

Chilterns Crematorium Joint Committee

Wednesday, 24th February, 2010 at 2.00 pm

Cabinet Room, Council Offices, King George V Road, Amersham

A G E N D A

1. Evacuation Procedures
2. To sign the Minutes of the meeting of the Joint Committee held on ...
3. Apologies for Absence
4. Declarations of Interest
5. Open report (and appendices) of the Clerk and Superintendent to the Joint Committee
 - 6.1 Annual Conference (*Pages 1 - 2*)
 - 6.2 Liaison Meeting with Persons Taking Services and Funeral Directors (*Pages 3 - 4*)
 - 6.3 Complaints and Compliments 2009 (*Pages 5 - 8*)
 - 6.4 Use of Chapels for Burial Services (*Pages 9 - 10*)
7. Open report (and appendices) of the Treasurer to the Joint Committee
 - 7.1 Annual Audit of Accounts (*Pages 11 - 14*)
Appendix A (Pages 15 - 18)
Appendix B (Pages 19 - 34)
Appendix C (Pages 35 - 40)
Appendix D (Pages 41 - 60)
 - 7.2 Treasury Management Strategy (*Pages 61 - 62*)
Appendix E (Pages 63 - 64)

- 7.3 Capital Programme 2009-10 to 2013-14 (*Pages 65 - 68*)
Appendix F (Pages 69 - 70)
 - 7.4 Review of Fess and Charges (*Pages 71 - 72*)
Appendix G (Pages 73 - 78)
 - 7.5 Revenue Budget Revised 2009-10 and Original 2010-11 (*Pages 79 - 82*)
Appendix H (Pages 83 - 84)
 - 7.6 Medium Term Financial Strategy (*Pages 85 - 86*)
 - 7.7 Risk Management (*Pages 87 - 88*)
Appendix I (Pages 89 - 92)
8. That under Section 100(A)(4) of the Local Government Act 1972 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 Part 1 of Schedule 12A of the Act
9. Private Report of the Officers
- 9.1 Design, Supply and Installation (*Pages 93 - 96*)
Private Appendix J (Pages 97 - 100)
 - 9.2 Crematorium Buildings Structural, Mechanical and Electrical Survey (*Pages 101 - 104*)
 - 9.3 Garden of Remembrance (*Pages 105 - 108*)
Private Appendix K (Pages 109 - 112)
 - 9.4 Proposed Crematorium Aylesbury (*Pages 113 - 116*)
Private Appendix L (Pages 117 - 146)
10. Date and time of next meeting. Members have agreed to locate meetings at Amersham, Aylesbury and High Wycombe on a rotation basis. The next meeting will be held at AVDC

Note: All Reports will be updated orally at the meeting if appropriate and may be supplemented by additional reports at the Chairman's discretion.

Membership: Chilterns Crematorium Joint Committee

Councillors: Kevin McPartland
David Thompson

Aylesbury Vale District Council

“

Mike Smith
John Warder

Chiltern District Council

“

Tony Green
Miss Katrina Wood

Wycombe District Council

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CHILTERNS CREMATORIUM JOINT COMMITTEE

MEETING 24TH FEBRUARY 2010

**OPEN REPORT OF THE CLERK TO
THE JOINT COMMITTEE AND THE SUPERINTENDENT**

1. ANNUAL CONFERENCE

Contact Officer: Charles Howlett (01494) 724263

1.1 The next Annual Conference of the Institute of Cemetery and Crematorium Management (ICCM) will be held in October 2010.

1.2 It is usual for the Joint Committee to consider who should attend. In the current year, as has been customary, the Chairman and Superintendent were nominated, although in the event the Chairman was unable to attend due to other commitments.

RECOMMENDATION

That the Chairman of the Joint Committee and the Superintendent be nominated to attend the 2010 ICCM Annual Conference.

Background Papers: None

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CHILTERN CREMATORIUM JOINT COMMITTEE

MEETING 24TH FEBRUARY 2010

**OPEN REPORT OF THE CLERK TO
THE JOINT COMMITTEE AND THE SUPERINTENDENT**

**2. LIAISON MEETING WITH PERSONS TAKING SERVICES AND
FUNERAL DIRECTORS**

Contact Officer: Charles Howlett (01494) 724263

2.1 Liaison meetings have been held on an annual basis. The last meeting was held in April 2009. At the Joint Committee meeting on 24th June 2009 members resolved to agree the date for the 2010 Liaison Meeting at the next meeting of the Committee (Minute 5 refers).

RECOMMENDATION

That the next Liaison Meeting be held at the Crematorium at 6.45 p.m. on a date in 2010 be agreed at the meeting, to be preceded by refreshments at 6.00 p.m.

Background papers: None

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CHILTERN CREMATORIUM JOINT COMMITTEE

MEETING 24TH FEBRUARY 2010

**OPEN REPORT OF THE CLERK TO
THE JOINT COMMITTEE AND THE SUPERINTENDENT**

3. COMPLAINTS AND COMPLIMENTS 2009

Contact Officer: Charles Howlett (01494) 724263

3.1 Service provision questionnaires are sent to the applicant for cremation for all cremations carried out. The majority of compliments, comments and complaints received come from this source. In 2009 from the 3,000 questionnaires sent out 244 were returned from people who were satisfied (some with added compliments) and 23 from people who were mostly satisfied but including comments about matters they thought could be improved. A brief summary of the responses to the questionnaires are given in *Appendix 3*. During the year 12 complaints were also received.

Changes proposed/made as result of comments

3.2 During 2010 the Crematorium website is being reviewed and updated.

3.3 In conjunction with the upgrade of the Crematorium website, the methods of applying and paying for services is being reviewed, including the option of enabling memorial applications and payments to be made on line.

3.4 A priority exercise has been carried out resulting in more letters being sent by first class post than was previously the case.

Actions taken in response to complaints

3.5 The following complaints were received:-

Complaint 1: A funeral director wrote complaining that the music that had been programmed to be played on the Wesley Music System was not what he had requested. In the same letter he also complained that in a case where the family opted to view the cremation certificates (a new provision introduced in the Cremation Regulations 2008) he wasn't notified of the outcome of the inspection.

Response: A letter of response was sent which included an apology for any mistake attributable to the Crematorium. However, concerning the incorrect music, it was pointed out that our procedure of requiring the chapel attendant to liaise with the funeral director/person taking the service to check the music selection before each funeral meant that in the event the correct music was played. Concerning the cremation certificates, it is not the Crematorium's policy to advise each funeral director when the medical referee has authorised cremation to go ahead, but only to contact them in the event that there is a problem (which is fortunately a relatively infrequent occurrence).

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Complaint 2: A mourner wrote complaining that she and her family felt intimidated by one of the chapel attendants who wanted them to sit in a different place in the chapel to the seats they had chosen.

Response: Our chapel attendants will normally allow people to sit wherever they like and will only ever ask people to sit in a particular place if directed to do so by the funeral director and/or person taking the service. Some funeral directors/officiants are very particular about this, which puts the chapel attendant under pressure when mourners do not cooperate. The complainer was telephoned by the Superintendent to apologise for the incident and also to give an explanation. The complainer responded by saying it was only a momentary thing which had no lasting affect, but she said Crematorium staff should always be aware that mourners can be super-sensitive and pick up on the slightest thing.

Complaint 3: A widower wrote complaining about issues concerning music at his wife's funeral service (not played in accordance with his wishes) and poor communications at the Crematorium regarding the arrangements for the scattering of her ashes.

Response: The Superintendent investigated the issues raised by the complainer and discovered that there had been mistakes on the part of the Crematorium. Although there were some mitigating circumstances, undoubtedly the level of service the family received was below standard. The Superintendent apologised by telephone and a letter and the matter was resolved amicably.

Complaint 4: A retired minister wrote to say he had difficulty hearing what was being said at his wife's funeral in the Milton chapel.

Response: Problems with the public address system in Milton chapel have been ongoing ever since it opened in 2005. Attempts to rectify the situation have never been fully successful, and each year a number of complaints have been received. In view of the very good quality equipment which was installed this is particularly frustrating. A different company to the original installers were engaged during 2009 to investigate the problems and recommended, amongst other things, that the loudspeakers should be moved to a different position. This work is scheduled to be carried out in March 2010.

Complaint 5: A mourner wrote in complaining that loud laughter could be heard during her mother's funeral service from mourners in the floral tribute court from the previous funeral. She also complained that the funeral director's limousine she was travelling in was delayed in leaving after the service because of badly parked cars on the pavement beside the down drive.

Response: Unfortunately both of these incidents arose from inconsiderate behaviour by the public over which the Crematorium has little, if any, control. The Superintendent actually witnessed the car parking incident which was some of the worst he has seen at the Crematorium; anybody could see they were blocking the road, including the drivers concerned! A letter was sent to the complainer saying we were sorry that due to these acts of selfishness her mother's funeral did not go as smoothly as we would have liked.

Complaint 6: A mourner wrote complaining about the length of time after the service had ended before the flowers from the top of the coffin appeared in the floral tribute court and that the tribute card was missing from it.

Response: The Superintendent spoke to the complainer by telephone explaining the difficulties in getting flowers from the chapel when a large number of mourners are present. In fact in this case a very large number of mourners were in attendance and the lady accepted the point. With regard the tribute card, it transpired that in fact she had not seen a card with the flowers at any time and it seems likely that it was never placed with them – the responsibility of either the florist or funeral director.

Complaint 7: A person who paid for commemoration using an old price list complained about being asked for the additional amount.

Response: In a letter of explanation it was pointed out that although some leeway is given for a few months after the prices change there has to be a cut off point. Although the amount may be relatively small (£1.84 in this case), around seven hundred memorial transactions take place each year and if a lot of these were purchased at old prices the total difference would add up to a significant sum.

Complaint 8: An answer in a completed service provision questionnaire indicated that a gardener had been disrespectful by walking past the chapel window whistling whilst the service was taking place.

Response: No member of staff at the Crematorium would behave in this way.

Complaint 9: A mourner wrote with a two part complaint; firstly that all the mourners had been made to sit on one side of the chapel and secondly that the words of the hymn printed in the service sheet didn't match those played on the Wesley Music System.

Response: The first part of the complaint was straightforward to explain – the minister taking the funeral service in question always insists that one side of the chapel is filled up first before anyone is allowed to sit on the other side. Other than helping to carry out his instructions the chapel attendants are not involved (and, incidentally, not in agreement with the idea). The second part of the complaint was more involved. When funeral directors produce service sheets on behalf of families they are aware of the nuances of the Wesley system and ensure this is reflected in the printing, but in this case the family produced the sheet themselves without reference to the funeral director. In addition, the first time our chapel attendant saw the service sheet was when it was produced by the family as they arrived for the service, leaving no time for the words to be checked – something the attendants would normally do. When hymns were first put on the Wesley system it was only ever envisaged they would be used as a 'stand-by', or in the case of the choir-assisted versions when only a few mourners are present. The Crematorium continues to recommend that in the normal course of events singing accompanied by a live organist is always preferable to recorded music.

The Superintendent had a telephone conversation with the person concerned when he explained the circumstances and apologised for any additional distress the incidents caused.

Complaint 10: A complaint was received that the hearing loop in the Milton chapel was not working and also that people with normal hearing couldn't hear properly.

Response: The Superintendent was already aware of the situation regarding the hearing loop because the amplifier had 'blown up' and was away for repair. With regard to the problem with the public address system, see the response to complaint 4.

Item 6.3

A letter of apology was sent.

Complaint 11: A further complaint was received about the public address system in the Milton chapel.

Response: See response to complaint 4.

Complaint 12: A visitor came into the office to say a small memorial cross (Remembrance Day wooden cross with a central red poppy) which he had placed a few days before on a commemorative rose bed had been removed before 11th November.

Response: As a matter of policy the grounds maintenance staff regularly remove memorabilia paraphernalia from the grounds and place it on the paved area outside the chapel of remembrance. However the Superintendent agreed that it was insensitive to remove Remembrance Crosses in this way until after Armistice Day and in future years they will be left.

3.6 This item is included for information.

Background Papers: None

CHILTERN CREMATORIUM JOINT COMMITTEE**MEETING 24TH FEBRUARY 2010****OPEN REPORT OF THE CLERK TO
THE JOINT COMMITTEE AND THE SUPERINTENDENT****4. USE OF CHAPELS FOR BURIAL SERVICES**

Contact Officer: Charles Howlett (01494) 724263

4.1 During 2009 the Crematorium was approached on two occasions about the possibility of allowing a funeral service to be held in the chapel followed by a burial in a local cemetery.

4.2 There are no legal or practical reasons why this shouldn't happen. In fact, in the last few years funerals have occasionally taken place in the Milton chapel and the coffin, which was too large for the Chiltern cremators, has been taken away afterwards for cremation at another crematorium. (The Milton chapel is the most practical to be used in this way, allowing the coffin to be loaded back into the hearse after the service out of sight of mourners gathering at the entrance for the next service). Also, most local authority crematoria are owned by larger single authorities who also operate cemeteries and commonly use the crematorium chapel for burial services as well.

4.3 However, allowing burial services to take place at Chilterns Crematorium would be a change in policy requiring approval from the Joint Committee before it could be adopted.

4.4 For many centuries in the UK the majority of funeral services were held in Christian churches, cemetery chapels or at the graveside. When cremation was introduced into the UK at the end of the nineteenth century crematoria were built with chapels for the funeral ceremony to be held. Initially most funerals continued to take place in churches, followed by a very short 'committal' service for close family and friends at the crematorium. Gradually, with the decline in Christianity, and to a lesser extent the convenience of only having to travel to one location, this has changed with more and more families choosing to have all of the service or ceremony at the crematorium. With over 70% of deaths each year ending in cremation the majority of funeral services in the UK are currently held in crematorium chapels.

4.5 For those in the local community still choosing burial rather than cremation the options are not so good. The most practical solution of a service in a Christian church comes with the almost universally obligatory Christian service which is at odds with the beliefs of an increasing number of people. A few cemeteries still have operating cemetery chapels, although these are usually small and the facilities relatively basic. Another option is to hire a hall, but most of these do not have the facilities that are needed to satisfactorily host a funeral ceremony.

Item 6.4

4.6 The Chilterns Crematorium is fortunate that neither chapel is built in the traditional style of churches as many of the older crematoria are, and so are equally suitable for religious or secular services. The chapels are already well equipped to meet the requirements of the 'modern' funeral service. The Wesley music system in particular enables every and any sort of audio reproduction; not only a vast array of music or people speaking but also all sorts of other sounds like birds singing, waves on the seashore, a Spitfire flying by etc. The latest innovations, a webcam (enabling services to be viewed remotely from the Crematorium as they are taking place) and audio/visual facilities are due to be installed in the next few weeks, bringing the chapels right up to date.

4.7 Being local authority owned the Crematorium is truly a community facility in every sense of the word, fully equipped to host every kind of funeral service as well as carry out the cremations. The opening of the Milton chapel in 2005 was essential to take the pressure off the Hampden chapel and also enable the time for funerals to be extended from thirty to forty five minutes, but it has also provided spare chapel capacity. The proposal is that this facility is now made available for burial as well as cremation services, so opening it up for potential use by all of the local community rather than just those who choose cremation.

4.8 The advantage of this proposal for the Joint Committee is additional income. The main disadvantage is the possibility that the number of burial services being booked could start to restrict availability for cremation services, although the Superintendent considers this highly unlikely. Another possible disadvantage is that some churches might interpret this as a competitive move. For both these reasons the suggested fee of £175.00 is deliberately on the high side, although it is considered that it fairly reflects the quality of the facility at the Crematorium. As a further safeguard, it is recommended that should the Joint Committee agree to this proposal the Superintendent be given the discretion to temporarily suspend bookings for burial services during periods of peak demand for cremation.

RECOMMENDATION

- 1. That the Joint Committee allow the Crematorium chapels to be used for burial services.**
- 2. A fee of £175.00 is charged for burial services.**
- 3. The Superintendent be given discretion to temporarily suspend bookings for burial services during periods of peak demand for cremation.**

Background Papers: None

CHILTERN CREMATORIUM JOINT COMMITTEE - 24 FEBRUARY 2010**REPORT OF THE TREASURER**

1 ANNUAL AUDIT OF ACCOUNTS 2007/08 AND 2008/09

Contact Officers: Alison Howes (01494 732260) and Tina Pearce (01494 732233)

2007/08 Accounts

1. Members will recall that at the last meeting of the Joint Committee on 24 June 2009 it was reported that sign off of the 2007/08 Accounts was still awaited from the then appointed External Auditors, Grant Thornton.
2. By 2007/08 the Crematorium had reached a position whereby it had recorded three consecutive years of income exceeding £1 million and as a result it no longer qualified for a limited assurance audit and had to produce financial statements that were fully compliant with Codes of Practice. An unqualified audit opinion on the 2007/08 accounts was finally received on 26 October 2009, a copy of this is attached at *Appendix 1.1*.
3. The other major change was that the external auditors were required to reach a conclusion on the Crematorium's arrangements for securing economy, efficiency and effectiveness in its use of resources – this is known as the Value for Money (VFM) conclusion.
4. This involved an assessment, by the external auditors, of the Crematorium's arrangements against a series of criteria and its level of compliance with each. Evidence had to be presented to the external auditors by the Crematorium to demonstrate that the following criteria had been met.
5. The body has put in place:-
 - i. arrangements for setting, reviewing and implementing its strategic and operational objectives.
 - ii. channels of communication with service users and other stakeholders, including partners, and there are monitoring arrangements to ensure that key messages about services are taken into account.
 - iii. arrangements for monitoring and scrutiny of performance to identify potential variances against strategic objectives, standards and targets, for taking action where necessary and reporting to members
 - iv. arrangements to monitor the quality of its published performance and to report the results to members
 - v. arrangements to maintain a sound system of control
 - vi. arrangements to manage its significant business risks
 - vii. arrangements to manage and improve value for money
 - viii. a medium term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities
 - ix. arrangements to ensure that its spending matches its available resources
 - x. arrangements for managing performance against budgets
 - xi. arrangements for the management of its asset base

Item 7.1

- xii. arrangements that are designed to promote and ensure probity and propriety in the conduct of its business
6. The external auditors issued an unqualified VFM conclusion on 26 October 2009, see *Appendix 1.1*, but noted that their assessment was that criteria (iii), (v), (vi), (ix), (x), (xi) and (xii) had not been fully met. In reaching their conclusion the areas where they felt there was lack of evidence to support the criteria were as follows:-
- a) Evidence to show that the Crematorium has its performance reviewed on a regular basis by Members
 - b) A requirement for the Joint Committee to review the Annual Governance Statement
 - c) Lack of a formal Risk Management policy
 - d) Lack of a formal Treasury Management Strategy
 - e) Evidence to show review of performance against budget
 - f) Lack of a formal Asset Management Plan
 - g) Evidence of Members signing up to code of conduct and utilisation of gifts and hospitalities register
7. Further consideration of these issues is dealt with in later reports with the exception of item 6(g) where officers disagree with the external auditor's assessment. The officers' view is that the Joint Committee is not an autonomous body and that Joint Committee members are acting as representatives of the constituent authorities and that as such they have signed up to the code of conduct and gifts and hospitalities protocols of their own authorities.

2008/09 Accounts

8. A draft Annual Governance Report (AGR) has been received from the external auditors, now the Audit Commission, that reports on the results of their 2008/09 audit. A copy of the report is attached at *Appendix 1.4*. The external auditors expect to be able to issue an unqualified opinion on the accounts subject to the finalisation of two outstanding issues with officers and also to give an unqualified VFM conclusion. It is recommended that delegated authority be given to the Treasurer, in consultation with the Chairman of the Joint Committee, to respond to the Annual Governance Report and to finalise the 2008/09 accounts for audit sign off. The Joint Committee is also required to formally approve the Letter of Representation as set out on the AGR.
9. It should be noted that the criteria for the VFM conclusion changed in 2008/09 and the same criteria will apply for 2009/10. A copy of the criteria issued by the Audit Commission is attached at *Appendix 1.2* for information. The criteria are more stringent than before, with a view to driving continuous improvement. For the purposes of understanding which of the Key Lines of Enquiry (KLOEs) apply to the Crematorium, it should be noted that it falls into the category of "other" bodies. To summarise there are four KLOEs that apply:-
- a) KLOE 1.2 Understanding costs and achieving efficiencies
 - b) KLOE 1.3 Financial Reporting
 - c) KLOE 2.3 Good Governance
 - d) KLOE 2.4 Risk Management and Internal Control

10. In respect of the requirement referred to in paragraph 6(b) above regarding the Annual Governance Statement, the statement in respect of 2008/09 is attached at ***Appendix I.3***. The statement has already been published as part of the unaudited accounts but was not presented at the 24 June 2009 meeting of the Joint Committee along with the financial statements so Members are now asked to formally review and approve the statement in order to regularise the situation.

RECOMMENDATIONS

That the Joint Committee:-

- a) **Note the receipt of the external audit opinion on the 2007/08 accounts.**
- b) **Review and approve the Annual Governance Statement for 2008/09**
- c) **Note the draft Annual Governance Report of the external auditor in respect of 2008/09.**
- d) **Give delegated authority to the Treasurer to respond to the draft Annual Governance Report and to finalise the 2008/09 accounts for audit sign off.**
- e) **Approve the Letter of Representation.**

Background Papers: None

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Independent Auditors Report to the Members of Chilterns Crematorium Joint Committee

Opinion on the Financial Statements

We have audited the Authority accounting statements and related notes of Chilterns Crematorium Joint Committee for the year ended 31 March 2008 under the Audit Commission Act 1998. The Crematorium accounting statements comprise the Crematorium Income and Expenditure Account, the Crematorium Statement of the Movement on the General Fund Balance, the Crematorium Balance Sheet, the Crematorium Statement of Total Recognised Gains and Losses, the Crematorium Cash Flow Statement, the Collection Fund and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Chilterns Crematorium Joint Committee in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Responsibilities of the Financial Officer and Auditor

The responsible financial officer's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007 are set out in the Statement of Responsibilities for the Statement of Accounts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Authority accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007:

- the financial position of the Authority and its income and expenditure for the year.

We review whether the governance statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. We report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered, whether the governance statement covers all risks and controls. Neither are we required to form an opinion on the effectiveness of the Crematorium's corporate governance procedures or its risk and control procedures

We read other information published with the Crematorium accounting statements, and consider whether it is consistent with the audited Crematorium accounting statements. This other information comprises the Explanatory Foreword. We consider the implications for my report if we become aware of any apparent misstatements or material inconsistencies with the Crematorium accounting statements. Our responsibilities do not extend to any other information.

Basis of the Audit Opinion

We conducted our audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test

basis, of evidence relevant to the amounts and disclosures in the Crematorium accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Crematorium in the preparation of the Crematorium accounting statements and related notes, and of whether the accounting policies are appropriate to the Crematorium's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Crematorium accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Crematorium accounting statements and related notes.

Audit Opinion

In our opinion:

- The Crematorium financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial position of the Authority as at 31 March 2008 and its income and expenditure for the year then ended

Conclusion on Arrangements for Securing Economy, Efficiency and Effectiveness in the Use of Resources

Crematorium's Responsibilities

The is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditors' Responsibilities

We are required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. We report if significant matters have come to our attention which prevent us from concluding that the Crematorium has made such proper arrangements. We are not required to consider, nor have we considered, whether all aspects of the Crematorium's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

We have undertaken our audit in accordance with the Code of Audit Practice. Having regard to the criteria for principal local authorities specified by the Audit Commission and published in December 2006 we are satisfied that, in all significant respects, Chilterns Crematorium Joint Committee made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2008 except that it did not put in place:

- arrangements for monitoring and scrutiny of performance.

- arrangements to maintain a sound system of internal control.
- arrangements to manage its significant business risks.
- arrangements to ensure that its spending matches its available resources.
- arrangements for managing performance against budgets.
- arrangements for the management of its asset base.
- arrangements that are designed to promote and ensure probity and propriety in the conduct of its business.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

London

26 October 2009

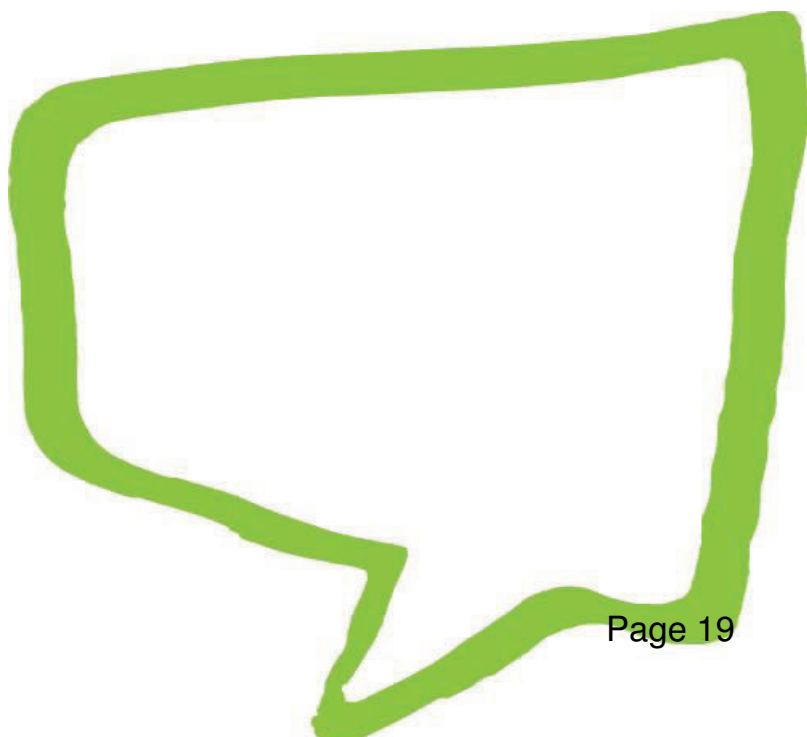
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Code of Audit Practice – VFM Conclusion Criteria

Criteria to inform the auditor's value for money (VFM) conclusion on proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Other local government bodies

2008/09 and 2009/10



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Background

Value for money conclusion

- 1 Under the Code of Audit Practice (the Code), auditors are required to give a value for money (VFM) conclusion in their statutory audit report as to whether they are satisfied that the audited body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The scope of these arrangements and the way in which auditors will undertake their work is set out in Section 3 of the Code. The auditor's VFM conclusion is informed, and limited, by reference to 'relevant criteria' covering specific aspects of audited bodies' arrangements, specified by the Commission in accordance with the Code.
- 2 The introduction of the new Comprehensive Area Assessment (CAA) framework from 2009 has prompted the Commission to review the VFM conclusion criteria for all audited bodies. As a result of this review, the previous VFM conclusion criteria are being replaced by the set of key lines of enquiry (KLOE) that will be used to arrive at a scored use of resources assessment for local authorities, fire and rescue authorities, police authorities and primary care trusts for the purposes of CAA. These KLOE are generic and designed to be equally applicable to any audited body in an area in order to promote consistency.
- 3 From 2008/09 the KLOE for the use of resources assessment will therefore form the set of criteria for the VFM conclusion for other local government bodies. The Commission specifies which of these KLOE will form the 'relevant criteria' for the VFM conclusion for each type of body each year. The specified KLOE for 2008/09 and 2009/10 are included in Table 1 and Table 2 respectively.
- 4 Auditors are required to apply a yes/no judgement against the criteria to indicate whether the audited body has proper arrangements in place or not. Criteria with a 'no' judgement will automatically apply in the following year, regardless of whether they are specified.
- 5 Auditors of other local government bodies will apply a proportionate approach to arriving at their VFM conclusion, in accordance with the relevant guidance. This document constitutes 'relevant guidance issued by the Commission' under paragraph 4 of the Code and helps auditors to apply the Code criteria proportionately when arriving at a VFM conclusion for other local government bodies. The guidance includes the characteristics of performance that auditors might expect to see to give a 'yes' judgement. The characteristics are not intended to be prescriptive, nor used as a 'checklist' to arrive at a judgement for the VFM conclusion. They are intended to be indicative of the types of arrangements and outcomes that audited bodies might provide as evidence to support performance for the criteria.

- 6 For the purposes of this guidance, ‘other local government bodies’ are those classified as a ‘relevant body’ for the purposes of the Accounts and Audit Regulations 2003 (as amended) but not subject to an Audit Commission scored use of resources assessment. This includes:
- the Association of London Government;
 - national parks authorities;
 - the Broads Authority;
 - the Council of the Isles of Scilly;
 - the Lee Valley Regional Park Authority;
 - passenger transport authorities;
 - passenger transport executives;
 - waste disposal authorities;
 - joint committees;
 - joint authorities;
 - the London Pension Fund Authority;
 - the South Yorkshire Pensions Authority; and
 - local/town councils and internal drainage boards not covered by Schedule 1 to the Code.
- 7 Those bodies classified as a ‘smaller relevant body’ for the purposes of the Accounts and Audit Regulations 2003 (as amended) are covered by Schedule 1 to the Code (the audit of small bodies), and there is no requirement for the auditor to give a VFM conclusion; this guidance is therefore not applicable to the audit of smaller relevant bodies.
- 8 The Code requires auditors to plan and perform their audits on the basis of an assessment of audit risks, determining where to direct their work and allocate resources to ensure that the audit is tailored to the circumstances of the audited body. There may be circumstances in which the Commission has not specified that a KLOE should form a criterion for the VFM conclusion in a particular year but the auditor becomes aware of issues or new risks arising in relation to that KLOE. In such cases, the Commission will require auditors to undertake such appropriate risk-based work as is necessary to discharge their statutory functions, and they may reflect the results of this work in their VFM conclusion (for example, by qualifying the VFM conclusion, if appropriate).

Table 1 2008/09 specified KLOE

KLOE	LPFA/SYPA	NPA, Broads Authority, Lee Valley RPA	PTA/PTE & WDA/JWA	Council of the Isles of Scilly	Larger local councils	Larger IDBs	Other
Managing finances							
1.1 Financial planning and financial health	✓	✓	✓	✓	✓	✓	x
1.2 Understanding costs and achieving efficiencies	x	✓	✓	✓	✓	✓	✓
1.3 Financial reporting	✓	✓	✓	✓	✓	✓	✓
Governing the business							
2.1 Commissioning and procurement	x	x	x	x	x	x	x
2.2 Use of information	✓	x	x	✓	x	x	x
2.3 Good governance	✓	x	x	x	x	x	✓
2.4 Risk management and internal control	✓	✓	✓	✓	✓	✓	✓
Managing resources							
3.1 Natural resources	x	x	x	x	x	x	x
3.2 Asset management	x	✓	✓	✓	x	x	x
3.3 Workforce	x	x	x	x	x	x	x
Total	5	5	5	6	4	4	4

KEY

LPFA - London Pension Fund Authority

SYPA - South Yorkshire Pension Authority

NPA - National Park Authority

RPA - Regional Park Authority

PTA/PTE - Passenger Transport Authority/Executive

WDA - Waste Disposal Authority

JWA - Joint Waste Authority

IDB - Internal Drainage Board

Table 2 2009/10 specified KLOE

KLOE	LPFA/SYPA	NPA, Broads Authority, Lee Valley RPA	PTA/PTE & WDA/JWA	Council of the Isles of Scilly	Larger local councils	Larger IDBs	Other
Managing finances							
1.1 Financial planning and financial health	✓	✓	✓	✓	✓	✓	✗
1.2 Understanding costs and achieving efficiencies	✗	✓	✓	✓	✓	✓	✓
1.3 Financial reporting	✓	✓	✓	✓	✓	✗	✓
Governing the business							
2.1 Commissioning and procurement	✗	✗	✗	✗	✗	✗	✗
2.2 Use of information	✓	✗	✗	✓	✗	✗	✗
2.3 Good governance	✓	✗	✗	✗	✓	✗	✓
2.4 Risk management and internal control	✓	✓	✓	✓	✗	✓	✓
Managing resources							
3.1 Natural resources	✗	✓	✓	✗	✗	✗	✗
3.2 Asset management	✗	✗	✗	✓	✗	✓	✗
3.3 Workforce	✗	✗	✗	✗	✗	✗	✗
Total	5	5	5	6	4	4	4

KEY

LPFA - London Pension Fund Authority

SYPA - South Yorkshire Pension Authority

RPA - Regional Park Authority

NPA - National Park Authority

PTA/PTE - Passenger Transport Authority/Executive

WDA - Waste Disposal Authority

JWA - Joint Waste Authority

IDB - Internal Drainage Board

Relevant criteria for other local government bodies

KLOE 1.1

Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?

Getting the basics right – what might you expect to see?

Medium-term financial planning and annual budgeting are integrated with the corporate planning process, reflect the body's strategic objectives and priorities for the year and over the longer term, and the assumptions on which they are based are clearly stated. The body's medium-term financial strategy links to, and underpins, its key strategic objectives.

Where relevant, the body assesses the impact of its policies and strategies on its diverse communities in compliance with the requirements of equalities legislation.

The body sets and approves a comprehensive, balanced and realistic budget, underpinned by reasonable assumptions and supported by achievable savings plans. The body successfully identifies any savings required to balance the budget.

The body's treasury management ensures it has sufficient cash to meet its needs at the lowest possible cost, while achieving VFM. If applicable, the body has 'made regard to' the Code of Practice for Treasury Management and the CIPFA Prudential Code, as per regulations issued under the Local Government Act 2003.

The financial planning process incorporates a soundly based policy on the level and nature of reserves and balances approved by members. Assumptions underpinning the policy are reasonable and the body is on track to achieve its policy.

The forward financial planning process identifies any shortfalls in resourcing and underlying cost pressures in the medium term and addresses them. The body has performed within its budget and its financial standing is sound, supporting its achievement of long-term objectives and priorities.

Members and the corporate management team exercise collective responsibility for financial matters and understand the financial environment in which the body operates.

KLOE 1.2

Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?

Getting the basics right – what might you expect to see?

The body is working to understand what costs it incurs, the main cost drivers and factors that influence these and how these change with activity over time.

Costing information that supports decision making is of reasonable quality and includes, as appropriate:

- transaction and unit cost information;
- consideration of the social and environmental impact;
- comparisons between cost and level/quality/benefit of service;
- comparative information (with others and over time) on costs in priority and high-spending areas; and
- analysis of costs such as payroll, pension, training, accommodation and utilities (where services are directly provided).

Cost and performance information is used in the financial and service planning process to make decisions about policies and service provisions and to identify efficiency savings. The costs and benefits of planned changes and improvements are clearly set out. There is a clear understanding of the cost implications reflected in planning and resource allocation decisions.

All new investments, whether capital or revenue, are subject to an investment appraisal process which includes an evaluation of risks and the relative costs and benefits. Cost variances are analysed and monitored and feed the financial planning process.

The body regularly reviews costs to assess whether they are commensurate with the range, level and quality of services provided. It uses benchmarks to help it assess its own performance and to challenge underperformance. Areas of high cost are identified and scrutinised on a regular basis.

The body sets itself challenging efficiency targets. Achievement of targets is monitored and the risk of non-achievement is evaluated. If targets are not achieved, the reasons are analysed, corrective action is taken and lessons are learnt.

KLOE 1.3**Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?**

Getting the basics right – what might you expect to see?

Budget monitoring and forecasting information is reliable, relevant and understandable. It is produced regularly and on a timely basis throughout the year and leads to prompt action to address any variances or other issues. The body identifies variations in financial performance and either takes corrective action to manage unfavourable variances or applies any favourable variances to corporate priorities.

The information provided by any financial monitoring and forecasting system is accurate enough to support decision making and is also produced as soon as possible to enable any necessary action to be taken. In-year financial monitoring and forecasting information is consistent with the financial information reported externally to stakeholders at the end of the year.

The body considers financial information alongside related performance information linked to strategic objectives in order to monitor financial performance across the body. Relevant committee reports include financial and non-financial information with a written commentary that explains the true underlying position. The relevant committee receives appropriately summarised information that is relevant, of the appropriate quality and presented in a way that meets the committee's needs.

The body's accounts comply with statutory requirements, statutory or regulatory timetables, and relevant accounting and reporting standards. The draft accounts approved by the body (or committee with delegated responsibility) present fairly the financial position. Although the accounts contain non-trivial errors, the errors in total do not have a material effect on the accounts.

The body supports an efficient audit of its accounts by providing working papers and responding promptly to additional requests for information.

The most recent published accounts and annual audit letter are available to the public and appear on the body's website on a timely basis and in accessible formats. The body understands and is complying with relevant equalities legislation when publishing information. It understands and analyses local need and considers and addresses possible barriers to accessing information.

KLOE 2.2

Does the organisation produce relevant and reliable data and information to support decision making and manage performance?

Getting the basics right – what might you expect to see?

The body ensures it secures good-quality data that is accurate, valid, reliable, timely, relevant and complete. The body uses the principle of ‘collect once and use numerous times’ (COUNT) to underpin data collection and storage. Arrangements for collecting, recording and reporting data are integrated into business planning and management processes, supporting the day-to-day work of staff.

The body clearly defines, documents and effectively communicates:

- responsibilities for data quality;
- arrangements to comply with legal requirements or relevant national guidance; and
- the risks arising from poor data quality.

Members and officers receive fit-for-purpose information to support their decision making that is:

- relevant to the decision and clear;
- of sufficient quality for the decision to hand; and
- presented in a way decision-makers understand.

The body manages data on systems with controlled and secure access. There is also a business continuity plan which covers business-critical information systems. The body regularly reviews and tests its plan.

There are up-to-date data security policies and guidance in place covering:

- key business areas;
- key data recording and reporting arrangements, including compliance with statutory requirements and other national data security requirements; and
- arrangements for validating information from third parties.

There are corporate targets for managing performance, including partnerships, as appropriate, which are aligned with strategic objectives and priorities. These are cascaded throughout the organisation. The body uses information to keep areas of underperformance under review and can demonstrate it is taking appropriate action to achieve improvements.

KLOE 2.3

Does the organisation promote and demonstrate the principles and values of good governance?

Getting the basics right – what might you expect to see?

The body publishes information which clearly describes the individual roles and responsibilities of:

- the head of the body (for example the chair or equivalent);
- elected members;
- the scrutiny function (if applicable); and
- the chief executive and senior officers.

There are constructive working relationships between members, the corporate management team and staff. Members and senior officers receive an induction and ongoing development opportunities, including training, which are tailored to their role in the body.

The body's leadership has a vision of what it wants to achieve for its local communities, founded on a robust assessment of local needs, and is committed to engaging with stakeholders and local people, including minority and vulnerable groups. The body translates this vision into ambitions and clear strategic priorities that drive the business.

The body has arrangements to receive and investigate allegations of breaches of proper standards of conduct. These include compliance with:

- members' and staff codes of conduct;
- registers of interests, gifts and hospitality;
- a code of practice for IT resources;
- standing orders and financial regulations; and
- procurement procedures.

The body clearly communicates and makes accessible its complaints procedure and whistle-blowing policies and ensures arrangements are transparent and accessible, both internally and externally.

The body ensures each of its significant partnerships has an appropriate form of governance that is formally documented. The document sets out the legal status, accountabilities, decision-making processes, and roles and responsibilities of the partnership.

KLOE 2.4

Does the organisation manage its risks and maintain a sound system of internal control?

Getting the basics right – what might you expect to see?

The body identifies and effectively manages corporate business risks in line with its risk management strategy. A corporate focus on risk management ensures regular review and effective management of current and future risks. Members are responsible for, and engage in, corporate risk management and, where applicable, work closely with the audit committee.

The body regularly reviews and updates a register of its corporate and service business risks that:

- links risks to strategic objectives (to ensure the risk register is focused);
- assesses the risks for likelihood and impact; and
- assigns named individuals to lead on actions identified to mitigate each risk.

Risk management considers risks relating to significant partnerships, as appropriate, and requires officers to obtain assurances about the management of those risks.

The body has a counter-fraud and corruption strategy that is approved by members and made available and communicated to all staff, which links to its strategic objectives and describes outcomes against which its effectiveness can be evaluated. The body has a good track record in monitoring the delivery of the strategy. The body has a proactive programme of counter-fraud and corruption work which is adequately resourced, risk based and proportionate, and which aims to create a zero-tolerance culture. For example, the body:

- undertakes effective employee checks, including taking suitable action when individuals fail the check;
- has a policy on the application of sanctions and recovering losses where fraud or corruption is proven and applies this in a consistent way; and
- can demonstrate effective participation in the National Fraud Initiative (NFI).

Relevant criteria for other local government bodies

The body has a sound system of internal control which includes:

- delivering the core functions of an audit committee;
- providing effective internal audit in accordance with relevant requirements;
- an assurance framework informing transparent governance reporting;
- standing orders, standing financial instructions and a scheme of delegation;
- ensuring compliance with relevant laws and regulations and ensuring that expenditure is lawful; and
- sound internal financial control for key systems, for example the general ledger, accounts payable and accounts receivable, and all electronic payment systems.

The body's Annual Governance Statement is an open and honest self-assessment of its performance across all of its activities. It contains a clear statement of the actions taken, or required, to address areas of concern.

KLOE 3.1

Is the organisation making effective use of natural resources?

Getting the basics right – what might you expect to see?

The body is developing a strategy to reduce its own use of natural resources and its impact on the environment. The development of its strategy is based on a clear understanding of its own:

- carbon emissions;
- water use; and
- consumption of other resources.

The body shows evidence of working with others across its area in developing its strategy. It is also engaging with staff and gaining their commitment to and ownership of the organisation's approach to reducing its impact on the environment. It has identified some initiatives to support its strategy and reduce its impact on the environment and is producing plans to deliver them.

The body is establishing systems and processes to manage its own performance to:

- reduce its use of energy, fuel, water and raw materials through reducing demand and using more efficient approaches or products;
- reduce the waste it produces and reusing and recycling resources wherever possible; and
- manage habitats to increase biodiversity (as applicable).

The body is incorporating targets into its arrangements and establishing the systems it needs to monitor progress in achieving these targets.

KLOE 3.2**Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?**

Getting the basics right – what might you expect to see?

The body has strategic plans for assets that show how it will develop them to meet strategic priorities and operational and service needs. Financial and other plans support the delivery of the strategic plans for assets, either through investment, disposals, transfers, rationalisation or more efficient asset use.

Policies, decision-making structures and roles underpin the management of assets as a corporate resource. Responsibilities for assets are clearly designated to functions and roles within the body.

There is comprehensive information and accurate data on the asset base, including, as appropriate, the size, use, value, tenure and an assessment of the fitness for purpose of the asset.

The body is narrowing the gap between the current condition of the asset base and an acceptable standard of maintenance, with high levels of backlog maintenance being reduced.

Capital investment supports the delivery of corporate priorities. There is a systematic process in place for appraising competing demands for spending on assets against corporate priorities. Significant investment decisions are evaluated using option appraisal and whole-life appraisal techniques. This results in consistent and transparent decision making.

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

www.audit-commission.gov.uk

CHILTERN'S CREMATORIUM
ANNUAL GOVERNANCE STATEMENT
2008 - 2009

Scope of responsibility

1. The Chilterns Crematorium Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Chilterns Crematorium Joint Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this overall responsibility, Chilterns Crematorium Joint Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
3. The three constituent authorities (Aylesbury Vale, Chiltern and Wycombe District Councils) have adopted codes of corporate governance in accordance with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. These codes are published on each of the individual authority's web sites.
4. This statement explains how the Joint Committee has complied, where relevant, with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

The purpose of the governance framework

5. The **governance framework** comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled and its activities through which it accounts to and engages with the community. It enables the Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
6. The **system of internal control** is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies, aims and objectives, to evaluate the likelihood of

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

7. The governance framework has been in place at Chilterns Crematorium Joint Committee for the year ended 31 March 2009 and up to the date of approval of the annual report and statement of accounts.

The Governance framework

Management arrangements and strategic objectives

8. The Joint Committee was established by a Memorandum of Agreement between Amersham Rural District Council, Aylesbury Borough Council, Chesham Urban District Council, High Wycombe Borough Council and Wycombe Rural District Council on 24th March 1955. In accordance with the requirements of the Local Government Act 1972 a new Agreement was subsequently made on 27th September 1974 between the successor councils to those in the original agreement, being Aylesbury Vale, Chiltern and Wycombe District Councils. On 20th March 2002 the Agreement was updated to reflect the changes made in the Local Government Act 2000. Currently two executive members from each of the constituent authorities make up the Joint Committee.
9. The constituent Councils have delegated to the Joint Committee all the powers of the constituent authorities with respect to the provision and maintenance of the Crematorium other than the power to levy a precept, borrow money, acquire land or employ staff.
10. The Joint Committee's Constitution sets out how the Committee operates, how decisions are made and the procedures which are to be followed. It defines the roles and responsibilities of the Members and Officers, the membership and the powers of the Committee. In exercise of its powers the Joint Committee is required to meet on not less than two occasions in any Council year.
11. Chiltern District Council (CDC) has lead authority responsibility for, amongst other things, acquiring and holding land and buildings, arranging and maintaining insurances, appointing, employing and remunerating staff and providing legal, technical and administrative support.
12. As lead authority CDC also has financial stewardship of the Joint Committee, providing financial support and provision of banking accountancy and audit facilities in accordance with best practice for the public sector. CDC also enters into contracts and agreements for works goods and services on behalf of the Joint Committee, and compiles and publishes any statistics or local or national performance indicators as CDC may be required by law to compile or publish in connection with the operation of the Crematorium.
13. In connection with any agreements or contracts for works goods and services entered into by CDC at the direction of and for the use of the Joint Committee, CDC

Appendix 1.3

utilises and complies with its own procurement and audit procedures, including its adopted Contract and Financial Procedure Rules.

Performance management

14. A service provision questionnaire is sent to the applicant for every cremation at an appropriate time following the funeral. The overall results are reported to the Joint Committee annually. Action is taken on any matter arising from the customer feedback whenever it is considered desirable or necessary.
15. A formal complaints procedure is in place with leaflets available in the main reception, chapel waiting rooms and the chapel of remembrance. Complaints received via this procedure, the service provision questionnaire or any other source, are dealt with in a prompt and timely manner. The details of all complaints, how they were dealt with and the outcome in each case, are reported to the Joint Committee annually or more frequently in appropriate circumstances.
16. The Crematorium management also seeks to maintain good relationships with funeral directors, ministers and other people who conduct funeral services, in an effort to ensure the highest possible standard of service for the bereaved and others using the Crematorium's facilities. An annual liaison meeting is held between these groups, the Crematorium management and members of the Joint Committee. Notes of these meetings are reported to the Joint Committee, as are further reports on actions taken on matters arising from the meetings.
17. Statistical information, including financial performance, is reported to the Joint Committee and in the Annual Report.
18. Measures of performance are reviewed through membership of the ICCM Charter for the Bereaved and the benchmarking of fees.
19. Crematorium Service Plan which is reviewed and reported to the Joint Committee for approval annually.

Financial management and reporting

20. The financial management of the Joint Committee is under the stewardship of Chiltern District Council as the lead authority, as described in paragraphs 12 and 13. In particular the system includes:-
 - A financial strategy and capital programme approved annually by the Joint Committee and reviewed through the year as and when circumstances require;
 - Comprehensive budgeting which is approved by the Joint Committee;
 - The preparation of regular financial reports which indicate actual expenditure and income against forecasts;
 - Transaction monitoring of transactions and income levels;

- Compliance with CDC's procurement and audit procedures, including its adopted Contract and Financial Procedure Rules;
- Written administrative procedures and processes incorporating the above mentioned procurement and financial procedure rules; and
- Management supervision.

Roles and responsibilities

21. The roles and responsibilities of the Joint Committee and the officer functions with clear delegations of their responsibilities are defined in the Memorandum of Agreement described in paragraph 8.

Policies and procedures

22. In addition to financial stewardship of the Joint Committee, as lead authority many of Chiltern District Council's other policies and procedures have been applied directly to the Crematorium, or the Crematorium has been included in them, as follows:-

- Adherence to good employment practices (including those embodied in Personnel Good Practice Papers);
- People Management Strategy e.g. local conditions of service, disciplinary procedure, training policy, staff standard, new management standard;
- Gender, Age, Race, Disability Scheme;
- Officers induction scheme and training;
- Risk management protocols and inclusion in CDC's strategic risk review process;
- Internal audit protocols;
- Codes of Conduct for Employees;
- Anti-Fraud and Corruption Policy;
- Whistle-blowing Policy; and
- Manager's Annual Assurance Statement.

23. The Joint Committee also has other policies and procedures in place which have been tailored specifically to the Crematorium function, which in particular include the following:-

- Health and safety policy;
- Health and safety risk register;
- Operational risk register;
- Business continuity plan, including pandemic plan;
- Staff hand book of operational policies and procedures; and
- Institute of Cemetery and Crematorium's Code of Guiding Principles of Cremation.

24. It is the responsibility of the Clerk, Treasurer and Superintendent to ensure that decisions taken by the Joint Committee comply with laws and regulations, internal policies and procedures. Decisions to be taken by the Joint Committee are the subject of written reports.

Appendix 1.3

25. As the Joint Committee comprises elected councillors from three local authorities it is recognised that as far as the members are concerned their own council's various codes and protocols covering such issues as conduct of members, anti-fraud and corruption, whistle blowing and arrangements for dealing with complaints will apply to them rather than the policies of the lead authority.

Member and Officer Development

26. The development needs of members in relation to the discharge of their functions in respect of Crematorium matters are identified by the Clerk and the Treasurer and are supported by appropriate briefings. Other general training for members will have been given by their own respective authorities. Similarly training for senior officers supporting the Committee is provided when necessary, generally by the relevant constituent authority.

Community Communication

27. The Crematorium produces an information booklet and various pamphlets and leaflets describing its services and facilities.

28. The Crematorium has a web site containing a wide range of information, which is also linked to CDC's web site, facilitating ease of access for the community.

29. As well as holding liaison meetings with funeral directors, ministers and people taking funeral services, as described in paragraph 16, a database is also maintained and information is sent to them from time to time to enable them to relay it to users, or potential users, of the Crematorium's facilities.

30. Open days are held on an occasional basis.

31. The Crematorium, as a facility, is open to public inspection at any time by arrangement, and the Superintendent and his staff are available to show the public the facilities. Both the Superintendent and the Joint Committee welcome any feedback from users of the crematorium.

Review of effectiveness

32. To support the governance framework there is a formal process of review of its effectiveness, including the system of internal control, which is informed by the work of the following:-

- The Senior Management within Chiltern District Council (the lead authority);
- The work of the internal and external auditors;
- CDC's Audit Committee;
- CDC's Risk Management Group; and
- Inspections by other bodies e.g. Health and Safety Practitioner, Environmental Health Department, Ministry of Justice.

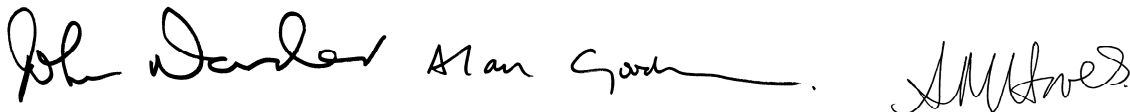
33. The process for maintaining and reviewing the effectiveness of the governance framework includes the following:-

- The performance management processes and procedures;
- Internal and external audits and audit reports and recommendations;
- Reports of inspections by other bodies e.g. Health and Safety Practitioner, Environmental Health Department, Ministry of Justice;
- Decisions of the Joint Committee, the decision making body, reported to each of the constituent authorities; and
- Annual Report and Statement of Accounts issued to each of the constituent authorities.

Significant governance issues

34. No significant governance issues have been identified. Internal Audit work during the year to evaluate the effectiveness of internal controls gave an overall opinion of “substantial assurance”, however, a number of minor issues were raised and an action plan agreed to implement the recommendations.

Signed on behalf of the Chilterns Crematorium Joint Committee by:



Chairman of the Joint Committee

Clerk to the Joint
Committee

Treasurer to the Joint
Committee

Annual Governance Report

Chilterns Crematorium Joint Committee

Audit 2008/09

February 2010

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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
-

Ladies and Gentlemen

2008/09 Annual Governance Report

I am pleased to present the final version of my report on the results of my audit work for 2008/09.

A draft of the report was discussed and agreed with the Treasurer on 11 February 2010 and will be updated as the audit is finalised and issues are resolved.

The report sets out the key issues that you should consider before I complete the audit.

It asks you to:

- consider the matters raised in the report before approving the financial statements;
- take note of the adjustments to the financial statements which are set out in this report (Appendix 2);
- take note of the value for money conclusion;
- approve the letter of representation on behalf of the Joint Committee before I issue my opinion and conclusion (Appendix 3); and
- agree your response to the proposed action plan (Appendix 5).

Yours sincerely

Mick West
District Auditor
12 February 2010

Key messages

This report summarises the findings from the 2008/09 audit which is substantially complete. It includes the messages arising from our audit of your financial statements and the results of the work we have undertaken to assess how well you use and manage your resources to deliver value for money and better and sustainable outcomes for local people.

Financial Statements	Results	Page
Unqualified audit opinion	Yes	6
Financial statements free from material error	Yes/No	6
Adequate internal control environment	Yes	6
Use of resources	Results	Page
Unqualified value for money conclusion	Yes/No	8

Audit opinion

- 1 Our work on your financial statements is substantially complete, and I anticipate giving an unqualified opinion. Appendix 1 contains a copy of my draft auditor's report.

Financial statements

- 2 There were material errors in the statements which have been (or will be) amended (details of these amendments are included in Appendix 2). There are currently two outstanding items about: the impairment in land and buildings due to economic conditions; and consultancy fees that have not been capitalised. We are working with officers to ensure that the correct accounting treatment is applied. I will then be in a position to issue my opinion.
- 3 We identified one weakness in internal control which is included in more detail in the body of this report along with a recommendation for improvement. None of the issues raised has impacted on our opinion or value for money conclusion.

Use of resources

- 4 We reviewed your progress against the following key lines of enquiry:
 - Financial planning;
 - Understanding costs and achieving efficiencies;
 - Financial reporting; and
 - Risk management and internal control.

Key messages

- 5 My work on your use of resources is substantially complete. The two outstanding areas in the opinion work may impact on KLOE 1.3 Financial Reporting
- 6 Subject to this, I intend to issue an unqualified conclusion stating that the Joint Committee had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources.

Next steps

This report identifies the key messages that you should consider before I issue my financial statements opinion, value for money conclusion, and audit closure certificate. It includes only matters of governance interest that have come to our attention in performing our audit. Our audit is not designed to identify all matters that might be relevant to you.

7 I ask the Joint Committee to:

- consider the matters raised in the report before approving the financial statements;
- take note of the adjustments to the financial statements which are set out in this report (Appendix 2);
- take note of the value for money conclusion;
- approve the letter of representation before I issue my opinion and conclusion (Appendix 3); and
- agree your response to the proposed action plan (Appendix 5).

Financial statements

The Joint Committee's financial statements and annual governance statement are important means by which it accounts for its stewardship of public funds. As Joint Committee members you have final responsibility for these statements. It is important that you consider our findings before you adopt the financial statements and the annual governance statement.

Opinion on the financial statements

- 8 Subject to satisfactory clearance of outstanding matters (detailed below), I plan to issue an auditor's report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of my draft auditor's report.
- 9 Assets in the Balance Sheet include bungalows (value £300,000). As part of our audit we identified that these have not been subject to an impairment review. The Statement of Recommended Practice (SoRP) states: *A review for impairment of a fixed asset should be carried out ... if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable e.g. a significant decline in a fixed asset's market value during the period.* Officers are currently working with the District Valuer to obtain this information.
- 10 Our audit identified £35,000 consultancy fees relating to mandatory filtration work. These fees relate to expenditure in the year on enhancement to an asset which is to be included in the balance sheet as a fixed asset. These fees are directly attributable to the cost of the resulting asset but have not been capitalised in line with proper accounting practice. Officers are currently amending the accounts to reflect the correct accounting treatment.

Errors in the financial statements

- 11 We identified material errors in the financial statements (other than those of a trivial nature) and reported these to management. Management has agreed to adjust (or will adjust) the financial statements for the errors identified. However, because of the material nature of these errors and the impact on the financial statements, we are reporting the most significant errors to you. These are included in Appendix 2.

Weaknesses in internal control

- 12 We found no material weaknesses in internal control but identified the following weakness.
- 13 The Co-op bank reconciliations for October to December 2008 were not signed off as reviewed by the Treasurer. Review of bank reconciliations is a key control to ensure that transactions are accurately recorded across the financial statements.

Recommendation

- | |
|--|
| R1 Ensure that the review of bank reconciliations is evidenced. |
|--|

Letter of representation

Before I issue my opinion, auditing standards require me to obtain appropriate written representations from you and management about your financial statements and governance arrangements. Appendix 3 contains the draft letter of representation I seek to obtain from you.

Use of resources

I am required to conclude whether the Joint Committee put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion.

Value for money conclusion

- 14** I assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources KLOE are the relevant criteria for the value for money conclusion at each type of audited body. My conclusions on each of the areas are set out in Appendix 5.
- 15** We reviewed your progress against the following criteria:
- Financial planning;
 - Understanding costs and achieving efficiencies;
 - Financial reporting; and
 - Risk management and internal control.
- 16** My work on your use of resources is substantially complete. The two outstanding areas in the opinion work may impact on KLOE 1.3 Financial Reporting
- 17** Subject to this, I intend to issue an unqualified conclusion stating that the Joint Committee had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources. Appendix 1 contains the wording of my draft auditor's report.

Appendix 1 – Independent auditor’s report to Members of Chilterns Crematorium Joint Committee

Opinion on the financial statements

I have audited the Authority accounting statements and related notes of Chilterns Crematorium Joint Committee for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the Members of Chilterns Crematorium Joint Committee in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Treasurer and auditor

The Treasurer’s responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 the financial position of the Authority and its income and expenditure for the year.

I review whether the governance statement reflects compliance with ‘Delivering Good Governance in Local Government: A Framework’ published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Authority’s corporate governance procedures or its risk and control procedures

Appendix 1 – Independent auditor’s report to Members of Chilterns Crematorium Joint Committee

I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority’s circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

Opinion

In my opinion the Authority financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority’s Responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor’s Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for (principal local authorities/other local government bodies). I report if significant matters have come to my attention which prevent me from concluding that the Authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, Chilterns Crematorium Joint Committee made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Mick West
District Auditor

Unit 5, Isis Business Centre
Horspath Road, Cowley

Oxford, OX4 2RD

February 2010

Appendix 2 – Misstatements in the accounts

The following misstatements were identified during the course of our audit and the financial statements have not been adjusted by management. We bring them to your attention to assist you in fulfilling your governance responsibilities. If you decide not to do so, please tell us why in the representation letter. If you believe the effect of the uncorrected errors, individually and collectively, is immaterial, please reflect this in the representation letter. Please attach a schedule of the uncorrected errors to the representation letter.

Table 1 Misstatements not amended

Item	Nature of misstatement	Statement affected
Creditors	Our testing identified two invoices that were incorrectly included in 2008/09 (value £1,289).	Balance Sheet Income and Expenditure Account Cash Flow Statement
Depreciation	The depreciation provided for buildings was not consistent with the calculation based on valuation and remaining lives (difference £4,370).	Balance Sheet Income and Expenditure Account

The following misstatements were identified during the course of our audit and the financial statements have been adjusted by management. We bring them to your attention to assist you in fulfilling your governance responsibilities.

Table 2 Misstatements and disclosures amended

Item	Nature of misstatement	Statement affected
Impairment of fixed assets [In progress]	The valuation of bungalows included in fixed assets had not been reviewed for impairment Officers have asked the District Valuer to assess whether the assets have been impaired.	Balance Sheet Income and Expenditure Account
Capital expenditure treated as revenue expenditure [In progress]	Consultancy fees (£35,000) connected with mandatory filtration enhancement works have been charged to revenue. These are capital costs on assets under construction.	Fixed Assets Income and Expenditure Account Cash Flow Statement
Financial Instruments	Financial instrument note only covered investments and should include both assets and liabilities.	Financial Instruments Disclosure Note
Accounting notes & disclosures	Not all of the required disclosure notes were contained within the accounts. For example, opening balances on fixed assets, member allowances, remuneration of employees, post balance sheet events.	Disclosure Notes

Appendix 3 – Draft letter of representation

To:

Mick West

Audit Commission
Unit 5 ISIS Business Centre
Horspath Road
Oxford
OX4 2RD

Chilterns Crematorium Joint Committee - Audit for the year ended 31st March 2009

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other councillors of Chilterns Crematorium Joint Committee, the following representations given to you in connection with your audit of the Joint Committee's financial statements for the year ended 31st March 2009.

Compliance with the statutory authorities

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice which present fairly the financial position and financial performance of the Joint Committee and for making accurate representations to you.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Joint Committee have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Committee meetings, have been made available to you.

Irregularities

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect fraud or error.

There have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements; and
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Law, regulations, contractual arrangements and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Joint Committee.

The Joint Committee complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Fair values

I confirm that the presentation and disclosure of fair values measurements of material assets, liabilities and components of equity are in accordance with the financial reporting framework. The measurement methods and significant assumptions used in determining fair value have been applied on a consistent basis, are reasonable and appropriately reflect the best estimate of fair value of assets and liabilities required to be disclosed by these standards.

Assets

The following have been properly recorded and, where appropriate, adequately disclosed in the financial statements:

- losses arising from sale & purchase commitments;
- agreements & options to buy back assets previously sold; and
- assets pledged as collateral.

Compensating arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts. We have no other lines of credit arrangements.

Contingent liabilities

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

Appendix 3 – Draft letter of representation**Related party transactions**

I confirm the completeness of the information disclosed regarding the identification of related parties. The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements

Post balance sheet events

Since the date of approval of the financial statements by the Joint Committee, no additional significant post balance sheet events that have occurred which would require additional adjustment or disclosure in the financial statements.

Signed on behalf of Chilterns Crematorium Joint Committee

I confirm that the this letter has been discussed and agreed by the
[Council/Authority/Board/Trustees] on [date]

Signed

Name

Position

Date

Appendix 4 – Value for money conclusion

The following tables summarise the key findings and conclusions for each of the three use of resources themes.

Managing finances

KLOE 1.1 (financial planning)	Yes
VFM criterion met	
Key findings and conclusions	
No issues	
KLOE 1.2 (understanding costs and achieving efficiencies)	Yes
VFM criterion met	
Key findings and conclusions	
No issues	
KLOE 1.3 (financial reporting)	Yes/No
VFM criterion met	
Key findings and conclusions	
We have two outstanding issues from our opinion work (impairment of fixed assets and capitalisation of consultancy costs). These need to be resolved before we can conclude whether the draft accounts approved by the body were free from material misstatement.	

Governing the business

KLOE 2.4 (risk management and internal control)	Yes
VFM criterion met	
Key findings and conclusions	
No issues	

Appendix 5 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	Annual Governance Report 2008/09 - Recommendations					
	R1 Ensure that the review of bank reconciliations is evidenced.					

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Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

www.audit-commission.gov.uk

CHILTERN CREMATORIUM JOINT COMMITTEE - 24 FEBRUARY 2010**REPORT OF THE TREASURER**

2 TREASURY MANAGEMENT STRATEGY

Contact Officers: Alison Howes (01494 732260) and Tina Pearce (01494 732233)

1. One of the issues highlighted by the external auditors was the lack of a formal Treasury Management Strategy that had been approved by the Joint Committee. This should not be interpreted as a criticism of the management of the Crematorium's funds as this has always been a key priority for officers but represents instead a requirement to meet best practice now that the Crematorium is subject to a more rigorous external audit regime.
2. The investments of the Crematorium are guided by the treasury team of the lead authority, Chiltern District Council, and its external treasury advisers. It is recommended that the Joint Committee formally adopts the council's Treasury Management Policy Statement as set out in *Appendix 2.1*.
3. The key policy objective is to invest surplus funds prudently. The Joint Committee's is requested to approve the following investment priorities:-
 - Security of the sums invested
 - Liquidity of the sums invested
 - Yield optimisation, commensurate with security and liquidity

Current Position on Investments

4. It is estimated that investments outstanding at the end of March 2010 will be approximately £2 million. The majority of this is held in a business reserve account and the remainder in a business account with current bankers Co-Operative Bank PLC.
5. Surplus funds are held by the Joint Committee on behalf of the constituent authorities and are primarily used to fund capital projects, the most recent examples being the Milton Chapel project and the current mercury abatement and heat transfer/recovery project. Further information and discussion on surplus funds and longer term financial plans is dealt with in another report.
6. The rate of return on the Crematorium's investments has been adversely affected by the economic downturn. The outlook for interest rates is for a slow improvement towards the end of 2010.

RECOMMENDATIONS**That the Joint Committee;-**

- a) **Formally adopt the Treasury Policy Statement of the lead authority.**
- b) **Approve the investment priorities as set out in the report**
- c) **Note the latest position in respect of the Crematorium's investments.**

Item 7.2



Background Papers: None

Treasury Management Policy Statement

The following statement represents the Treasury Management Policy of the lead authority for the Joint Committee and is recommended for adoption by the Joint Committee.

1. This Council defines its treasury management activities as:

“The management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the council.
3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

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CHILTERNS CREMATORIUM JOINT COMMITTEE - 24 FEBRUARY 2010

REPORT OF THE TREASURER

3 CAPITAL PROGRAMME 2009/10 TO 2013/14

Contact Officers: Alison Howes (01494 732260) and Tina Pearce (01494 732233)

1. Details of the proposed Chilterns Crematorium Capital Programme covering the period 2009/10 to 2013/14 are shown in **Appendix 3.1**.
2. The following tables shows the proposed changes from the current approved Capital Programme position:-

	£
Current Approved Programme 2009/10 to 2011/12	1,681,283
<i>Underspend carried forward from 2008/09:-</i>	
Milton Chapel	44,288
Mercury Abatement consultancy	41,125
<i>Schemes removed from programme or reduced provision:-</i>	
Landscaping A404 boundary	(19,000)
Cabling works	(24,308)
Mercury Abatement and Heating Transfer/Recover projects – reduced budget	(266,169)
<i>Schemes added to programme or increased provision:-</i>	
Replacement Analysers	56,400
Relining cremators – provision for further two years and to allow for only one relining per year	65,903
Boundary fencing - adjustment	544
Proposed Programme 2009/10 to 2013/14	1,580,066

3. The following paragraphs give an overview of each of the capital projects included within the programme and the changes outlined above:-
 - a) Milton Chapel Project

The agreed capital budget for this project was £2,365,830. An update report was presented to the last meeting of the Joint Committee, since then, a number of the defects and remedial works have been completed but there are still some items outstanding and Liquidated and Ascertained Damages on the main contract are

Item 7.3

currently being withheld. The budget provision is being carried forward until such time as the project is fully resolved.

b) Mercury Abatement and Heat Transfer/Recovery project

The original budget provision for this project was £1,551,000, comprising capital works of £1,200,000, fees of £120,000 and unrecoverable Vat of £231,000. The input Vat is not recoverable on this project as it relates solely to the exempt activity of cremation. The replacement heating system element of the project, the majority of which is complete, has been shown separately in the capital programme with a budget of £127,560 including irrecoverable Vat. The remainder of the heating works will be undertaken in 2011/12 once the abatement equipment has been installed. A report regarding the award of the tender for the mercury abatement project is in the private part of this agenda. Subject to the recommendations being agreed, the total capital budget for this project will be £1,157,268. The overall impact on the current approved Capital Programme is a reduction in provision of £266,169.

c) Relining Cremators

To ensure the continued efficiency and function of the cremators it is necessary to replace the refractory bricks on average once every three years. Although all the cremators were installed at the same time, through careful management the Superintendent at the Crematorium has been able to move to a rolling programme basis whereby one cremator is relined each year. This minimises disruption and maintains adequate facilities and service cover. The remaining UK manufacturer of these bricks has ceased to trade and advice from the installation and maintenance company is that costs will increase by 15% pa after 2010/11. This has been reflected in the costs shown in the capital programme.

d) Replacement Analysers

A provision of £56,400 has been added to the capital program for 2010/11 for the replacement of analysing equipment which monitors the cremator emissions. The original analysers were installed along with the cremators in 1996/97, however they are no longer supported by the company who supplied them and spare parts will become an issue over time. It makes commercial sense that these are replaced in conjunction with the current mercury abatement works to ensure the most effective and efficient equipment is being utilised.

e) Landscaping A404 Boundary

The estimate of £19,000 in respect of this area has been removed from the capital programme. The Superintendent in discussion with, and after advice from, the Principal Engineer at Chiltern District Council has concluded that extensive clearing and re-landscaping of the land is unnecessary and would not represent good value for money. Some tidying up of the site is underway and minimal planting of a screening hedge along the boundary is being undertaken and is being met from existing revenue budgets.

f) Cabling

This work has been completed and the capital provision is no longer required.

g) Boundary Fencing

In January 2009 the Joint Committee agreed that a stock fence be erected to replace the original boundary fence to deter deer from entering the grounds and causing damage to the gardens and roses. This work was completed during 2009/10.

4. It should be noted that at this stage no capital provision has been made for any further strategic developments in future years.

RECOMMENDATION

That the Joint Committee agree the proposed Capital Programme for 2009/2010 to 2013/2014.

Background Papers: None

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CHILTERNs CREMATORIUM JOINT COMMITTEE

PROPOSED CAPITAL PROGRAMME 2009/10 to 2013/14

Scheme	2009/10 £	2010/11 £	2011/12 £	2012/13 £	2013/14 £	Total Five year Cost Projection
Relining Cremators (Gross)	27,318	29,375	33,780	38,850	44,680	174,003
Replacement Analysers (Gross)		56,400				56,400
Boundary Fencing (Residual)	20,544					20,544
Second Chapel Project (Net)	11,872	32,416	0			44,288
Heating System (Residual)	95,133		32,430			127,563
Cremation Abatement & Heat Recovery System (Gross)	1,772	1,014,495				1,016,267
Consultancy (Gross)	103,951	37,049				141,000
TOTAL	260,591	1,169,735	66,210	38,850	44,680	1,580,066

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CHILTERN CREMATORIUM JOINT COMMITTEE - 24 FEBRUARY 2010

REPORT OF THE TREASURER

4 REVIEW OF FEES AND CHARGES

Contact Officers: Alison Howes (01494 732260) and Tina Pearce (01494 732233)

1. The recommended Fees and Charges to come into effect from 1 April 2010 are shown in **Appendix 4.1** together with the current year charges for comparison purposes. An across the board increase of 3% has been applied to the charges.
2. Last year the main cremation fee (excluding organists' fees) was increased from £390 to £420 (a 7.7% increase). From the table below it can be seen that the Chilterns Crematorium fee remains lower than surrounding crematoria, both including and excluding the organist charge. An increase of 3% to £433 is being proposed for 2010/11. At this level the fee will still remain the lowest when compared with neighbouring authorities, even using the current year values.
3. The table below shows the current year fees for Chiltern and neighbouring crematoria for comparison purposes.

Crematorium	2009/2010 Fee £	2009/10 Fee With Organists £
Chilterns	420	450
Slough	520	520
Reading	450	450
Bracknell	560	560
Milton Keynes	457	468.35
West Herts	460	460
Ruislip	495	495
Oxford	608	608

4. The balances continue to accumulate and consideration of the Capital Programme including the mercury abatement project and the potential of additional capital requirements for any future strategic developments requires the Joint Committee to be mindful of these projects when agreeing the fee level. An increase of 3% to £433 is the minimum increase recommended to the Joint Committee. The impact of larger fee increases on income levels compared to 2009/10 revised figures, assuming the number of cremations is 2,950, is shown in the table below:-

Fee	Additional Income over 2009/10 revised levels
£433	38,350
£435	44,250
£440	59,000
£445	73,750
£450	88,500

Item 7.4

RECOMMENDATION

That the Joint Committee determine the fees and charges as shown in Appendix 4.1 and in particular discuss and approve the level of the main cremation fee.

Background Papers: None

CHILTERN'S CREMATORIUM

Table of Fees and Charges

1 April 2010

		Present Fee from 1 April 2009 £	Recommended Fee From 1 April 2010 £
	Cremation		
	For the cremation of the body of:-		
(i)	a foetus born dead before twenty four weeks gestation	27.00	28.00
(ii)	additional foetus committed for cremation at the same time, per foetus (9.00 a.m. Chapel time only)	10.00	10.00
(iii)	a stillborn child or child/person whose age at the time of death was less than 18 years	39.00	40.00
(iv)	a person whose age at the time of death was 18 years or more	420.00	433.00
	For the cremation of body parts of:-		
(i)	a foetus born dead before twenty four weeks gestation	27.00	28.00
(ii)	a stillborn child or child/person whose age at the time of death was less than 18 years	39.00	40.00
(iii)	any person who was cremated at the Chilterns Crematorium	39.00	40.00
(iv)	a person who was not cremated at the Chilterns Crematorium whose age at the time of death was 18 years or more	61.00	63.00
	These fees include the Medical Referee's fee, use of the Chapel, provision of recorded music, the temporary storage of the ashes for a period not exceeding one month, the dispersal of ashes in the Garden of Remembrance, or provision of a temporary polythene container for ashes and a certified copy of the Registrar's Certificate for Cremation. Note: Certificates of the Cremation Society and the Cremation Friendly Society will be accepted at their encashable value.		

Disposal of Cremation Ashes		
Temporary deposit of ashes (per month after the first month)	10.30	10.60
Dispersal of ashes in Garden of Remembrance when cremation has taken place elsewhere	26.80	27.60
Packing and despatch of ashes	*10.80	11.10*
Miscellaneous		
Use of Coffin Waiting for 24 hours or part thereof	20.60	21.20
Use of Wheeled Bier	6.20	6.40
Memorial Service (Saturday mornings only)	92.70	95.50
Burial Service (subject to chapel availability)		175.00
Webcast of Service		50.00*
Audio Visual recording of Service on a DVD		30.00*
Audio recording of Service on a CD	22.20	25.00*
Use of Audio Visual equipment		50.00*
Inscriptions in the Book of Remembrance		
Minimum 2 Line entry	*28.50	29.40*
5 Line entry	*51.90	53.55*
8 Line entry	*75.30	78.20*
Additional lines, per line	*14.25	14.70*
Miniature Book of Remembrance		
Purchase of Book, postage and Minimum 2 Line entry	*40.40	41.60*
5 Line entry	*52.10	53.60*
8 Line entry	*63.80	65.60*
Additional lines, per line	*3.90	4.00*
Miniature Book of Remembrance - Additional Inscriptions		
Minimum 2 Line entry	*14.30	14.70*
5 Line entry	*26.00	26.70*
8 Line entry	*37.70	38.70*
Additional Lines, per line	*3.90	4.00*

Memorial Card		
Purchase of Card, postage and Minimum 2 Line entry	*14.30	14.70*
5 Line entry	*26.00	26.70*
8 Line entry	*37.70	38.70*
Additional lines, per line	*3.90	4.00*

Emblems, Badges, etc.		
Regimental badge or crest or floral emblems	*45.50	46.85*
Full Coat of Arms	*58.45	60.20*
Leather Memorial Plaques		
For the Right to a Leather Memorial Plaque in the Chapel of Remembrance for a period of 3 years	*48.35	49.80*
For the Right to a Leather Memorial Plaque in the Chapel of Remembrance for a period of 5 years	*80.65	83.05*
Provision and fixing of a Leather Memorial Plaque	*27.35	28.20*
Replacement Plaque for an additional inscription	*27.35	28.20*
Garden Memorials		
Provision & installation of Memorial Garden Seat	*448.00	461.45*
Plaque for Memorial Garden Seat up to 70 letters	*53.40	55.00*
Plaque for Memorial Garden Seat up to 115 letters	*92.70	95.50*
Right to have the seat in Garden of Remembrance for a five year period	*151.35	155.90*
Right to have the seat in Garden of Remembrance for a ten year period	*302.65	311.75*
For the Right to a Commemorative Plaque on the kerbing of a Rose Bed for a period of 3 years	*48.35	49.80*
For the Right to a Commemorative Plaque on the kerbing of a Rose Bed for a period of 5 years	*80.65	83.05*
Provision and fixing of plaques	*19.70	20.30*
Replacement Plaque for an additional inscription	*19.70	20.30*

Stone Memorial Plaques		
For the Right to a Stone Memorial Plaque on a base for a period of 5 years	*88.45	91.10*
For the Right to a Stone Memorial Plaque on a base for a period of 10 years	*176.85	182.15*
Provision of a 7" x 12" inscribed plaque fixed on a sandstone base	*187.85	193.50*
Provision of a 9" x 12" inscribed plaque fixed on a sandstone or granite base	*272.55	280.75*
Provision of a 9" x 12" inscribed plaque fixed on a renovated sandstone or granite base (subject to availability)		220.75*
Provision of a 9" x 18" inscribed plaque fixed on a sandstone or granite base	*371.05	382.20*
Provision of a 9" x 18" inscribed plaque fixed on a renovated sandstone or granite base (subject to availability)		302.20*
Inscribed motif on a 9" x 12" or 10" x 18" plaque	*51.65	53.20*
Replacement 7" x 12" inscribed plaque for an additional inscription	*125.30	129.05*
Replacement 9" x 12" inscribed plaque for an additional inscription	*139.15	143.35*
Replacement 9" x 18" inscribed plaque for an additional inscription	*185.55	191.10*
Porcelain photo plaque with one portrait	*104.35	107.50*
Porcelain photo plaque with two portraits	*153.15	157.75*
Porcelain photo plaque with three portraits	*173.90	179.10*
Administration fee and provision of foundation slab for new application by monumental mason	*29.05	29.90*
Administration fee for additional work by monumental mason	*23.20	23.90*
* VAT to be added to all these figures		

CHILTERN'S CREMATORIUM JOINT COMMITTEE - 24 FEBRUARY 2010

REPORT OF THE TREASURER

5 REVENUE BUDGET REVISED 2009/10 AND ORIGINAL 2010/11

Contact Officers: Alison Howes (01494 732260) and Tina Pearce (01494 732233)

1. This report sets out the details of the Chilterns Crematorium Revenue Budget for 2009/10 Revised and 2010/11 Original. The detailed Revenue Budget is attached at *Appendix 5.1*.
2. The table below shows the summary comparison between the revised and original budget for 2009/10 and the original budget for 2010/11.

	2009/10 Original £	2009/10 Revised £	Movement £	2010/11 Original £	Movement £
Revenue Expenditure	762,740	767,810	5,070	793,730	30,990
Income	(1,415,510)	(1,371,800)	43,710	(1,421,580)	(6,070)
Net Cost of Service	(652,770)	(603,990)	48,780	(627,850)	24,920
Less Capital Expenditure	1,596,483	260,591	(1,335,892)	1,169,735	(426,748)
(Surplus)/Deficit for year	943,713	(343,399)	(1,287,112)	541,885	401,828

3. The revised budget for 2009/10 shows an estimated revenue surplus, before capital expenditure, of £603,990 compared to an original projected surplus of £652,990 i.e. an increase in cost of £48,780 for the year.
4. The original budget for 2010/11 shows an estimated revenue surplus, before capital expenditure, of £627,850 compared to an original base position in 2009/10 of a projected surplus of £652,990 i.e. an increase in cost of £24,920 over the previous year's base.

Item 7.5

5. The following table shows the budget variations that make up these increases.

	2009/10 Revised	2010/11 Original
	£	£
Original Budget 2009/10 – Surplus	(652,770)	(652,770)
Add Additional Expenditure:-		
2010/11 Pay Award (note 6a)		4,000
Maintenance of Cremulators (note 6b)		7,000
Furniture & Fittings additional spend (note 6c)	7,000	
Consultancy Fees (note 6d)		10,000
External Audit Fees (note 6e)	5,500	6,500
Lead Authority costs (note 6f)	18,830	18,090
Add Reduction in Income:-		
Reduction in fee income from cremations (note 6g)	21,000	
Income from Memorial Roses less than anticipated (note 6h)	9,100	8,000
Reduction in interest received (note 6i)	21,700	13,700
Less Savings / Reduced Expenditure:-		
Reduction in building maintenance costs (note 6j)	(6,000)	
Savings on Energy costs (gas & electric) (note 6k)		(13,520)
Reduction in NNDR (note 6l)	(8,800)	
Book of Remembrance (note 6m)		(10,500)
Less Increase in Income:-		
Increase in main cremation fee in 2010/11 partly offset by downturn in number of cremations (note 6g).		(17,350)
Income from Commemorative Plaques and other memorials higher than anticipated in 2009/10 and fee increase in 2010/11 (note 6n)	(10,500)	(11,700)
Balance of other minor variances	(9,050)	(10,700)
Revised Budget 2009/10 – Surplus	(603,990)	
Original Budget 2010/11 – Surplus		(627,850)

6. The following assumptions and points should be noted:-

- a) A Pay Award of 1% has been assumed in 2010/11.
- b) A cremulator overhaul is planned in 2010/11.
- c) New carpet in the Hampden Chapel, purchase of a defibrillator, sound system alterations, website/broadband costs and slightly higher than anticipated costs of webcasting have led to additional expenditure on Furniture & Fittings of £7,000 in 2009/10. These costs have been met through virement from another budget – see (j) below.
- d) The Joint Committee had already approved a £10,000 provision for consultancy fees for securing the Q1 site in Aylesbury and it has been

assumed that this will now fall into the 2010/11 budget. An additional £10,000 has been included in 2009/10 for a consultant to develop an Asset Management Plan, including a survey and programme of works, for the Crematorium (see separate private report on this item). This links back to one of the points raised by the external auditors where the Crematorium was assessed to be lacking.

- e) We have been advised of an increase in the proposed scale of audit fees for bodies such as the Crematorium to £9,000 in 2009/10, an increase of £5,500 over the 2008/09 fee. A further inflationary increase has been assumed in 2010/11.
 - f) This reflects the additional time spent by officers from the lead authority in project managing the mercury abatement and heating project and also the increased complexity of meeting external audit requirements.
 - g) Income from cremations was originally estimated based on 3,000 cremations but the number of cremations is down slightly this year and a revised figure of 2,950 has been used giving rise to a reduction in estimated income in 2009/10 of £21,000. It has been assumed that this trend will continue in 2010/11 but an increase in the main cremation fee to £433 (from 420) will lead to an increase in income, although this may change following Members consideration of Fees & Charges
 - h) Income from memorial roses has seen a downturn this year, partly the result of the impact of deer damage to the rose beds. It is assumed that this trend will continue in 2010/11.
 - i) The original budget assumed an average interest rate of 3% on investments during 2009/10 but rates have been at an all time low since March 2009 and the projected investment income for 2009/10 is now £10,000, a reduction of £21,700. It has been assumed that rates will begin to recover in 2010/11.
 - j) The costs of building maintenance are less than expected this year, the £6,000 has been vired to fund additional expenditure under the heading Furniture and Fittings - see (c) above.
 - k) The gas contract has recently been re-tendered and a new contract for a two year fixed price has been agreed on the recommendation of the Crematorium's energy consultant. This has secured savings in 2010/11 compared to current prices. Electricity consumption is also down against estimate.
 - l) The Business Rates payable in respect of the Crematorium in 2009/10 are lower than anticipated.
 - m) Book of Remembrance costs are expected to reduce in 2010/11.
 - n) Income from commemorative plaques and other memorials has seen a slight increase this year.
5. It should be noted that for the purposes of the estimates no figures have been included for Capital Charges or Pension Fund adjustments. This is because these items are reversed out either through the Asset Management Reserve or the Pension Reserve and have no impact on the bottom line budgeted (surplus)/deficit position.
 6. Capital expenditure has been re-phased with the majority of the mercury abatement project costs now being funded from revenue in 2010/11 rather than in 2009/10 as originally planned in the budget.
 7. For information the following table shows the forecast (surplus)/deficit allocation by Authority:-

Item 7.5

District Council	Actual Balance 31.3.2009	Apportionment 2009/10 Revised Budget	Estimated Balance 31.3.2010	Apportionment 2010/11 Original Budget	Estimated Balance 31.3.2011
	£	£	£	£	£
Aylesbury Vale	(474,230)	(106,052)	(580,282)	167,351	(412,931)
Chiltern	(541,789)	(94,621)	(636,410)	149,312	(487,098)
Wycombe	(735,414)	(142,726)	(878,140)	225,222	(652,918)
Totals	(1,751,433)	(343,399)	(2,094,832)	541,885	(1,552,947)
	Surplus	Surplus	Surplus	Deficit	Surplus

8. With reference back to the Treasurer's first report on the Audit of Accounts and in particular paragraph 6 (a) and (e) it is recommended that a half year update report on financial performance against budget is presented to the Joint Committee with effect from financial year 2010/11, subject to the timing of committee dates. Procedures will also be put to place to evidence the in year budgetary control undertaken by the Superintendent and the Treasurer.

RECOMMENDATIONS

That Joint Committee approve the 2009/2010 Revised and 2010/2011 Original revenue budgets, subject to any revisions it wishes to make.

Background Papers: None

APPENDIX

CHILTERNS CREMATORIUM JOINT COMMITTEE REVENUE BUDGET - REVISED 2009/2010 ORIGINAL 2010/2011				
Actuals (unaudited) 2008/2009	Original Budget 2009/10	Expenditure	Revised Budget 2009/10	Original Budget 2010/11
£	£		£	£
		Employees		
352,030	359,150	Salaries, Wages & Associated Expenses	364,000	368,000
31,329	32,180	Medical Referees - Fees & Expenses	32,000	33,000
0	300	Organists' Fees	300	300
425	1,500	Staff Advertising	1,000	1,500
697	0	Long Service Award	0	0
		Premises Related Expenses		
20,443	29,000	Maintenance of Buildings	23,000	30,000
2,747	6,100	Security	3,100	3,100
3,537	5,000	Waste Disposal	5,500	5,000
23,251	13,500	Maintenance of Grounds	12,000	12,000
26,623	19,000	Maintenance of Cremators, Plant & Equipment	17,000	26,000
14,234	18,450	Electric	16,200	14,280
51,382	47,200	Gas	46,350	37,850
55,240	68,860	Rates	60,060	72,500
2,217	1,300	Water	350	1,300
5,089	6,400	Furniture , Fittings & IT	13,400	5,000
4,607	2,600	Cleaning Materials & Equipment	2,600	3,800
9,943	9,520	Insurance	10,000	10,000
		Supplies and Services		
1,636	1,630	Laundry Services	1,630	0
0		Asset Valuations	0	500
5,283	15,000	Consultants Fees	14,000	22,800
1,007	1,000	Vending Stock & Maintenance	1,000	1,030
939	1,060	Protective Clothing	1,300	1,100
2,491	2,500	Printing, Stationery	2,500	3,700
922	1,000	Books & Publications	350	2,900
2,596	2,590	Postages	2,590	2,670
3,213	3,100	Telephones	3,100	3,200
0	0	Members' Expenses	0	0
635	1,150	Conference Expenses	515	1,600
1,375	2,000	Course / seminars	1,100	2,100
385	380	Subscriptions	380	530
801	800	Registrations - EPA/ Data Protection	770	780
220	220	Open Day / Reception Charges	275	200
0	0	General Advertising	100	100
-139	1,000	Refunds cdc avdc wdc crem costs	2,520	1,500
12,800	11,330	Plaques	13,500	13,900
3,952	3,500	Urns & Caskets	3,900	4,000
16,678	25,000	Book of Remembrance	22,000	14,500
716	1,000	Memorial Seats	1,000	1,000
8,205	10,800	Wesley Music Service	8,700	10,000
284	510	Sundry Expenses	200	200
4,000	4,500	External Audit Fees	10,000	11,000
27,505	32,000	VAT Provision	30,000	32,000
785	800	Bank Charges	880	890
20,270	19,810	Lead Authority costs	38,640	37,900
97,515	0	Capital Charges (depn)	0	0
817,872	762,740	TOTAL EXPENDITURE	767,810	793,730

CHILTERNS CREMATORIUM JOINT COMMITTEE REVENUE BUDGET - REVISED 2009/2010 ORIGINAL 2010/2011				
Actuals (Unaudited) 2008/2009	Original Budget 2009/10	Income	Revised Budget 2009/10	Original Budget 2010/11
£	£		£	£
		Fees & Charges		
1,228,276	1,260,000	Cremations	1,239,000	1,277,350
5,705	4,500	Coffin Waiting	5,600	5,710
44,642	33,000	Commemorative Plaques leather/stone	39,000	40,200
42,871	46,500	Memorial Rose	37,400	38,500
33,288	34,500	Book of Remembrance inc cards/books	31,560	32,510
430	360	Carriage & Post	400	420
10,455	0	Miscellaneous Income	4,500	4,500
		Other Income		
993	1,100	Donations	620	650
50,689	31,700	Bank & Other Interest	10,000	18,000
1,352	1,300	Vending	1,180	1,180
2,508	2,550	Rent	2,540	2,560
1,421,209	1,415,510	TOTAL INCOME	1,371,800	1,421,580
(603,337)	(652,770)	NET COST OF SERVICE - (Surplus)/Deficit	(603,990)	(627,850)
(97,515)		Asset Management Reserve	0	0
90,202	1,596,483	Capital Expenditure funded from Revenue	260,591	1,169,735
47,294	0	Pensions Interest Cost and Expected Return on Assets	0	0
(44,978)	0	Contribution from / (to) Pension Reserve	0	0
(608,334)	943,713	ESTIMATED (SURPLUS)/DEFICIT FOR YEAR	(343,399)	541,885
		Distribution to Constituent Authority Accounts Pro-rata to no. of cremations in each district:		
(187,872)	284,787	Aylesbury Vale D.C.	(106,052)	167,351
(167,622)	286,106	Chiltern D.C.	(94,621)	149,314
(252,839)	372,820	Wycombe D.C.	(142,726)	225,222
(608,333)	943,713		(343,399)	541,885

CHILTERN CREMATORIUM JOINT COMMITTEE - 24 FEBRUARY 2010

REPORT OF THE TREASURER

6 MEDIUM TERM FINANCIAL STRATEGY

Contact Officers: Alison Howes (01494 732260) and Tina Pearce (01494 732233)

1. The purpose of this report is to review the financial position of the Chilterns Crematorium in the medium term from 2011/12 to 2013/14.
2. The following assumptions have been made in arriving at the forecast figures:-
 - a) a 2% inflation factor has been applied each year to both expenditure and income items
 - b) interest rates are assumed to rise over the period and average rates of 2% have been used in 2011/12 and 4.5% thereafter
 - c) the only capital expenditure factored into the forecasts is that currently shown in the proposed Capital Programme, no assumptions have been made about any future strategic projects.
3. The following tables show the forecast position for the next three years:-

	2011/12 Forecast £	2012/13 Forecast £	2013/14 Forecast £
Revenue Expenditure	809,350	825,530	842,040
Income	(1,469,650)	(1,580,280)	(1,649,490)
Net Cost of Service	(660,300)	(754,750)	(807,450)
Less Capital Expenditure	66,210	38,850	44,680
(Surplus)/Deficit for year	(594,090) surplus	(715,900) surplus	(762,770) Surplus

Projected Overall Financial Position				
Year	Balance B/Fwd	Revenue Surplus	Capital Expenditure	Balance C/Fwd
	£	£	£	£
2011/12	(1,552,947)	(660,300)	66,210	(2,147,037)
2012/13	(2,147,037)	(754,750)	38,850	(2,862,937)
2013/14	(2,862,937)	(807,450)	44,680	(3,625,707)

4. From the above tables it can be seen that significant balances are expected to be accumulated over the three years from 2011/12 to 2013/14. In accordance with the constitution net surpluses may be retained by the Joint Committee to finance capital expenditure, redeem debt or maintain prudent contingency and/or repair and renewal funds. Any net surplus not so applied will be returned to the participating Councils at the end of the financial year in which it accrued in the same ratio as would have applied had the Joint Committee incurred a net loss in that financial year.

Item 7.6

5. The Joint Committee is in a strong financial position but in considering this report Members will need to note the private reports elsewhere on this agenda outlining the need for sufficient capital funds to resource a building maintenance programme and the results of the feasibility study on a proposed crematorium in Aylesbury as these may have an impact on any financial strategy for the future.

RECOMMENDATION

That the Joint Committee consider and note the Medium Term Financial Strategy forecast.

Background Papers: None

CHILTERN'S CREMATORIUM JOINT COMMITTEE - 24 FEBRUARY 2010**REPORT OF THE TREASURER**

7 RISK MANAGEMENT

Contact Officers: Alison Howes (01494 732260) and Tina Pearce (01494 732233)

1. Arrangements for Risk Management are in place at the Crematorium and follow the policies and protocols of the lead authority.
2. The Superintendent maintains and reviews on a regular basis an Operational Risk Register and a Health & Safety Risk register and ensures that Business Continuity arrangements are in place. On an annual basis the Superintendent is required to provide an assurance to demonstrate compliance with the requirement to actively identify, assess, manage and review the strategic and operational risks for the Crematorium. The Superintendent is also a member of the lead authority's officer Risk Management Group.
3. With reference to paragraph 6(c) in the above report on the Annual Audit of Accounts the officers were unable to provide evidence that the Joint Committee had formally adopted the Risk Management Strategy of the lead authority. A copy of this strategy is attached at *Appendix 7.1*.

RECOMMENDATION

That the Joint Committee consider and formally adopt the Risk Management Strategy of the lead authority.

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CHILTERN DISTRICT COUNCIL - RISK MANAGEMENT STRATEGY

1. PURPOSE

- 1.1. This document sets out the Council's Risk Management Policy.
- 1.2. The Council provides a diverse range of services. It is essential that the Council protects and preserves its ability to continue to provide these services, by ensuring that its assets, both tangible and intangible are protected against loss and damage. This policy sets a framework for identifying and managing the risks inherent in service provision.
- 1.3. Effective Risk Management affects everyone in the Council. To ensure a widespread understanding, members, management team, heads of service and their managers should be familiar with the principles set out in this policy. All staff should be made aware of the policy.

2. RISK

- 2.1. 'Risk' may be defined as anything happening that might stand in the way of the Council achieving its objectives or implementing its policies successfully. It is not only about adverse developments or events but also about missing or failing to make the most out of opportunities.

3. RISK MANAGEMENT

- 3.1. Risk Management does not mean avoiding risk. Instead, it provides a framework for the Council to identify, understand and manage potential risks through controlling, transferring or living with the risk.
- 3.2. The objectives of the Council's Risk Management arrangements are to help managers make informed choices which:
 - Improve service performance by informing and improving decision making and planning.
 - Promote a balanced approach between innovation and a risk averse culture.
 - Provide a sound basis for integrated risk management and internal control components of good corporate governance.
- 3.3. The improvements and benefits which effective Risk Management should provide include:
 - An increased likelihood of achieving the Council's strategic objectives and service priorities.
 - Assist in planning and prioritising the allocation of resources.
 - Give an early warning of potential problems before they occur.
 - Provide everyone with the skills to consider and manage risk within their services.

4. TYPES OF RISKS

4.1. To help identify and understand the types of risks that may affect the Council, it is useful to set them within categories.

The Council's Risk Management Strategy is focused around the following types of risk:

- **Strategic risks** – these are the corporate risks facing the Council and are managed by the Council's Corporate Management Team
- **Partnership risks** focussing on the Council's critical/strategic partnerships. These are risks around partnership working including the governance issues for each key partnership and are also managed by the Council's Corporate Management Team.
- **Operational risks** – the risks associated with day to day management of the services and the impact on service delivery following an incident. These would include risks around business processes used to meet service objectives. Each Directorate is responsible for managing their operational risks.

The following are some of the risks that the Council needs to manage. These risks could affect strategic, operational or partnership issues:

- **Financial risk**– Those related specifically to the financial aspects of the Council and the underlying financial processes. They may result in a direct loss or a loss to a third party for which the Council must make a payment.
- **Reputation risk** – The effect of an incident on the standing of the Council taken by the public, the media and other organisations, such as the private sector and central government. An example would be the death of an employee or member of the public due to the negligence of the Council.
- **People risk** – Risks arising from not having the right people in place through the inability to recruit and retain staff. Loss of staff expertise, over reliance on one individual and risks arising from deliberate or inadvertent error.

5. THE RISK MANAGEMENT PROCESS

5.1. The Risk Management process applies to corporate and operational levels. It will form part of strategic planning, service planning and proposed investment/ expenditure project appraisal.

5.2. The key stages in the process are:

- **Have a clear set of objectives** – This relates to both Strategic and Service objectives. This enables Managers to consider the risks that might prevent the achievement of the objectives
- **Recognise and identify the risk** – This involves identifying what, how and why risks can arise.
- **Evaluating risk** - The aim is to prioritise the risks, separating the service issues from the corporate risks. Risk analysis considers both the probability of the risk occurring; low, medium or high and the impact if it were to happen; ranging between minor service disruptions to major corporate failure.

- **Managing the risk** – Determine the response to the risk, which can be one of four responses. In deciding this, officers must maximise the benefit whilst minimising the cost of managing the risk. The following responses are not in any particular order but should be taken into account for each specific risk.
 - **Accept** the risk and be prepared to manage its consequences. This may be because they are very unlikely to happen, they would have a low impact, or they are too costly to avoid.
 - Accept the risk but mitigate it by **transferring** it to a third party, for example by insurance or a contractual arrangement
 - **Reduce** the risk by introducing controls
 - **Avoid** the risk by deciding not to proceed with the activity or by seeking an alternative means to achieve the objective.

6. RISK MANAGEMENT POLICY

6.1. The Council recognises the value of adopting a risk management policy and culture and will ensure:

- Management Team regularly identifies and manages strategic risk and risk management will be a regular item at Management Team meetings.
- The Risk Management Group promotes risk management throughout the Council and monitors agreed actions and reports when necessary.
- Operational Risk management registers will be maintained by directorates and monitored by the Risk Management group.
- Departmental Management Teams monitors risk management progress and have a regular item at meetings.
- Risk assessment/management is an integral element in the annual review of service and financial planning.
- All elected members and officers are encouraged to maintain a risk management ethic and report concerns accordingly.

6.2. Reports to Cabinet and Council will reflect risk management issues where appropriate.

6.3. The aim is to anticipate and where possible, avoid risks rather than dealing with their consequences. However for some key areas where the likelihood of a risk occurring is relatively small, but the impact on the Council is high, we may cover that risk by developing Contingency arrangements e.g. Business Continuity Plans.

6.4. The Council recognises that the success of its Risk Management Policy will be influenced by the positive responsiveness of those officers responsible for its implementation on a day to day basis. Accordingly, the Council will include Risk Management in induction and training programmes.

7. ROLES & RESPONSIBILITIES

7.1 The **Cabinet** to receive an annual report on Risk Management arrangements and to annually approve the Risk Management Strategy.

7.2 **Leader, Cabinet, Chief Executive and Directors** – Risk Management is a key element of corporate governance and it is therefore the responsibility of the Leader, Cabinet, Chief Executive and Directors to set the strategy to ensure that risk management is adopted as part of the normal service planning process and service delivery.

7.3 Heads of Service and Managers. – All Heads of Service and Managers are responsible for implementing the risk management processes and for promoting risk management with their staff. This includes drawing up operational risk registers to include:

- identifying operational risks
- assessing the risks for likelihood and impact
- identifying any mitigating controls
- allocating responsibility for the mitigating controls
- ensuring that mitigating controls are implemented by targeted dates

7.4 Risk Management Group - will comprise of:

- Chair (Head of Service)
- Vice Chair (Head of Service)
- Representatives from each directorate and the Chilterns Crematorium
- The Audit Manager
- The Risk and Insurance Manager
- The Health and Safety Advisor
- Representative from Communications and Improvement team (Strategic risk)

The Group will represent the Cabinet and Management Team in promoting Risk Management throughout the Authority and monitor for completion of agreed action; reporting as appropriate.

7.5 Internal Audit - will help to develop and promote Risk Management in the Council. It will look to develop methods to help to monitor the embedding of risk management processes into service activities.

7.6 All officers - have a responsibility for maintaining good internal control and managing risks in order to achieve strategic, service, team and personal objectives. Officers collectively need the appropriate knowledge, skills, information and authority to establish, operate and monitor the system of internal control. This requires an understanding of the Council's objectives and the risks it faces.

For approval by Cabinet: 29 January 2008.

RM Strategy – October 2003
 Updated – February 2006
 Updated – November 2007 with following amendments:

- All references to Cabinet (previously Executive);
- Partnership risk added (4.1)
- Expanded types of risks (4.1)
- Expanded details of managing risks -balancing risk and cost (5.2)
- Cabinet to annually approve the Risk Management Strategy (7.1)
- Chilterns Crematorium represented on RM Group (7.4)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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