



## **Mountsett Crematorium Joint Committee**

**Date** Monday 22 June 2015  
**Time** 9.30 am  
**Venue** Mountsett Crematorium, Dipton, Stanley.

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### **Business**

#### **Part A**

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

1. Election of Chairman to the Joint Committee
2. Election of Vice-Chairman to the Joint Committee
3. Membership of the Joint Committee
4. Apologies for Absence
5. Minutes of the Meeting held on 24 April 2015 (Pages 1 - 6)
6. Declarations of Interest, if any.
7. Review of the Terms of Reference of the Joint Committee (Pages 7 - 10)  
Report of the Clerk to the Joint Committee.
8. Annual Governance Statement 2014/15 (Pages 11 - 22)  
Joint Report of the Corporate Director of Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee.
9. Revenue Outturn and Small Bodies Annual Return for the year ended 31 March 2015 (Pages 23 - 36)  
Joint Report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee.
10. Quarterly Performance and Operational Report (Pages 37 - 42)  
Report of the Corporate Director Neighbourhood Services – Bereavement Services Manager, Neighbourhood Services.

11. Forward Plan 2015/16 (Pages 43 - 46)  
Report of the Corporate Director of Resources and Treasurer to the Joint Committee.
12. Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency to warrant consideration.

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

County Hall  
Durham  
12 June 2015

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

**Durham County Council:-**

Councillors: O Temple (Chairman), A Batey, K Dearden, C Hampson, I Jewell, O Milburn, T Nearney, W Stelling and B Stephens

**Gateshead Council:**

Councillors K Dodds (Vice-Chairman), M Charlton, D Davidson, L Green, J Lee, M Ord and P Ronan

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**Contact: Lucy Gladders**

**Tel: 03000 269712**

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**DURHAM COUNTY COUNCIL**

At a Meeting of **Mountsett Crematorium Joint Committee** held in Committee Room 1A, County Hall, Durham on **Friday 24 April 2015 at 11.00 am**

**Present:**

**Councillor O Temple (Chairman)**

**Members of the Committee**

**Durham County Council**

Councillors A Batey, K Dearden, C Hampson, I Jewell, O Milburn and T Nearney

**Gateshead Council:**

Councillors M Charlton, L Green, P Ronan and J Lee

**1 Apologies for Absence**

Apologies for absence were received from Councillors D Davidson, K Dodds and M Ord (Gateshead Council).

**2 Minutes of the Meeting held on 30 January 2015.**

The minutes of the meeting held on 30 January 2015 be confirmed as correct record and signed by the Chairman.

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

There were no declarations of interest submitted.

**4 Quarterly Performance and Operational Report:**

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

The Neighbourhood Protection Manager advised that during the period 1 January 2015 to 31 March 2015, 388 cremations had been undertaken compared to 325 in the comparable period last year, an increase of 63 year on year. The total number of cremations in 2014/15 was 1320 compared with 1191 in 2013/14 an increase of 129 year on year. As a result of the increase in cremations an overachievement of cremation fee income of £104,525 had been factored in to the budgetary control report.

It was explained that as cremation numbers did fluctuate on a year by year basis prudent financial planning took place when setting the budget. In addition it was also encouraging

to note that the increase in cremation numbers also reflected the good service and reputation that was offered by Mountsett Crematorium.

Moving on the Neighbourhood Protection Manager provided an update with regard to the sale of memorial plaques and it was noted that although the number of plaques sold during the quarter was lower than the previous year, the number of plaques sold during the course of the year was higher than the same period last year.

Further details were then reported regarding staffing and it was noted that the new member of staff recently appointed had settled in well and was awaiting a test date in order to qualify as an operator.

With regard to the recycling of metals scheme it was reported that a sum of £4,487 had been donated to the Child Funeral Charity in March 2015.

The Neighbourhood Protection Manager advised that as members would recall at the previous meeting details had been provided regarding the car park extension. It was reported that work was progressing well and a full update would be provided to the meeting in September 2015.

Councillor Milburn raised a query regarding the capacity of the crematorium and whether it had as yet reached its saturation point. In response the Neighbourhood Protection Manager advised that the crematorium was quite some way away from saturation at this time, however it did of course have its peak days and times where it was running to full capacity. The Neighbourhood Protection Manager further made reference to the ICCM and work that had been commissioned to determine where there was increased demand on a regional basis.

Councillor Charlton queried the automatic recycling of metal implants and the process by which the relatives were consulted. In response the Neighbourhood Protection Manager advised that the recycling of metal was covered in the detailed paperwork that was completed with the relatives. It was further noted that most people wanted to retain the ashes only and were happy for any metal to be recycled and the sum to be donated to charity.

#### **Resolved:**

That the content of the report be noted.

#### **5 Financial Monitoring Report 2014/15 - Provisional Outturn:**

The Joint Committee received a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which set out details of income and expenditure in the period 1 April 2014 to 31 March 2015, together with the provisional outturn position for 2014/15, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level (for copy see file of minutes).

The report further set out details of the funds and reserves of the Joint Committee at 1 April 2014 and the forecast outturn position at 31 March 2015, taking into account the provisional financial outturn.

The Principal Accountant advised that the projected outturn showed a surplus of £481,664 against a budgeted surplus of £276,695. This reflected a £98,337 improvement on the previously reported forecasted surplus position and is a result of the increased number of cremations to budget and a large underspend on the environmental surcharge from CAMEO.

Further details were reported which outlined the reasons for any significant variances by subjective analysis as detailed within paragraph 8 of the report.

In conclusion details were reported with regard to earmarked reserves. It was forecast that the earmarked reserve position was £204,969 more than originally budgeted. This was primarily as a result of the increase in cremation income.

Further details were provided regarding contributions to the Cremator Replacement Reserve and retained reserves.

Councillor Temple asked that the Principal Accountant provide a brief summary of the CAMEO scheme and how the payments were allocated.

Councillor Green asked whether it was known what the current level of interest was that was being paid on reserves. The Principal Accountant advised that the interest accumulated was included within the income line under miscellaneous, would be reported separately in the final 2014/15 outturn report in June 2015.

Councillor Charlton further queried plans for cremator replacement and associated costs. In response it was reported that detailed options for cremator replacement would be reported to the September meeting.

In response to the discussion regarding CAMEO and mercury abatement, Councillor Jewell asked whether CAMEO would be defunct once all crematoria were using mercury abatement equipment. It was reported that in effect yes this would be the case.

Councillor Jewell further asked what the anticipated timescale was for the installation of new cremators. The Neighbourhood Protection Manager advised that the Service Asset Management Plan (SAMP) identified that work would be undertaken late this decade following a rigorous procurement process in line with European legislation.

Councillor Nearney asked whether it was likely that increased maintenance would be required on the existing cremators over the coming years. The Neighbourhood Protection Manager advised that the requirement for increased maintenance had been picked up under the SAMP and had been factored in to the maintenance budget.

**Resolved:**

- (i) That the content of the report be noted.

- (ii) That details of the interest accumulated on reserves be reported back to members following the meeting.

## **6 Risk Register 2014-15:**

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which provided an update on the current position with regards to the Risk Register of the Mountsett Crematorium Committee (for copy see file of minutes).

It was reported that an emerging issue had been identified during the quarter relating to the decrease in revenue over the period March 2014 – September 2014 which could be attributed to the fall in national death rates. In addition other risks could include increased competition from other providers. It was therefore reported that this would be closely monitored and any further changes would be reported back to the next meeting.

The Principal Accountant advised that both sections of the Risk Register had been reviewed and actions to mitigate and / or tackle issues arising had now been agreed for the forthcoming year.

It was further noted that Operational Risks had also been reviewed and there were no changes to the net risk scores and all risks were considered to be at a tolerable level.

Councillor Ronan commented that she found the risk associated with violence / assaults on staff to be high and queried why it was ranked so high. In response the Neighbourhood Protection Manager advised that there were no recorded incidents, however it was acknowledged that families often found themselves in highly charged and emotional circumstances at funerals and in some cases staff had to step in when issues flared up due to family issues. It was noted however that 6, scored as a minor risk on the risk matrix.

Councillor Batey commented that she feared that due to austerity measures the crematorium may struggle to cope with the pressures of an emergency planning situation. The Neighbourhood Protection Manager advised that plans were regularly reviewed to ensure that adequate planning was in place in order to manage an emergency or pandemic situation. He did however appreciate Councillor Batey's concerns regarding mass fatalities and the loss of knowledge, trained staff and other resources due to austerity measures and reassured members that the crematorium and council together worked to ensure that the staff base of cremator operators was expanded and adequate facilities were available.

### **Resolved:**

That the content of the report be noted.

## **7 Internal Audit Charter:**

The Joint Committee considered a report of the Chief Internal Auditor and Corporate Fraud Manager which sought agreement on the revised Internal Audit Charter to take immediate effect and to be applied to reviews undertaken as part of the Internal Audit Plan for 2014/15 (for copy see file of minutes).

The Chief Internal Auditor and Corporate Fraud Manager reported that the revisions to the charter were detailed within paragraph 6 and 7 of the report.

**Resolved:**

That the content of the report be noted.

**8 Annual Internal Audit Report 2014/15:**

The Joint Committee considered a report of the Chief Internal Auditor and Corporate Fraud Manager which presented the Annual Internal Audit Report for 2014/15 (for copy see file of minutes).

It was reported that based upon the work undertaken, a Substantial overall assurance opinion on the adequacy and effectiveness of internal control operating across the Joint Committee in 2014/15 had been given. the Chief Internal Auditor and Corporate Fraud Manager advised that this opinion provided assurance to the Joint Committee that there was a sound system of control in operation and there were no significant control weaknesses that warrant inclusion in the 2014/15 Annual Governance Statement.

**Resolved:**

That the content of the report be noted.

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**Mountsett Crematorium Joint Committee  
22<sup>nd</sup> June 2015**



**Mountsett Crematorium, Joint Committee,  
Changes to Constitution/Terms of  
Reference**



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**Report of the Clerk to the Joint Committee**

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**Purpose of the Report**

1. The purpose of this report is to provide details of a review of the Mountsett Crematorium Joint Committee's Constitution, which, in accordance with the Annual Governance Statement requirements is reviewed on an annual basis.

**Background Information**

2. The Constitution of the Mountsett Crematorium Joint Committee was presented to, and approved by members on 25<sup>th</sup> April 2013.
3. Members also gave a commitment to review the Constitution on an annual basis, as part of the approval process for the Annual Governance Statement.

**Review of the Constitution**

- 5 The Constitution has been reviewed by the Clerk to the Mountsett Crematorium Joint Committee.
- 6 Members will recall that the Constitution fully reflects the constituent authority legal titles, expenditure and subsequent surplus distribution arrangements on a 60/40 basis, along with the policies regarding retained surplus transfer to reserves.
- 7 Members will again note that the constituent authority membership appointments and asset ownership remain as per the original constitution, dated 7<sup>th</sup> September 1976.
- 8 The Mountsett Crematorium Joint Committee will continue to operate within the procedure rules and financial regulations of the lead partner authority, Durham County Council who will continue to be responsible for the management of the facility and for supporting the Joint Committee.
- 9 The review has not highlighted any requirements for change to the current Constitution, therefore this report reaffirms continuation of the existing Constitution and governance arrangements set out within.

**Recommendations:****It is recommended that:**

10 Members of the Committee consider the outcome of the review of the Constitution of Mountsett Crematorium Joint Committee, and reapprove the Constitution which has been subject to review in accordance with Annual Governance Statement requirements.

**Background Papers**

**Mountsett Crematorium Joint Committee Constitution (amended 25.4.13)**

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**Contact(s): Sarah Grigor – Clerk to the Joint Committee 03000 269 676**

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## **Appendix 1: Implications**

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### **Finance**

The Constituent Authority income sharing (unchanged) and reserves protocols (in line with the strategy adopted in recent years) are disclosed within the constitution.

### **Staffing**

There are no staffing implications associated with this report.

### **Risk**

There are no risk implications associated with this report

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

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

### **Accommodation**

The Constituent Authority asset ownership (unchanged) is highlighted within the constitution.

### **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**

Legal officers of Gateshead Council were originally provided with a copy of the constitution and given opportunity to comment / raise any detailed questions/ request amendments on its content in advance of circulation to members of the Mountsett Crematorium.

### **Procurement**

None

### **Disability Discrimination Act**

None

### **Legal Implications**

The constitution (revised (April 2013) has been reviewed by the Clerk to the Joint Committee, an employee of Legal Services, Durham County Council, in line with relevant legislative requirements.

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**Mountsett Crematorium Joint Committee**

**22 June 2015**

**2014/15 Annual Governance Statement**



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

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**Purpose of the Report**

- 1 The purpose of this report is to provide details of the Annual Governance Statement (AGS) for the year April 2014 to March 2015. The AGS will need to be formally approved by Members as part of the consideration of the Small Bodies in England Annual Return 2014/15 and is attached at Appendix 2.

**Background**

- 2 The Mountsett Crematorium Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in a way which functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 3 In discharging this overall responsibility, the Mountsett Crematorium Joint Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risks.
- 4 The Mountsett Crematorium Joint Committee has adopted and operates under (via Durham County Council, its lead Authority), a code of Corporate Governance which is consistent with the principles of the 2007 CIPFA/SOLACE Framework – 'Delivering Good Governance in Local Government'. The Annual Governance Statement (AGS) explains how the Joint Committee complies with this code and also meets the requirements of the Accounts and Audit regulations 2011 in relation to an annual review of the effectiveness of its system of internal control.
- 5 Under the Accounts and Audit (England) Regulation 4(3), the AGS will need to be formally signed by the Chair and Treasurer (Durham County Council's Corporate Director: Resources) to the Mountsett Crematorium Joint Committee and published along with the Mountsett Crematorium Joint Committee's Annual Return no later than the 30 June 2015.

## The Annual Governance Statement (AGS)

- 6 The format and structure of the AGS is prescribed in guidance contained within the Code of Practice on Local Authority Accounting 2014/15 (the CODE) and is broken down into a number of different sections. The terminology used is therefore consistent across all authorities. These are:-
- Scope of Responsibility
  - The Purpose of the Governance Framework
  - The Governance Framework – incorporating details of the internal control environment i.e. the systems, procedures, processes and Financial Management by which the Joint Committee directs and controls its functions, including the formulation of strategy, its objectives and how it delivers services to meet those objectives
  - Review of Effectiveness – which sets out details of a review of the Governance Framework (set out above) and which is informed by the work of internal audit, the Bereavement Services Manager, external auditors and other review agencies and inspectorates
  - Significant Governance Issues – the Mountsett Crematorium Joint Committee must identify any areas of significant internal control weaknesses, including what action is being taken to address them
  - Signature by the leading member (Chair) & Treasurer to the Joint Committee.
- 7 The statement is initially compiled by the Head of Finance (Financial Services), in accordance with guidance contained within the CODE.
- The statement reflects the current position within the Joint Committee.
- 8 The statement is evidence based and relies upon the review of the effectiveness of internal audit undertaken by the Audit Committee of the lead authority (Durham County Council) along with written assurances from the Bereavement Services Manager, internal audit's views, having carried out a review during the year and commented on the assurance given by each, external auditors and other review agencies and inspectorates and the assurances contained within their reports to the Mountsett Crematorium Joint Committee.
- 9 The Statement is submitted to the Mountsett Crematorium Joint Committee for approval with submission to External Audit – BDO LLP by 13 July 2015.

## Recommendations

- 10 It is recommended the Mountsett Crematorium Joint Committee examines the content of the 2014/15 Annual Governance Statement and approves it as part of the consideration of the Small Bodies in England Annual Return 2014/15.

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<b>Contact:</b>	<b>Paul Darby</b>	<b>Head of Finance (Financial Services)</b>	<b>03000 261930</b>
	<b>Ed Thompson</b>	<b>Principal Accountant</b>	<b>03000 263481</b>

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## **Appendix 1 - Implications**

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### **Finance**

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

### **Staffing**

Ensuring staff are adequately trained and professionally competent to meet the core principles of the CIPFA/SOLACE guidance.

### **Risk**

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

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

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

### **Accommodation**

Asset Management is a key component of effective corporate governance.

### **Crime and Disorder**

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

### **Human Rights**

There are no Human Rights implications associated with this report.

### **Consultation**

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

### **Procurement**

None

### **Disability Discrimination Act**

None

### **Legal Implications**

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

## **1 Scope of Responsibility**

The Mountsett Crematorium Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. It also has a responsibility under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy efficiency and effectiveness. This Committee was established in 1964 by the Urban District Councils of Stanley and Consett (transferred to Derwentside District Council, 1976) and the Urban District Councils of Blaydon and Whickham (transferred to Gateshead Metropolitan Borough Council, 1976).

Following Local Government Reorganisation in 2009, as successor to Derwentside District Council, Durham County Council acts as the lead authority.

The Mountsett Crematorium Joint Committee is also responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

The Mountsett Crematorium Joint Committee has adopted a code of corporate governance consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' and operates under the policies and strategies including Contract Procedure Rules, Financial Procedure Rules, Financial Regulations, developed, agreed and adopted by the Durham County Council, its lead authority.

This statement explains how the Mountsett Crematorium Joint Committee has complied with the code and also meets the requirements of Regulation 4 (3) of the Accounts and Audit regulations (England) 2011.

## **2 The Purpose of the Governance Framework**

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Mountsett Crematorium Joint Committee's aims and objectives, its policies and



procedures, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Mountsett Crematorium Joint Committee for the year ended 31 March 2015 and up to the date of approval of the Small Bodies Annual Return.

### **3 The Governance Framework**

The key elements of the systems and processes that comprise the governance arrangements are detailed in Durham County Council's Local Code of Corporate Governance, which is documented in the Council's Constitution. This sets out the key documents and processes that determine the way the Council is directed and controlled to meet the six core principles of the CIPFA/ SOLACE Framework.

The following sections demonstrate assurance that the Council has complied with each of these principles in practice, and also highlights where we have further improved our corporate governance arrangements during 2014/15.

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

Mountsett Crematorium Joint Committee ensures that the necessary roles and responsibilities for the Governance of the crematorium are identified and allocated so that it is clear who is accountable for decisions that are made. This is achieved by:-

- The Mountsett Crematorium Joint Committee Constitution which clearly describes the composition of the Committee and how appointments are made. The roles of the Chair and Vice Chair are also clearly documented. Arrangements are in place for a review to be undertaken at the Annual General Meeting of the Joint Committee in June of each year.
- Ensuring that all policy and decision making is facilitated through the Mountsett Crematorium Joint Committee with all party membership being drawn from nomination by the constituent authorities

#### **Identifying and communicating Mountsett Crematorium Joint Committee's vision of its purpose and intended outcomes for citizens and service users**

The vision for Mountsett Crematorium encompasses the lead Authority's 'Altogether Better Durham' focus reflecting the aim to improve service provision and make a real difference to service users.

The vision for the Mountsett Crematorium Joint Committee takes the following format:-

- To provide a sensitive, respectful and valued service fitting for the bereaved and their families

- To ensure sympathetic, supportive and confidential advice is given to the recently bereaved on funeral service arrangements and give assistance in co-ordinating the funeral process if required
- To provide consistent high quality standards of maintenance in Mountsett Crematorium, working to maximise value for money
- To fully comply with all environmental and regulatory standards and requirements
- To ensure the proper respect of Mountsett Crematorium with fair rules and regulations are fully explained to all visitors.

During 2014/15, the Joint Committee has engaged with Stakeholders to identify and communicate improvements to service provision and crematorium building requirements.

The Mountsett Crematorium Joint Committee revised its Service Asset Management Plan (SAMP) in October 2014 and commissioned further works as a result. The delivery of the Joint Committee's vision will be further demonstrated by:-

- Continuing to identify the property needs of the service to enable it to deliver its vision
- Continuing to assess the condition, sufficiency, suitability, accessibility and energy performance of the crematorium and looking at their appropriateness to deliver the future service
- Identifying the portfolio gaps and appraising the options and priorities to close the gaps between future needs and current provision
- Mapping a way forward to deliver the changes needed which takes in to consideration available funding streams and opportunities.

### **Reviewing Mountsett Crematorium Joint Committee's vision and its implication for its governance arrangements**

Mountsett Crematorium Joint Committee reviews its vision and its implication for its governance arrangements on an annual basis. This is achieved by:-

- Reviewing its Code of Corporate Governance, ensuring that it remains consistent with the principles of the CIPFA/SOLACE Framework – Delivering Good Governance in Local Government
- Reviewing the Mountsett Crematorium Joint Committee Constitution on an annual basis
- Reviewing the SAMP on an annual basis.
- Adopting a clearly defined Reserves Policy and Medium Term Financial Strategy
- Focus on the Strategic and Operational Risks via six monthly reports to the Joint Committee

**Measuring the quality of service for users, ensuring they are delivered in accordance with the Mountsett Crematorium Joint Committee's objectives and ensuring they represent best use of resources**

Mountsett Crematorium Joint Committee measures the quality of service for users, ensures that they are delivered in line with service objectives and that they represent the best use of resources. This is achieved by:-

- Aligning the annual budget to the Joint Committee's performance management arrangements and continuing to report under its framework of quarterly budgetary control reporting and high level objective of 'Effective use of Resources'
- Financial Awareness Training undertaken by the Bereavement Services Manager and other officers whom service the Crematorium
- Undertaking Performance Management Reviews through comparative statistics with other crematoria. National comparisons via CIPFA Cemeteries and Crematoria Statistics Returns are undertaken on an annual basis
- Consideration and acknowledgement of Letters of Appreciation by the Joint Committee and also via the Direct Services Management Team within Durham County Council
- Logging and recording complaints in line with the lead authority's policy, indicating the type of complaint, response time and outcomes. The process also identifies how the crematorium has changed practices, procedures and policies as a result of any such complaint.
- Adopting the lead authority's employee performance appraisal arrangements, designed around a number of key competencies. This is a key method of assessing the individual performance of officers, highlighting and addressing any areas for improvement
- The Joint Committee's overall approach to the management of the Crematorium assets enabling the best possible service delivery. The Joint Committee considers its assets in the widest sense, driving forward continual service improvement and investments
- The Service Asset Management Plan which ensures the Joint Committee make the best use of the assets available and prioritises investment in the facilities to maintain and improve the service offered to users ensuring value for money
- The application and award of the Green Flag, which recognises service quality and environmental cleanliness at Mountsett.

**Developing the capacity and capability of Members and Officers to provide effective service provision and undertake robust decision making.**

Mountsett Crematorium Joint Committee is committed to continually reviewing the development needs of members and officers. This is achieved by:-

- Adopting the Member Learning and Development Strategy; People and Organisational Development Strategy; and the Recruitment and Selection Policy of Durham County Council

During 2014/15 the following improvements (via DCC policies) have been undertaken:-

- Review of the Corporate Induction Programme
- Review of the Recruitment and Selection Policy
- Review of the staff records system, directly accessible by the Bereavement Services Manager through the DCC Intranet, leading to improved efficiency and shortened processing timescales
- Implementation of the revised Grievance Policy
- Continuation of the “The Durham Manager” Development Programme
- Enrolment of two members of staff to undertake the ICCM qualification during 2014-17

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

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

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

The Mountsett Crematorium Joint Committee ensures that the Risk Management approach:-

- Is conducted in accordance with the Risk Management Policy and Strategy of Durham County Council. The Bereavement Services Manager is advised by the Corporate Risk Management Working Group where strategic and operational risks are considered
- Involves Risk Register reviews reported on a six monthly basis for consideration by the Joint Committee.
- Has strategically aligned, during 2014/15 the Internal Audit and Fraud service provision to enable access to trained investigators and allow greater coverage of counter fraud work when required
- Includes a Fraud Awareness training programme undertaken by Senior Officers

- Involves regular reports by internal audit to those charged with governance, to standards defined in the CIPFA Code of Practice, and in accordance with the Accounts and Audit Regulations 2006. These include the Chief Internal Auditor and Corporate Fraud Manager's independent opinion on the adequacy and effectiveness of the system of internal control, at the crematorium, together with recommendations for improvement
- Involves independent annual audits carried out by BDO LLP with the recommended outcome of these reviews actioned and undertaken
- Ensures Financial Management is undertaken by the Head of Finance (Financial Services) under the scheme of delegated responsibilities by the Treasurer of the Joint Committee in accordance with Standing Orders, Contract Procedure and Procurement Rules, Financial Regulations and Financial Procedure Rules of Durham County Council
- Has comprehensive monthly budgetary control systems including income and expenditure reconciliations and the preparation of regular financial reports which indicate actual expenditure against budget and forecast year end positions are undertaken and reported quarterly to Mountsett Crematorium Joint Committee
- Includes SMART targets which are set to measure financial and other performance
- Ensures clearly defined capital expenditure guidelines are adhered to (where applicable) in line with Durham County Councils performance and governance framework to improve the financial control of the capital portfolio.
- Enables employees, contractors and suppliers providing services to the Crematorium to raise concerns regarding any potential breaches of conduct in decision making via Durham County Council's Confidential Reporting Code (Whistle Blowing Policy)
- Allows non statutory complaints to be considered in line with Durham County Council's Complaints Policy.

**Ensure the Joint Committee's financial management arrangements conform to the governance requirements of the CIPFA statement on the Role of the Chief Finance Officer**

Mountsett Crematorium Joint Committee ensures that its financial management arrangements conform to the CIPFA statement by:-

- Appointing as its Treasurer, the Corporate Director: Resources and Chief Finance Officer (CFO) from the lead authority along with the Head of Finance (Financial Services) under the scheme of delegated responsibilities by the Treasurer. The Corporate Director and Head of Finance are professionally qualified and possess the necessary skills, knowledge and experience to perform effectively in both a financial and non-financial role
- Ensuring the finance function in support to the Treasurer is adequately qualified and resourced to fulfil its duties and a structure is in place that provides a line of professional accountability for the finance staff

- Ensuring that key CIPFA Codes such as the Prudential Framework for Local Authority Capital Finance and the Treasury Management Code are complied with where required
- Having a clearly articulated Medium Term Financial Plan/Reserves Strategy and Policy
- Producing Monthly Budgetary Control Reports which are considered on a quarterly basis by the Joint Committee
- Ensuring proper Internal Audit, Risk and Governance arrangements are in place
- Maintaining the Service Asset Management Plan.

#### **4 Review of Effectiveness**

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

Mountsett Crematorium Joint Committee has the following processes in place to achieve this aim:-

- Formalised arrangements with Durham County Council for the provision of Internal Audit and Risk Management Services are established and embedded following the consideration and approval of the Mountsett Crematorium Joint Committee Internal Audit Charter
- Internal Audit arrangements are clearly defined and articulated through a formally approved Service Level Agreement (SLA) covering Management and Assurance, Advice and Guidance, Risk Management and Internal Control.
- Support Services provision are clearly defined and articulated through a formally approved Service level agreement (SLA) with Durham County Council covering Management, Financial, Administration, Payroll and Human Resources services.
- Internal Audit arrangements produce an Annual Audit Report and Audit Opinion to inform the Annual Governance Statement
- Risk based assessments of key financial systems (as approved in the SLA) carried out in the final quarter of the financial year to ensure maximum coverage of the Crematorium's financial transactions and provide an informed opinion on the robustness, adequacy and effectiveness of the system of internal control, at the crematorium, together with recommendations for improvement
- The production of a Risk Register with regular reviews undertaken by the Bereavement Services Manager along with action plan reports produced and

approved where necessary. Full details are reported to the Joint Committee on a six monthly basis

- Robust year end procedures for producing financial statements and the Small Bodies Annual Return with the production of a closedown timetable including risk assessment and control, ensuring those involved in the closedown process are fully aware of the closedown requirements for 2014/15
- Robust budget setting processes to support its decision making process. Comprehensive monthly budgetary control systems including income and expenditure reconciliations and the preparation of regular financial reports which indicate actual expenditure against budget and forecast year end positions are also undertaken and reported quarterly to the Mountsett Crematorium Joint Committee
- Annual reviews of Corporate Governance arrangements and the annual review undertaken by the lead authority, Durham County Council, of its corporate governance arrangements, together with the arrangements that the lead authority, Durham County Council has in place to detect and deter fraud and corruption
- Membership to the Federation of Burial and Cremation Authorities, which requires that each year a signed declaration, is made so that the Codes of Practice have been strictly adhered to. The Crematorium is also subject to bi annual inspection by the regulator (DCC) who has to be satisfied that all Environmental Legislation is being implemented
- Performance monitoring undertaken through the use of comparative statistics with other crematoria and across years
- The Internal Audit Section is also subject to an annual review of its activities and performance. Whilst there is no legal requirement for the Joint Committee (as a small body) to meet the requirements of the Accounts and Audit Regulations 2011, evidence of the effectiveness of the Audit Service is presented to, and reviewed by the Audit Committee of the lead authority, Durham County Council. The assurance provided by the review is presented to, considered by and minuted by the Mountsett Crematorium Joint Committee
- Robust Service Asset Management Plan to drive investment and resource requirements to ensure crematorium facilities continue to maintain and improve service provision
- Completion of an Internal Audit Satisfaction Survey following the completion of each Audit assignment to measure further the effectiveness of the Internal Audit Service
- Formal Adoption of the FOI Act Publication Scheme approved and minuted by the Joint Committee
- Formalised Treasury Management Arrangements through the production of an annual written agreement between the Joint Committee and the lead authority Durham County Council

- Use of Green Flag Awards to measure and recognise service/environmental excellence at the site
- Financial Awareness Training with Crematorium Management staff.

In summary, the governance framework and the system of internal control in place at Mountsett Crematorium for the year ended 31 March 2015 and up to the date of approval of the Small Bodies Annual Return accords with proper practice.

## **5 Significant Governance Issues**

Mountsett Crematorium Joint Committee is fully committed to the principles of Corporate Governance, and has made further progress in recent months in developing its arrangements.

The Internal Audit Section sought further assurance, via its annual plan of work and review of key systems.

As a result, Internal Audit has provided **Substantial** Assurance on the Joint Committee's System of Internal Control, providing assurance that there is a sound system of control with no material weaknesses. Consequently there are no significant issues that warrant inclusion within the Annual Governance Statement.

## **6 Declaration of Those Charged with Governance**

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

**SIGNED:**

**Chair to the Joint Committee**  
**22 June 2015**

**Don McLure, CPFA**  
**Corporate Director of Resources and Treasurer to the Joint Committee**  
**22 June 2015**



**Mountsett Crematorium Joint Committee**

**22 June 2015**

**Revenue Outturn & Small Bodies Annual  
Return for the Year Ended 31 March 2015**



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**Joint Report of Terry Collins – Corporate Director: Neighbourhood  
Services; Don McLure – Corporate Director: Resources**

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**Purpose of the Report**

- 1 The purpose of this report is to seek approval of the Small Bodies in England Annual Return (attached at Appendix 3) for Mountsett Crematorium Joint Committee for the financial year ended 31 March 2015. The report also includes details of the final outturn position against the approved budgets for 2014/15.

**Background**

- 2 The Annual Return will be subject to external audit by the Joint Committee's appointed external auditors, BDO LLP and the audit will commence on 13 July 2015. Upon completion, the auditor's report will be reported to the Joint Committee and will be made available online, along with the Annual Return.
- 3 The attached Annual Return is a statutory requirement for the Mountsett Crematorium Joint Committee.
- 4 Members will however recall that it was agreed at the January 2015 meeting to discontinue the production of a full Statement of Accounts for the 2014/15 financial year onwards and instead merely provide a Balance Sheet (attached at Appendix 2) along with the Annual Return and the supporting outturn report.

**Financial Outturn 2014/15**

- 5 Members will recall that regular (quarterly) budgetary control reports have been considered throughout the year, which incorporated forecast year end outturn positions. A provisional outturn report was presented to Members at the meeting of 24 April 2015.
- 6 The following table shows the final outturn position together with comparative data against the provisional outturn report considered on 24 April 2015:-

<b>Subjective Analysis</b>	<b>Base Budget 2014/15 £</b>	<b>Outturn 2014/15 £</b>	<b>Variance Over/ (Under) £</b>	<b>MEMO - Provisional Outturn [24.04.15] 2014/15 £</b>
Employees	123,215	120,773	(2,442)	119,675
Premises	200,350	179,140	(21,210)	180,730
Transport	400	538	138	546
Supplies & Services	115,765	44,650	(71,115)	45,618
Agency & Contracted	8,000	6,165	(1,835)	6,289
Central Support Costs	26,075	26,075	0	26,075
<b>Gross Expenditure</b>	<b>473,805</b>	<b>377,341</b>	<b>(96,464)</b>	<b>378,933</b>
<b>Income</b>	<b>(750,500)</b>	<b>(865,865)</b>	<b>(115,365)</b>	<b>(860,597)</b>
<b>Net Income</b>	<b>(276,695)</b>	<b>(488,524)</b>	<b>(211,829)</b>	<b>(481,664)</b>
<b>Transfer to Reserves</b>				
- Repairs Reserve	15,000	15,210	210	15,000
- Cremator Reserve	96,805	308,424	211,619	301,774
<b>Distributable Surplus</b>	<b>(164,890)</b>	<b>(164,890)</b>	<b>0</b>	<b>(164,890)</b>
<b>35% Gateshead Council</b>	<b>57,712</b>	<b>57,712</b>	<b>0</b>	<b>57,712</b>
<b>65% Durham County Council</b>	<b>107,178</b>	<b>107,178</b>	<b>0</b>	<b>107,178</b>

<b>Mountsett Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2014 £</b>	<b>Transfers To Reserve £</b>	<b>Transfers From Reserve £</b>	<b>Balance @ 31 March 2015 £</b>
Repairs Reserve	59,558	15,210	0	<b>74,768</b>
Cremator Reserve	363,397	308,424	(10,200)	<b>661,621</b>
General Reserve	214,950	10,200	0	<b>225,150</b>
<b>Total</b>	<b>637,905</b>	<b>333,834</b>	<b>(10,200)</b>	<b>961,539</b>

### ***The Outturn***

- 7 The final outturn position is broadly in line with the provisional outturn reported to the Joint Committee on 24 April 2015 with only a minor change (£6,860 increase) to the overall net income for the year.
- 8 The following sections outline the reasons for significant variances by subjective analysis area (most of which was disclosed in the provisional outturn report), comparing the outturn position against the budget:-

### ***Employees***

8.1 The outturn shows an under spend of **(£2,442)** in relation to employee costs. The reasons for this are highlighted below:

- A further member of staff was enrolled on the Institute of Cemetery and Crematorium Diploma Course in year which resulted in additional unbudgeted expenditure of **£1,785**.
- The recent appointment to the Modern Apprentice post has resulted in a saving of **(£4,227)**. (This is due to a change in age profile and subsequent Modern Apprentice payments applied).

### ***Premises***

8.2 The outturn shows an under spend of **(£21,210)** in relation to premises costs. The reasons for this are identified below:-

- Utility expenditure underspent by **(£2,383)**.
- Business Rates were **£121** more than budget.
- The replacement seating works undertaken within the chapel area were underspent by **(£1,507)**.
- Following an inspection of the Crematorium, redecoration works have been delayed and will be carried out during 2015/16, saving **(£7,500)**.
- The relining of the cremator hearth was not completed during 2014/15 and will now be carried out during 2015/16 saving **(£2,000)**.
- A replacement grass cutting machine costing **£13,995**, agreed at the 4 October 2013 meeting to be purchased from reserves, has now been purchased.
- Improvement works to the pedestrian paved areas underspent by **(£1,510)**.
- Renewal of the South Perimeter fence has been delayed until 2015/16, saving **(£6,300)**.
- Works to tarmac the roads underspent by **(£10,027)**.
- Improvements to the catafalque doors were not carried out, saving **(£2,000)**
- The cremator reline and repairs budget overspent by **£3,199**
- General repairs and equipment repairs underspent by **(£5,298)**.

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

8.3 The outturn shows an under spend of **(£71,115)** in relation to supplies and services costs. The reasons for this are identified below:-

- The Wesley Annual Music and Broadband Service charge for the year was **£132** more than budget.
- Telephones, clothing and sundry items such as stores issues, subscriptions and general cleaning materials underspent by **(£555)**.
- Due to the increase in Masterplan sales the associated costs were overspent by **£126**.
- Due to the increase in cremations (highlighted later within the income section of the report) medical referee expenditure overspent by **£2,639**.
- Equipment purchase and rental underspent by **(£6,707)**.
- The budget provisions made for the environmental surcharges payable for tradable mercury abated cremations from the CAMEO scheme have proved to be overstated. This has resulted in an under spend of **(£66,750)** in year, £38,699 of which relates to an overprovision in 2013/14. If the abatement charges remain at this level, the budget in 2015/16 will be £31,000 overstated and an underspend will materialise in 2015/16 also.

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

8.4 The outturn shows an under spend of **(£1,835)** in relation to agency and contracted services costs. The reasons for this are identified below:-

- Grounds Maintenance works underspent by **(£1,135)**.
- An underspend of **(£700)** in relation to the External Auditors fees charged by BDO LLP during 2014/15.

### ***Income***

8.5 An increase in income of **(£115,365)** from the 2014/15 budget is included within the final outturn. The main reasons are detailed below:-

- The outturn has taken into consideration 170 more cremations compared to budget, totalling an increased income to budget of **(£104,525)**. The outturn includes 1,320 cremations against a budget estimate of 1,150 during the 2014/15 financial year.
- Book of Remembrance entries are slightly lower than budget by **£317**.
- Miscellaneous income from vending and organ fees etc. was higher than budget by **(£3,425)**

- Interest earned on surplus funds invested via Durham County Council was **(£3,029)** during 2014/15.
- Plaque sales were also higher than budget resulting in an increased income of **(£4,703)**.

### **Earmarked Reserves**

- 9 Contributions to the earmarked reserves were **(£211,829)** more than originally budgeted, primarily due to the increase in cremation income during the year and the over provision of CAMEO abatement payments in the current and previous years.

In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of **(£10,200)** was required as part of the final accounts process. This resulted in a net transfer to the Cremator Replacement Reserve of **£298,224**.

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2015, is **£736,389** along with a General Reserve of **£225,150** giving a forecast total reserves and balances position of **£961,539** at the year end. This represents an in year increase of **£323,634** (approximately 51% over the balances held at 31 March 2014).

### **Recommendations and Reasons**

- 10 It is recommended that:-

- Members note the revenue outturn position as at 31 March 2015, including the year end position with regards to the reserves and balances of the Joint Committee.
- Members of the Joint Committee approve the Small Bodies in England Annual Return for the year ended 31 March 2015 (attached at Appendix 3).
- The Chair and Treasurer sign the Small Bodies in England Annual Return (attached at Appendix 3).

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**Contact: Paul Darby - 03000 261 930**  
**Ed Thompson – 03000 263 481**

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## **Appendix 1: Implications**

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### **Finance**

Full details of the 2014/15 outturn financial performance of the Mountsett 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 outturn has been produced taking into consideration all spend in year and year end accounting requirements. This, together with the information supplied by the Bereavement Services Manager, should mitigate any risks with regards to challenge and review of the financial outturn position of the Joint Committee.

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

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

### **Accommodation**

There are no Accommodation implications associated with this report.

### **Crime and Disorder**

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

### **Human Rights**

There are no Human Rights implications associated with this report.

### **Consultation**

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

### **Procurement**

None

### **Disability Discrimination Act**

None

### **Legal Implications**

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

**Mountsett Crematorium Joint Committee**

**Balance Sheet as at 31<sup>st</sup> March 2015**

<b>31st March 2014 £000</b>		<b>31st March 2015 £000</b>
0	Property, Plant & Equipment	0
0	Intangible Assets	0
0	Long Term Investments	0
0	Long Term Debtors	0
<b>0</b>	<b>Long Term Assets</b>	<b>0</b>
200	Short term Investments	773
0	Inventories	0
6	Short Term Debtors	7
517	Cash & Cash Equivalents	237
<b>723</b>	<b>Current Assets</b>	<b>1,017</b>
0	Short Term Borrowing	0
(85)	Short Term Creditors	(55)
0	Provisions	0
<b>(85)</b>	<b>Current Liabilities</b>	<b>(55)</b>
0	Long Term Creditors	0
0	Provisions	0
0	Long Term Borrowing	0
0	Other Long Term Liabilities	0
<b>0</b>	<b>Long Term Liabilities</b>	<b>0</b>
<b>638</b>	<b>NET ASSETS</b>	<b>962</b>
638	Usable Reserves	962
0	Unusable Reserves	0
<b>638</b>	<b>TOTAL RESERVES</b>	<b>962</b>

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# Small Bodies in England

## Annual return for the financial year ended 31 March 2015

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

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

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

Each body must approve this annual return no later than 30 June 2015.

### Completing your annual return

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

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

Send the annual return, together with your bank reconciliation as at 31 March 2015, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to your external auditor by the due date.

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

Once the auditor has completed their work, certified annual returns will be returned to the body for publication or public display of sections 1, 2 and 3. You must publish or display the annual return, including the external auditor's report, by 30 September 2015.

It should not be necessary for you to contact the external auditor for guidance.

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

# Section 1 – Accounting statements 2014/15 for:

Enter name of reporting body here:

MOUNTSETT CREMATORIUM JOINT COMMITTEE

	Year ending		Notes and guidance
	31 March 2014 £	31 March 2015 £	
1 Balances brought forward	586,602	637,905	Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation and/or levy	0	0	Total amount of local tax and/or levy received, or receivable in the year including funding from a sponsoring body.
3 (+) Total other receipts	683,044	865,865	Total income or receipts as recorded in the cashbook less the taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	(112,886)	(129,773)	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
6 (-) All other payments	(518,855)	(421,458)	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	637,905	961,539	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	716,786	1,009,610	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>to agree with bank reconciliation.</b>
9 Total fixed assets plus other long term investments and assets	0	0	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the body as at 31 March
10 Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

I certify that for the year ended 31 March 2015 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

SIGNATURE REQUIRED

Date DD MM YYYY

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

DD MM YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chair of meeting approving these accounting statements:

SIGNATURE REQUIRED

Date DD MM YYYY

## Section 2 – Annual governance statement 2014/15

We acknowledge as the members of **MOUNTSETT CREMATORIUM JOINT COMMITTEE** our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2015, that:

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

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

MINUTE REFERENCE

dated DD/M/YYYY

Signed by:

Chair SIGNATURE

dated DD/M/YYYY

Signed by:

Clerk SIGNATURE

dated DD/M/YYYY

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

## Section 3 – External auditor certificate and report 2014/15

### Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Audit Commission Act 1998 as transitionally saved, for the year ended 31 March 2015 in respect of:

ENTER REPORTING BODY NAME HERE

### Respective responsibilities of the body and the auditor

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

- summarises the accounting records for the year ended 31 March 2015; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to review the annual return in accordance with guidance issued by the Audit Commission (see note below). Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and does not provide the same level of assurance that such an audit would do.

### External auditor report

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

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

External auditor signature

External auditor name

Date

Note: The Audit Commission issued guidance in its Standing Guidance, which is applicable to external auditors' work on 2014/15 accounts.

# Section 4 – Annual internal audit report 2014/15 to

ENTER REPORTING BODY NAME HERE

The body's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2015.

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

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

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

F :- NO PETTY CASH AT MOUNTSETT CREMATORIUM - N/A

Name of person who carried out the internal audit:

PAUL BRADLEY CPFA

Signature of person who carried out the internal audit:

*Paul Bradley*

Date: 04/06/2015

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

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

## Guidance notes on completing the 2014/15 annual return

- 1 You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioners' Guides\* which are updated from time to time and contain everything you should need to prepare successfully for your financial year-end and the subsequent audit. Both NALC and SLCC have helplines if you want to talk through any problem you may encounter.
- 2 Make sure that your annual return is complete (i.e. no empty red boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of and approved by the body, properly initialled and an explanation is provided to the external auditor. Annual returns containing unapproved or unexplained amendments will be returned unaudited and may incur additional costs.
- 3 Use the checklist provided below. Use a second pair of eyes, perhaps a member or the Chair, to review your annual return for completeness before sending it to the external auditor.
- 4 Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must notify the external auditor of any change of Clerk, Responsible Financial Officer or Chair.
- 5 Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers all your bank accounts. If your body holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the Accounting statements. You must provide an explanation for any difference between Box 7 and Box 8. More help on bank reconciliation is available in the Practitioners' Guides\*.
- 6 Explain fully significant variances in the accounting statements on page 2. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a complete analysis to support your explanation. There are a number of examples provided in the Practitioners' Guides\* to assist you.
- 7 If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge.
- 8 Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2014) equals the balance brought forward in the current year (Box 1 of 2015).
- 9 Do not complete section 3. The external auditor will complete it at the conclusion of the audit.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All red boxes have been completed?	
	All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit.	
Section 1	Approval by the body confirmed by signature of Chair of meeting approving the accounting statements?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2015 agreed to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Section 2	For any statement to which the response is 'no', an explanation is provided?	
Section 4	All red boxes completed by internal audit and explanations provided?	

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

**Mountsett Crematorium Joint Committee**

**22 June 2015**



**Mountsett Crematorium Performance and Operational Report**



**Report of Graham Harrison, Bereavement Services Manager**

**Purpose of the Report**

1. To provide Members of the Mountsett Crematorium Joint Committee with an update relating to performance and other operational matters.

**Performance Update - Number of Cremations**

- 2 The table below provides details of the number of cremations for the period 1 April 2015 to 31 May 2015 inclusive, with comparative data in the same periods last year:

	<b>2014/15</b>	<b>2015/16</b>	<b>Change</b>
April	102	92	- 10
May	108	107	- 1
<b>TOTAL</b>	<b>210</b>	<b>199</b>	<b>- 11</b>

3. There were 199 cremations undertaken during 1 April 2015 to 31 May 2015, compared to 210 in the comparable period last year, a reduction of 11 year on year. The profile of where families came from can be seen below. In summary 58 came from Gateshead, 111 from Durham and 30 from outside of the area.

Gateshead	58
Durham	111
Outside Area	30
<b>Total</b>	<b>199</b>

**Memorials**

4. The table below outlines the number and value of the memorials sold in period April to May 2015 compared to the same period the previous year.

	<b>(Apr - May) 2014/15</b>		<b>(Apr - May) 2015/16</b>	
	<b>Number</b>	<b>£</b>	<b>Number</b>	<b>£</b>
<b>Large Plaques</b>	6	2,369	3	1,215

5. In overall terms the number and value of memorials sold of 3 / £1,215, compared to 6 / £2,369 in the same period last year and shows a decrease of 3 / £1,215.

## **Operational Matters**

### **Staffing**

6. Members will recall at the last meeting that the replacement trainee Crematorium Attendant was awaiting a test date in order to qualify as a cremator operator. I can now confirm that he was successful in achieving this qualification and continues to learn other aspects of the crematorium workings.

### **Recycling of Metals Scheme**

7. As Members are aware, due to the location of the Child Funeral Charity (CFC), arrangements were made for the cheque to be sent to them by the Bereavement Service Manager. A letter of thanks has been received from the above trust and can be found in Appendix 2.

### **Institute of Cemetery and Crematorium Management ICCM Learning Convention and Exhibition 2015**

8. The Institute of Cemetery and Crematorium Management ICCM Learning Convention and Exhibition is to be held at Forest Pines Hotel, North Lincolnshire from 28 to 30 September 2015. It is proposed that the Bereavement Services Manager and the Chair attend this conference as representatives of the Mountsett Crematorium Joint Committee.

### **Recommendations and Reasons**

9. It is recommended that Members of the Mountsett Joint Committee:
  - Note the first two months performance of the crematorium.
  - Note the progress of the trainee crematorium attendant.
  - Note the distribution of recycling income to the respective charity and recent letter of thanks.
  - To agree to the attendance of the Bereavement Services Manager and the Chair at the annual Institute of Cemetery and Crematorium Management Conference.

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**Contact: Graham Harrison, 03000 265606**

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## **Appendix 1: Implications**

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### **Finance**

As identified in the report

### **Staffing**

There are no implications

### **Risk**

There are no implications

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

There are no implications

### **Accommodation**

There are no implications

### **Crime and Disorder**

There are no implications

### **Human Rights**

There are no implications

### **Consultation**

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

### **Procurement**

There are no implications

### **Disability Issues**

There are no implications

### **Legal Implications**

As outlined in the report

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16 April 2015

Graham Harrison  
Bereavement Services Manager & Registrar  
Neighbourhood Services  
Durham County Council  
Durham Crematorium  
South Road  
Durham  
DH1 3TQ

Dear Graham

The Trustees have asked me to write to you on their behalf and thank you for the wonderful donation of £4487.00 from the Recycling of Metals Scheme.

Since Anne Barber (Trustee) spoke at your annual conference the Charity has been incredibly busy supporting families with varying amounts of financial support as well providing advice and guidance so that they can achieve the best funeral for their child.

Providing the practical solutions, emotional support as well as the finances is not easy. All referrals are sad ones and some are absolutely tragic. This donation will help us to significantly support more families that are referred to us and we can continue with the work we started just last year. We know from comments that come back to us from families, funeral directors and other referrers that our contribution makes a huge difference. We cannot do that without donations such as this.

Again our grateful thanks

Yours sincerely



Roger Gale

CEO  
Child Funeral Charity  
Reg Charity No 1156387  
Company Limited by Guarantee No 8915863  
01480 276088  
Unit6, Nene Road, Bilton Industrial Estate, Kimbolton, Cambridgeshire, PE28 0LF

[www.childfuneralcharity.org.uk](http://www.childfuneralcharity.org.uk)



*Providing financial support to parents who have lost a child under the age of 16, and who are in need of such financial support in connection with funeral and associated costs.*

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**Mountsett Crematorium  
Joint Committee**

**22 June 2015**

**Forward Plan 2015 / 2016**



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**Report of Don McLure – Corporate Director: Resources & Treasurer  
to the Joint Committee**

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**Purpose of the Report**

1. This report sets out a suggested forward plan of meetings of the Joint Committee for the forthcoming year.

**Forward Plan 2015 / 2016**

2. A proposed schedule of meetings for the remainder of 2015 / 2016, showing a forward plan of reports that will be presented, is attached at Appendix 2.

**Recommendations and Reasons**

3. That Members approve the proposed schedule of meetings as set out at Appendix 2.

**Background Papers**

- None

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**Contact: Paul Darby, Head of Finance - Financial Services**  
**Tel: 03000 261 930 E-mail: paul.darby@durham.gov.uk**

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## **Appendix 1: Implications**

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### **Finance**

There are no financial implications associated with this report. Routine monitoring of budgetary control information and annual budget and fees and charges setting processes are factored into the Forward Plan.

### **Staffing**

There are no staffing implications associated with this report.

### **Risk**

There are no risk implications associated with this report.

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

There are no equality and diversity implications associated with this report. Equality Impact Assessments, where appropriate, are undertaken as a matter of routine part of the development of any new policy or policy change.

### **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 implications associated with this report.

### **Consultation**

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

### **Procurement**

There are no implications associated with this report.

### **Disability Issues**

There are no implications associated with this report.

### **Legal Implications**

There are no implications associated with this report.

## Appendix 2: Forward Plan : 2015 / 2016 Meetings

Meeting Date	Location	Reports to Consider	Report of
25/09/2015	Saltwell Room, Gateshead  2.00 p.m.	External Auditors Issues Arising Report for the Year Ended 31 <sup>st</sup> March 2015	Report of Corporate Director of Resources + Treasurer to the Joint Committee
		Quarterly Performance and Operational Report	Report of Bereavement Services Manager
		Risk Register 2015/16 - Update	Joint Report of Corporate Director of Neighbourhood Services & Resources + Treasurer to the Joint Committee
		Service Asset Management Plan	Report of Corporate Director of Neighbourhood Services
		Financial Monitoring Report 2015/16: Position at 31/08/15 with Projected Outturn to 31/03/16	Joint Report of Corporate Director of Neighbourhood Services & Resources + Treasurer to the Joint Committee
29/01/2016	Committee Room 1A, County Hall  2.00 p.m.	Quarterly Performance and Operational Report	Report of Bereavement Services Manager
		Financial Monitoring Report 2015/16: Position at 31/12/15 with Projected Outturn to 31/03/16	Joint Report of Corporate Director of Neighbourhood Services & Resources + Treasurer to the Joint Committee
		Annual Review of the System of Internal Audit	Reports of the Corporate Director resources and Treasurer to the Joint Committee
		Provision of Support Services 2016/17	Joint Report of Corporate Director of Neighbourhood Services & Resources + Treasurer to the Joint Committee
		Fees and Charges 2016/17	Joint Report of Corporate Director of Neighbourhood Services & Resources + Treasurer to the Joint Committee
		2016/17 Revenue and Capital Budgets	Joint Report of Corporate Director of Neighbourhood Services & Resources + Treasurer to the Joint Committee
29/04/2016	Saltwell Room, Gateshead  2.00 p.m.	Quarterly Performance and Operational Report	Report of Bereavement Services Manager
		Financial Monitoring Report 2015/16: Provisional Outturn as at	Joint Report of Corporate Director of Neighbourhood Services & Resources +

<b>Meeting Date</b>	<b>Location</b>	<b>Reports to Consider</b>	<b>Report of</b>
		31/03/2016	Treasurer to the Joint Committee
		Annual Internal Audit Report 2015/16	Report of Corporate Director of Resources + Treasurer to the Joint Committee
June 2016 (AGM) Date TBC	Mountsett Crematorium, Dipton, Stanley  9.30 a.m.	Appointment of Chair	Report of the Clerk to the Joint Committee
		Appointment of Vice-Chair	Report of the Clerk to the Joint Committee
		Review of the Terms of Reference	Report of the Clerk to the Joint Committee
		Annual Governance Statement 2015/16	Joint Report of Corporate Director of Neighbourhood Services & Resources + Treasurer to the Joint Committee
		Revenue Outturn and Small Bodies Annual Return for the Year Ended 31/03/2016	Joint Report of Corporate Director of Neighbourhood Services & Resources + Treasurer to the Joint Committee
		Quarterly Performance and Operational Report	Report of Bereavement Services Manager
		Forward Plan 2016/17	Report of Corporate Director of Resources + Treasurer to the Joint Committee