



Central Durham Crematorium Joint Committee

Date **Wednesday 27 April 2016**
Time **2.00 pm**
Venue **Council Chamber, County Hall, Durham**

Business

Part A

1. Apologies for Absence
2. Minutes of the meeting held 27 January 2016 (Pages 1 - 6)
3. Declarations of Interest, if any
4. Quarterly Performance and Operational Report: (Pages 7 - 12)
Report of the Bereavement Services Manager.
5. Financial Monitoring Report - Provisional Outturn as at 31 March 2016:
(Pages 13 - 20)
Joint Report of the Treasurer to the Joint Committee / Corporate Director: Resources and the Corporate Director of Neighbourhood Services.
6. Risk Register Update 2016/17: (Pages 21 - 32)
Joint Report of the Treasurer to the Joint Committee / Corporate Director: Resources and the Corporate Director of Neighbourhood Services.
7. Internal Audit Charter: (Pages 33 - 54)
Report of the Chief Internal Auditor and Corporate Fraud Manager.
8. Annual Internal Audit Report 2015/16: (Pages 55 - 68)
Report of the Chief Internal Auditor and Corporate Fraud Manager.
9. DCLG Review of Crematoria Provision and Facilities: (Pages 69 - 98)
Report of the Bereavement Services Manager.
10. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration.

Laura Renaudon
Clerk to the Joint Committee

County Hall
Durham
19 April 2016

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

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

Spennymoor Town Council: JV Graham (Chairman), P Lawton 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 27 January 2016** at **2.00 pm**

Present:

Councillor JV Graham (Chairman)

Durham County Council:

Councillors D Bell, J Chaplow, P Conway, K Corrigan, N Foster, B Kellett, M Plews (Vice-Chairman) and M Simmons

1 Apologies for Absence

Apologies for absence were received from Councillors A Bonner, D Stoker and K Thompson and Town Councillors P Lawton and GD O'Hehir.

2 Minutes

The Minutes of the Meeting held on 23 September 2015 were confirmed as a correct record and were signed and initialled by the Chairman. The Chairman noted that in respect of Item 4 of the Minutes, he had noted and signed the finalised External Auditors' Issues Arising Report once received, in accordance with the resolution.

3 Declarations of Interest

There were no Declarations of Interest submitted.

4 Quarterly Performance and Operational Report

The Bereavement Services Manager, Graham Harrison asked Members to note the performance figures from 1 September 2015 to 31 December 2015 and the comparison to the same period for 2014, highlighting that there was a net decrease of 13 cremations year on year. It was noted there was a total of 724 for the three month period with the September to December profile breakdown showing 214 from Durham, 31 from Spennymoor and 479 from outside of the area.

Members were asked to note that the number of memorials sold had increased in comparison to the same period the previous year, and sales had generated £1,738 more than the comparable period last year.

The Joint Committee were reminded of the issue of a member of Crematorium staff on long-term sick leave and asked to note that the member of staff had returned to work. It was added that in order to be able to provide appropriate cover a Service Level Agreement (SLA) had been prepared, for Members' consideration.

Members noted that a member of staff from the Crematorium had been appointed as a Bereavement Services Officer for Durham County Council and accordingly, this had created a vacant Crematorium Operative post at the Crematorium. Members noted that an advertisement would be placed to recruit to the post, to be advertised internally within the County Council and Spennymoor Town Council initially.

The Bereavement Services Manager noted the Crematorium had received the Green Flag Award in 2015, awarded four years in a row and a submission would be made for the 2016 award accordingly.

Councillors were updated in respect of the recycling of metals scheme and noted the presentation by the Chairman and Vice-Chairman to Antenatal Results and Choices of a cheque in the sum of £4,321. Members noted information as regards the next round of funds, and that the next nominee from the list of organisations would be contacted in due course.

The Joint Committee noted that for the fifth year running it had been agreed for St. Cuthbert's Hospice to be allowed to place a Christmas tree at the Crematorium in 2015 to allow people to write a personal message and place it on the tree with a bauble, leaving a charity donation. It was noted that St. Cuthbert's Hospice had raised £200.07 and had also asked permission to have a similar tree placed at the Crematorium in 2016, with no other organisations having approached the Crematorium in this regard.

Members were asked to recall that at the September meeting of the Joint Committee, it had been agreed to progress with works to replace canopies. It was explained that that delays in procurement and the poor weather meant that the works would now commence 28 March 2016 and were scheduled to be completed by 8 August 2016.

Resolved:

- (i) That the current performance of the Crematorium be noted.
- (ii) That the Service Level Agreement with Durham County Council's Facilities Management Team for the cleaning services be agreed.
- (iii) That the application for the Green Flag Award 2016 be noted.
- (iv) That the updated position with regards to the recycling of metals scheme be noted.
- (v) That the provision of a Christmas tree in 2016 by St. Cuthbert's Hospice be agreed.
- (vi) That the progress of Phase 3 canopy replacement works be noted, with work due to commence 28 March 2016.

5 Financial Monitoring Report - Position at 31/12/15, with Projected Revenue and Capital Outturn at 31/03/16

The Principal Accountant, Ed Thompson referred Members to Financial Monitoring Report, as set out in the usual format, for the period to 31 December 2015 and with projected outturn to 31 March 2016 (for copy see file of minutes).

The Joint Committee noted that expenditure was broadly in line with the budget, though as mentioned in the previous report the number of cremations and sales of memorials represented an increase in income. It was added that the rebate from the Crematoria Abatement of Mercury Emissions Organisation (CAMEO) scheme had been £30,000 less than budgeted, it was explained that this was due to reduced Tradable Mercury Abated Cremations (tmacs) rate having reduced from the 2013 rate of £36.39 to a 2014 rate of £15.66. It was explained that as more crematoria were installing abatement equipment, the tmac rate would decrease as less pay into the CAMEO scheme. Accordingly, it was noted that, in terms of prudent budget setting, a tmac rate of £10.00 would be used.

The Principal Accountant explained that as the works regarding canopies had been delayed, this would carry over into the next financial year and that the projected total reserve of approximately £1.28 Million at the year-end, gave a strong financial position.

Resolved:

- (i) That the April to December 2015 Revenue Spend Financial Monitoring Report and associated Provision Outturn position at 31 March 2015 be noted.
- (ii) That the projected year end Earmarked and General Reserve balances as at 31 March 2016.

6 Annual Review of the System of Internal Audit

The Principal Accountant 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 and effectiveness 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 Principal Accountant explained that Appendix 3 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 Small Bodies Return.

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 2015/16 be noted.

7 Provision of Support Services 2016-2017

The Principal Accountant 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 2016/17 (for copy see file of minutes).

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

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

It was noted that the breakdown of services provided and costs were set out within the report, and that the SLA was reviewed and updated annually, with the slight increase in cost of 1.5% to take into account inflationary pressures.

Resolved:

That the Service Level Agreement for the provision of Support Services to the Joint Committee for the year 2016/17 be approved.

8 Fees and Charges 2016/17

The Principal Accountant referred Members to Fees and Charges 2016/17 report (for copy see file of minutes).

Members recalled that last year it had been agreed by the Joint Committee to hold the fees at a standstill position, to take into account the improvement works that were being carried out to the Chapel area during the summer months. It was now proposed to raise fees by 3.3% for 2016/17, the cost of an adult cremation to be £650. It was noted that the average cost for neighbouring facilities in 2015/16 was £681. It was added that it was proposed that the fee for child cremations remained as a nil charge, however there would be a slight increase of £3 in respect of the fee for the Book of Remembrance, to reflect increased calligraphy costs.

For information it was noted the cost of the organist would increase by £10 to £35, however this was paid directly to the individual and did not form part of the Crematorium budget.

Councillors noted that the proposed fees and charges would be also mirrored at the Council's other Crematorium at Mountsett and that Mountsett would be undertaking a similar exercise to that taken by Durham in respect of cremator replacement and improvement works.

Resolved:

- (i) That the proposed fees and charges as set out at Appendix 2 to the report be approved and be effective from 1 April 2016, including the increase to charges by £20 (3.3%) pre cremation from £630 to £650.
- (ii) That the approved fees and charges be incorporated into the 2016/17 Budget.

9 2016/17 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 2016/17 Revenue and Capital Budgets for the Central Durham Crematorium (for copy see file of minutes).

The Principal Accountant advised that the changes in comparison to the 2015/16 budget were set out within the report and noted that the updated positions in relation to the SLA and Fee and Charges as agreed at the previous items were incorporated. Members were reminded of the canopy works that had been carried forward into the 2016/17 budget and it was explained that the income projection was prudent and that reserves would be allowed to build back up to levels in readiness for the next cycle of cremator replacement.

The Joint Committee were reminded that the distribution of surplus to the constituent Authorities remained the same in 2016/17 and that there had been a movement of 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.

The Principal Accountant concluded by noting that the projected level of reserves as at 31 March 2017 was £999,656, giving a strong financial position for the Joint Committee going forward.

Resolved:

- (i) That the Joint Committee note and approve the revenue and capital budget proposals contained within the report.
- (ii) That the forecast level of reserves and balances at 31 March 2017 be noted.

10 External Audit Arrangements 2015/16

The Principal Accountant referred Members to the report as regards External Audit Arrangements for 2015/16 (for copy see file of minutes).

Councillors were reminded that in April 2015, the Joint Committee had considered a report noting the changes in legislation in respect of the provisions of the Local Audit and Accountability Act 2014. As Members recalled, it had been agreed to discontinue the production of a full Statement of Accounts, however, there would be a Small Bodies Return and a Balance Sheet produced on an annual basis.

The Joint Committee were informed that the contract with BDO LLP in respect of Limited Assurance Audit ended in September 2015 and accordingly Members noted that it was proposed to continue with the existing external auditor for continuity in 2015/16 and to then undertake a tendering exercise for a new auditor for the 3 year period covering the 2016/17, 2017/18 and 2018/19 external audits. Members noted that timescales as regards a procurement exercise for 2015/16 would be challenging and that the process for 2016/17 would provide an opportunity to test the market in terms of value for money.

Resolved:

- (i) That the Joint Committee engage BDO LLP to continue with the existing audit arrangements for the 2015/16 financial year.
- (ii) That a tendering exercise is undertaken to market test the rates being charged and appoint a new auditor for a 3 year period covering the 2016/17, 2017/18 and 2018/19 external audit.

**Central Durham Crematorium
Joint Committee**

27 April 2016

**Quarterly Performance and
Operational Report – Position to 31
March 2016**



Report of Graham Harrison, Bereavement Services Manager

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 to 31 March 2016 inclusive, with comparative data in the same period last year:

	2014/15	2015/16	Change
January	253 + 3*	233 + 3*	- 20 + 0*
February	213 + 0*	214 + 3*	+ 1 + 3*
March	217 + 2*	218 + 2*	+ 1 + 0*
TOTAL	683 + 5*	665 + 8*	- 18 + 3*

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

- The full profile of where families came from can be seen in Appendix 2. In summary 199 came from Durham, 27 came from Spennymoor and 439 from outside of the area. There has been 8 NVF cremation undertaken for the period covered by this report compared to 5 in the comparable period last year, which is an increase of 3 NVF and an slight decrease of 18 Cremations. Funeral Directors are experiencing similar trends with regards to the reduction in the death rate over the mild winter period.
- The total number of cremations in 2015/16 was 2,247 compared with 2,287 in 2014/15, a decrease of 40 year on year.
- The 2015/16 budget was set at a prudent assumption of 2,120 cremations during the year, taking into account the redevelopment works to the Chapel and Book of Remembrance facilities in the early part of the year, which necessitated a four day operation during that time, with the crematorium closed on a Monday. The actual number of cremations undertaken was therefore 127 more than the budget position. This is reflected in an over achievement of cremation fee income of £73,770 in year, which is included in the budgetary control report.

6. The table below shows the comparative figures for the previous five financial years:

Year	Cremations
2010/11	2,282
2011/12	2,205
2012/13	2,379
2013/14	2,227
2014/15	2,287
2015/16	2,247

Memorials

7. The table below outlines the number and value of the memorials sold in the period January to March 2015 compared to the same period the previous year.

	[Jan-March] 2014/15		[Jan-March] 2015/16	
	Number	£	Number	£
Vase Blocks	10	3,530	3	1,949
Large Plaques	31	8,728	17	7,800
Small Plaques	11	1,955	3	700
Niche	1	1,074	1	1,316
Renewal	38	5,059	22	3,700
Seat	0	0	1	1,042
Total	91	20,346	47	16,507

8. In overall terms the number and value of memorials sold of 47 / £16,507 compared to 91 / £20,346 in the same period last year shows a decrease of 44 / £4,806 year on year. This may be due to ongoing financial difficulties faced by many residents in County Durham as a result of weak economic conditions and impact of Welfare Reforms and the Governments austerity measures.
9. The table below identifies the total number of memorials sold during the 2015/16 year compared to the 2014/15 year:

	2014/15 Total		2015/16 Total	
	Number	£	Number	£
Vase Blocks	32	15,718	20	10,169
Large Plaques	109	33,742	82	31,626
Small Plaques	19	3,841	10	2,324
Niche	3	3,212	4	5,197
Renewal	114	15,601	119	17,342
Seat	0	0	1	1,042
Total	277	72,114	236	67,700

Operational Matters

Staffing

10. Members may recall that a member of staff from the crematorium was recently appointed to a Bereavement Officer post at Durham County Council, which has resulted in a vacant Crematorium Operative post. Adverts have been placed externally and also internally at Durham County Council and Spennymoor Town Council to recruit to this post, with interviews to be held week commencing 25 April 2016.

Cremation & Burial Conference & Exhibition 2016

11. As in previous years, the necessary arrangements have been made for representation at the Joint Conference of the Federation of Burial and Cremation Authorities and the Cremation Society of Great Britain. The Bereavement Services Manager and Councillor Maria Plews will be attending as unfortunately Councillor Graham is unable to attend the conference which is to be held at the Holiday Inn, Stratford-upon-Avon from Monday 4 to Wednesday 6 July 2016.

Recycling of Metals Scheme

12. The Crematorium has recently received a cheque relating to the recycling of metals from the Institute of Cemetery and Crematorium Management to the sum of £4,444 for The British Heart Foundation.
13. Arrangements are to be made for the cheque to be presented to the British Heart Foundation by the Committee Chair, Vice Chair and the Bereavement Services Manager.

Phase 3 Improvement Works

14. Members may recall from the January 2016 meeting that the final phase of the current improvement works was the replacement of the canopies.
15. The works commenced on 2 April 2016, with an estimated completion date of 8 August 2016. The crematorium will be closed every Monday during this period in order that construction work can be carried out as per the previous phases over the extended weekend periods. All funeral directors have been advised of the arrangements and are happy to work alongside us to achieve the end result.

Recommendations:

16. It is recommended that Members of the Central Durham Joint Committee:
 - (i) Note the current performance of the crematorium.
 - (ii) Note the current situation with regards to the vacant Crematorium Operative post.
 - (iii) Note the attendance at the Burial and Cremation Conference.
 - (iv) Note the distribution of recycling income to the respective charity.
 - (v) Note the progress with regard to the Phase 3 canopy replacement works.

Contact: Graham Harrison, Bereavement Services Manager
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Appendix 1: Implications

Finance

As identified in the report with regards to the position of the Income and the crematorium improvement works.

Staffing

As identified in the 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.

Accommodation

The development project will improve customer and staff accommodation.

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

There are no procurement issues associated with this report.

Disability Issues

There are no disability issues associated with this report.

Legal Implications

There are no legal implications associated with this report.

Appendix 2: Breakdown of Figures

	Jan	Feb	Mar	Total Jan-Mar
DURHAM	74	63	62	199
ALNICK	1			1
BERWICK				0
BILLINGHAM	1			1
BIRTLEY	1	2	1	4
BISHOP AUCKLAND	2	2	16	20
BISHOP MIDDLEHAM			1	1
BLACKHALL	2	1	2	5
BOLDON				0
CHESTER LE STREET	16	19	10	45
CHILTON	2	1		3
CONSETT	2	2	2	6
CORNSAY				0
COUNDON	1		1	2
CROOK	7	8	4	19
DARLINGTON	1			1
EASINGTON	5	5	5	15
ESH WINNING	1			1
EAST RAINTON			1	1
FENCEHOUSES	1			1
FERRYHILL	6	6	3	15
FISHBURN	2			2
FROSTERLEY				0
GATESHEAD		1	1	2
GLOSSOP, DERBY			1	1
GREAT LUMLEY	3	4	1	8
HAMSTERLEY				0
HARTLEPOOL			3	3
HASWELL	3	2	2	7
HETTON LE HOLE	5	4	3	12
HEXHAM				0
HORDEN	2	2	4	8
HOUGHTON	7	6	2	15
HOWDEN				0
HUNWICK				0
KIMBLESWORTH				0
LANCHESTER				0
LANGLEY PARK				0
MORPETH		1		1
MURTON	11	2	8	21
NETTLESWORTH				0

	Jan	Feb	Mar	Total Jan-Mar
NEW BRANCEPETH	1			1
NEWCASTLE	2	1	4	7
NEWTON AYCLIFFE	3	5	3	11
NORTHAMPTON		1		1
NORTHUMBERLAND			1	1
OXFORD		1		1
OUSTON				0
PELTON				0
PETERLEE	10	14	17	41
REDCAR				0
SACRISTON	9	4	1	14
SEAHAM	13	8	6	27
SEDFIELD	1	2	4	7
SHILDON			1	1
SHINEY ROW				0
SHOTTON	3	8	6	17
SOUTH HETTON	1	1	2	4
SPENNYMOOR	8	10	9	27
SOUTHERN ENGLAND		1	2	3
STANHOPE	1		2	3
STANLEY	1		3	4
STATION TOWN	1	1	1	3
STOCKTON	1		2	3
SUNDERLAND		2		2
SUNNYBROW	1			1
THORNLEY		1	1	2
TOW LAW		2		2
TRIMDON	5	5	6	16
WASHINGTON	1	1		2
WEST AUCKLAND				0
WEST CORNFORTH	2		2	4
WHEATLEY HILL	3	6	2	11
WILLINGTON	1	5	6	12
WINGATE	9	3		12
WOLSINGHAM			2	2
BARNARD CASTLE		1	2	3
Total	233	214	218	665

**Central Durham Crematorium
Joint Committee**

27 April 2016

**Financial Monitoring Report –
Provisional Outturn as at 31 March
2016**



Joint Report of Oliver Sherratt – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources and Treasurer to the Joint Committee

Purpose of the Report

1. This report sets out details of income and expenditure in the period 1 April 2015 to 31 March 2016, together with the provisional revenue and capital outturn position for 2016/17, highlighting areas of over/underspends against the approved budgets at a service expenditure analysis level.
2. The report also details the funds and reserves of the Joint Committee at 1 April 2015 and forecast position at 31 March 2016, taking into account the updated provisional outturn.

Background

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

Financial Performance

4. Budgetary control reports, incorporating outturn projections, are considered by Neighbourhood Services' Management Team on a monthly basis. The County Council's Corporate Management Team also considers monthly budgetary control reports, with quarterly reports being considered by Cabinet /Overview and Scrutiny Committee. The outturn projections for the Central Durham Crematorium are included within this report.
5. Members should be aware that the 2015/16 closedown process has only recently commenced and whilst no major variances are anticipated between the provisional and final outturn, the final information incorporated into the Annual Return 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 supplied by the Bereavement Services Manager. The following table highlights the provisional revenue outturn financial performance of the Central Durham Crematorium as at 31 March 2016:

Subjective Analysis	Base Budget 2015/16 £	Year to Date Actual April – March £	Provisional Outturn 2015/16 £	Variance Over/ (Under) £
Employees	221,813	221,690	229,174	7,361
Premises	281,550	119,656	135,717	(145,833)
Transport	2,000	1,694	2,042	42
Supplies & Services	121,330	117,303	115,265	(6,065)
Agency & Contracted	9,611	9,201	9,201	(410)
Capital Charges	213,738	0	213,738	0
Central Support Costs	35,700	35,700	35,700	0
Gross Expenditure	885,742	505,244	740,837	(144,905)
Income	(1,442,350)	(1,539,930)	(1,503,715)	(61,365)
Net Income	(556,608)	(1,034,686)	(762,878)	(206,270)
Transfer to Reserves				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	118,358	0	289,628	171,270
- Cremator Reline Reserve	25,000	0	60,000	35,000
- Small Plant	2,000	0	2,000	0
Distributable Surplus	(406,250)	0	(406,250)	0
80% Durham County Council	325,000	325,000	325,000	0
20% Spennymoor Town Council	81,250	81,250	81,250	0

Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2015 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2016 £
General Reserve	(444,000)	(406,250)	417,545	(432,705)
Masterplan Memorial Garden	(41,250)	(5,000)	0	(46,250)
Major Capital Works	(918,383)	(300,923)	391,890	(827,416)
Cremator Reline Reserve	(50,000)	(60,000)	0	(110,000)
Small Plant	(6,000)	(2,000)	0	(8,000)
Total	(1,459,633)	(774,173)	809,435	(1,424,371)

Explanation of Significant Variances between Original Budget and Forecast Outturn

7. As can be seen from the table above, the updated projected revenue outturn is showing a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £762,878 against a budgeted surplus of £556,608, £206,270 more than the budgeted position. This compares with the previously forecast position, based on income and expenditure to 31 December, 2015, as reported to the Joint Committee on 27 January, 2016, of a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £624,145 against a budgeted surplus of £556,608, £67,537 more than the budgeted position.
8. The following section outlines the reasons for any significant variances by subjective analysis area. 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 31 March. This results in additional charges / income being reported between the actuals as at 31 March and the provisional outturn figures. The table overleaf includes (amongst others) the following provisions within the outturn:
- Gas, electric and water charges not received from utility companies
 - Insurance recharge from Durham County Council
 - Provisions for the environmental surcharge receipt from CAMEO

8.1 *Employees*

The outturn shows an over spend of **£7,361**, in relation to employee costs. The reasons for this are a combination of the items identified below:

- The Pandemic Operator Training and general training budget was not required during 2015/16 resulting in an underspend of **(£3,600)**.
- The new Technical Assistant Post was filled by the Modern Apprentice leading to additional costs of **£7,021**, as approved by Members at the January 2015 meeting.
- The vacant Cremator Operator post has resulted in an underspend of **(£1,023)**.
- The long term sickness of the cleaner, who has now returned to work resulted in an underspend of **(£2,867)**.
- Additional National Insurance and Pension contributions of **£5,668** were incurred which were not included in the original budget .
- Additional overtime of **£2,162** was incurred over and above the original budget.

8.2 *Premises*

The outturn shows a forecast net underspend of **(£145,833)** in relation to premises costs. The reasons for this are identified below:

- Due to the long term sickness of the cleaner, external services were brought in resulting in additional costs of **£5,900**.
- Utility bills are forecast to overspend by **£2,818** due to a water leak which has now been repaired.
- The provision for path and road repairs underspent by **(£10,000)** as these works will be undertaken within the capital redevelopment works.
- Fire alarm and central heating maintenance along with general repair budgets were not required during 2015/16 resulting in an underspend of **(£10,770)**.
- The redecoration works underspent by **(£3,769)**.
- Other miscellaneous premises budgets are forecast to underspend by **(£821)**.
- A successful appeal against the rateable value of the Crematorium, carried out by Durham County Council's rating agents has resulted in a refund of Business Rates totalling **(£129,191)**. This was not known at the time the previous report was prepared. The appeal reduced the rateable value of the property from 179,000 to 122,300 and was backdated to 1 April 2010. The Business Rates charges in 2016/17 will now be £60,783 compared to the approved budget of £89,000, resulting in scope to reduce this budget in 2017/18.

8.3 *Supplies and Services*

The outturn shows a forecast net underspend of **(£6,065)** in relation to supplies and services costs. The reasons for this are identified below:

- Due to the increase in the Book of Remembrance sales, the associated costs overspent by **£3,996**.
- Medical referee expenditure is projected to overspend by **£2,096**, due to the increased number of cremations undertaken in the year.
- General office and administration costs underspent by **(£918)**.
- The Public BOR Visual Reference System was not been spent during 2015/16 saving **(£1,000)**.
- Upgrades to the Wesley Music System and Tribute System will be underspent by **(£4,505)**.
- The Cremator software and additives budgets will not be fully utilised during 2015/16, resulting in an underspend of **(£5,734)**.

8.4 Income

Income is **(£61,365)** over the 2015/16 budgeted level. The reasons for this are identified below:

- An increase in the sale of large plaques, vase blocks, columbaria units and seats etc. has resulted in additional income of **(£12,404)**.
- The outturn has taken into consideration the fact that there were 127 more cremations compared to the budget, totalling an increased income to budget of **(£73,770)**. The outturn includes 2,247 cremations against a budgeted 2,120 during the 2015/16 financial year.
- Miscellaneous sales and Book of Remembrance entries were higher than budget resulting in increased income of **(£5,191)**.
- The annual cremation abatement payment from the Crematoria Abatement of Mercury Emissions Organisation (CAMEO) is forecast to be **£30,000** lower than the budgeted amount, due to an over provision of expected income in 2014/15. The 2014/15 provision was based upon the tradable mercury abated cremations (tmacs) rate of £36.39 which was in line with the 2013 rate. However, the payment subsequently received for 2014 was at a much reduced tmac rate of £15.66.

9. Capital Programme

The following table highlights the provisional capital outturn of the Central Durham Crematorium:

<i>Phase 3 Redevelopment Works</i>	Base Budget 2015/16	Revised Budget 2015/16	Year to Date Actual Apr-Mar	Forecast Outturn 2015/16	Variance Over/ (Under)
	£	£	£	£	£
Replacement of roofing and canopies	199,263	279,890	0	0	(279,890)
Alterations to chapel	124,224	115,808	106,159	115,808	(0)
Alterations to chapel doors	20,395	18,962	17,382	18,962	(0)
Alterations to waiting room	133,458	124,079	113,741	124,079	(0)
Alterations to external waiting area	64,240	59,726	54,750	59,726	(0)
Alterations to crematoria heating	12,000	11,157	10,227	11,157	(0)
Alterations to toilet area	66,856	62,158	56,978	62,158	(0)
Total	620,436	671,780	359,237	391,890	(279,890)

The cost of the Phase 3 Redevelopment Works is being financed from the Major Capital Works Earmarked Reserve. The replacement of the roofing and canopies works will be completed in early 2016/17 now.

10. *Earmarked Reserves*

Contributions from the earmarked reserves are forecast as **(£424,660)** less than originally budgeted. This is mainly due to the canopy replacement being delayed until 2016/17, the Business Rates refund and the increased number of cremations compared to the budget.

In line with the CDCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer from the General Reserve of **£11,295** has been required. This results in a net transfer from the Major Capital Works Reserve of **(£90,967)**.

The retained reserves of the CDCJC at 31 March 2016 are forecast to be **£991,666** along with a General Reserve of **£432,705**, giving a forecast total reserves and balances position of **£1,424,371** at the year end.

Recommendations and Reasons

11. It is recommended that:

- Members note the April to March 2016 financial monitoring report and associated provisional revenue and capital outturn positions at 31 March 2016, including the projected year position with regards to the reserves and balances of the Joint Committee.

Contact:	Paul Darby, Head of Finance (Financial Services)	
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Contact:	Ed Thompson, Principal Accountant	
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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 Bereavement Services Manager, 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 comments/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**

27 April 2016

Risk Register Update 2016/17



Joint Report of Oliver Sherratt – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources and Treasurer to the Joint Committee

Purpose of the Report

1. To provide an update with regards to the Risk Register(s) for the Central Durham Crematorium Committee, in accordance with the arrangements established for the routine reporting of risk issues.

Background

2. A Risk Assessment report was presented to Members at the September 2015 meeting which included a comprehensive risk register that identified all known risks of a Service and Operational nature, with all risks scored using the Durham County Council methodology and approach to Risk Management. In approving the report, the Committee committed to regular monitoring and reporting of both strategic and operation risks.

Risk Assessment – April 2016

3. The Risk Register considered and approved by the Joint Committee on 23 September 2015 has been reviewed, reassessed and updated in accordance with the Durham County Council methodology/approach to Risk Management. This entails an assessment of both the gross and net risk from each area, the difference between the gross and net risk score being that the net risk result is after taking into account existing control measures. Full details of the Durham County Risk Management Methodology are set out at Appendix 2.
4. In line with the previous reports, two risk registers have been prepared, separately identifying Service and Operational risks.
5. Both sections of the Risk Register have been reviewed by the Risk Officer responsible for Neighbourhood Services and the Bereavement Services Manager. Net risk ratings have been agreed by consensus and actions to mitigate and/or tackle issues arising from the individual risks have been agreed for the forthcoming year.
6. Refurbishment work to replace the canopies at the entrance to the crematorium is due to commence in April 2016 and a full risk assessment is attached in appendix 5.
7. All other strategic risks have low Net Scores and there have been no changes to the scores following the review. These risks are all considered to be at tolerable levels.

8. As with Service Risks, the Operational Risks (i.e. those that are key to the operational areas of the service which relate to individual tasks carried out on a routine basis) have also been plotted onto a risk matrix and these are set out at Appendix 4 together with individual risk assessments for each of these. These assessments confirm that these risks are being well managed and it can be demonstrated that there is a risk culture embedded within the business.
9. There have been no changes to the remaining Operational Net Risk Scores following the review and all risks are considered to be at a tolerable level.

Embedding Risk Management

10. In order to ensure that risk management continues to be embedded and that the risk register is kept up to date, regular reviews will need to continue to be carried out to ensure any new and emerging risks are identified, existing risks are removed if no longer appropriate and existing risks are reviewed taking into account current issues.

Conclusions

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

Recommendations and Reasons

12. It is recommended that:
 - (i) Members of the Central Durham Joint Crematorium Committee note the content of this report and the updated position following the September review.
 - (ii) The Risk Registers are kept up to date and continue to be reviewed by the Joint Committee on a half yearly basis the next one to be completed in September 2016.

Background Papers

- Risk Assessment – Report to CDCJC – 23 September 2015
- Risk Assessment – Report to CDCJC – 22 April 2015
- Risk Assessment – Report to CDCJC – 25 September 2013
- Risk Assessment – Report to CDCJC – 23 January 2013
- Risk Assessment – Report to CDCJC – September 2012
- Risk Assessment – Report to CDCJC – 25 January 2012
- Risk Assessment – Report to CDCJC – 28 September 2011
- Risk Assessment – Report to CDCJC – 26 January 2011
- Risk Assessment – Report to CDCJC – 29 September 2010
- Risk Assessment – Report to CDCJC – 27 January 2010
- Risk Assessment – Report to CDCJC – 12 June 2009
- External Audit Report – Report to CDCJC – 30 October 2009

Contact:	Paul Darby, Head of Finance (Financial Services)	
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Contact:	Teresa Morgan, Strategic Insurance and Risk Officer	
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Appendix 1: Implications

There are no financial implications associated with this report. Exposure to financial risk is integral to the gross and net risk assessments undertaken and included in the Risk Registers attached at Appendix 3 and 4.

Staffing

None

Finance

None

Risk

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

Equality and Diversity

None

Accommodation

None

Crime and Disorder

None

Human Rights

None

Consultation

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

Procurement

None

Disability Discrimination Act

None

Legal Implications

None

Appendix 2: Durham County Council Risk Management Process

The risk management process at Durham County Council is based upon a cycle:-



Once a Risk has been identified it is analysed and evaluated as follows:-

- Likelihood X Impact (taking into account Financial + Service Delivery + Stakeholder impacts)

Initially the **Gross Risk** is assessed by scoring the impact and likelihood of the risk **without** taking account of any controls that the Council may already have in place. It is essential to determine this Gross risk, as it is the key baseline against which to evaluate this risk on an ongoing basis.

The **Net Risk** is then determined **after** taking account of any controls that the Council may already have in place, and the likelihood that the risk event may occur over a given period.

In order to calculate the scores for Likelihood and Impact the Risk Assessment criteria is used as outlined below.

After scoring the risk a decision is made whether to Tolerate, Transfer, Treat or Terminate the risk. If any control improvements or actions have been identified as a result of reviewing the risk these are allocated to a responsible officer with timescales to ensure they are carried out before the next review.

DURHAM COUNTY COUNCIL – IMPACT FACTORS

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

DURHAM COUNTY COUNCIL - LIKELIHOOD FACTORS

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

Appendix 3: Service Risk Register

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

Risk. No.	Risk – Ranked by Risk Number	Net Risk Score	Ranking
1	Not implementing changes in legislation	6	7
2	Non compliance with the current fire order	6	7
3	Sickness absence of key staff	6	7
4	Disclosure of confidential information through incorrect disposal / maintenance of information	5	12
5	Failure of Cremators / Specialist Equipment	6	7
6	ICT and Power Failure	10	3
7	Loss of Income/Money	5	12
8	Breakdown of Partnership	7	6
9	Loss of knowledge and ability to cover existing workload through premature staff loss	10	3
10	Managing excess deaths	12	2
11	Financial Losses due to reputation	3	14
12	Lack of awareness of the Impact of Equalities, DDA, Access to Services and Age Legislation	3	14
13	Damage to Public or Vehicles due to tree branches falling	6	7

Risk. No.	Risk – Ranked by Net Risk Score	Net Risk Score	Ranking
10	Managing excess deaths	12	2
6	ICT and Power Failure	10	3
9	Loss of knowledge and ability to cover existing workload through premature staff loss	10	3
8	Breakdown of Partnership	7	6
1	Not implementing changes in legislation	6	7
2	Non compliance with the new fire order	6	7
3	Sickness absence of key staff	6	7
5	Failure of Cremators / Specialist Equipment	6	7
13	Damage to Public or Vehicles due to tree branches falling	6	7
4	Disclosure of confidential information through incorrect disposal / maintenance of information	5	12
7	Loss of Income/Money	5	12
11	Financial Losses due to reputation	3	14
12	Lack of awareness of the Impact of Equalities, DDA, Access to Services and Age Legislation	3	14

Appendix 4: Operational Risk Register

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

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

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

Appendix 5: New Risk

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	New Risk	
Risk Owner	Graham Harrison	
Detail of Risk	Strategic Risk Adverse impact on Crematorium business due to ongoing refurbishment of the external canopies at the main entrance.	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Contractors do not satisfactorily manage site safety and disruption due to refurbishment 	
Potential Impact	<ul style="list-style-type: none"> Injury to members of the public/ staff. Reduction in cremation days from 5 to 4. Loss of income due to clients being put off by the surroundings of the Chapel works being carried out during opening hours. Reputational damage. 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	4	
Stakeholder Impact (1 to 5)	3	
Total Gross Impact Score (sum above)	8	
Likelihood (1 to 5)	5 (Probable)	
Total Gross Risk Score (Total Impact * Likelihood)	40	
Existing Control Measures		
<ul style="list-style-type: none"> Contractors working weekends. Crematorium closed on the Monday to allow contractors to work an extra day. Contractor's supervisor will be on site 3 days per week to ensure works are left in safe state. Contractors only on site when crematorium closed to the public. 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	3	
Stakeholder Impact (1 to 5)	3	
Total Net Impact Score (sum above)	7	
Likelihood (1 to 5)	3 (Possible)	
Total Net Risk Score (Total Impact * Likelihood)	21	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures and planned actions 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
Completed by	Date	
T Morgan/ G Harrison	21 st March 2016	

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**Central Durham Crematorium
Joint Committee**

27 April 2016



Internal Audit Charter

Report of the Chief Internal Auditor and Corporate Fraud Manager

Purpose of the Report

1. The purpose of this report is to seek agreement on the revised Internal Audit Charter to take immediate effect and to be applied to reviews undertaken as part of the Internal Audit plans for 2015/16 and 2016/17.

Background

2. The purpose of an Internal Charter is to define the role, authority and responsibility of the Internal Audit Service.
3. The Charter reflects the requirements of Public Sector Internal Audit Standards that came into effect 1 April 2013, and CIPFA's accompanying Local Government Application Note, which are now the proper practices that underpin the requirements of the Accounts and Audit Regulations (England) 2011, which require relevant public bodies to undertake an adequate and effective internal audit of its accounting records and its system of internal control.
4. The Charter, in its current form, attached as Appendix 2, was previously considered by the Joint Committee at its meeting of 22 April 2015. The Charter contains one revision (other than minor changes in post title) that relates to arrangements for holding an exit meeting following a review and preparation of a Draft Report as detailed in paragraph 43.

Recommendation

5. It is recommended that in considering the content of the report, the Joint Committee approve the revised Internal Audit Charter attached at Appendix 2.

Contact: Paul Bradley, Chief Internal Auditor and Corporate Fraud Manager
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Appendix 1: Implications

Finance

The broad programme of work undertaken by Internal Audit supports the Joint Committee in maintaining 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 Public Sector Internal Audit Standards.



INTERNAL AUDIT CHARTER

April 2016

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Introduction

1. The purpose of this Charter is to establish the terms of reference for the delivery of Internal Audit to the Central Durham Crematorium Joint Committee by Durham County Council Internal Audit & Risk Services. It sets out the purpose, authority and responsibility of Internal Audit.

Statutory Basis

2. Internal Audit is a statutory service in the context of the Accounts and Audit Regulations(England) 2011, which state that:

“A relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices”.
3. The Public Sector Internal Audit Standards (PSIAS) and CIPFA’s Local Government Application Note (LGAN), which came into effect April 2013, constitute proper practices to satisfy the requirements for larger relevant local government bodies as set out in the Accounts and Audit Regulations 2011.
4. Section 151 of the Local Government Act 1972 states that every local authority should make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs (The Chief Financial Officer (CFO)). CIPFA has defined proper administration in that it should include, ‘compliance with the statutory requirements for accounts and internal audit’.
5. The CIPFA Statement on the Role of the Chief Financial Officer states that the CFO must:
 - Ensure an effective internal audit function is resources and maintained
 - Ensure that the authority has but in place effective arrangements for internal audit of the control environment
 - Support internal audit arrangements and
 - Ensure the audit committee receives the necessary advice and information so that both functions can operate effectively
6. This Internal Audit Charter recognises the mandatory nature of the PSIAS including the definition of Internal Auditing, the Code of Ethics and the Standards themselves.
7. As required by the PSIAS, this Charter defines the group or body determined to fulfil the roles and responsibilities of the ‘board ‘and ‘senior management’ for the purpose of internal audit activity, as referred to in the individual standards. These definitions are set out in Appendix C.

Definition

8. Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Code of Ethics

9. Internal Auditors in the UK public sector organisations must conform to the Code of Ethics, (the Code), as set out in the PSIAS. The Code applies to both individuals and entities that provide internal auditing services.
10. The Code consists of 4 principles that are relevant to the profession and practice of internal auditing and set out the rules of conduct that describe behaviour norms expected of internal auditors to guide their ethical conduct. The 4 principles are integrity, objectivity, confidentiality and competency.
11. Internal auditors must also have regard to the Committee on Standards in Public Life, "Seven Principles of Public Life".

Strategic Aims

12. Our overall strategy is to support the Joint Crematorium achieve its aims and objectives through the provision of a high quality internal audit service that gives management reasonable assurance on the effectiveness of the Joint Crematorium's internal control environment and acts as an agent for change by making recommendations for continual improvement.
13. The service aims to be flexible, pragmatic and to work in collaboration with management to suit organisation needs. Through a risk based approach to audit planning, the service will make a positive contribution to corporate governance arrangements and assist management in developing a framework for achieving objectives within acceptable levels of risk.

Objectives of Internal Audit

14. Our primary objective is the provision of reasonable, not absolute, evidenced based assurance on the effectiveness of the **whole** of the Council's risk management, control and governance environment to the Corporate Management Team and the Audit Committee.
15. The provision of our annual assurance opinion will be in compliance with professional guidelines and in accordance with the Accounts and Audit regulations 2011. Our annual opinion will be included in the Council's Annual Governance Statement which forms part of the Council's published annual Statement of Accounts.

16. To determine the audit opinion the internal audit service will review, appraise and report upon:
- 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.
17. When presenting the annual audit opinion the Head of Internal Audit will:
- Disclose any qualification to that opinion, together with the reasons for that qualification
 - Present a copy of the finalised audit report reflecting work carried out in accordance with the agreed Service Level Agreement (SLA) and the detailed terms of reference agreed with the Crematorium Superintendent
 - Draw attention to any issues considered particularly relevant to the preparation of the Annual Governance Statement
 - Present a statement on conformance with the PSIAS and the results of a Quality Assurance and Improvement Programme (QAIP) required by the PSIAS.

Outcomes of Internal Audit

18. The main outcome of Internal Audit is the provision of independent assurance to "those charged with governance", which within the Joint Committee, is the Committee itself, on the effectiveness or otherwise of the Joint Committee's risk management, control and governance arrangements and in so doing we contribute to:
- Improved identification and management of risks contributing to improved performance management and the successful achievement of the Council's vision and priorities.
 - Improved corporate governance through helping to support compliance with relevant legislation, the Joint Committee's policies, plans and procedures.
 - Improved accountability, safeguarding of assets and interests and use of public resources
 - Improved quality and reliability of financial and other management information used to support informed decisions

Independence, Objectivity and Authority

19. To be effective Internal Audit must operate independently and in an unbiased manner and have unrestricted access to all information deemed necessary in the course of its work.
20. The Head of Internal Audit has direct and unrestricted access to any employee or elected member.
21. For day to day operational activities the Head of Internal Audit reports to the Joint Committee's Treasurer but maintains independence by reporting in her/his own name on functionality of the audit service direct to the Joint Committee.
22. Internal Audit, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free and unrestricted access to all records, assets, elected members, personnel and premises, including those of partner organisations or external contractors conducting business on behalf of or in partnership with the Joint Committee, in order to obtain such information and explanations as it considers necessary to fulfil its responsibilities.
23. Internal Audit will remain free from interference by any element in the organisation including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of the necessary independent and objective standards.
24. Objectivity is maintained by ensuring that all internal auditors are free from any conflicts of interest and being free from direct management responsibility for the development, implementation or operations of any of activities audited.
25. Internal auditors will not be allocated to assurance reviews in areas where they have had a responsibility for, or have undertaken any significant advice and consultancy work, within the previous 2 years.
26. As the Head of Internal Audit also has responsibility for corporate risk management strategy and policy and insurance services, arrangements will be made for any audit work to be carried out in these areas by an independent third party.

Scope of Audit Work

27. Internal Audit's role applies to all functions and services for which the Joint Crematorium is responsible, including those delivered by its partners where appropriate.

28. In addition to the regular review of all key systems of internal control which forms the bulk of our assurance work, Internal Audit will:
- Respond to requests for support, advice and guidance on implementing and/or improving best practice control procedures for current and new systems.
 - Promote the development and effective implementation of Control and Risk Self Assessments (CRSA) as outlined within the Audit Approach Section of this Charter.
 - Provide support, advice and guidance on risk and controls to staff involved in the design and implementation of new systems and processes.
 - Provide assistance on key projects, including attendance on project boards, and conduct specialist consultancy and value for money reviews. The scope of this work is agreed with management and is subject to having the necessary resources, skills and ensuring suitable assurance over our independence and objectivity. Any significant advice and consultancy work that may be considered to impact on the independence of the Internal Audit Service will be reported to the Audit Committee for approval.
 - Be alert in all its work to risks and exposure that could allow fraud or corruption to occur and to any indications that a fraudulent or corrupt practice may have been occurring
 - Review controls where a potential fraud has been detected/reported to provide assurance that the alleged fraudulent activity is unable to continue and to prevent a reoccurrence.
 - In consultation with appropriate officers, determine the most appropriate course of action by which fraud and irregularities should be investigated.
29. It must be noted that whilst Internal Audit will promote fraud awareness, it does not have responsibility for the prevention and detection of fraud and corruption. Internal Audit cannot guarantee that fraud or corruption will be detected in its work. Managing the risk of fraud and corruption is the responsibility of service managers.

Audit Planning

30. The level of internal audit resources required to deliver an annual audit opinion will be specified in a SLA to be agreed by the Joint Committee.
31. A risk based approach to annual audit planning and the agreement of detailed terms of reference will be applied to allow sufficient work to be undertaken each year to draw reasonable conclusion and assurance on the effectiveness of the whole of the Joint Committee's risk management, control and governance arrangements in a way which affords suitable priority to the Joint Committee's objectives and risks.

32. In consultation with management internal audit will
 - Consider the Joint Committee's risk across two categories:
 - a. **Strategic Risks** - these are the business risks that may arise both internally and externally from the Joint Committee which should be included in the Strategic Risk Register
 - b. **Operational Risks** - these are the risks that arise directly from the core activities of delivering services which should be included in the Operational Risk Register
33. Risk registers will inform but not drive the internal planning process and internal audit will audit those risks where controls have been identified as the means of managing the risk. Priority will be given to those risks which have a high gross score and a low net score, where the effective management of the risk is heavily dependent on the identified controls, and there is little or no other source of assurance.
34. Some key risks where a high level of assurance is required to demonstrate the continuous effectiveness of internal controls, for example those associated with key financial systems, will be subject to annual review. The timing of annual reviews will be agreed in consultation with management wherever possible.
35. The level of audit resources required to deliver, at the very least, both a minimum level of independent assurance and adequate provision for advice and consultancy will be considered by the Head of Internal Audit and incorporated into draft SLA's to be approved by the Joint Committee. Minimum assurance levels will be informed by the maturity of the Joint Committee's risk management arrangements and the reliance that can be placed on other assurance sources. Any concerns the Head of Internal has over the quantity and quality of skills available to deliver the required level of assurance, or to add value through its advice and consultancy work, will be referred to the Section 151 Officer, (Chief Financial Officer), and the Joint Committee for consideration.
36. Draft SLA and annual audit plans will be considered by the senior management and approved and monitored by the Joint Committee.

Audit Approach

37. Internal Audit will adopt a risk based approach to all our assurance work as outlined below:

Strategic Risk

Reviews of strategic risks will provide assurance that:

- Risk management processes, defined by the Joint Committee's risk management strategy and policy, are in place and are operating as intended
- Managers are responding to risks adequately and effectively so that those risks are reduced to an acceptable level
- The controls that managers have in place are successful in managing those risks

Operational Risk

38. Reviews of key service delivery activities and key systems will provide assurance on the effectiveness of
- Compliance with corporate governance arrangements
 - Risk identification, assessment and business continuity
 - The control environment to manage identified risks and to ensure that the Joint Committee'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, including
 - Information governance (quality and integrity of financial and other management information and how it is used and communicated)
39. Internal Audit will adopt a risk based approach to evaluate the effectiveness of controls designed to mitigate risks through substantive testing and/ or compliance testing. Compliance testing will confirm if a control actually exists and substantive testing will provide assurance that the control is effective and / or is consistently applied. The level of testing will be relative to the impact and likelihood of the risk occurring due to a control weakness.
40. Internal Audit will work with service managers to help embed effective risk management by supporting them to carry out a control and risk assessment (CRA) of risks for each annual audit review in advance of the audit.
41. Internal Audit will agree the objectives and risks associated with each key system or service delivery area to be reviewed with the Bereavement Services Manager prior to the start of each annual audit to ensure that the scope and objectives of each review are focused on providing assurance on the high or significant risks identified through the CRA. Terms of reference will be issued to the Bereavement Services Manager to formally agree the scope of each review, identified keys risks, potential impact and expected key controls.

Audit Reporting

42. Each annual audit will be the subject of a formal report and will include an audit opinion.
43. Towards the end of an audit we will arrange an exit meeting with the Bereavement Services Manager where we will share and discuss our initial findings. The discussion will seek to eliminate any inaccuracies in our findings so that these can be resolved before a formal draft report is issued. Draft reports will ask the Bereavement Services Manager to provide a management response to the recommendations made and agree target implementation dates and responsible officer.
44. To assist the Bereavement Services Manager in his response we categorise the importance of our recommendations as High, Medium or Best Practice. Details of how we assess the importance of audit findings leading to these recommendation rankings are given in Appendix A.
45. It is the responsibility of management to address audit findings and implement audit recommendations or other agreed appropriate action, or accept the risk resulting from not taking action.
46. An overall assurance opinion will be provided on each annual audit review to help inform the overall opinion required to support the Joint Committee's Annual Governance Statement.
47. The determination of our audit assurance opinion is derived from the overall level of assurance, positive as well as negative, on the effectiveness of controls operating in each specific area reviewed and is informed by the risk identified through recommendation rankings. Where a Limited assurance opinion is given the control framework in place is considered to be ineffective and requires improvement to maintain an acceptable level of control. These will be followed up within six months of issue. Further details of how assurance opinions are derived are given in Appendix A.
48. Management responses to recommendations made in the draft report will be incorporated into the audit report that will then be reissued as the final version. A copy of the final report will be shared with the Council's External Auditor on request.
49. The CRA will be updated with any further expected controls identified through the audit process and details of actual controls in place, and issued to Bereavement Services Manager as part of the reporting process. If controls are considered to be inadequate, recommended action to improve controls will also be entered to provide management with the necessary information to update risk registers which can then be regularly reviewed.
50. Wherever possible the circulation of audit reports will be agreed at the outset and will have due regard to confidentiality and legal requirements. Any information gained in the course of audit work remains confidential without limiting or preventing internal audit from meeting its reporting responsibilities to the wider organisation.

51. Internal Audit will follow-up progress made by management in responding to the draft report and on the implementation of all high and medium priority recommendations agreed. Any concerns on the lack of appropriate management action will be reported to the Joint Committee.
52. In accordance with the PSIAS, to maintain organisational independence, Internal Audit will report on the functionality of the audit service to the Joint Committee by:
 - Presenting the proposed SLA and planned annual audit coverage for each year covered by the SLA:
 - Presenting an Annual Audit Report and audit opinion detailing all work undertaken to formulate the annual opinion on the entire control environment, including reliance placed on work of other assurance bodies.
 - The annual audit report will also demonstrate the extent of compliance with the PSIAS and the results of the Quality Assurance and Improvement Programme, including internal and any external assessments carried out, and will draw attention to any issues considered particularly relevant to the preparation of the Annual Governance Statement.

Audit Resources, Skills and Service Quality

53. In order for Internal Audit to demonstrate high standards of professional conduct, the Internal Auditor must be impartial in discharging all responsibilities. Bias, prejudice or undue influence must not be allowed to limit or override objectivity.
54. The service is required to operate in accordance with compliance with both the PSIAS and the LGAN. Policies and standard working practices have been put in place to ensure all audit staff understand and comply with the PSIAS/LGAN.
55. An important element of the PSIAS is the requirement to undertake regular quality assurance assessments and maintain a quality assurance and improvement programme.
56. A quality assurance framework, detailing the policies, procedures and working practices under which the service operates has been defined and documented in an Audit Manual.
57. The Head of Internal Audit is responsible for providing periodically a self-assessment on the effectiveness of the internal audit service and compliance with agreed procedures to ensure professional standards are maintained. Any areas of non-compliance with the standards and or the LGAN will be reported as part of the Annual Audit Report to senior management and the Joint Committee.

58. In accordance with the PSIAS, an external assessment will be carried out at least every five years. The results of this external assessment will also be reported to senior management and the Joint Committee.
59. The service is provided by Durham County Council's in house internal audit team, supported in specialist areas as and when considered necessary by a third party partner. The staffing structure will, as far as possible, be comprised of a suitable mix of qualifications, experience and skills.
60. The Head of Internal Audit ensures internal audit resources are sufficient to meet its responsibilities and achieve its objectives. Resource requirements are reviewed annually. Any concerns that the Head of Internal Audit has regarding resources available to deliver the service in accordance with the SLA and PSIAS will be reported to the Chief Finance Officer and the Joint Committee.
61. Individual training needs are identified in accordance with the County Council's Performance Appraisal Scheme and supplemented by regular audit skills assessments and post audit reviews. As well as basic training in audit techniques and the development of specialist skills, the service is committed to coaching and mentoring its staff and to providing opportunities for continuous professional development to all staff (CPD).
62. Internal Audit maintains its awareness of national and local issues through membership and subscription to professional bodies such as CIPFA's Technical Information Service, "TIS online", the Finance Advisory Network (FAN), and through liaison with external audit.
63. The service will keep abreast of best audit practice by adhering to CIPFA's and the IIA's practice advisories and practice guides, where applicable, as well as networking with other internal audit service providers.
64. In accordance with the requirements of the Accounts and Audit Regulations 2011, an annual review of the effectiveness of the internal audit service is undertaken by the County Council's Audit Committee. This will be informed by a review of the service carried out by the Corporate Director Resources and from consideration of the Quality Assurance and Improvement Programme and any internal or external assessments required by the PSIAS. By reviewing the service the Audit Committee is able to gain assurance that the service maintains its independence and objectivity, that it is effective and conforms to the expected professional quality standards so that it can place reliance on its work and the annual audit opinion.
65. The outcome from the annual effectiveness review is reported to the County's Corporate Management Team and Audit Committee as part of the Annual Internal Audit Report. The outcome of the annual effectiveness review and the QAIP will also be reported to senior management and the Joint Committee in accordance with the PSIAS.

Approval and Review

66. The Head of Internal Audit will annually review this Charter to ensure that it is kept up to date and fit for purpose. The Charter is endorsed by senior management and approved by the Joint Committee. Any amendments will be reported to Joint Committee for approval.

Key Contact

Head of Internal Audit

Paul Bradley, Chief Internal Auditor and Corporate Fraud Manager

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Address

Internal Audit and Risk Division
Resources Directorate
Durham County Council
County Hall
Durham
DH1 5UE

Other Related Documents

- Other related documents that should be read in conjunction with this Charter are:
 - Public Sector Internal Audit Standards
 - CIPFA's Local Government Application Note
 - Service Level Agreement for the Provision of Audit Services

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 of 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)

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	M
	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 is required to ensure that the service/system/process objectives are not exposed to major risk from weaknesses in controls
Best Practice	The issue merits attention and its implementation will enhance the control environment or promote 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:

Substantial Assurance	Whilst there is a sound system of control, any weaknesses identified may put some of the system objectives at minor risk.
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.
Limited Assurance	There are weaknesses in key areas in the system of control, which put the system objectives at significant risk.

DEFINITIONS UNDER PSIAS

APPENDIX B

		<ul style="list-style-type: none"> • Receiving communications from the CAE on the internal audit activity’s performance relative to its plan and other matters • Approving decisions regarding the appointment and removal of the Internal Audit Service Provider • Making appropriate enquiries of management and the CAE to determine whether there are inappropriate enquiries of management and CAE to determine whether there are inappropriate scope or resources limitations 		
1130. C2	Impairment to Independence or Objectivity	Approval must be sought from the board for any significant additional consulting services not already included in the audit plan, prior to accepting the engagement		The Joint Committee
1312	Quality Assurance and Improvement Programme (QAIP)	<p>External Assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team form outside the organisation. The CAE must discuss with the board:</p> <ul style="list-style-type: none"> • The form of external assessments • The qualifications and independence of the external assessor or assessment, including any potential conflict of interests <p>NB The Public Sector requirement of this standard states,</p> <p>“The CAE must agree the scope of external assessments with an appropriate sponsor e.g the Accounting /</p>		The Joint Committee

DEFINITIONS UNDER PSIAS

APPENDIX B

		Accountable Officer or Chair of the audit committee as well as with the external assessor or assessment team”		
1320	Reporting the results of QAIP	The CAE must communicate the results of the quality assurance and improvement programme to senior management and the board .	Paul Darby Terry Collins	The Joint Committee
1322	Disclosure of Non - Conformance	Instances of non-conformance with the definition of Internal Auditing , the Code of Ethics or the standards impacts the overall scope or operation of the Internal Audit Activity, must be reported to the board by the CAE. More significant deviations must be considered for inclusion in the annual governance statement		The Joint Committee
2020	Communications and Approval	The CAE must communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. Where the CAE believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, the consequences must be brought to the attention of the board .	Paul Darby Terry Collins	The Joint Committee
2060	Reporting to Senior Management and the Board	The CAE must report periodically to senior management and the board on the internal audit activity’s purpose, authority, responsibility and performance relative to its plan. Reporting must include significant risk exposures and control issues, including fraud risks governance issues and other matters needed or requested by senior management and the board.	Paul Darby Terry Collins	The Joint Committee

DEFINITIONS UNDER PSIAS**APPENDIX B**

2600	Communicating the Acceptance of Risk	When the CAE concludes that management has accepted a low level of risk that may be unacceptable to the organisation, the CAE must discuss the matter with senior management . If the CAE determines that the matter has not been resolved, the CAE must communicate the matter to the board .	Paul Darby Terry Collins	The Joint Committee
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NB. The role of Chief Audit Executive referred to in the Standards is that undertaken by the Chief Internal Auditor and Corporate Fraud Manager.

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Central Durham Crematorium
Joint Committee

27 April 2016

Annual Internal Audit Report
2015/16



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 2015/16. (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 **Substantial** overall assurance opinion on the adequacy and effectiveness of internal control operating across the Joint Committee in 2015/16. 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 2015/16 Annual Governance Statement.

Recommendation

5. Members note the content of the Annual Internal Audit Report and the overall 'Substantial' opinion provided on the adequacy and effectiveness of the Council's control environment for 2015/16.

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

The broad programme of work undertaken by Internal Audit supports the Joint Committee in maintaining 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 Public Sector Internal Audit Standards.



**CENTRAL DURHAM CREMATORIUM
JOINT COMMITTEE**

**INTERNAL AUDIT
ANNUAL REPORT
2015/16**

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Appendix:

Appendix 3 Internal Audit Report Central Durham Crematorium 2015/16

Introduction

1. This report summarises the work carried out by Durham County Council Internal Audit and Risk Service during 2015/16, as part of the three year Service Level Agreement covering the provision of Internal Audit Services up to 31 March 2017.
2. All Internal Audit work carried out in 2015/16 was in accordance with proper internal audit practices as described within the PSIAS that came into effect from 01 April 2013.
3. 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

4. Internal Audit is an independent, objective assurance and consultancy activity designed to add value and improve an organisation's operations.
5. 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.
6. 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 in its current form was considered by the Joint Committee on 22 April 2015 and most recently on 27 April 2016.
7. In accordance with the Internal Audit Charter, a risk based audit approach has been applied to work undertaken in 2015/16.
8. 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 2015/16 to inform the annual audit opinion

9. 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.
10. Our assurance opinion for 2015/16 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.
11. This audit was carried out during February 2016 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 **Substantial** level of assurance that the above risks were being effectively managed. The full audit report is attached as Appendix 3.
12. 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 latest reviews being reported for consideration by the Joint Committee on 23 September 2015 and 27 April 2016.
13. 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.

14. 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 Council's Audit Committee.
15. 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 Substantial Assurance Opinion.

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

16. The Committee at its meeting on 27 January 2016 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 Council's Audit Committee in June 2015.
17. 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. In addition and in accordance with Section 1312 of the Standard which requires that an External Assessment must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation is scheduled for April 2016. A formal review will again be presented to the County Council's Audit Committee in June 2016.
18. 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.
19. 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.
20. 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.
21. A customer satisfaction survey is issued after every audit to provide feedback and help the service continually improve,

Audit Opinion Statement

22. The Joint Committee has responsibility for maintaining a sound system of internal control that supports the achievement of its objectives.
23. 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.
24. 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
25. Based on the work undertaken, the Chief Internal Auditor and Corporate Fraud Manager is able to provide a **Substantial** overall assurance opinion on the adequacy and effectiveness of internal control operating across the Joint Committee in 2015/16. This opinion ranking 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 2015/16 Annual Governance Statement.



INTERNAL AUDIT REPORT

**Durham Crematorium
Ref No: 13580/2016**

Final Report

Assurance Opinion:	Substantial
Prepared by:	Debra Lewis, Senior Auditor
Reviewed by:	David Mitchell, Principal Auditor Paul Bradley, Chief Internal Auditor & Corporate Fraud Manager
Date issued:	16 March 2016
Distribution List	
For Action:	Graham Harrison, Bereavement Services Manager
For Information:	Ian Hoults, Neighbourhood Protection Manager Paul Darby, Head of Finance – Financial Services Oliver Sherratt, Interim Corporate Director for Neighbourhood Services Alan Patrickson, Interim Head of Direct Services 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

INTRODUCTION

1. As part of the 2015/16 Internal Audit Plan, an audit was carried out in February 2016 to evaluate the control framework in place on the management of the risks associated with Durham Crematorium.
2. The last audit in this area was completed in April 2015.

CONCLUSION

3. The audit work carried out can provide a **Substantial** level of assurance that the control framework and procedures in place are effective in managing the associated risks. As a result of the audit, there were no high / medium priority findings made.

SUMMARY OF FINDINGS

4. The review was carried out using a risk based approach informed by the Control Risk Assessment. It involved a review of supporting systems, documentation, discussion with key employees, and sample testing covering the period January 2015 to December 2015.
5. The review confirmed that there are effective arrangements in place for the management of the risks associated with the Durham Crematorium. From the sample testing undertaken only minor issues were highlighted and these were discussed with the Bereavement Services Manager.
6. At the time of the audit review the Bereavement Services Manager was investigating the potential use of the BACAS system to raise invoices for the funeral directors. This system would have the facility to record the set fees and charges for the Cremations, Book of Remembrance and Plaques on the invoices and subsequent receipts. This system would make the need for hand written invoices and receipts obsolete.
7. Whilst this system has potential in reducing the resources involved in the current processes, further investigation is required with regards to the BACAS system interfacing with the accounting system Sage.
8. Two best practice recommendations have been identified during the audit;
 - For two out of twenty receipts the date received had not been recorded therefore we were unable to confirm that income had been banked in a timely manner. The review also found that invoices had not been date stamped upon receipt. Employees be reminded that the date of receipt be recorded on all documentation and corresponding system for the invoices raised and received.

- In response to a request from crematorium officers it was agreed that resources involved in the current stock recording and control processes are excessive given the low level / value of stock held and can be discontinued. An informal check of stock to identify when to re-order items will be adequate.

BACKGROUND

9. This review has been carried out in accordance with the Terms of Reference.
10. 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.
11. 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.
12. In carrying out the audit, the time and assistance afforded by Graham Harrison of the Durham Crematorium and his staff was greatly appreciated.

SCOPE AND AUDIT APPROACH

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

OVERALL ASSURANCE OPINION AND PRIORITY OF OUR RECOMMENDATIONS

14. Based upon the ratings of our findings and recommendations arising during the audit, we define the overall conclusion through the following assurance opinions.

Opinion	Definition
Substantial Assurance	Whilst there is a sound system of control, any weaknesses identified may put some of the system objectives at minor risk.
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.
Limited Assurance	There are weaknesses in key areas in the system of control, which put the system objectives at significant risk.

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

Priority	Definition
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 is required to ensure that the service/system/process objectives are not exposed to major risk from weaknesses in controls.
Best Practice	The issue merits attention and its implementation will enhance the control environment or promote value for money.

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**Central Durham Crematorium
Joint Committee**

27 April 2016

**DCLG Review of Crematoria
Provision and Facilities**



Report of Graham Harrison, Bereavement Services Manager

Purpose of the Report

1. To inform Members of the Central Durham Crematorium Joint Committee of a Department for Communities and Local Government (DCLG) consultation paper on Crematoria provision and facilities. The consultation runs from 16 March to 26 May 2016 and is seeking the views of crematoria providers, local authorities, faith groups and other members of the community. A draft response has been prepared by the Bereavement Services Manager and is attached for members information and consideration.

Background

2. The Chancellor announced in the July 2015 Budget a review of the size and provision of crematoria facilities to make sure they are fit for purpose and sensitive to the needs of all users and faiths. The review was announced in response to concerns about the capacity of crematoria, in particular to accommodate Hindu and Sikh cremations, at which traditionally larger numbers of mourners wish to attend. In addition, there have been concerns that crematoria do not always pay sufficient regard to the cultural sensitivities of different faiths.
3. The DCLG consultation, attached at Appendix 2, will review whether the capacity and facilities of the crematoria are suitable to meet the demand and cultural requirements of all communities and will then consider whether any policy changes are needed as a result of the review.

Consultation Review

4. The consultation asks 42 questions of which 22 are specific to providers of crematoria, split into the following categories:
 - Crematoria Provision in England
 - Size and Capacity of Crematoria
 - Accommodation and Amenities
 - Iconography
 - Car Parking
 - Staff training

5. The Bereavement Services Manager has provided answers to the 22 questions specific to providers of crematoria, which are attached at Appendix 3.

Local Considerations

6. Local considerations are taken into account below for every category of the consultation review.
7. *Crematoria Provision in England:* The table below shows the number of cremations that were carried out in 2015 at Durham Crematorium which indicates that there is not an issue with different religious groups in County Durham.

Denomination	Number of Cremations in 2015
Church of England/Scotland/Wales	1,201
Hindu	1
Sikh	0
Jewish	0
Roman Catholic	156
Non Religious	0
Humanist	391
Other	572
Methodist	0

8. *Size and Capacity of Crematoria:* The table below shows the number of services available in 2015, the number of services held and the number of spare slots, which demonstrates the spare capacity available at the Crematorium.

2015	Number of Services Available	Number of Services Held	Number of Spare Slots
January	270	188	82
February	288	253	35
March	272	213	59
April	298	217	81
May	233	196	37
June	236	157	79
July	233	170	63
August	301	197	104
September	302	149	153
October	301	208	93
November	285	182	103
December	273	191	82
Total	3,292	2,321	971

9. *Accommodation and Amenities:* Durham Crematorium has the ability for small groups of mourners to be able to witness the committal of the coffin, as well as sufficient outside space and water facilities.
10. *Iconography:* The religious symbols at the crematorium are not fixed and are therefore removed as and when required for each service held.
11. *Car Parking:* The car parking facilities at the crematorium was increased in size from 38 to 79 to accommodate the increase in vehicles attending services and there is also an overflow car park available at the adjoining cemetery available for mourners to use during busy periods.
12. *Staff Training:* Crematorium staff follow Durham County Council policies and procedures, which include an Equality and Diversity policy.

Recommendations:

13. It is recommended that Members of the Central Durham Joint Committee:
 - (i) Note the Department of Communities and Local Governments review of Crematoria Provision and Facilities.
 - (ii) Note the responses to the consultation questions.

Contact: Graham Harrison, Bereavement Services Manager
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Appendix 1: Implications

Finance

There are no financial implications associated with this report.

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.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

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

Human Rights

There are no Human Rights implications associated with this report.

Consultation

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

Procurement

There are no procurement issues associated with this report.

Disability Issues

There are no disability issues associated with this report.

Legal Implications

There are no legal implications associated with this report.



Department for
Communities and
Local Government

Review of Crematoria Provision and Facilities

Discussion Paper

16 March 2016

Department for Communities and Local Government



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Scope of the Consultation

Topic of this consultation:	Crematoria provision and facilities.
Scope of this consultation:	<p>We are keen to hear the views of users and providers on whether the capacity and facilities of crematoria are suitable to meet the demand and cultural requirements of all communities.</p> <p>The review does not cover burial policy or other aspects of the burial or cremation process.</p>
Geographical scope:	The review relates to England only. We will share any outcomes with Northern Ireland, Scotland and Wales.
Impact Assessment:	At this stage, we are seeking to gather the views and evidence from crematoria users and providers. We will publish an impact assessment and equality impact assessment as required if specific policy changes are proposed in the future.

Basic Information

To:	The review will be of interest to crematoria providers, local authorities, faith groups and other members of the community.
Body/bodies responsible for the consultation:	Integration and Faith Division within the Department for Communities and Local Government.
Duration:	This consultation will last for 10 weeks from 16 March to 26 May 2016.
Enquiries:	<p>For enquiries, please e-mail: crematoriareview@communities.gsi.gov.uk</p> <p>This discussion paper is available on the Department for Communities and Local Government website at www.gov.uk/dclg</p>
How to respond:	<p>Wherever possible we ask that evidence is entered on the online survey at https://www.surveymonkey.co.uk/r/FQPKTRB</p> <p>Alternatively, by email to: crematoriareview@communities.gsi.gov.uk</p> <p>When responding, please ensure you have the words "Review of Crematoria Provision and Facilities" in the email subject line. If emailing a pdf attachment, please ensure it is in a format which allows highlighting and copying of sentences or</p>

	<p>paragraphs, so that your comments can be more easily studied.</p> <p>You can also write to: Crematoria Review Integration and Faith Division Department for Communities and Local Government 2nd floor, SE Quarter Fry Building 2 Marsham Street LONDON SW1P 4DF</p> <p>When responding, please state whether you are responding as an individual, an organisation or a local authority. If responding on behalf of an organisation, please give a summary of the people and organisations it represents and, where relevant, who else you have consulted in reaching your conclusions.</p>
Additional ways to become involved:	<p>We will be holding discussion groups with users and providers during the consultation period. If you would like to be involved in one of these sessions, please contact us at the email or address in the "How to respond" section above.</p>
After the consultation:	<p>The Government will publish a summary of responses in due course and consider whether any policy changes are needed as a result of the review.</p>
Confidentiality and data protection:	<p>Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).</p> <p>If you want the information that you provide to be treated as confidential, please be aware that, under the Freedom of Information Act 2000, there is a statutory code of practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, in itself, be regarded as binding on the department.</p> <p>DCLG will process your personal data in accordance with the Data Protection Act 1998 and in the majority of circumstances</p>

	<p>this will mean that your personal data will not be disclosed to third parties. Individual responses will not be acknowledged unless specifically requested.</p>
<p>Help with queries:</p>	<p>Questions about the policy issues raised in the document can be sent to the address given in the "How to respond" section above.</p> <p>A copy of the consultation criteria from the Code of Practice on Consultation is at http://www.cabinetoffice.gov.uk/resource-library/consultation-principles-guidance. Are you satisfied that this consultation has followed these criteria? If not or you have any other observations about how we can improve the process please email: consultationcoordinator@communities.gsi.gov.uk</p> <p>or write to:</p> <p>DCLG Consultation Co-ordinator Fry Building 2 Marsham Street London SW1P 4DF</p>

Introduction

Why is the Government carrying out this review?

1. In the July 2015 Budget, the Chancellor announced a review of the size and provision of crematoria facilities to make sure they are fit for purpose and sensitive to the needs of all users and faiths. The review was announced in response to concerns about the capacity of crematoria, in particular to accommodate Hindu and Sikh cremations, at which traditionally larger numbers of mourners wish to attend. In addition, there have been concerns that crematoria do not always pay sufficient regard to the cultural sensitivities of different faiths.
2. Cremations have become increasingly popular and in 2014 over 390,000 cremations took place which represented 77.35% of all deaths in that year¹. Cremation is the normal method of funeral for Sikh, Hindu, Buddhist, Jain and Zoroastrian faiths, and is also widely used by Christian denominations and those with no faith. The Jewish, Islamic and Bahá'í faiths forbid cremation, in the majority of cases. The Government believes it is important that there are good quality crematoria that respect cultural and religious traditions and that provide tailored services, meeting the needs of families at such a difficult point in their lives.

What do we hope to achieve from the review?

3. We want to use this review to establish whether the concerns that have been raised are widespread. We are therefore seeking the views of all faith communities and users of crematoria, whether they are of a faith or none. We are also seeking views from the providers of crematoria, including local authorities and the private sector, as well as the Local Government Association and industry representative bodies. The Government will publish a summary of responses in due course and consider whether any policy changes are needed in light of the evidence received.

The legislative and policy background

4. Crematoria are owned and operated by both local government and private providers, with provision based on local demand and subject to planning permission. Local authority responsibilities for the management and protection of cemeteries and crematoria are set out in the Local Government Act 1972 (Section 214 and Schedule 26) and the Local Authorities' Cemeteries Order 1977. Regulations for all providers

¹ Directory of Crematoria 2015 Edition, the Cremation Society of Great Britain. (Note that the figures are provisional)

which cover crematoria relate to public safety and environmental efficiency². Currently there are no specific legal requirements related to the provision of facilities for faith groups. Cremation industry organisations such as the Federation of Burial and Cremation Authorities, the Institute of Cemetery and Crematorium Management, the Cremation Society for Great Britain, and the Association of Private Crematoria and Cemeteries issue information and guidance for members on a variety of issues.

5. The Department for Communities and Local Government (DCLG) is responsible for local government policy and finance, the planning system and integration and faith policy. The Ministry of Justice (MoJ) has responsibility for burial and cremation policy and legislation (though operational responsibility is for individual providers). The MoJ has recently conducted a separate consultation into cremation legislation and practice following the June 2015 report by David Jenkins into infant cremations at Emstrey Crematorium in Shropshire, and Lord Bonomy's June 2014 Infant Cremation Commission report in Scotland. The MoJ's consultation closed on 9 March and can be found at: <https://www.gov.uk/government/consultations/consultation-on-cremation-following-infant-cremation-inquiries>.
6. This review does not cover burial policy or other aspects of the burial or cremation process.

Question 1: Contact details

Question 2: Is your response on behalf of an organisation or a personal response?

Question 3: If applicable, which organisation are you responding on behalf of?

Question 4: Are you responding from a particular faith or belief group?

Question 5: If so, which faith or belief group?

² Cremation (England and Wales) Regulations 2008 and Environmental Permitting (England and Wales) Regulations 2007

Crematoria Provision in England

7. There are 232 crematoria in England. Of these, 77 are private businesses with the rest being owned and run by local authorities³.
8. There is some evidence that crematoria provision varies across England. Table 1 shows that in London, there are 0.32 crematoria per 100,000 people; in the West Midlands, there are 0.46 crematoria per 100,000 people; and in the North East, there are 0.58 crematoria per 100,000 people. This is perhaps not surprising given land constraints in London and the South-East. However, when the number of deaths in each region is taken into account, crematoria provision is more balanced. London has 54.64 crematoria per 100,000 deaths; in the West Midlands, there are 49.75 crematoria per 100,000 deaths; and in the North-East, there are 56.68 crematoria per 100,000 deaths. This difference is likely to arise because of the younger average population in London with older average populations in other regions. It should be noted, however, that this only provides an indicative analysis of provision because the data comprises the location of crematoria and not the capacity of each site.

Table 1: Number of Crematoria in England

Region	Municipal /Private Crematoria		Total	Population ¹	No. of crematoria per 100,000 people	Number of deaths ²	No. of crematoria per 100,000 deaths
	M	P					
London	16	10	26	8,173,941	0.32	47,580	54.64
East of England	12	11	23	5,846,965	0.39	53,269	43.18
South East	17	17	34	8,634,750	0.39	77,778	43.71
East Midlands	9	9	18	4,533,222	0.40	42,277	42.58
West Midlands	20	6	26	5,601,847	0.46	52,260	49.75
Yorkshire and The Humber	22	4	26	5,283,733	0.49	50,342	51.65
South West	16	11	27	5,288,935	0.51	54,536	49.51
North West	30	7	37	7,052,177	0.52	69,045	53.59
North East	13	2	15	2,596,886	0.58	26,465	56.68
England	155	77	232	53,012,456	0.44	473,552	48.99

¹ Based on 2011 Census

² Based on Mortality Statistics - death numbers for all ages - <http://www.ons.gov.uk/ons/rel/vsob1/deaths-registered-area-usual-residence/index.html>

³ Institute of Cemetery and Crematorium Management

9. Faith communities are often concentrated in particular cities and areas. For example, there are 537,425 Hindus and Sikhs living in London, 205,928 in the West Midlands, and 13,736 in the North-East. It may be that concerns about the capacity of crematoria from particular faiths relate to lower provision in areas where those communities are more predominant. We have not been able to establish whether there are problems with provision in individual towns and cities, or across regions more broadly.
10. Provision of new or expanded crematoria is based on local demand. Over the last ten years there has been a rise of over 10%⁴ in the number of new crematoria in England which is consistent with both an aging population and increased popularity of cremation over burial. We understand that there are currently 14 new crematorium projects in England, of which 3 are in the construction stage⁵. The 3 new crematoria currently under construction are in Gravesham, Wellingborough and West Lancashire. The remaining 11 with planning consent are in North Norfolk, Test Valley, Broxbourne, two in Aylesbury Vale, Ribble Valley, South Derbyshire, Breckland, Leicester, Sevenoaks and North Hertfordshire. 12 of the 14 new crematorium projects are being privately funded.
11. We are interested in whether there is demand for new crematoria in other areas, and if so, whether there have been problems in developing new or expanded crematoria. This may be because of the availability of land or funding, or securing planning permission. The Local Government Association has told us that several local authorities had identified the need for new crematoria, and had found suitable sites. However, funding comes largely from the income generated through crematoria fees and local authorities are mindful of the need to keep such fees affordable for users.

As a user of crematoria:

Question 6: Have you experienced any problems with accessing crematoria in your local area to meet the needs of your faith or community?

Question 7: If yes, please describe what problems you encountered, how often they occurred and which geographical area they relate to.

As a provider of cremation services:

Question 8: Do you consider there is a need for new crematoria in your area?

Question 9: If yes, please state which geographical area this relates to.

⁴ Institute of Cemetery and Crematorium Management

⁵ Institute of Cemetery and Crematorium Management

Question 10: Have you experienced any problems in developing new crematoria?

Question 11: If yes, please describe what problems you encountered, how often they occurred and which geographical area they relate to.

Size and Capacity of Crematoria

12. Concerns about the provision of crematoria may also relate to the size of individual sites and the availability of suitable time slots for funeral services. Most crematoria chapels hold around 100 mourners, whereas Hindu and Sikh funerals can involve 300 or more friends and family.
13. The Institute of Cemetery and Crematorium Management told us that a number of local authorities have upgraded or replaced old crematoria which had limited capacity. They also told us that planning applications for crematoria often include contingency to expand the facilities if needed in the future. We are aware of several examples of chapels which have additional space, such as side rooms, galleries or covered areas that provide flexibility to accommodate a further 200 to 300 mourners. Some include a public address system so that people can listen to the service even if they cannot witness the cremation.
14. The All-Party Parliamentary Group (APPG) for Funerals and Bereavement⁶ reported evidence from the Association of Private Crematoria and Cemeteries (APCC) that in 2007, 51.6% of cremation services were in excess of 30 minutes but in 2014, this had risen to 74%. The APPG welcomed evidence that ceremonies were becoming increasingly personalised, less rushed and less formulaic. However, it could also mean that demand for longer services is reducing the capacity of crematoria for other users.
15. People of Hindu faith prefer cremation to take place as soon as possible following death, ideally by the following dawn or dusk, whichever occurs first. Many crematoria are able to expedite funerals where there are requirements to carry out the cremation within a set time period. Some also allow on-line booking of time slots to speed up the process. However, some faith groups told us that they struggled to access suitable time slots for funerals, with the time taken to allocate slots a particular difficulty.
16. The APPG also cited evidence from the APCC and Institute of Cemetery and Cremation Management (ICCM) that whilst there is increasing pressure on core slots at crematoria (between 10.30am and 5.30pm), there is frequent availability for less popular slots, such as early morning and late evenings. In a survey of 11 crematoria across England and Wales, the ICCM found that during January 2015, on average only 60 to 70% of available service times were used. There did not appear to be particular pressure in parts of the country, with good availability across London, for example. The ICCM survey also found that all 11 crematoria had policies in place to

⁶ All-Party Parliamentary Group for Funerals and Bereavement. Inquiry into delays between death and burial or cremation. December 2015

extend the number of slots they have available if required, for example, through weekend and late midweek service times. In January 2015, none of the crematoria surveyed had needed to implement these plans.

17. The ICCM told the APPG that they had no evidence that funeral delays are being caused by either local authority or private cemetery and crematorium providers. We are also not aware of any restrictions on access to individual crematoria. However, though the bereaved may not wish to travel further to access larger crematoria or those with greater availability.

As a user of crematoria:

Question 12: Have you experienced any problems with the size of crematoria to meet the needs of your faith or community?

Question 13: If yes, please describe what problems you encountered, how often they occurred and which geographical area they relate to.

Question 14: Have you experienced any problems with booking the time or length of cremation services to meet the needs of your faith or community?

Question 15: If yes, please describe what problems you encountered, how often they occurred and which geographical area they relate to.

As a provider of cremation services:

Question 16: Have you experienced any problems in accommodating larger groups of mourners?

Question 17: If yes, please describe what problems you encountered, how often they occurred and which geographical area they relate to.

Question 18: Have you experienced any problems in booking the time or length of cremation services to meet the needs of mourners?

Question 19: If yes, please describe what problems you encountered, how often they occurred and which geographical area they relate to.

Question 20: If you have adapted your facilities or services to meet the needs of larger groups of mourners, how did you do this and why?

Crematoria Facilities

Accommodation and Amenities

18. Faith and other community groups may have particular cultural or religious traditions that they wish to be accommodated within crematoria facilities or services.

Representatives from faith groups told us that this included:

- Private space to pay respects before the cremation service – the Hindu and Sikh faiths carry out various religious rituals before cremation, such as bathing, wrapping or decorating the body, and carrying out specific forms of worship in front of the coffin. This may be carried out in the family home or funeral home, but we understand that members of these faith groups would welcome provision of a private room within the crematorium.
- Washing of hands and face – representatives from the Hindu and Jain faiths told us that washing after the cremation service is an important ritual, and that crematoria do not have adequate washing facilities.
- Committal of the coffin – the Hindu, Sikh and Jain faiths believe that it is important to be able to witness the coffin entering the cremator to enable those gathered to remain with the body until it passes into the next stage of existence. Some crematoria have the ability for small groups of mourners to be able to witness the committal of the coffin, but not all crematoria are able to offer this because of space constraints. Some authorities have introduced filming services so that larger groups of mourners can witness the committal of the coffin.
- Outside space and water to scatter the ashes – many crematoria have a memorial garden, enabling all mourners to be able to spend time outside paying their respects and laying flowers. However, representatives from Hindu, Sikh and Jain faiths told us that having to wait for the ashes deterred mourners from being able to witness the scattering of the ashes outside. In addition, these faith groups place a particular emphasis on water and many crematorium lack a pond or stream in which to scatter ashes.

As a user of crematoria:

Question 21: Have you experienced any problems with crematoria accommodation or amenities to meet the needs of your faith or community?

Question 22: If yes, please describe what problems you encountered, how often they occurred and which geographical area they relate to.

As a provider of cremation services:

Question 23: Do you provide specific accommodation or amenities that meet the needs of faith or community groups, such as a private room to mourn with the coffin, washing facilities, or an ability to witness the coffin entering the cremator?

Question 24: If yes, please describe what accommodation or amenities you provide, how often they are used and which geographical area they relate to.

Question 25: If you have increased your provision of accommodation or amenities to meet the needs of faith or community groups, how did you do this and why?

Iconography

19. Crematoria need to balance the needs of all users to provide a sensitive and respectful environment for funerals. Some faith groups have raised concerns that the symbols and iconography in crematoria remain overwhelmingly Christian with, for example, images of the cross in the chapel. The Local Government Association and industry providers told us that many crematoria have made religious iconography removable within chapels so that, with sufficient notice, appropriate imagery can be displayed.

As a user of crematoria:

Question 26: Have you experienced any problems with crematoria iconography to meet the needs of your faith or community?

Question 27: If yes, please describe what problems you encountered, how often they occurred and which geographical area they relate to.

As a provider of cremation services:

Question 28: Do you provide removable iconography to meet the needs of faith or community groups?

Question 29: If yes, please describe what iconography you provide, how often it is used and which geographical area they relate to.

Question 30: If you have increased your provision of iconography to meet the needs of faith or community groups, how did you do this and why?

Car Parking

20. Concerns about the capacity of crematoria and pressure for longer services or larger groups of mourners may also be creating difficulties with car parking. Representatives from several faith groups told us that due to the number of people attending cremation services, it is often impossible to find car parking at the crematorium for all of the mourners. Many crematoria are on the edge of towns or cities and therefore access by public transport can be difficult.
21. The Local Government Association told us that they are aware of difficulties with car parking. Some local authorities have put in place measures to ease the pressure, for example, by extending funeral times, building new car parking spaces or reducing pavements outside the site to allow extra parking availability.

As a user of crematoria:

Question 31: Have you experienced any problems with car parking at a crematorium to meet the needs of your faith or community?

Question 32: If yes, please describe what problems you encountered, how often they occurred and which geographical area they relate to.

As a provider of cremation services:

Question 33: Have you experienced any problems with car parking at crematoria to meet the needs of mourners?

Question 34: If yes, please describe what problems you encountered, how often they occurred and which geographical area they relate to.

Question 35: If you have increased your car parking availability, how did you do this and why?

Staff Training

22. Some faith groups have said that crematoria staff need better training to ensure that they are culturally aware and sensitive to different faiths at a difficult time for mourners.
23. The Institute of Cemetery and Crematorium Management (ICCM) and Federation of Burial and Cremation Authorities (FBCA) both provide staff training programmes for their members, but these predominantly focus on technical matters and we are not aware of any specific training in relation to faith issues. Local authorities have their own individual training requirements and they are expected to follow the best practice guidance produced by the ICCM. Complaints in relation to any aspect of crematoria provision can be made to the individual provider, local authority or industry representative body.
24. The Ministry of Justice consultation on crematoria has sought views on training and qualifications for crematoria staff, particularly on practice regarding infant cremations. The MoJ consultation also asked for views on whether there should be an independent inspector of crematoria in England and Wales with a proposed role to investigate and adjudicate on any complaints regarding working practices and standards.

As a user of crematoria:

Question 36: Have you experienced any problems with crematoria staff's awareness and sensitivity to different faith and community groups?

Question 37: If yes, please describe the problems you encountered, how often they occurred and which geographical area they relate to.

Question 38: What more do you think needs to be done to improve the awareness and sensitivity of crematoria staff to different faith and community groups? Who should do this?

As a provider of cremation services:

Question 39: Does your staff training policy include cultural awareness and sensitivity to all faiths, community groups and users?

Question 40: If yes, please provide details of the training and which geographical area they relate to.

Question 41: Have you received any complaints regarding the awareness and sensitivity of crematoria staff to different faith and community groups?

Question 42: If yes, please describe any changes to staff training policies or practice implemented as a result.

Summary of Consultation Questions

1. Contact details
2. Is your response on behalf of an organisation or a personal response?
3. If applicable, which organisation are you responding on behalf of?
4. Are you responding from a particular faith or belief group?
5. If so, which faith or belief group?

Crematoria Provision in England

As a user of crematoria:

6. Have you experienced any problems with accessing crematoria in your local area to meet the needs of your faith or community?
7. If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.

As a provider of crematoria:

8. Do you consider there is a need for new crematoria in your area?
9. If yes, please state which geographical area this relates to.
10. Have you experienced any problems in developing new crematoria?
11. If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.

Size and Capacity of Crematoria

As a user of crematoria:

12. Have you experienced any problems with the size of crematoria to meet the needs of your faith or community?
13. If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.
14. Have you experienced any problems with booking the time or length of cremation services to meet the needs of your faith or community?
15. If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.

As a provider of crematoria:

16. Have you experienced any problems with accommodating larger groups of mourners?
17. If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.
18. Have you experienced any problems with booking the time or length of cremation services to meet the needs of mourners?

19. If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.
20. If you have adapted your facilities or services to meet the needs of larger groups of mourners, how did you do this and why?

Crematoria Facilities

Accommodation and Amenities

As a user of crematoria:

21. Have you experienced any problems with crematoria accommodations or amenities to meet the needs of your faith or community?
22. If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.

As a provider of crematoria:

23. Do you provide specific accommodation or amenities that meet the needs of faith or community groups, such as a private room to mourn with the coffin, washing facilities, or an ability to witness the coffin entering the cremator?
24. If yes, please describe what accommodation or amenities you provide, how often they are used and which geographical area they relate to.
25. If you have increased your provision of accommodation or amenities to meet the needs of faith or community groups, how did you do this and why?

Iconography

As a user of crematoria:

26. Have you experienced any problems with crematoria iconography to meet the needs of your faith or community?
27. If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.

As a provider of crematoria:

28. Do you provide removable iconography to meet the needs of faith and community groups?
29. If yes, please describe what iconography you provide, how often it used and which geographical area they relate to.
30. If you have increased your provision of iconography to meet the needs of faith or community groups, how did you do this and why?

Car Parking

As a user of crematoria:

31. Have you experienced any problems with car parking at a crematorium to meet the needs of your faith or community?

32. If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.

As a provider of crematoria:

33. Have you experienced any problems with car parking at crematoria to meet the needs of mourners?

34. If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.

35. If you have increased your car parking availability, how did you do this and why?

Staff Training

As a user of crematoria:

36. Have you experienced any problems with crematoria staff's awareness and sensitivity to different faith and community groups?

37. If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.

38. What more do you think needs to be done to improve the awareness and sensitivity of crematoria staff to different faith and community groups? Who should do this?

As a provider of crematoria:

39. Does your staff training policy include cultural awareness and sensitivity to all faith, community groups and users?

40. If yes, please describe details of the training, and which geographical area they relate to.

41. As a provider of crematoria, have you received any complaints regarding the awareness and sensitivity of crematoria staff to different faith and community groups?

42. If yes, please describe any changes to staff training policies or practice implemented as a result?

We invite you to provide responses to these questions no later than 26 May 2016 preferably through the online survey at <https://www.surveymonkey.co.uk/r/FQPKTRB>

Alternatively, please email your response to crematoriareview@communities.gsi.gov.uk

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the success of any business and for the protection of the interests of all parties involved.

2. The second part of the document discusses the importance of maintaining accurate records of all transactions.

3. The third part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the success of any business and for the protection of the interests of all parties involved.

4. The fourth part of the document discusses the importance of maintaining accurate records of all transactions.

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6. The sixth part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the success of any business and for the protection of the interests of all parties involved.

7. The seventh part of the document discusses the importance of maintaining accurate records of all transactions.

8. The eighth part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the success of any business and for the protection of the interests of all parties involved.

9. The ninth part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the success of any business and for the protection of the interests of all parties involved.

Appendix 3: Consultation Questions and Proposed Answers

Crematoria Provision in England

8. Q. *Do you consider there is a need for new crematoria in your area?*
A. **No, in 2015 there was 29.5% unused capacity at our Crematorium.**
9. Q. *If yes, please state which geographical area this relates to.*
A. **N/A**
10. Q. *Have you experienced any problems in developing new crematoria?*
A. **No**
11. Q. *If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.*
A. **N/A**

Size and Capacity of Crematoria

16. Q. *Have you experienced any problems with accommodating larger groups of mourners?*
A. **Yes.**
17. Q. *If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.*
A. **Problems were encountered with the size of the Chapel and the seating capacity on a weekly basis up until mid 2015.**
18. Q. *Have you experienced any problems with booking the time or length of cremation services to meet the needs of mourners?*
A. **No.**
19. Q. *If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.*
A. **N/A**
20. Q. *If you have adapted your facilities or services to meet the needs of larger groups of mourners, how did you do this and why?*
A. **Improvement works were carried out within the chapel area to increase the seating capacity from 60 to 101 to accommodate larger groups of mourners. There is also standing room for approximately 150 mourners at the rear of the chapel with tribute screens and speakers for them to view the service.**

Crematoria Facilities - Accommodation and Amenities

23. Q. *Do you provide specific accommodation or amenities that meet the needs of faith or community groups, such as a private room to mourn with the coffin, washing facilities, or an ability to witness the coffin entering the cremator?*
A. **Yes.**

24. Q. *If yes, please describe what accommodation or amenities you provide, how often they are used and which geographical area they relate to.*
A. **Ability for approximately 20 mourners to witness the coffin entering the cremator. It should be noted that in 2015 there was only 1 Hindu cremation and no Sikh cremations at Durham Crematorium.**
25. Q. *If you have increased your provision of accommodation or amenities to meet the needs of faith or community groups, how did you do this and why?*
A. **N/A**

Iconography

28. Q. *Do you provide removable iconography to meet the needs of faith and community groups?*
A. **Yes.**
29. Q. *If yes, please describe what iconography you provide, how often it used and which geographical area they relate to.*
A. **A wooden cross is provided which can be removed as and when required.**
30. Q. *If you have increased your provision of iconography to meet the needs of faith or community groups, how did you do this and why?*
A. **N/A**

Car Parking

33. Q. *Have you experienced any problems with car parking at crematoria to meet the needs of mourners?*
A. **Yes, in the past.**
34. Q. *If yes, please describe what problems you have encountered, how often they occurred and which geographical area they relate to.*
A. **Large number of vehicles accessing the facilities on a weekly basis.**
35. Q. *If you have increased your car parking availability, how did you do this and why?*
A. **Extra parking facilities have been created by the removal of a grassed area within the crematorium grounds, increasing the number of spaces from 38 to 79. There is also an overflow car park available at the adjoining cemetery available for mourners during busy periods.**

Staff Training

39. Q. *Does your staff training policy include cultural awareness and sensitivity to all faith, community groups and users?*
A. **Yes**

40. Q. *If yes, please describe details of the training, and which geographical area they relate to.*

A. All staff complete a mandatory online equality and diversity training course.

41. Q. *As a provider of crematoria, have you received any complaints regarding the awareness and sensitivity of crematoria staff to different faith and community groups?*

A. No.

42. Q. *If yes, please describe any changes to staff training policies or practice implemented as a result?*

A. N/A

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