

NORTH EAST SURREY CREMATORIUM BOARD

TUESDAY 14 MARCH 2017

10.00 am at the

Civic Offices, St Nicholas Way, Sutton, SM1 1EA

To all members of the North East Surrey Crematorium Board:-

Merton: Councillors Philip Jones (Chair), Abdul Latif and Geraldine Stanford

Sutton: Councillors Vincent Galligan (Vice-Chair) and Paul Wingfield

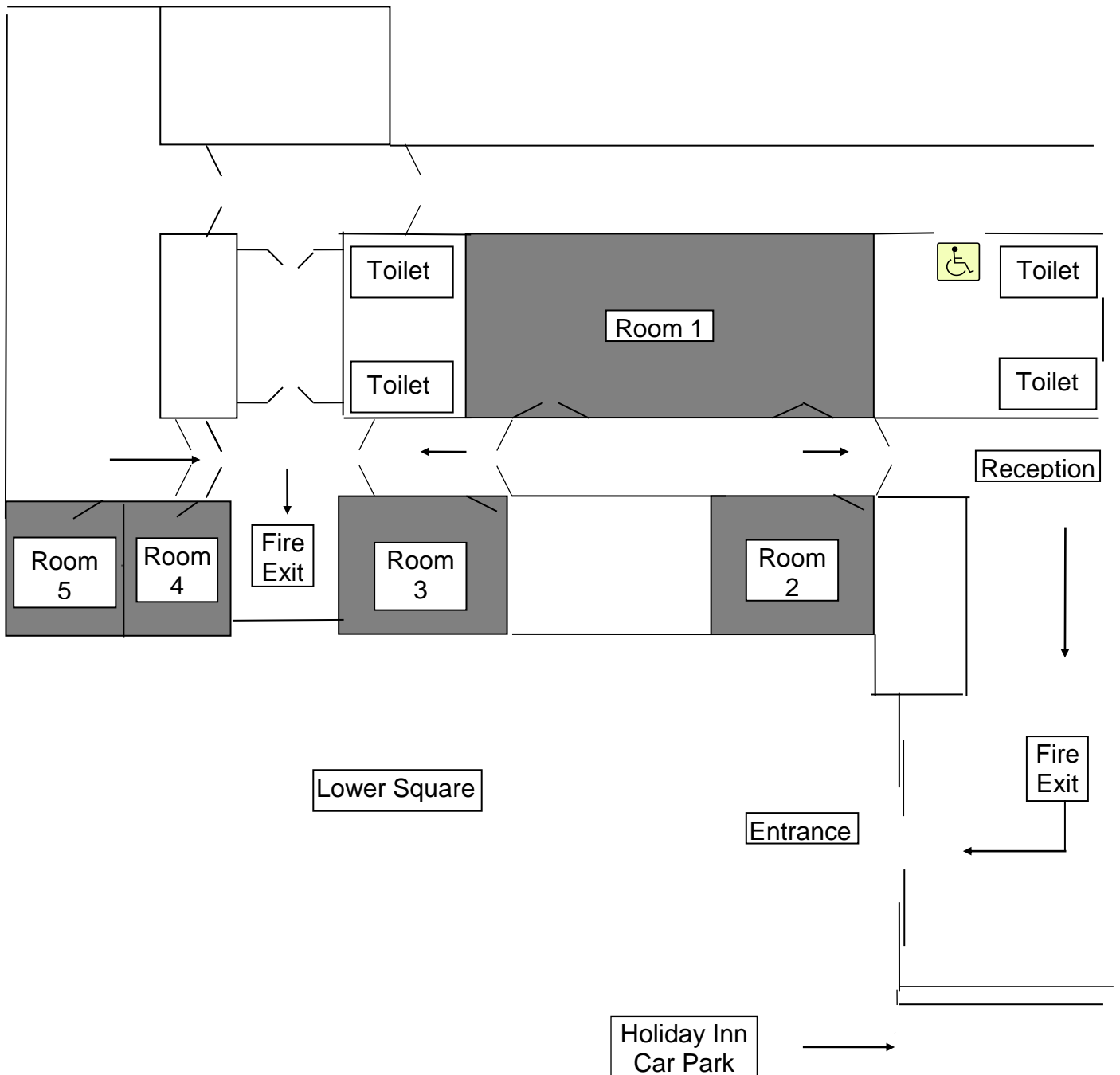
Wandsworth: Councillors Claire Clay, Sue McKinney, Candida Jones, Michael Ryder and Stuart Thom

**CIVIC OFFICES, SUTTON
GROUND FLOOR MEETING ROOMS**

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First Aid can be obtained from Civic Security in reception.



AGENDA

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

3. MINUTES OF THE LAST MEETING (Pages 1 - 2)

To approve as a correct record the Minutes of the meeting held on 6 December 2016.

4. APPOINTMENT OF CLERK TO THE BOARD

To appoint Aimee Wittams-Smith as clerk to the North East Surrey Crematorium Board.

5. REPORT OF THE SURVEYOR (Pages 3 - 40)

6. REPORT OF THE TREASURER (Pages 41 - 66)

7. EXCLUSION OF THE PRESS AND PUBLIC

The following motion should be moved, seconded and approved if the committee wishes to exclude the press and public to deal with reports revealing exempt information:

“That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 Schedule 12A of the Local Government Act 1972.”

8. ANY URGENT ITEMS BROUGHT FORWARD AT THE DISCRETION OF THE CHAIR

The Chair must approve the reason for urgency.

9. DATE OF NEXT MEETING

The next meeting of the Board will take place on 13 June 2017 at 10am at the North East Surrey Crematorium.

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Reminder – Declarations of Interests

Members should consider the following interests and whether they have any they should declare.

Disclosable Pecuniary Interests

Where you have a Disclosable Pecuniary Interest in any business of the Authority at this meeting and you have either declared it beforehand in the Register of Members' Interests or to the Monitoring Officer for entry in the Register you must state at this meeting that you have such an interest and then withdraw from the room or chamber where the meeting is being held whilst that business is considered.

Where you have a Disclosable Pecuniary Interest in any business of the Authority at this meeting and have not previously declared it you must declare the nature of that interest at this meeting and then withdraw from the room or chamber where the meeting is being held whilst that business is considered.

Other Pecuniary and Non-Pecuniary Interests

Where you have any other pecuniary or non-pecuniary interest in any business at this meeting you must declare that interest, but may continue to speak and vote on the matter. However, if the interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest then you should declare the interest and withdraw from the room or chamber where the meeting is being held whilst that business is considered.

If, during the course of the committee meeting, you consider you may have an interest you should always declare it.

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NORTH EAST SURREY CREMATORIUM BOARD

**Minutes of the Meeting held at Civic Offices, St Nicholas Way, Sutton
on 6 December 2016 at 10.00 am**

MEMBERS (*absent) Merton: Councillors Philip Jones, Abdul Latif and Geraldine Stanford.

Sutton: Councillors Vincent Galligan and Paul Wingfield*.

Wandsworth: Councillors Claire Clay*, Sue McKinney, Candida Jones*, Stuart Thom and Michael Ryder.

OFFICERS Amy Dumitrescu (Clerk)
Jean Stevenson (Treasurer)
Clive Andrews (Surveyor)
Joanna Shearer (Contracts Manager, Leisure Services - Wandsworth)

20. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Paul Wingfield, Councillor Candida Jones and Councillor Claire Clay.

21. DECLARATIONS OF INTEREST

There were no declarations of interest.

22. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 13 September 2016 were agreed and signed by the Chair as a correct record subject to the following amendment:

Any Urgent Items: 31 September to be amended to read 30 September.

23. REPORT OF THE SURVEYOR

The Surveyor presented his report in depth and board members asked questions and made comment as appropriate.

The board discussed the current employee matters as detailed at section 5 of the report. The Surveyor assured the board that sufficient interim measures were in place, and recruitment was progressing.

The board recorded their thanks to Mark Ferguson and Margi Singh for all of their hard work.

The Surveyor informed the board that all of the light replacement work had been completed.

The Surveyor informed the board that he was looking to acquire land from Wandsworth Council for future plans for new areas for memorials and asked the board to consider if he should continue with the engagement with Wandsworth to look for new land. The Surveyor confirmed there was a piece of land at the site which would be useable.

The board agreed and it was:

RESOLVED: that the Surveyor to continue to pursue negotiations for the land.

**North East Surrey Crematorium Board
6 December 2016**

24. REPORT OF THE TREASURER

The Treasurer introduced her report and invited comments and questions.

A number of recommendations were agreed by the board in relation to the budget and these were as shown below:

RESOLVED: that the board approved the revised Annual Budget for 2016/17 and the Annual Budget for 2017/18

RESOLVED: that the board approved the estimates and authorised payments to be made within these approved estimates.

RESOLVED: that from 1 January 2017, the standard crematorium fee be increased to £555 and that supplementary cremation charges and memorial fees be increased as set out in the Appendix II of the report.

RESOLVED: that the Board agrees to distribute £450,000 of its surplus balances in 2016/17.

The Board noted the audited annual return for the year ended 31 March 2016 and it was:

RESOLVED: that the board approve and accept the audited annual return for the year ended 31 March 2016.

25. CHIEF OFFICERS' REMUNERATION

The Treasurer outlined the report on Chief Officers' Remuneration.

There were no questions, and the board agreed the recommendation.

26. ANY URGENT ITEMS BROUGHT FORWARD AT THE DISCRETION OF THE CHAIR

There were no urgent items.

27. DATE OF NEXT MEETING

The dates for the meetings for 2017 were proposed and agreed by the Committee as follows:

- Tuesday 14 March 2017
- Tuesday 13 June 2017
- Tuesday 12 September 2017
- Tuesday 5 December 2017

The meeting ended at 11.41 am

Chair:

Date:

NORTH EAST SURREY CREMATORIUM BOARD**Report by the Surveyor to the Board – March 2017****1. BUSINESS LEVEL ACTIVITY**

- 1.1 Appendix 1 to this report provides information on cremation numbers for the past five years and for the first eleven months of this financial year. Appendix 2 shows the same information in a graph.

This item is for information.

2. PERFORMANCE MONITORING

- 2.1 The performance report for Enable Leisure and Culture, contract year 2, quarter 2 (February 2017) is sent under separate cover to the surveyors report. Notably, since opening in 1958, the crematorium reached its 100,000th cremation in January 2017. Random samples for the administration of cremations and exhumations licenses were all found to be accurate and in accordance with crematorium and cemetery law. The new smoke alarms are now installed and working in the main office building and the chapel. The cremators and abatement equipment continue to meet the criteria set out in the crematoriums permit to cremate. The garden of remembrance was found to be in a very good standard of maintenance.

This item is for information.

- 3.0 FINANCIAL MATTERS** All financial matters have been correctly reported and there are no issues needing to be drawn to members' attention.

- 4.0 QUALITY CONTROL ISSUES** One complaint (January 17') was received in the past quarter regarding the arrangements in place at the end of a service for vacating the chapel. The complainant took objection to being ushered from the chapel who, at the time, felt rushed. A letter of reply was sent explaining the role of both the crematorium staff and the Funeral Director at the end of a service and an apology was given for any unintentional stress this may have caused at the time.

This item is for information.

- 5.0 EMPLOYEE MATTERS.** Members are asked to note the following:

- 5.1 Barbara Ward was appointed as Bereavement Services Manager in January 2017. Barbara had previously managed South London Cemetery and Crematorium for Dignity Funerals for the past nine years and brings valuable operational and administrative experience to the crematorium.
- 5.3 Following the resignation of Mark Ferguson from Wandsworth's Design Services, interim arrangements are in place to cover the various technical knowledge required for the ongoing repairs / renewals and capital works projects for the crematorium. The Design Services Head of Service, Hussein El Bahrawy, now has the responsibility of the role and will delegate those duties

as appropriate to his officers until a replacement member of staff is in place. Member's of staff will be introduced to the Board as part of this meeting.

This item is for information.

6.0 CUSTOMER STATISTICS. All statistics have been produced as required.

7.0 HEALTH AND SAFETY MATTERS.

7.1 In the past quarter, there have been no reported Health and Safety issues at the crematorium or within its grounds.

This item is for information.

8. MUSIC PROVISION AT NORTH EAST SURREY CREMATORIUM

8.1 In September 2015, a number of visits were carried out to Funeral Directors in the local area. The visits form part of the NESC action plan by holding regular focus group meetings with Funeral Directors.

8.2 At the time, representatives from each of the Funeral Directors were asked a number of questions about the development of the services and the future plans for the crematorium. One these were investigations into the introduction of digital internet based music as part of services at the chapel. Based upon their positive experiences of other crematoriums in the area that use this type of system, Funeral Directors were encouraged to know that this was being considered. All of them were in full support of a move toward this type of music provision.

8.3 The digital music system is designed to improve the music facilities at the crematorium, which would continue to work alongside the traditional organ and organist. The intention is to provide the bereaved with an enhanced quality of music and at the same time maintain a traditional form of music provision.

8.4 Currently Randall's Park, South London, Mortlake ,Lambeth and Croydon crematoria now have an internet based music system in place with Kingston and Putney Vale crematorium's continuing to rely upon CD's and iPod to provide music as part of the service. Putney Vale is looking to introduce an internet based music system later this year.

8.5 In addition to the crematorium being able to both meet Funeral Directors expectations and compete with the modern facilities that other crematoria in the area now provide. There are a number of issues that members need to consider with the current method of playing music as part of the service:

- a. A member of staff has to monitor the public address system throughout the entire service, ejecting, replacing and cueing different Cd's or iPod's/MP3's. This is considered to be a poor use of resources. The situation is exasperated when the crematorium is short staffed due to annual leave or sickness.
- b. The crematorium can facilitate up to 12 services each day with staff having to play a number of different CD's and/or operate a range of different iPod's and MP3's during a

- service . Consequently, there is a continued risk that an incorrect piece of music will be played.
- c. Staff are often presented with a 'home produced' CD just before the service is to take place, without the opportunity to test the CD on the public address system. This can lead to the CD being incompatible with the crematoriums PA system and not playing during a service.
 - d. There is currently no provision to broadcast a service to another venue via the internet or to record the service. This restricts choice to the bereaved and the opportunity for the crematorium to provide an additional income option.
- 8.6 Members were provided with a demonstration of one of the internet based systems at the March 2016 meeting and as a result, arrangements were made to carry out a procurement exercise to obtain the associated costs for this type of system.
- 8.7 A specification was produced and Enable Leisure and Culture have carried out a procurement exercise with the two known providers, Wesley Music and Vividia Limited (Obitus) The specification included additional options and associated costs for visual tributes to be played on LED screens and the provision of real time live broadcasting with the option to record the service. These options can be considered as part of the tender bid or deferred for decision at a later date based on requests from the public for these particular elements of the service.
- 8.8 At the time of preparing the report, Enable LC had just received the associated costs as a result of the tendering process. The method of evaluating the tender submissions, which includes seeking references relating to both companies, is now in process and will be ready for discussion with members at this meeting.
- 8.9 The Surveyor and officers from Enable Leisure and Culture are on hand to answer questions and Board members are then asked to decide if they wish to proceed with the installation of the system.

This item is for decision.

9. CREMATED REMAINS GRAVE AREAS / ABOVE GROUND NICHES

- 9.1 I am pleased to advise board members, the two new areas within the garden of Remembrance are completed and available to the public. Staff are receiving very favourable comments about the location and its general appearance. Appendices 3 ,4,5 and 6 show a selection of photographs of the new cremated remains grave area.
- 9.2 I am also pleased to report that following the initial assessment of the number of grave spaces originally planned for the area, amendments to the design and placement of the cremated remains graves have resulted in an additional 30 graves being allocated to the area. A total of 120 graves are now allocated. As result, this will prolong the use of the area whilst further arrangements are made for the acquisition of land for new memorials.

10. ACTION PLAN – BUSINESS PLAN

- 10.1 Appendix 7 provides the Board's current 2016/17 action plans, updated in bold to reflect actions taken since the last meeting.

11. REPAIR AND RENEWAL – ROUTINE WORKS

- 11.1 Appendix 8 provides information on the repairs and renewals revenue programme for 2016/17 and 2017/18.

This item is for information.

12. REPAIR AND RENEWAL – CAPITAL WORKS

- 12.1 Appendix 9 provides information on the repairs and renewals capital programme with expenditure requirements forecast through until 2025/26. Major projects for this year are the installation of a new heating system at the crematorium which will include a heat exchanger and the resurfacing of the main driveway. Both projects are planned for this summer.

This item is for information.

14th March 2017

**Clive Andrews
Surveyor to the Board**

NORTH EAST SURREY CREMATORIUM BOARD

14th March 2017

CREMATION STATISTICS

Number of Cremations included in Estimates for this year

1,760

MONTHLY FIGURES

YEAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
2016/17	173	125	165	123	128	126	123	122	157	203	178	
2015/16	160	147	141	149	84	93	95	110	135	175	174	176
AVERAGE FOR LAST 5 YEARS	149	151	138	142	127	119	134	139	135	177	163	177

CUMULATIVE FIGURES

YEAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
2011/12	125	273	410	547	676	809	922	1,051	1,163	1,323	1,462	1,654
2012/13	153	300	446	577	719	824	965	1,137	1,269	1,432	1,600	1,770
2013/14	168	328	453	599	747	889	1,041	1,176	1,327	1,540	1,711	1,881
2014/15	141	295	435	583	715	838	1,006	1,156	1,303	1,477	1,641	1,820
2015/16	160	307	448	597	681	774	869	979	1,114	1,289	1,463	1,639
2016/17	173	298	463	586	714	840	963	1,085	1,242	1,445	1,623	
% (+)/(-) PREVIOUS YEAR	8%	-3%	3%	-2%	5%	9%	11%	11%	11%	12%	11%	
AVERAGE FOR LAST 5 YEARS	149	301	438	581	708	827	961	1,100	1,235	1,412	1,575	1,753
% (+)/(-) AVERAGE FOR LAST 5 YEARS	16%	-1%	6%	1%	1%	2%	0%	-1%	1%	2%	3%	

The Town Hall,
Wandsworth High Street,
London, SW18 2PU
March 2017

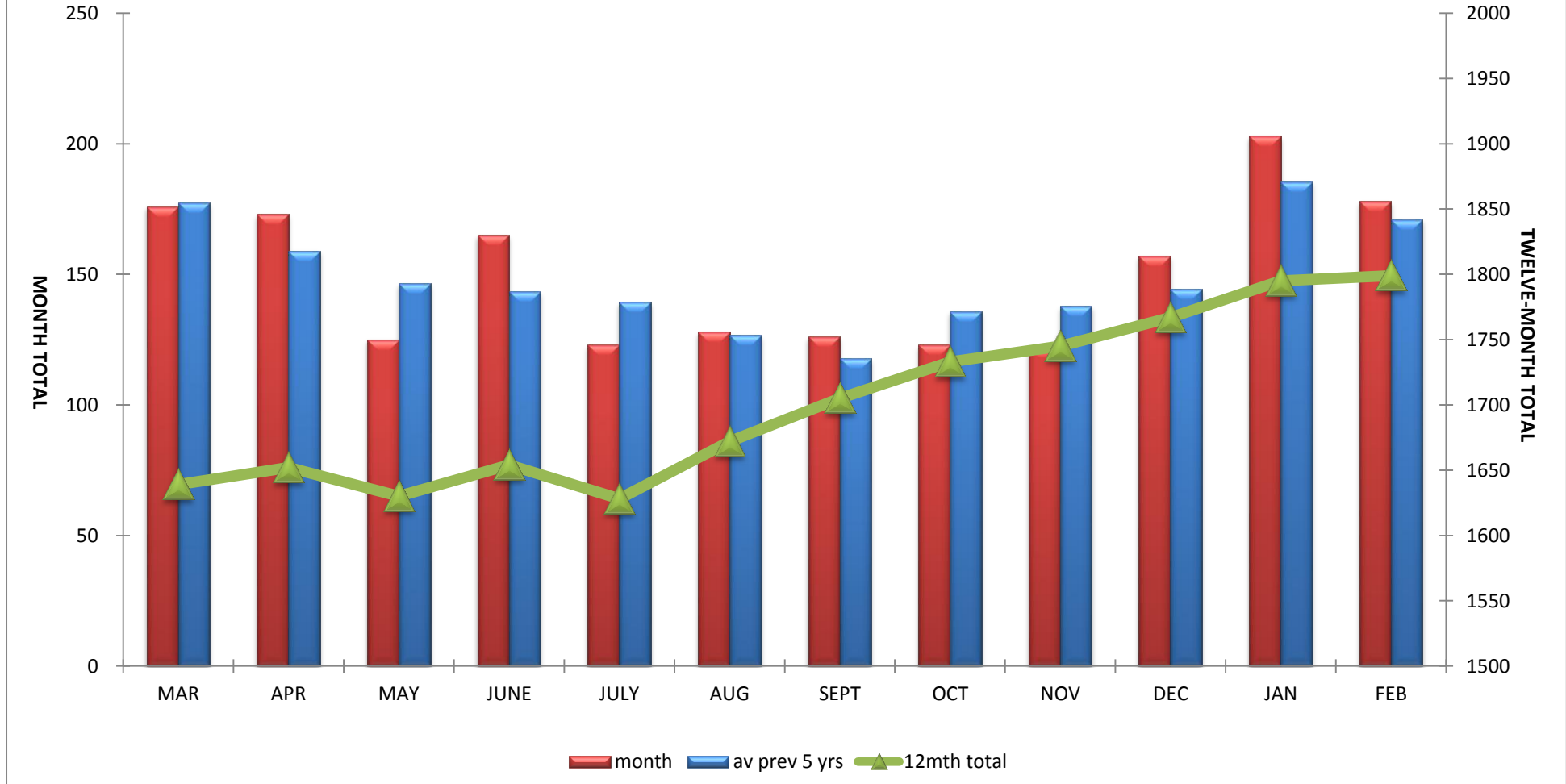
CLIVE ANDREWS
Surveyor to the Board

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NORTH EAST SURREY CREMATORIUM BOARD

Cremations for previous 12 months

(Estimate for current financial year - 1,760)



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ACTION PLAN 2016/17 (March 2017) – updates in bold

Item	Action	By When	By Whom	Progress/Comment
1.	Investigate options for the developing income from any Tradable Mercury Abated Cremations (TMACs) remaining following the establishment of the main Mercury Abatement burden sharing agreement with Wandsworth Council.	On going	Board Officers - Surveyor and Treasurer	The crematorium will continue to trade with Putney Vale crematorium and sell the required amount of surplus TMAC's as part of the local burden sharing agreement for 2016. Putney Vale requires 635 TMACS at the agreed cost per cremation. The Treasurer has invoiced Enable LC.
2.	Develop improvements to the Garden of Remembrance and the Cremated Remains lawn areas.	2016/17	Board Officers - Surveyor	The new above ground niches and cremated remains grave areas are completed and available to the public.
3.	Review the range of memorials offered by the Board.	On going	Board Officers – Surveyor, Treasurer and Clerk	Officers continue to consider the various options available and will bring forward proposals when appropriate.
4.	Hold a focus group meeting with Funeral Directors.	2017	Board Officers	Visits to local Funeral Directors are scheduled biannually with the next series of visits planned for 2017. The next visits to Funeral Directors are planned for Autumn 2017.
5.	Develop and publicise the Board's facilities and services.	On going	Board Officers – Surveyor, Treasurer and Clerk	Media on Demand is now the crematoriums internet provider. An internet based music system will be

Item	Action	By When	By Whom	Progress/Comment
				<p>considered by members and forms part of the surveyors March 2017 report.</p> <p>A new platform to better support coffins and caskets during a service is on order.</p>
6.	To take all necessary steps to ensure that the Crematorium is and continues to be compliant with all regulations relating to the operation of cremators.	Ongoing	Board Officers – Surveyor, Treasurer and Clerk	<p><i>The cremators, abatement equipment and associated equipment has now been completed and the crematorium is now 100% abated.</i></p> <p><i>The requirements of the permit continue to be provided to the Merton Environmental Health Officer as detailed in the Enable LC performance report.</i></p>
7.	Progress the development of staff employed to provide the Board’s services.	Ongoing	Board Officers - Surveyor	<p>he Surveyor has updated staff developments in his March 2017 report.</p>

NORTH EAST SURREY CREMATORIUM BOARD

REVENUE REPAIRS AND RENEWAL

2016/17

Job No.	Works	Order No.	Invoice Total £	Forecast £	Budget		Notes
					Original	Revised £	
1	Chapel						
a	Redecoration of Chapel			8,000	8,000	8,000	
b	Deep cleanse of Upholstery & Carpets in Chapel			3,000	3,000	3,000	
2	Internal works & Service items						
a	Service gas equipment		600.00	600	600	600	Journal transfer from central budget
b	Service sewage pumps (part) BTU		500.00	500	500	500	Journal transfer from central budget
c	Service Air con equip.			200	200	200	
d	Service Fire Alarm System	} DS018447	1,031.54	400	400	400	
e	Service Intruder Alarm			500	500	500	
f	Annual inspection of Lightning Conductor			200	200	200	
g	Redecoration of Crematory			4,000	4,000	4,000	
h	Redecoration of Bearers area			1,750	1,750	1,750	
i	Redecoration of Kitchen area			1,750	1,750	1,750	
j	Update Telephone Lines to digital			5,000	5,000	5,000	
k	Service Curtain Track mechanism in Chapel			500	-	500	New item identified following operational problem
l	Remodelling of office area	DS027366	1,500.00	1,500	-	1,500	New item identified
m	LED Lighting programme			5,000	-	5,000	Energy efficiency measure agreed by Board
3	External Works						
a	Repairs to eroding brickwork in Cloisters	DS023671	2,740.00	10,000	10,000	10,000	
b	Repairs to Slate Plinth			500	500	500	
c	Annual contract for fountain cleaning			650	650	650	
d	Rebedding of cremation plot memorials			5,000	5,000	-	Slipped to 17/18
e	Redecoration of outside of main building			5,500	5,500	5,500	
f	Annual renovation of benches			1,000	1,000	-	Problems sourcing Contractor in 16/17
g	Repointing of brickwork in Cloisters			10,000	10,000	-	Slipped to 17/18
h	Repointing of flower slabs in Cloisters			5,000	5,000	5,000	
i	Installation of removable bollard			750	750	-	Slipped to 17/18
4	Cremators						
a	Annual testing			5,000	5,000	5,000	
b	Maintenance		29,858.46	43,000	46,000	43,000	
5	General						
6	Repairs Contingency (see next page)		17,704.25	10,000	10,000	10,000	
7	Cremators Contingency (see next page)		-	2,000	2,000	2,000	
			53,934.25	131,300	127,300	114,550	

NORTH EAST SURREY CREMATORIUM BOARD

REVENUE REPAIRS AND RENEWAL

2016/17

Job No.	Works	Order No.	Invoice Total £	Forecast £	Budget		Notes
					Original	Revised £	
6	Repairs Contingency - details			- 7,710	10,000		
a	Clear blocked drains	DS026484	995.00	1,000			
b	Investigate underground water leak near garden tap	DS025905	943.46	940			
c	Deal with low battery on Fire Alarm Panel	DS026424	76.74	80			
d	Supply and install doorbell	DS025768	130.99	130			
e	Deal with fault on CCTV Camera covering drive	DS025869	141.34	140			
f	Repair Garage Door	DS021998	117.16	120			
g	Rectify fault on CCTV montior at The Lodge	DS026453	1,026.07	1,030			
h	Repair ceiling in staff kitchen	DS023994	208.82	210			
i	Unblock drains/toilets	DS027125	195.00	190			
j	Re-lamps throughout the building	DS023788	220.19	220			
k	Install 240v mains power for new security alarm	DS027151	180.79	180			
l	Install guard rail for gas pipes and ventilation grilles	DS024448	295.00	300			
m	Clear blocked Men's toilet	DS31221	85.00	90			
n	Repair or replace hot tap in the Bearers Room	DS31248	361.46	360			
o	Rectify fault with heater in Bearers Room	DS31250	254.62	250			
p	Underground water leak on the main drive	DS31267	57.15	60			
q	repair to the pipe work	DS31389	2,964.50	2,960			
r	Legionella Log Book & Temperature Probe	DS31412	320.00	320			
s	Repair to Fountain and replace filter covers	DS31509	222.00	220			
t	Repair leak from the overflow to the main boiler	DS31579	98.67	100			
u	Rectify fault with the pumps	DS31624	1,221.29	1,220			
v	Investigate and rectify fault with boiler at The Lodge	DS31787	77.02	80			
w	Change batteries in the fire alarm system	DS31951	76.98	80			
x	Repair to curtain closing mechanism	DS32146	637.99	640			
y	Replace flat battery in smoke detector at chapel	DS32264	138.91	140			
z	Deal with flickering overhead lighting	DS32400	76.88	80			
aa	Mend fault wiht light over ministers lectern	DS32451	103.88	100			
ab	Rectify fault to traffic light system	DS32468	69.22	70			
ac	Rectify faulty lighting in flower bay	DS32469	79.90	80			
ad	Replace bottom hinges on pedestrian gates	DS32585	1,235.00	1,240			
ae	Repair push tap dispensing too much water	DS32597	44.11	40			
af	Restore electricity supply to chapel	DS32642	77.71	80			
ag	Replace water heater & temperature controlled taps	DS32733	2,472.44	2,470			
ah	Repair broken/detached left handrail at steps	DS32823	66.16	70			
ai	Rectify low battery/faults with the fire alarm system	DS33092	190.94	190			
aj	Investigate possible leak to AC unit	DS33131	145.64	140			
ak	Make safe area of roof	DS33148	1,234.00	1,230			
al	Rectify fault with hot water heater in men's toilet	DS33197	589.72	590			

NORTH EAST SURREY CREMATORIUM BOARD

REVENUE REPAIRS AND RENEWAL

2016/17

Job No.	Works	Order No.	Invoice Total £	Forecast £	Budget		Notes
					Original	Revised £	
am	Repair tap on sink in ladies toilet	DS33281	68.32	70			
an	Rectify crack/tripping hazard in grave circle	DS33324	74.97	70			
ao	Replacement of light bulbs	DS33325	72.45	70			
aq	Rectify outside cold water tap which was stuck on	DS33358	56.76	60			
			17,704.25	10,000	10,000	-	
7	Cremators Contingency - details			2,000	2,000		
			-	2,000	2,000	-	

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NORTH EAST SURREYCREMATORIUM BOARD

CAPITAL PROGRAMME

	Order No.	15/16		16/17			17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	Comments
		Actual	Revised Estimate	Actual	Original Estimate	Revised Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	
1	Major Repairs and Cleaning to External Surfaces			6,480	120,000	126,000										Nov-16 Fees added
2	Mower/tractor	8,399	8,400						12,000						14,000	Replaced every 5 years
3	Contribution to resurfacing pathways and rest of main drive			9,000	125,000	9,000	125,000									Nov-16 Main works slipped to 2017/18 due to other works
4	Re-roof Cloister walkway							30,000								
5	Cremator Replacement	760,871	900,000	2,160	-	35,000										Nov-16 Retention payments + new Catafalque for heavier coffins
6	Creation of new Cremated Remains Grave Circles			77,837	100,000	100,000										
7	New Intruder Alarm			1,774	10,000	10,000										
8	Development of new site for Granite Niche memorials and associated paving			30,000	30,000	30,000										
9	New Internet Music System				5,000	-	5,000									Nov-16 Slipped to 2017/18
10	Installation of Heat Exchange system and new Heating						85,000									Nov-16 Was initially part of Cremator Replacement Project
11	Replacement of Curtains and track system in Chapel							20,000								Nov-16 New item identified
		769,270	908,400	127,251	390,000	310,000	215,000	50,000	-	12,000	-	-	-		14,000	

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

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NORTH EAST SURREY CREMATORIUM BOARD**14th March, 2017****REPORT OF THE TREASURER****A. Management Agreement - performance 1st April 2016 to 31st December 2016 against Annual Budget, attached, for information.**

Transactions incurred under the Management Agreement are reflected in the attached and are compared with the revised Annual Budget approved by the Board in December.

These figures include residual costs incurred by Wandsworth Council and a breakdown of the costs invoiced by Enable from 1st April 2016 to 31st December 2016.

B. Interim accounts for the period 1st April 2016 to 22nd February 2016, attached, for information.

Item B attached shows transactions to date against the revised estimates approved by the Board in December.

(Line 3) Progress on the maintenance of buildings and plant is the subject of the Surveyor's report elsewhere on this agenda.

(Line 14) The expenditure on the Management Agreement represents the total invoiced by Wandsworth Council and Enable for the period to the end of December 2016.

Lines (19-37). Income reflects cash received to 27th February, but only takes account of amounts outstanding on Funeral Directors' accounts to the end of January. Income as a proportion of revised estimates at 86.2% is less than the equivalent position at this time last year (87.2%). It appears possible that the revised estimate of 1,760 cremations for 2016/17 will be exceeded.

Lines (44-50). Progress against the major elements of the capital programme is covered in the Surveyor's report elsewhere on this agenda. Work is substantially complete on some projects and invoices are expected to be received shortly.

C. Review of Internal Control, attached, for approval.**D. External Audit of Accounts**

Members will remember that it was confirmed in the summer of 2015 that BDO LLP would remain as the External Auditors to the board until the end of the 2016/17 financial year.

It has now been confirmed that the Board has been included in the new audit arrangements for smaller authorities. A separate independent company, Smaller Authorities' Audit Appointments Limited (SAAA), has been created to procure external audit services for smaller authorities and they have completed the first round of appointments.

PKF Littlejohn LLP have been appointed for the year commencing 1st April 2017 and for the subsequent four years to 31st March 2022 for the London and Surrey areas, therefore will be taking over the Board's audit from BDO LLP once the 2016/17 audit is completed. PKF Littlejohn are experienced in dealing with Crematorium Boards as they are the existing External Auditors for the South West Middlesex and Mortlake Crematorium Boards.

In addition, details of fees for the next five years are available on the SAAA website (<http://localaudits.co.uk/index.html>) and are in line with the current level of fees, which provides certainty on the cost of External Audit to the board for the next five years.

The Town Hall,
Wandsworth High Street,
London, SW18 2PU
February, 2017

J M Stevenson
Treasurer to the Board

A

NORTH EAST SURREY CREMATORIUM BOARD
MANAGEMENT STATEMENT
FOR YEAR: 2016/17

		2015/16	2016/17	% of	Revised
		Outturn £	Actual to Date £	Revised %	Budget £
(As at 31st December)				75%	
<u>4254 NESC B MANAGEMENT AGREEMENT</u>					
0001	SALARIES - MONTHLY	222,694.86	154,260.32	71%	218,300
0040	NATIONAL INSURANCE	15,183.40	14,133.75	71%	20,000
0045	EMPLOYER PENSION CONTRIBUTIONS	38,858.96	26,611.63	71%	37,700
0051	AGENCY STAFF	3,511.48	4,544.02	28%	16,000
<u>SALARIES</u>		280,248.70	199,549.72	68%	292,000
0077	TRAINING - EXTERNAL COURSES	2,805.00	1,115.00	80%	1,400
0096	STAFF ADVERTISING - VACANCIES	-	-	0%	1,000
<u>INDIRECT EMPLOYEE EXPENSES</u>		2,805.00	1,115.00	46%	2,400
1017	ROSES & ROSE PLAQUES	2,701.89	616.33	-17%	3,600
1070	ENERGY COSTS - ELECTRICITY	5,756.74	4,850.79	75%	6,500
1072	ENERGY COSTS - GAS & OTHER	52,296.67	30,869.74	57%	54,500
1207	SKIP HIRE	4,013.47	2,261.49	51%	4,470
1213	GROUNDS MAINTENANCE COSTS	5,458.70	1,133.49	19%	6,000
1301	CLEANING & DOMESTIC SUPPLIES	782.68	183.54	12%	1,500
1305	TOILET HYGIENE SERVICES	412.00	412.00	0%	0
1306	WINDOW CLEANING	990.00	450.00	45%	1,000
1380	SEWERAGE & ENVIRONMENTAL SVCS	522.96	-	0%	0
1381	WATER CHARGES (METERED)	-	406.91	51%	800
<u>PREMISES RELATED COSTS</u>		72,935.11	39,951.63	51%	78,370
2003	CAR ALLOWANCE	569.09	-	0%	600
2010	PUBLIC TRANSPORT FARES	145.40	-	0%	200
2041	HIRE - TRANSPORT	4,518.18	2,930.11	81%	3,600
<u>USE OF TRANSPORT</u>		5,232.67	2,930.11	67%	4,400
3000	EQUIPMENT, FURNITURE & MATS	2,643.74	465.02	16%	3,000
3014	ENGRAVING MATERIALS	25.00	-	0%	0
3015	FIRE EXTINGUISHERS	80.00	-	0%	0
3037	PURCHASE OF SOUND RECORDINGS	73.62	-	0%	100
3104	FOOD & CONSUMABLES	417.88	103.86	21%	500
3150	CLOTHING & UNIFORMS	704.42	479.87	37%	1,300
3151	LAUNDRY	225.65	166.08	42%	400
3342	PRINTING AND STATIONERY	2,105.66	2,079.17	56%	3,700
3347	PUBLICITY	-	-	0%	1,000
3404	ANNUAL MEMORIAL SERVICE	1,691.00	1,659.03	100%	1,660
3414	BOOK OF REMEMBRANCE	3,797.24	4,322.61	54%	8,000
3416	CASH IN TRANSIT	187.00	-	0%	0
3427	CREMATION PLOTS	6,412.00	13,492.41	135%	10,000
3428	CREMATION REGISTER	273.96	-	0%	150
3453	KERBSTONE MEMORIALS	3,197.18	317.35	16%	2,000
3462	MEDICAL REFEREES FEES	12,360.75	3,503.00	26%	13,640

NORTH EAST SURREY CREMATORIUM BOARD

		2015/16	2016/17	% of Revised	Revised Budget
		Outturn	Actual to Date		
(As at 31st December)		£	£	%	£
				75%	
3463	MEMORIAL PLAQUES	2,923.42	3,093.19	77%	4,000
3467	MINIATURE BOOKS AND CARDS	1,069.06	191.44	24%	800
3483	PURCHASE OF MEMORIAL BENCHES	642.15	-	0%	0
3499	URNS/BOXES	4,043.97	1,539.07	38%	4,000
3522	CREMATION JEWELLERY	3,237.60	2,359.44	59%	4,000
3600	COMMUNICATIONS - POSTAGE	1,658.15	764.50	38%	2,000
3602	COMMUNICATIONS - TELEPHONES	435.67	595.54	74%	800
3621	I.T. EQUIPMENT & MAINTENANCE	1,888.07	3,173.30	79%	4,000
3764	SUBSCRIPTIONS	445.00	445.00	91%	490
<u>SUPPLIES AND SERVICES</u>		50,378.19	38,749.88	59%	65,540
<u>CENTRAL AND TECHNICAL SUPPORT</u>		1,110.47	-	0%	2,000
GROSS EXPENDITURE		412,710.14	282,296.34	63%	444,710
9328	NESCB REIMBURSEMENT	-412,710.14	-282,296.34	63%	-444,710
<u>INCOME</u>		-412,710.14	-282,296.34	63%	-444,710
TOTAL INCOME		-412,710.14	-282,296.34	63%	-444,710
<u>MAINCODE TOTAL</u>		0.00	-		0

NORTH EAST SURREY CREMATORIUM BOARD**Report by the Treasurer****Income and Expenditure Account for the period 1st April 2016 to 31st March 2017**

	2015/16 <u>Actual</u> £	2016/17 <u>Estimate</u> £	2016/17 <u>Actual</u> £
<u>EXPENDITURE</u>			
<u>EMPLOYEES</u>			
Salaries	(1) 12,537	15,379	14,338
	(2) 12,537	15,379	14,338
<u>PREMISES</u>			
Maintenance of Buildings and Plant	(3) 46,975	114,550	57,331
Maintenance of Grounds	(4) 3,480	3,510	3,510
Rents	(5) 9,763	9,770	9,763
Rates	(6) 66,690	67,210	67,210
	(7) 126,908	195,040	137,814
<u>SUPPLIES AND SERVICES</u>			
Audit, Actuary and Bank Fees	(8) 3,731	3,760	3,211
Environmental Protection Act Fees	(9) 1,111	1,120	0
Expenses	(10) 627	450	0
Subscriptions etc	(11) 952	940	936
Insurance	(12) 13,244	14,540	14,537
	(13) 19,665	20,810	18,684
<u>THIRD PARTY PAYMENTS</u>			
Wandsworth Borough Council	(14) 412,710	444,710	282,288
Tradeable Mercury Abatement Credits	(15) 28,950	0	0
Clerical and Accounting Assistance	(16) 18,330	18,490	16,090
	(17) 459,990	463,200	298,378
<u>TOTAL EXPENDITURE</u>	(18) 619,100	694,429	469,214
<u>INCOME</u>			
<u>FEES AND CHARGES</u>			
Agency Reimbursement - LBW	(19) 7,150	7,220	7,220
Cremation Fees	(20) 845,272	894,770	748,450
Inscriptions in Books of Remembrance	(21) 13,420	13,080	11,075
Miniature Books and Cards	(22) 658	400	227
Rose Trees & Bushes	(23) 50,588	51,000	47,351
Memorial Plaques	(24) 18,614	18,000	15,638
Memorial Stones	(25) 424	200	166
Cremation Plots	(26) 16,743	9,000	7,986
Memorial Tablets	(27) 2,685	2,700	2,026
Kerbstone Vase Memorials	(28) 14,371	15,000	12,138
Teak Seats	(29) 1,556	2,100	2,478
Cremated Remains Graves	(30) 67,561	25,360	38,737
Flower Vases	(31) 10,307	10,000	9,121
Crystal Plaques	(32) 17,332	15,000	12,454
Granite Niches	(33) 31,462	35,000	31,034
Fountain Leaves	(34) 2,160	3,000	4,680
Ashes into Glass	(35) 5,571	3,500	3,463
Cremation Urns, postage etc.	(36) 9,444	9,000	8,771
Tradeable Mercury Abatement Credits	(37) 27,355	25,000	18,856
<u>TOTAL INCOME</u>	(38) 1,142,673	1,139,330	981,871

Income and Expenditure Account for the period 1st April 2016 to 31st March 2017

			2015/16 <u>Actual</u> £	2016/17 <u>Estimate</u> £	2016/17 <u>Actual</u> £
<u>TOTAL INCOME</u>	(Line 38)	(39)	1,142,673	1,139,330	981,871
<u>Less: TOTAL EXPENDITURE</u>	(Line 18)	(40)	(619,100)	(694,429)	(469,214)
NET SERVICE INCOME/(EXPENDITURE)		(41)	523,573	444,901	512,657
Interest and Investment Income		(42)	2,674	0	0
NET OPERATING INCOME	(Lines 41 to 42)	(43)	526,247	444,901	512,657
<u>APPROPRIATIONS</u>					
Contribution to Capital Reserves:					
Replacement Cremator Project		(44)	(760,871)	(35,000)	(2,160)
Resurfacing of driveways and pathways		(45)	4,000	(9,000)	(9,000)
Cremated Remains Grave Circles		(46)	0	(100,000)	(77,837)
New Mower		(47)	(8,399)	0	0
New Intruder Alarm		(48)	0	(10,000)	(1,774)
Granite Niche Development		(49)	0	(30,000)	(30,000)
New Music System		(50)	0	0	0
Refurbishment of External Surfaces		(51)	0	(126,000)	(6,480)
		(52)	(765,270)	(310,000)	(127,251)
SURPLUS/(DEFICIT) FOR YEAR	(Line 43 + 52)	(53)	(239,023)	134,901	385,406
<u>BALANCES</u>					
Balance at 1st April		(54)	1,239,292	900,269	900,269
Distribution of Surplus Balances		(55)	(100,000)	(450,000)	(450,030)
Balance at 31st March	(Lines 53 to 55)	(56)	900,269	585,170	835,645

NORTH EAST SURREY CREMATORIUM BOARD**14th March 2017****REPORT OF THE TREASURER****Review of Internal Control****INTRODUCTION**

1. This report introduces the work undertaken by Wandsworth Council's Internal Audit Service (IAS). Additionally, this report includes a review of the effectiveness of the Internal Audit service.

QUALIFIED ASSURANCE

2. The Internal Audit Service completed an audit of the Board's operations, with most of the fieldwork undertaken during late January and early February 2017.
3. The report (attached as an appendix to this report) issued by Internal Audit provides qualified assurance, which means that there are basically sound systems, but there are some weaknesses identified. Concerns are raised about the process for ensuring prompt payment of accounts, recording of statistical information and record keeping for overtime hours. These concerns are detailed in the report and are all Priority 2 recommendations for local management action, sooner than major issues.
4. The report also contains the management responses to the points raised and indicates the timescales in which the issues are planned to be addressed.
5. The first recommendation relates to the process for monitoring payments from Funeral Directors. A total of nine funeral directors have accounts with Board and are issued with a monthly invoice. The audit identified that two funeral directors are not paying promptly and also one case where a payment had not yet been recorded on the account. Enable's management have undertaken to introduce a more formal process of reminder letters to address this situation. One of the funeral directors identified as having arrears is paying regularly, but normally two months in arrears and this will be discussed with them. The other funeral director in arrears has now started to clear the backlog of payments.
6. The second recommendation relates to the recording of statistical information. The internal record sheet is currently not formatted to reflect the categories on the Burials and Cremation Administration System (BACAS) and this had led to a recording error on the record sheet. Management have reviewed the categories and see no reason for the internal record sheet to differ from BACAS and it will be changed for the new financial year.
7. The final issue concerns the recording of overtime by Enable's staff. Enable's management are happy that overtime is only ever worked with prior permission, but Internal Audit requires some supporting documentation to be held. Management will need to ensure that evidence of the prior agreement to overtime is retained for audit purposes.

CORPORATE GOVERNANCE

8. The Audit Report includes comments on the governance arrangements of the Board. As a "smaller relevant body" as defined by the Accounts and Audit Regulations, the Board approves and submits its Annual Governance Statement as part of the Annual Return for the year.
9. The Annual Governance Section within the Annual Return for the year ended 31st March 2016 was approved by the Board at its meeting on 14th June 2016. The Internal Audit Report (page 5 of the Annual Return) confirmed compliance with ten principle control objectives. This section was completed on 25th May 2016 and the Return was submitted to BDO LLP for audit. The Board approved the audited Annual Statement at its meeting on 6th December 2016. The External Auditor, BDO LLP, raised a concern regarding the approval of the Risk Management Strategy section of the Treasurer's report at the Board meeting in September 2015 in that its acceptance was not formally recorded in the minutes. The approval of the equivalent Risk Management Strategy section was formally recorded in the September 2016 minutes and officers will make sure that this happens in future.

REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

10. Internal audit has always been undertaken by Wandsworth Council's Internal Audit Section (IAS). Comprehensive details of the Council's IAS can be found on the Council's web site (including objectives, strategy, the audit process and guidance on money laundering and anti-fraud and anti-corruption measures): -

http://www.wandsworth.gov.uk/info/200110/council_budgets_and_spending/476/internal_audit/1

11. Since 1st April 2004, the Board has gained further assurance through the Agreement with Wandsworth Council for the day to day management of the Board's operation, utilising the Council's staff, procedures and controls. Since 1st October 2015, the Council's sub-contractor has taken over most of the day to day management and this will need to be kept under review by the Board. The operations are still subject to scrutiny by the Council's IAS. The effectiveness of the IAS has also been reviewed by Wandsworth Council and the Council's external auditors, Ernst and Young LLP (EY).

Scope of the Internal Audit

12. The IAS provides an Internal Audit Brief which details the objectives, scope, methodology and timing of all audits undertaken each year. An "Audit Guide - Programmed Audits" is also provided and this covers the whole audit process from planning to reporting and follow-up. The Audit Brief is discussed with the Board's Chief Officers to ensure all areas of risk relevant to the Board's business are covered.
13. The Board's anti-fraud and anti-corruption arrangements principally rely on the guidance provided by the Wandsworth IAS - Audit Guides for "Money Laundering", "Anti-Fraud and Anti-Corruption Measures" which were included with the Internal Audit Brief.
14. The Audit Guides referred to above can be made available to Members if required and are available via the web link above.
15. The Board was established by its own Act of Parliament, and has its own framework of Standing Orders, Scheme of Delegations and Financial Regulations. The Board also has an Action Plan which is regularly reviewed. The IAS is familiar with this framework and has access to all of the Board's records.

16. The IAS has considerable experience of the Board's organisation and business, and is also responsible for the audit of Wandsworth Council's operations. This enables a wide and comprehensive overview to be taken of compliance with operational requirements, comparative performance, and challenges and risks facing the service and their impact on corporate governance requirements
17. The Board's Financial Regulations identify the requirements for Risk Management and Control of Resources, including, amongst other matters, Internal Control and Audit.
18. The work of the IAS considers the various reports presented to the Board by Chief Officers, including regular reviews of Internal Control, Risks and Risk Management Strategy, and the Board's approval of the Annual Governance Statement within the Annual Return for each financial year. The Board's Chief Officers, and the Wandsworth/Enable staff involved in the day to day operation of the crematorium, are encouraged to identify risks and risk management measures, and the IAS contribute by drawing on their knowledge and experience elsewhere.
19. The latest Audit report in the name of the Internal Audit Service is attached to this report.

Independence

20. The Board's Financial Regulations state: -

"Audit

The Treasurer is responsible for ensuring -

- i. the maintenance and procurement of an internal audit function that is sufficient in its coverage and independent in its planning and operation;*
- ii. that the Head of Audit has direct access to the Clerk, all levels of management and the Board; and*
- iii. that the internal auditors have been trained to comply with professional good practice."*

21. Apart from the provision of an internal audit service, the IAS does not perform any other services for the Board. It is therefore considered that the IAS sufficiently independent, unbiased and objective.

Competence

22. Wandsworth Council's IAS provides the internal audit function for the NESCB. The Chartered Institute of Public Finance and Accountancy (CIPFA) issued a revised Code of Practice for Internal Audit in Local Government that is deemed to be statutory proper audit practices as stated in the Accounts and Audit Regulations 2015. The Code includes a self-assessment checklist to enable relevant public authorities to determine their compliance with it. The checklist has been completed and the IAS's compliance with it has been assessed. It highlights that the IAS complies with the CIPFA Code.
23. There is no evidence of failure to carry out the Board's internal audit work ethically, with integrity and objectivity. Previous audit reports have highlighted areas requiring further attention and the resultant action plan has been monitored to ensure compliance.

24. Wandsworth Council's Audit Committee received a report (Paper No 16-324) which in paragraph 81 gave evidence of the Council's External Auditors "being able to use the work of Internal Audit to inform their risk assessment".
25. The conclusion of the audit includes a questionnaire to be completed by the officers concerned providing feedback on the quality of the audit.

Relationships

26. The roles and responsibilities of the Board's Members and Officers are set out in a number of published documents: -
 - a. North East Surrey Crematorium Board Act 1956
 - b. NESCB Standing Orders
 - c. NESCB Scheme of Delegations
 - d. NESCB Financial Regulations
27. In addition to their roles on the NESCB, the Board's Members are comprised of councillors from the constituent authorities. Reliance can be placed on the provision of appropriate training to Members by those authorities, and the issue and maintenance of appropriate Codes of Conduct, anti-fraud, anti-corruption, and whistle blowing procedures.

Audit Planning and Reporting

28. The annual audit plan considers the risks identified by the Board's Chief Officers in their joint report on Risk Management, the Review of Internal Control and other issues raised in reports to the Board during the year, and draws on the IAS's experience and knowledge of similar work undertaken and risks at Wandsworth Council. The audit plan takes these issues into consideration, together with any concerns raised by the Board's Members and Officers.
29. Each year, the cyclical audit plan is discussed and agreed with the Treasurer and the Surveyor. The audit plan identifies the name of the auditor and the timescale for completion of the audit.
30. The previous Internal Audit Report was reported to the Board on 8th March 2016 in accordance with the plan.

CONCLUSION

31. Based on the evidence throughout this report, together with the Treasurer's personal experience of the service, the Board can be assured that the Wandsworth Council Internal Audit Service delivers an effective service.
32. The Board can take some comfort from the regular scrutiny of its procedures, controls and accounts. Reviews are undertaken at least annually by the WBC Internal Audit Service, and, in respect of the accounts, by the external auditors (BDO LLP). All findings of both reports are followed up as a matter of course.
33. However, the internal auditors have given qualified assurance this year due to the issues raised in paragraphs 5, 6 and 7, therefore is no room for complacency as the system of internal control must be demonstrably robust at all times.

RECOMMENDATION

34. The Board is recommended to note the report by Wandsworth Council's Internal Audit Service and endorse the management actions proposed.
35. The Board is recommended to reconfirm the appointment of the Wandsworth Internal Audit Service as the Board's internal auditors.

The Town Hall
Wandsworth High Street
London, SW18 2PU
February, 2017

J M STEVENSON
Treasurer to the Board

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Wandsworth Council
Internal Audit Final Report
North East Surrey Crematorium
February 2017

Contents

	Page
Executive Summary	1
Section 1 – Observations and Recommendations	3
Appendix 1 - Audit Framework	8
Appendix 2 - Staff Interviewed	9
Statement of Responsibility	10

Executive Summary

This report details the internal audit review of procedures and controls in place at the North East Surrey Crematorium (NESC), recognising that Enable Leisure and Culture undertakes the day-to-day management of the Board's crematorium operations. The audit has been undertaken during February 2017 and an explanation of the audit approach and summary of the work undertaken is provided in the audit framework in Appendix 1.

Qualified Assurance

While there is a basically sound system, there are weaknesses which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.

There are no recommendations arising as a result of our work in the following areas:

- Budgetary Control
- Corporate Governance
- Cash
- Procurement
- Cremation Documents
- Inventory
- Performance Review Management
- Accounting and Systems
- Members Allowance
- Investments
- Contract Monitoring

We have identified some specific areas where improvements in control or the operation of existing controls could be made and this is summarised below. We have commented in detail on this within the body of the report and we would ask you to consider the recommendations made.

- **Income Debtors**

Examination of nine Funeral Directors accounts identified two instances where payments were not up to date and one instance where a payment received was not recorded on the Funeral Directors accounts. Furthermore, examination of cremations statistics identified three instances where data did not reconcile to the Burial and Cremation Administration System.

Two recommendations have been raised accordingly.

- **Staffing**

Examination of five overtime claim forms identified two instances where supporting documents did not evidence hours worked.

One recommendation had been raised accordingly.

Acknowledgement

We would like to take this opportunity to thank management and staff for all their assistance during the audit, particularly Jean Stevenson, Barbara Ward and Karen Levi for their assistance during the audit.

Section 1 – Observations and Recommendations

In order to assist management in using our reports:

a) We categorise our **opinions** according to our assessment of the controls in place and the level of compliance with these controls.

<i>Full Assurance</i>	There is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.
<i>Qualified Assurance</i>	While there is a basically sound system, there are weaknesses which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
<i>Limited Assurance</i>	Weaknesses in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
<i>No Assurance</i>	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.

b) We categorise our **recommendations** according to their level of priority.

<i>Priority 1</i>	Major issues for the attention of senior management.
<i>Priority 2</i>	Other recommendations for local management action.
<i>Priority 3</i>	Minor matters.

Income Debtors

1. Funeral Directors Reconciliation

(Priority 2)

This table is exempt under Paragraph 3 of Schedule 12A of the Local government Act 1972 and it is set out in a separate appendix

2. Age Cremations Statistics

(Priority 2)

Recommendation	Rationale	Responsibility
<p>Ensure that reconciliations are regularly carried out between Cremation Age Analysis and Statistics 2016/17.</p>	<p>In order to ensure categories of cremations are accurate, regular reconciliations should be carried out of the Burial and Cremation Administration System.</p> <p>Examination of Statistics 2016-17 identified results were not consistent with Cremation Age Analysis from the Burial and Cremation Administration System for periods October, November and December 2016. It is however acknowledged, that medical referees fees were correct for the same period.</p> <p>Where reconciliations are not conducted and/or checked, there is an increase risk of errors not being identified and corrected. This may lead to misstatement of the accounts.</p>	<p>Bereavement Services Manager</p>
Management response		Deadline
<p>The statistics spreadsheet will be amended to bring the categories recorded in line with the Burials and Cremation Administration System, this will eliminate the problem.</p>		<p>30th April 2017</p>

Staffing

2. Overtime Claims

(Priority 2)

Recommendation	Rationale	Responsibility
<p>Ensure overtime is pre-approved and time worked is recorded prior to claim forms being checked and authorised.</p>	<p>In order to ensure there are no unauthorised payments, all overtime claims must agree with supporting documents and be authorised by a certifying officer.</p> <p>Examination of a sample of five overtime claim forms, identified two instances where supporting records were not held for hours worked for initials KL and JB.</p> <p>Where overtime claims are not validated with supporting documents there is an increased risk of inaccurate overtime being paid.</p>	<p>Bereavement Services Manager</p>
Management response		Deadline
<p>Overtime is always pre-agreed with management so other supporting records are not needed.</p> <p>Audit Comment Documented evidence supporting pre-arranged overtime and hours worked is required.</p>		<p>28th February 2017</p>

Appendix 1 - Audit Framework

Audit Objectives

The audit was designed to establish whether management have implemented adequate and effective controls at NESC.

Audit Approach and Methodology

The audit approach was developed with reference to the agreed Method Statement and by an assessment of risks and management controls operating within each area of the scope.

The following procedures were adopted:

- identification of the role and objectives of each area;
- identification of risks within the systems, and controls in existence to allow the control objectives to be achieved; and
- evaluation and testing of controls within the systems.

From these procedures we have identified weaknesses in the systems of control, produced specific proposals to improve the control environment and have drawn an overall conclusion on the design and operation of the system.

Areas Covered

Audit work was undertaken to cover the following areas:

- Budgetary Control
- Corporate Governance
- Income Debtors
- Cash
- Contract Staffing
- Procurement
- Cremation Documents
- Inventory
- Performance Review Management
- Accounting and Systems
- Members Allowances
- Investments
- Contract Monitoring

Appendix 2 - Staff Interviewed

We would like to thank all staff who provided assistance during the course of this audit, particularly:

- Jean Stevenson (Treasurer)
- Barbara Ward (Bereavement Services Manager)
- Karen Levi (Administrative Assistant)

Statement of Responsibility

We take responsibility for this report, which is prepared on the basis of the limitations set out below.

- The matters raised in this report are only those, which came to our attention during the course of our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.
- Recommendations for improvements should be assessed by you for their full impact before they are implemented.
- The performance of internal audit work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.
- Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents.
- Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

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

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