with recommendations to address any control weaknesses will be discussed with Graham Harrison at an exit meeting prior to the preparation and issue of a Formal Draft report. The Formal Draft will then be issued to Graham Harrison and will include responses.
14. We request that managers aim to provide a full response within 20 working days of receipt of the agreed draft report.
15. An updated CRA will be provided as an accompanying document to draft reports to reflect any changes to expected controls identified through the audit process and actual controls in place. Any recommendations made to improve the control environment will be incorporated into an action plan and reflected in the updated CRA to aid future self assessment of risks and the control framework.

Limitations of scope

16. This audit review will focus on Crematorium arrangements and the financial reporting of expenditure from these activities.

Terms of Reference Approval

17. These terms of reference have been reviewed and approved by:
 - Graham Harrison, Bereavement Services Manager
 - Stephen Carter, Audit Manager

APPENDIX B: AUDIT FINDINGS, RECOMMENDATIONS AND ASSURANCE OPINION RATINGS

Findings

Individual findings are assessed on their impact and likelihood based on the assessment rationale in the tables below:

Impact Rating	Assessment Rationale
Critical	A finding that could have a:
	Critical impact on operational performance (Significant disruption to service delivery)
	Critical monetary or financial statement impact (In excess of 5% of service income or expenditure budget)
	Critical breach in laws and regulations that could result in significant fine and consequences (Intervention by regulatory body or failure to maintain existing status under inspection regime)
	Critical impact on the reputation of the Council (Significant reputational damage with partners/central government and/or significant number of complaints from service users)
	Critical impact on the wellbeing of employees or the public (Loss of life/serious injury to employees or the public)
Major	A finding that could have a:
	Major impact on operational performance (Disruption to service delivery)
	Major monetary or financial statement impact (1-5% of service income or expenditure budget)
	Major breach in laws, regulations or internal policies and procedures (non compliance will have major impact on operational performance, monetary or financial statement impact or reputation of the service)
	Major impact on the reputation of the service within the Council and/or complaints from service users
Minor	A finding that could have a:
	Minor impact on operational performance (Very little or no disruption to service delivery)
	Minor monetary or financial statement impact (less than 1% of service income or expenditure budget)
	Minor breach in internal policies and procedures (non compliance will have very little or no impact on operational performance, monetary or financial statement impact or reputation of the service)

Likelihood	Assessment criteria
Probable	Highly likely that the event will occur (>50% chance of occurring)
Possible	Reasonable likelihood that the event will occur (10% - 50% chance of occurring)
Unlikely	The event is not expected to occur (<10% chance of occurring)

APPENDIX B: AUDIT FINDINGS, RECOMMENDATIONS AND ASSURANCE OPINION RATINGS

Overall Finding Rating

This grid is used to determine the overall finding rating.

LIKELIHOOD			
Probable	M	H	H
Possible	L	M	H
Unlikely	L	L	L
	Minor	Major	Critical
	IMPACT		

Priority of our recommendations

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

High	Action that is considered imperative to ensure that the service/system/process objectives are not exposed to significant risk from weaknesses in critical or key controls
Medium	Action required to ensure that the service/system/process objectives are not exposed to major risk from weaknesses in controls
Low	Action required to ensure that the service/system/process objectives is not exposed to minor risk from weaknesses in controls
Advisory	Action that is considered desirable to address minor weaknesses in control that if implemented may not reduce the impact or likelihood of a risk occurring but should result in enhanced control or better value for money.

Overall Assurance Opinion

Based upon the ratings of findings and recommendations arising during the audit as summarised in risk matrix above we define the overall conclusion of the audit through the following assurance opinions:

Full Assurance	There is a sound system of control designed to achieve the process/system/service objectives and manage the risks to achieving those objectives. (No H, M or L findings/recommendations)
Substantial Assurance	Whilst there is a sound system of control, there are some weaknesses, which may put some of the system objectives at minor risk. (No H or M findings/recommendations)
Moderate Assurance	Whilst there is basically a sound system of control, there are some weaknesses, which may put some of the system objectives at major risk. (No H findings/recommendations)
Limited Assurance	There are weaknesses in key areas in the system of control, which put the system objectives at significant risk.(H findings/recommendations)
No Assurance	Control is weak as controls in numerous key areas are ineffective leaving the system open to significant risk of error or abuse

APPENDIX C: LIMITATIONS AND RESPONSIBILITIES

Limitation inherent to the internal auditor's work

We have undertaken this review subject to the following limitations.

Internal Control

Internal control, no matter how well designed and operated, can provide only reasonable assurance not absolute assurance regarding achievement of the service objectives. The likelihood of the achievement is affected by limitations inherent in all internal control frameworks. These include the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future Periods

The assessment of the control framework in place relating to this review is at 20th February 2014. Historic evaluation of effectiveness is not relevant to the future period due to:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- The degree of compliance with policies and procedures may deteriorate

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance for the prevention and detection of fraud and irregularities. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We will endeavour to plan our work so that we have a reasonable expectation of detecting **significant control weaknesses** and if detected, we will carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud or other irregularities which may exist, unless we are requested to carry out a special investigation for such activities in a particular area.

Management responses

We ask that management responses to our recommendations are provided within 20 working days of the draft report being issued.

Outstanding responses will be monitored. Any overdue responses will be escalated to the responsible Corporate Director and reported to the Audit Committee.

Follow up

In accordance with the Internal Audit Charter, we will monitor progress on the implementation of agreed recommendations and the findings will be reported to the audit committee. Where considered appropriate follow-up audits will be scheduled.

APPENDIX D – CONTROL RISK ASSESSMENT (CRA)

Service activity process/system	Durham Crematorium		
Objectives	1		To provide a sensitive, respectful service suitable for the bereaved.
	2		To ensure cremations comply with the Cremation Regulations 2008.
	3		To ensure the FBCA Code of Cremation Practice is complied with.
	4		To ensure all income and expenditure is in line with financial regulations.

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
1	3	Non-compliance with the Cremation Regulations 2008.	Legislation	Reputational damage. Federation intervention. Legal Action	Critical	Possible	High	A Register of Cremations is maintained accurately detailing all cremations that have taken place, and this is securely held.	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014 February 2014
								Pre-printed forms provided by the Home Office are used to ensure all relevant data is collected.	As expected	Y	N/A	
								Cremation application forms have been fully completed and are held on file.	As expected	Y	N/A	
								Staff are aware of the applicant's right to inspect medical certificates and make representation to the medical referee, and procedures are in place to allow for this.	As expected	Y	N/A	
								Forms are retained for 15 years following cremation.	As expected	Y	N/A	
								Operational procedures have been produced and distributed to all staff to ensure compliance with the Regulations.	As expected	Y	N/A	

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
2	3	Non-compliance with the Federation of British Cremation Authorities Code of Cremation Practice.	Legislation	Reputational damage. Federation intervention. Legal Action	Critical	Possible	High	The Code of Practice has been formally adopted by Committee.	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014 February 2014
								Coffins and their contents are cremated as soon as practicable following committal.	As expected	Y	N/A	
								Procedures should ensure adequate identification of the deceased from the moment the coffin is received until the disposal of cremated remains.	As expected	Y	N/A	
								All coffins are cremated separately.	As expected	Y	N/A	
								Cremators should be kept in good repair and are maintained in accordance with manufacturer's recommendations.	As expected	Y	N/A	
								Operational procedures have been produced and distributed to all staff to ensure compliance with the Regulations.	As expected	Y	N/A	
3	1	Ashes are disposed of incorrectly.	Legislation	Reputational damage. Distress to the family of the deceased.	Minor	Unlikely	Low	Disposal of ashes corresponds with instructions from the Funeral Director's acting on behalf of the family.	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014 February 2014
								The method of disposal is cross checked to the application form before disposal.	As expected	Y	N/A	

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								Where ashes are to be collected, records are maintained to show the date on which they were collected and the person who collected them. Records are maintained to show the area in which ashes have been interned.	As expected	Y	N/A	
								A Service Development Plan is in place, has been approved by Committee and is regularly revised.	As expected	Y	N/A	
								There is a planned maintenance programme in place for all equipment in accordance with manufacturer's guidelines.	As expected	Y	N/A	
								There are adequate arrangements and protocols in place to complete emergency repairs where required.	As expected	Y	N/A	
4	2, 3	Equipment failure.	Performance Management	Inability to provide service. Reputational damage. Distress to the family of the deceased.	Minor	Possible	Low	A Service Development Plan is in place, has been approved by Committee and is regularly revised.	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014
								There is a planned maintenance programme in place for all equipment in accordance with manufacturer's guidelines.	As expected	Y	N/A	February 2014
								There are adequate arrangements and protocols in place to complete emergency repairs where required	As expected	Y	N/A	

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
5	1, 2	Health impact to the public.	Legislation	Reputational damage. Fines.	Major	Unlikely	Low	There are documented disposal guidelines and arrangements where the body of the deceased has been contaminated or where the death was as a result of a contagious disease.	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014 February 2014
6	1	Lack of experienced staff.	People	Inability to provide service. Reputational damage.	Major	Possible	Medium	There are adequate staffing arrangements in place to ensure continuous service delivery.	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014 February 2014
7	1	Insufficient capacity to meet demand in the event of an epidemic, pandemic or major disaster.	People	Reputational damage.	Major	Possible	Medium	There are adequate arrangements in place to ensure that demand can be met in the event of an epidemic, pandemic or major disaster.	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014 February 2014
8	2	Injury to staff.	People Legislation	Inability to provide service. Legal action.	Minor	Possible	Low	A Health and Safety policy is in place documenting working practices and procedures within the Crematorium. An Accident Book is maintained to record any accidents and adequate remedial action has been undertaken in the event of such occurrences.	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014 February 2014

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
9	4	Income is not accounted for/misappropriated.	Financial Management	Loss of monies. Fraud/theft. Reputational damage. Non-compliance with Financial policies and procedures.	Minor	Unlikely	Low	<u>Cremation Fees</u> Fees are regularly reviewed and approved by Committee. Fees charged comply with those approved.	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014 February 2014
							<u>Book of Remembrance Fees</u> Fees are regularly reviewed and approved by Committee. Fees charged comply with those approved.	As expected	Y	N/A		
							<u>Memorial Plaques</u> Fees are regularly reviewed and approved by Committee. Fees charged comply with those approved.	As expected	Y	N/A		
							<u>All Income</u> Collection and banking of income are as far as possible separated wherever staff resources are limited and where this is not the case, compensating internal controls and checks exist. Income is securely held until banking. Income is deposited into a nominated bank account and banked intact and on a timely basis. Bank paying in slips should be fully and properly completed Counterfoils should be stamped and	As expected	Y	N/A		

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								<p>display the cheque drawer and amount.</p> <p>Income is reconciled to the bank statements and correctly coded to appropriate income codes.</p> <p>Banking documentation is kept in line with the data retention policy.</p> <p>Debt recovery action is undertaken where appropriate</p> <p>Financial policies, procedures and regulations are adhered to at all times.</p> <p><u>Bank Reconciliation</u> All monies received are independently reconciled to the bank account on a timely basis.</p>				
10	4	Unauthorised payments are made.	Financial Management	Overspent budgets. Inappropriate spend. Fraud/theft. Poor VFM. Loss of monies.	Major	Unlikely	Low	<p><u>Requisitions, Ordering and Payment of Invoices</u> Requisitions are authorised by the budget holder prior to the order being raised.</p> <p>Goods are promptly received when they are received.</p> <p>Creditor invoices are authorised prior to being paid.</p>	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014 February 2014
								<p><u>Petty Cash</u> A record is held detailing all petty cash spend.</p>	As expected	Y	N/A	Internal Audit Durham Crematorium

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								Receipts are provided as evidence of purchase. Petty cash is reconciled on a regular basis before a return is completed for reimbursement.				13590/2014 February 2014
11	4	Stock / Assets are not accounted for/misappropriated.	Financial Management Procurement / Contracts / Supply Chain	Loss of monies. Fraud/theft. Reputational damage. Non-compliance with Financial policies and procedures.	Minor	Unlikely	Low	Appropriate stock control procedures are in place to ensure that a stock book is maintained that accurately reflects the current level of stock held. All purchases and sales are accurately recorded in the stock book. Periodic stock checks are carried out and any discrepancies are properly explained	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014 February 2014
12	4	Damage/theft of equipment.	Financial Management	Inability to operate.	Major	Possible	Medium	The Crematorium is adequately secured out of office hours.	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014 February 2014
13	4	Employees are incorrectly paid.	Financial Management People	Overspent budgets. Loss of monies.	Minor	Possible	Low	Adequate starter information is retained on file for all new starters.	As expected	Y	N/A	Internal Audit Durham Crematorium 13590/2014 February 2014
								Starters are correctly paid for their first working month.	As expected	Y	N/A	
								All leaver information has been correctly entered into the Payroll system.	As expected	Y	N/A	

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								Leavers are correctly paid for their last working month.	As expected	Y	N/A	
								All salaried payments correspond to that on the employees contract.	As expected	Y	N/A	
								All additional payments, such as overtime, can be verified to suitably authorised paperwork, have been correctly calculated and paid on a timely basis.	TBC – Information needs to be provided by HR in respect of honorariums			
								All deductions have been authorised by the employee and correctly applied to the payroll system.	As expected	Y	N/A	
								All employees in receipt of SSP are appropriately monitored and have been correctly paid	As expected	Y	N/A	
								Adequate records have been maintained in respect of employees receiving SMP and SPP and have been correctly paid.	As expected	Y	N/A	
								The Council's Establishment list is periodically matched to actual employees.	As expected	Y	N/A	

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