



**WATFORD  
BOROUGH  
COUNCIL**

**WEST HERTS. CREMATORIUM JOINT CTTEE**

**Monday, 13 June 2022**

**4.00 pm**

Dear Sir/Madam

The next meeting of the West Herts Crematorium Joint Committee (at which your attendance is requested) will be held at the **Council Chamber, Watford Town Hall on Monday, 13 June 2022 at 4.00 pm**

Yours faithfully

Clerk

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## Agenda

Councillors Cllr David Major (Chair)	Three Rivers District Council Councillor
Cllr Terry Douris (Vice Chair)	Dacorum Borough Council
Cllr Aga Dychton	Watford Borough Council
Cllr Anthony Rowlands	St Albans District Council
Cllr Anne Swerling	Hertsmere Borough Council

Officers: Surveyor, Managing Director and Project Manager, Corporate Strategy & Communications

Jo Wagstaffe	Treasurer
Donna Nolan	Clerk
Joyce Pollaya	Project Manager
Jane Thomas	Crematorium Manager
Stephen Farrer	Assistant Finance Manager, Three Rivers District Council

### Part A

1. Apologies for absence
2. Minutes (Pages 4 - 6)  
To confirm the minutes of the meeting held on 10<sup>th</sup> January 2022
3. Matters Arising
4. Manager's report (Pages 7 - 9)
5. Treasurer's report (Pages 10 - 52)

6. Treasurer's report - Other items (Pages 53 - 97)

**Part B**

7. Exclusion of Press and Public

That the public and press be excluded from the meeting during the following items of business on the grounds that it is likely to involve disclosure to them of exempt information as defined in Section 100A (4) of the Local Government Act 1972; as defined in Schedule 12A to the Act as set out hereafter.

8. Surveyor's report (Pages 98 - 99)

Paragraph 3, Schedule 12A

This report contains commercially sensitive information.

9. New Crematorium update report (Pages 100 - 110)

Paragraph 3, Schedule 12A

This report contains commercially sensitive information.

10. Moving to Lead Authority Model (Pages 111 - 124)

11. Dates for future meetings

12. AOB

# Agenda Item 2

## West Herts Crematorium Joint Committee

10 January 2022

### Minutes

#### Present

Cllr David Major (Chair)	Three Rivers District Council Councillor
Cllr Terry Douris (Vice Chair)	Dacorum Borough Council
Cllr Aga Dychton	Watford Borough Council
Cllr Anthony Rowlands	St Albans District Council
Cllr Anne Swerling	Hertsmere Borough Council

#### In attendance

Jo Wagstaffe	Treasurer (virtually)
Donna Nolan	Clerk
Jane Thomas	Crematorium Manager
Stephen Farrer	Assistant Finance Manager, Three Rivers District Council

### Part A

#### 1. Welcome and apologies for absence

Apologies were received from Joyce Pollaya, Project Manager and David Bass, Surveyor.

#### 2. Minutes of previous meeting of 6 July 2021

The minutes of the meeting held on 6 July 2021 were submitted and signed.

#### 3. Matters arising

It was noted that the agenda sheet did not include the officers' names alongside their job titles.

#### 4. Manager's report

The Manager's report was received by the meeting.

There were a number of questions raised by the members regarding the death rates reported and the impact on the new crematorium. The Manager provided additional context and advised there were no reasons for concern.

Members were pleased to note that the crematorium continued to receive positive customer feedback. The Manager confirmed that the bereaved were still provided with face to face support.

It was noted that fees and charges would be considered as part of the Treasurer's report.

**RESOLVED –**

that the Joint Committee:

1. notes the crematoria statistical information
2. notes the feedback from users
3. determines that the level of increase in charges for 2022/23 be reviewed as part of the Treasurer's report
4. notes the information on the Annual Open-Air Service of Remembrance and Christmas Trees
5. notes the date of the annual emissions testing and agrees to review the results at its next meeting.

**5. Treasurer's report – Audit outcomes**

The Joint Committee received the report of the Treasurer which set out the Audited 2020/21 Annual Return, the issues raised in the 2020/21 external and internal audits and the proposed actions to be taken, and the future arrangements for external and internal audit.

During discussions, it was clarified that there was no statutory requirement for an external auditor. Following questions, the Treasurer confirmed that the market for external auditors operating in this area of practice was limited and the continued engagement of BDO's services represented the best interests of all councils.

**RESOLVED –**

that the Joint Committee:

1. approves and accepts the audited 2020/21 Annual Return, including the "Section 3 – External Report 2020/21 Certificate", attached as Appendix A to the agenda
2. notes the updated Audit Action Plan (attached as Appendix B to the agenda), showing the previous years' audit recommendations, and the progress in implementing them
3. approves the continued engagement of BDO to provide the external audit
4. appoints the Hertfordshire Shared Internal Audit Service as the Joint Committee's internal auditor for 2021, as recommended by the Treasurer.

**5.1 Treasurer's report – Revenue Budget 2022-23**

The Joint Committee received the Treasurer's report on the long-term budget strategy (2022/23 to 2031/32) and revenue budget for 2022/23. The Treasurer thanked Stephen Farrer, Assistant Finance Manager at Three Rivers District Council, for his support in completing the detail.

The members noted that the future budget model identified there was no immediate issue for the crematorium; that the model had been prepared in accordance with the Code of Practice in Local Authority accounting; and that a minimum service provision was recommended.

There followed a discussion about the fees and charges for direct cremation. The Treasurer confirmed that not increasing the direct cremation cost would have minimal impact on the overall financial position.

After debating the issue, the members concluded that retaining direct cremation fees at the current level was appropriate. It was agreed that more detailed work would be undertaken by the Manager and Treasurer with a report presented to the next meeting in June if required.

The committee discussed increasing inflation and fuel costs. It was agreed that the position would be monitored, with a report provided to the committee in June should that prove necessary.

Following discussions, the Manager clarified that Funeral Directors had recently been required by law to publish their rates online.

**RESOLVED –**

that the Joint Committee approves the:

1. minimum level of reserves of £300K required
2. fees and charges increases for 2022/23
3. strategy for fees and charges for the medium term financial strategy
4. revenue and capital budget for 2022/23
5. medium term revenue and capital proposals from 2022/23 – 2030/31; and
6. continuation of the payment of £50K to each constituent council in 2022/23, and the strategy of the payment going forwards, subject to an annual review by the Joint Committee.

**6. AOB**

No items were raised

Chair \_\_\_\_\_

## Part 'A'

### WEST HERTFORDSHIRE CREMATORIUM JOINT COMMITTEE

#### Manager & Registrar's Report 13th June 2022

#### 1. REMEMBRANCE SERVICE Sunday 10<sup>th</sup> July 2022

We started the planning in early April for this year's Open Air Service. After having to cancel the service for the last two years due to Covid restrictions we are looking forward to hosting this important event. The retiring collection this year will be for the Hospice of St Francis in Berkhamsted. All are welcome.

**Recommendation:** "THAT THE INFORMATION BE NOTED"

#### 2. ANNUAL USER GROUP MEETING

Again we have been unable to hold a User Group meeting for the last two years but hope to be able to hold one later in the year. I will then report any issues in the January meeting.

**Recommendation:** "THAT THE INFORMATION BE NOTED"

#### 2. EMISSION TEST RESULTS

The annual emission monitoring tests took place at the end of January. The test results were overall good but Cremator 1 failed very slightly on chlorides. To resolve this the carbon filter is due to be regenerated shortly in agreement with our EHO Fay Rushby.

**Recommendation:** "THAT THE INFORMATION BE NOTED"

#### 4. PANDEMIC

The Crematorium continues to recommend that masks are worn in the Chapels for services where possible. Staff in the Chapels continue to wear them as they are meeting so many people each day. We continue to work on an appointment basis in our reception area as we feel this gave a better service to the bereaved.

We have had staff off with Covid throughout the last few months as well as three members of staff who have had to be off longer term with mental health issues following the pandemic. They were and are being supported by their GPs as well as the Employees Assistance program.

**Recommendation:** "THAT THE INFORMATION BE NOTED"

5. **WEBCASTING AND SERVICE RECORDINGS**    **see Appendix A**

Webcasting and service recordings continues to be popular. We have also just placed the order to have screens put in both the Chapels so that families can have visual tributes during the service. I have attached a table of fees that other Crematoria charge for visual tributes, and I would like to suggest the fees of £20 for a holding photo, £50 for a slide show of up to 25 photos with no music and £80 for a slide show of up to 25 photos with music.

**Recommendation:**    **“THAT MEMBERS AGREE THE FEES FOR VISUAL TRIBUTES”**

6. **CREMATION FIGURES**

<b>YEARS</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>JAN-MAY</b>	1367	1746	1360	1229

These are the Crematorium figures for the period 1<sup>st</sup> January – 31<sup>st</sup> May for the last five years for your information.

This shows that our cremation figure for this year is slightly lower than in previous years, but I think this is still a consequence of the excess deaths in 2020.

**Recommendation:**    **“THAT THE INFORMATION BE NOTED”**



Crematorium Webcast, Recordings and Visual Tribute Fees

	Provider	Webcasting	Service Recording	Visual Tribute (1 photo)	Visual Tribute (no music) (up to 25 photos)	Visual Tribute (to music) (up to 25 photos)
<b>Wesley Media</b>		£30	£20	£10	£25	£45
<b>West Herts Crematorium</b>	Wesley Media	£80	£60	£20 tbc	£50 tbc	£80 tbc
<b>Chilterns Crematorium</b>	Wesley Media	£78.50	£63.70	£23.10	£73.50	
<b>Breakspears Crematorium</b>	Obitus	£65	£44	£12	£38	£70
<b>The Vale Crematorium</b>	Obitus	£60	£60	£20	£65	£80
<b>Harwood Park Crematorium</b>	Wesley Media	£80	£35		£70 (up to 15 photos) £95 (up to 30 photos)	
<b>North Herts Crematorium</b>	Obitus	£85	£65	No Charge	£69	£85
<b>Wollensbrook Crematorium</b>	Obitus	£60	£60	£20	£65	£80
<b>Golders Green Crematorium</b>	Obitus	£60 (webcast, 28 day watch again & downloadable)		£15	£50	£100
<b>Hendon Crematorium</b>	Obitus	£50	£55	£17	£42	£76
<b>Enfield Crematorium</b>	Wesley Media	£50	£30	£18	£38	£70

# Agenda Item 5

## PART A

**Report to:** WEST HERTS CREMATORIUM JOINT COMMITTEE

**Date of Meeting:** 13th JUNE 2022

**Report of:** TREASURER

**Title:** OUTTURN REPORT AND  
STATEMENT OF ACCOUNTS 2021/22

### 1. **Purpose of Report**

The Joint Committee is asked to:

- consider the Final Outturn report for 2021/22
- consider the draft Statement of Accounts for the year ended 31<sup>st</sup> March 2022
- consider and approve the Annual Return for 2021/22

### 2. **Background**

- 2.1 Up to the financial year 2009/10, the Joint Committee was required to comply with the final accounts requirements which applied to all local authorities; under these requirements a full statement of accounts had been prepared and submitted to the Joint Committee for approval at the June meeting each year.
- 2.2 Different arrangements applied to the Joint Committee from 2010/11 - the Joint Committee has only been required to complete a brief statement of accounts in the form of an annual return, with a simpler external audit regime.
- 2.3 From 2015/16 the legal requirement for Joint Committees to prepare separate accounts, and have them externally audited, has been removed. However, the Joint Committee decided, at its January 2015 meeting, that it should still produce independent annual accounts, and continue to have them audited. The accountants BDO, who have audited the Joint Committee's accounts for several years, agreed to continue to provide this service on much the same basis as previously, and at the same cost.
- 2.4 In addition to the annual statement, the Treasurer has still prepared a full statement of accounts (**Appendix B**), which is not subject to audit, and an outturn report (**Appendix A**), for members' information.

### 3. Discussion and Proposals

#### Statutory requirements for the accounts

- 3.1 With effect from the financial year 2010/11, local councils and other public bodies such as joint committees with annual turnover below £6.5 million are classed as “smaller relevant bodies”. Such organisations have only been required to complete a comparatively brief annual return, rather than the full statement of accounts required for larger authorities. As mentioned above in 2.3, this requirement has now been removed, but the Joint Committee has decided to continue to comply with this process, and to have the statement externally audited.
- 3.2 At the time of writing this report, the annual return for 2021/22; it includes the following sections:
1. An Annual Governance Statement, one page only, with yes/no responses to indicate compliance with a number of key arrangements and controls. This section to be signed by the Chairman and the Clerk.
  2. A brief one-page statement of accounts, showing the accounts for the year in a much summarised form, to be signed by the responsible financial officer, and the Chairman.
  3. A certificate to be signed by the external auditor, following submission of the return to him in July.
  4. A certificate to be signed by the internal auditor, indicating whether the Joint Committee complies with some key internal control objectives. *(An internal audit is currently underway, although the final report will not be issued, and this section signed by the internal auditor, until after the meeting).*
- 3.3 The main financial table included in section 1 of the return will be as follows:

	Year ended 31 <sup>st</sup> March 2021 £	Year ended 31 <sup>st</sup> March 2022 £
Balances Brought Forward	2,182,509	2,635,478
<i>Plus</i> Income from Local Taxation/Levy	0	0
<i>Plus</i> Total Other Receipts	2,669,864	2,360,901
<i>Less</i> Staff Costs	(613,527)	(585,013)
<i>Less</i> Loan Interest/Capital Repayments	0	0
<i>Less</i> All Other Payments	(1,604,892)	(1,574,792)
Balances carried forward	2,633,979	2,836,574
Total Cash and Short Term Investments	2,634,978	2,483,890
Total Fixed Assets and Long Term Investments	8,651,610	8,686,081
Total Borrowings	0	0

*Note: The above table reflects the reclassification of the Joint Committee’s PSDF investment, from “Cash and Short Term Investments” to “Fixed Assets and Long Term Investments”, for the purposes of the Annual Return, in line with the external auditor’s recommendation.*

- 3.4 As the return includes only a very summarised representation of the Joint Committee's accounts, two further documents familiar to members have been prepared – a Final Outturn report (**Appendix A**) comparing the outturn in detail with the revised budget and the previous year, and a fuller Statement of Accounts (**Appendix B**), largely in line with the requirements for larger local authorities, but excluding some of the less relevant details.

### The 2021/22 Outturn

- 3.5 The Joint Committee's Final Outturn Report for 2021/22 (**Appendix A**) shows a net deficit for the year of £1,152,061 (line 54 in App A), a decrease of £939,653 from the figure reported in the 2021/22 revised budget.
- 3.6 Cremation numbers throughout the year were lower than anticipated, – this accounted for an £643K deficit to the revised budget. There were also some preliminary costs associated with the new crematorium project, which were funded in part by set-aside reserves.

The main differences are summarised as follows:

	£K	
cremations income	643	<i>Decreased cremation numbers.</i>
Preliminary costs – new crematorium project	-2,008	<i>Reduced costs in 21/22 due to project delays</i>
Other Income	104	
Employee costs	-45	<i>Mainly lower organists costs</i>
Other items	-366	
	<hr/>	
<b>Net decrease in deficit</b>	<b>-940</b>	

More detailed information and comments are included in the Outturn Report, **Appendix A**.

- 3:7 The Revenue Account has maintained the balance of a recommended £300,000 – this balance represents the resources likely to be needed to meet additional costs and lost income in the event of a short-term closure. In practice the Joint Committee routinely has much higher levels of reserves in its Renewal and Repairs Fund – this now stands at £1.74 million which will be applied to help finance the Joint Committee's capital programme, including the proposed new crematorium, and the eventual replacement once again of the current cremators and associated plant.

## **The Statement of Accounts**

- 3.8 As mentioned above, from 2010/11 onwards the Joint Committee has no longer been required to prepare a full, detailed Statement of Accounts – as a “smaller relevant body” with a turnover of less than £6.5 million, the Joint Committee has only been required to complete an annual return. And even though this requirement is now removed, the Joint Committee will continue to complete an annual return, which will continue to be subject to external audit. The various sections of the return are as outlined in 3.2 above, and the intention is to complete the return for submission to the meeting.
- 3.9 As the financial information contained in the annual return is very brief, your officers have prepared a fuller Statement of Accounts (**Appendix B**) along the lines of those submitted in previous years.

## **4. Recommendations**

- 4.1 The Joint Committee is asked to:
- consider the Final Outturn Report for 2021/22 (**Appendix A**)
  - consider the 2021/22 Statement of Accounts (**Appendix B**)
  - Consider and approve the 2021/22 Annual Return (**Appendix C**), specifically:
    - The Annual Governance Statement for 2021/22 (Section 1), including the yes/no responses within it, and
    - The Accounting Statements for 2021/22 (Section 2)
    - The Internal Audit Annual Report for 2021/22 (Section 4)

### **Contact officers:**

*For further information on this report please contact Joanne Wagstaffe on 01923 776611, or Stephen Farrer on 01234 727429.*

WEST HERTS CREMATORIUM JOINT COMMITTEE  
FINAL OUTTURN REPORT 2020/21

APPENDIX A

2020/21 Actual		2021/22 Original Budget	2021/22 Revised Budget	2021/22 Actual	Comments	Included in Section 2 of the Annual Return of the no.
£	Item	£	£	£		
	<b>EXPENDITURE</b>					
	<b>Employees</b>					
85,641	1 Fees - Organists	111,641	87,354	67,042		4
511,409	2 Salaries - Manager and Staff	523,947	521,637	502,501		4
15,898	3 Salaries - Clerk, Surveyor and Treasurer	18,257	16,216	15,470		4
0	4 Recruitment - Advertising	1,500	1,500	0		4
580	5 Training	4,196	3,500	0		4
	<b>Premises</b>					
14,371	6 Repairs and Maintenance - Buildings and Grounds					
	Managers Items - Buildings	19,500	19,500	18,821		6
21,280	7 Managers Items - Grounds	25,000	25,000	17,452		6
24,895	8 Surveyors Items - Buildings	25,000	25,000	16,921		6
	Repairs and Maintenance - Special Items					
-	9 Previous years' items	-	-	-		
-	10a 2019/20 items (reclassified as Capital - see below)	-	-	-		
-	2020/21 items (See list below)	30,000	-	15,125		
-	11a 2019/20 Manager's Items (see below)	-	-	-		6
28,895	12 Contractual Maintenance	45,600	45,600	30,397		6
147,344	13 Contractual Crematorium Maintenance	110,000	110,000	109,004		6
70,619	14 Gas	69,855	72,031	55,907		6
48,480	15 Electricity	40,000	40,000	50,888		6
5,964	16 Water	8,000	8,000	14,597		6
32,593	17 Cleaning and Refuse Removal	30,000	30,000	29,103		6
1,650	18 Environmental Monitoring	1,500	1,500	0		6
	<b>Supplies and Services</b>					
2,364	19 Furniture, Fittings and Equipment	3,472	2,442	1,365		6
8,946	20 Protective Clothing and Uniforms	11,967	9,125	6,068		6
7,259	21 Printing and Stationery	8,215	7,396	8,003		6
5,934	22 Postages	8,168	6,053	7,062		6
5,885	23 Telephones	5,630	6,003	7,330		6
1,431	24 Drinking Water	1,861	1,460	1,722		6
37,415	25 Insurances	30,600	38,163	40,184		6
0	26 Remembrance Services	6,200	6,200	0		6
65,656	27 Fees - Medical References	51,516	66,969	51,715		6
0	28 Consultancy Fees - management support	10,000	10,000	0		6
	Memorialisation etc					
20,288	29 Plaques	15,541	20,694	26,143		6
7,127	30 Urns / Poyntainers	4,921	7,270	3,716		6
0	31 Memorial Writing	16,500	16,500	0		6
19,919	32 Miscellaneous Expenses	15,000	15,000	54,041		6
150,848	33 Salary recharges - other authorities	100,000	100,000	111,468		6
120,640	34 Non-reclaimable VAT on Revenue Expenditure	105,000	105,000	98,483		6
250,000	35 Return to Constituent Councils	250,000	250,000	250,000		6
79,488	36 Yabco	81,848	81,848	41,643		6
26,198	37 Write-Offs	26,198	0	0		6
	<b>Capital Financing</b>					
-	38 Loan Repayments	175,000	175,000	0		
-	39 Direct Revenue Financing of Capital Projects	-	-	-		
-	39a Previous year items	-	-	-		
29,391	39b 2021/22 Special Items (see below)	30,000	61,365	33,933		6
318,160	39c New Crematorium - early project work	6,499,200	3,556,277	1,547,960		6
50,319	40 Direct Revenue Financing - unrecoverable VAT	20,103	20,103	278,956		6
179,830	41 Depreciation			192,803		
<b>2,795,723</b>	<b>TOTAL EXPENDITURE</b>	<b>6,649,830</b>	<b>5,969,755</b>	<b>3,787,745</b>		
	<b>INCOME</b>					
(2,384,981)	42 Cremations	(2,475,000)	(2,634,000)	(1,991,200)		3
(10,112)	43 Income under abatement sharing scheme	(11,500)	(11,500)	(6,208)		3
(137,712)	44 Trees, Shrubs, Roses and Garden Seats	(144,900)	(140,500)	(151,437)		3
(6,230)	45 Garden Memorial and Bulb Scheme	(6,400)	(6,400)	(3,908)		3
(3,106)	46 Package, Postage and Receiving of Ashes	(3,700)	(3,200)	(7,919)		3
(29,034)	47 Plaques	(32,900)	(29,600)	(33,635)		3
0	48 Cate	0	0	0		3
(51,148)	49 Miscellaneous Income	(53,200)	(52,200)	(74,145)		3
(10,802)	50 Investment Income	(12,500)	(12,500)	(697)		3
(26,859)	51 Memorial Writing	(28,100)	(27,400)	(30,293)		3
	51a Webcasting	(190,691)	(190,691)	(61,333)		
<b>(2,659,884)</b>	<b>TOTAL INCOME</b>	<b>(2,959,891)</b>	<b>(3,157,891)</b>	<b>(2,369,901)</b>		
(274,132)	52 Operational Surplus (-) / Deficit	5,582,039	2,461,714	1,346,864		
30,609	52a Debit: Transfers to Earmarked Reserves in year	-	-	-		
-	52b Credit: Use of Earmarked Reserves in year	-	-	-		
(178,836)	53 Depreciation (contra to line 39 above)	(370,000)	(370,000)	(194,803)		
(422,359)	54 Surplus/(Deficit) before transfer to RAR Fund	5,212,039	2,091,714	1,152,061		
422,359	55 Transfer to/(from) Renewal and Repairs Fund	(5,212,039)	(2,091,714)	(1,152,061)		
<b>0</b>	<b>56 Net Surplus/(Deficit) for the Year in Revenue Acc</b>	<b>0</b>	<b>0</b>	<b>0</b>	Increasing revenue balance to new recommended minimum of £200k	
	<b>SURPLUS / RESERVES ACCOUNT</b>					
300,000	Balance b/f 1st April - Revenue Account	300,000	300,000	300,000		
2,659,723	- Renewal and Repairs Fund	2,889,087	2,889,087	2,889,087		
2,959,723		3,189,087	3,189,087	3,189,087		
0	Add - Net Surplus/Deduct Net Deficit (-) for year	0	0	0		
422,359	Add - Net Increase/Reduction (-) in RAR Fund	(5,212,039)	(2,091,714)	(1,152,061)		
<b>3,189,087</b>	<b>58 Balance of 31st March</b>	<b>(2,022,952)</b>	<b>1,097,373</b>	<b>2,037,026</b>		

Note: re total expenditure in Box 6

The total of the items marked 6 above = £1,360,374  
The total in Box 6 on the annual return is £1,369,900  
= a difference of £8,526  
This is due to the reclassification of the PSDP investment as a long term asset - the interest adjustment in 2019/20 is £5646 and for the annual return this is added to the asset value, and treated as capital expenditure, included in Box 6

## WEST HERTS CREMATORIUM JOINT COMMITTEE

**STATEMENT OF ACCOUNTS****FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022***(Not subject to Audit)*

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## **FOREWORD**

### **Background to the Joint Committee**

The West Herts Crematorium Joint Committee has representation from five Hertfordshire local authorities – Dacorum, Hertsmere, St Albans, Three Rivers and Watford – and also a representative of the Bishop of St Albans. The Crematorium, situated in High Elms Lane, Garston, provides a comprehensive service dealing with every aspect of bereavement for the communities served by its constituent authorities, as well as residents in the rest of Hertfordshire, Bedfordshire, Buckinghamshire and Middlesex.

Originally opened in 1959, the Crematorium currently averages around 3,100 cremations annually, and maintains over 5,000 living memorials. Its services are provided under section 242 of the Local Government Act 1972.

### **The Financial Framework of the Joint Committee**

Although the Joint Committee’s Memorandum of Agreement provides for deficits to be met by the constituent councils, in practice the Crematorium meets its running costs from its own income and builds up reserves where possible to meet future capital improvement costs. The Memorandum of Agreement also allows for surpluses to be paid to the constituent councils, where they are not required for future capital investment – in 2013/14, for the first time, £50,000 was paid to each authority, a total of £250,000. A further £250,000 has been paid in each financial year since, up to 2021/22.

### **Reasons for producing this Statement of Accounts**

The primary purpose of this statement is to describe the financial transactions of the Joint Committee between 1<sup>st</sup> April 2021 and 31<sup>st</sup> March 2022.

Under the Accounts and Audit Regulations (England) the Joint Committee has been classed as a “smaller relevant body” and has only been required to produce a brief financial statement. With effect from 2015/16 this statutory requirement for Joint Committees was removed, but the West Herts Crematorium Joint Committee has reached an agreement with its external auditors to continue the preparation and audit of the annual financial statement.

In addition to the annual statement, the Joint Committee still considers it useful and informative to produce a statement of accounts largely in line with local authorities, and therefore this statement consists of the following core financial statements (together with explanatory notes):

### **Core Financial Statements**

#### *Income and Expenditure Account (I&E Account)*

This statement reports the full costs of the Joint Committee’s functions and shows how those costs are financed by income.



### *Statement of the Movement in the General Fund Balance (SMGFB)*

Following the I&E Account, which is drawn up in line with UK Generally Applied Accounting Principles (GAAP) in common with large unlisted private sector companies, the SMGFB includes items that are required by statute and proper practice to arrive at the Joint Committee's net financial position for the year.

### *Balance Sheet*

This statement shows the Joint Committee's balances and reserves, and its assets and liabilities. The notes to the accounts include explanations and greater detail.

### *Cash Flow Statement*

This statement summarises the inflows and outflows of cash arising from transactions with third parties for both revenue and capital purposes.

## **Review of 2021/22**

The Crematorium has continued to provide an effective, efficient and sensitive service during 2021/22 during a difficult period post Coronavirus pandemic, and has maintained high levels of satisfaction amongst its users. Although, due to the pandemic this year saw a decrease in the numbers of cremations.

In recent years the Crematorium has had considerable success in a number of areas, including winning the crematorium section of the Cemetery of the Year Awards, a national competition organized by the UK's Memorial Awareness Board, and also winning the final of the Best Baby Memorial Garden. For a number of years the high standards of the Crematorium's grounds and gardens have also earned West Herts the Green Flag Award for "excellence in green spaces", and the Crematorium has also achieved a Charter Mark award for excellence in customer service. In 2017 the Joint Committee was reaccredited with its Investors in People award, and training in NVQs in both horticulture and administration has taken place over a number of years.

During 2021/212 the fabric of the buildings, grounds and major equipment continued to be maintained to a high standard. £208,000 was spent on essential maintenance and improvements. In addition, the work on the new crematorium construction commenced fully and so far has accrued expenditure of £1,547,960.

In the three financial years to 2011/12, the Joint Committee had invested just under £3 million on the replacement of the cremators and the installation of mercury abatement plant. The Joint Committee had taken the decision to make the necessary capital investment to become a 100% "abater", and as a consequence is now receiving income from other crematoria who have not yet made the necessary changes. The forward budget plans provide for the accumulation of funds for the eventual replacement of these cremators.

A deficit of £1,152K was achieved in 2021/22, after the payment of £250,000 to the constituent councils. This deficit was some £940K less than the revised budgeted deficit of £2,092K.

The outturn compared with the budget is summarised below.

The balance of the revenue deficit, £1,152,061 has been transferred to the Renewal and Repairs Fund as it has financed capital investment.

## Comparison of 2021/22 Outturn with Revised Budget

Regular budget monitoring is carried out throughout the financial year and a revised estimate is prepared when considering forward projections in January of each year. A comparison of this updated budget is made to the 2021/22 outturn below:

	<i>Revised Budget</i> £K	<i>Outturn</i> £K	<i>Increase/ (decrease)</i> £K
Employees	630	585	(45)
Premises costs	377	358	(19)
Supplies and Services	500	459	(41)
Returns to Constituent Councils	250	250	-
Depreciation	370	-	-
<b>TOTAL EXPENDITURE</b>	<b>2,005</b>	<b>1,998</b>	<b>(7)</b>
Fees and Charges	3,108	2,361	(747)
<b>TOTAL INCOME</b>	<b>3,108</b>	<b>2,361</b>	<b>(747)</b>
<b>NET COST OF SERVICES</b>	<b>(519)</b>	<b>(661)</b>	<b>142</b>
Interest and Investment Income	13	1	(12)
<b>NET OPERATING (SURPLUS)/DEFICIT</b>	<b>(534)</b>	<b>(672)</b>	<b>(138)</b>
Capital Expenditure financed from Revenue	3,813	1,861	(1,952)
Transfers to/from Reserves	-	-	-
Adjustment for depreciation	(370)	(195)	(175)
<b>Net (Surplus)/Deficit before transfer to Renewal and Repairs Fund</b>	<b>2,092</b>	<b>1,152</b>	<b>940</b>
Transfer to Renewal & Repairs Fund	(2,092)	(1,152)	(940)
<b>NET (SURPLUS)/DEFICIT FOR YEAR</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Joint Committee has, for a number of years, pursued a policy of building up reserves to meet the capital costs of cremator replacement and mercury abatement, and other capital priorities. Following the completion of the cremator replacement project in 2011/12, overall revenue reserves stood at £515K - since that time further additions have been made to reserves. The general revenue reserves now stand at £2,037K and will be applied over the coming years to help finance the Joint Committee's ongoing capital programme, including the proposed new crematorium.

## **Pension Fund**

The Hertfordshire Local Government Pension Scheme was valued at 31<sup>st</sup> March 2022 by Hymans Robertson LLP. The element of the overall deficit on the fund attributable to the Joint Committee was £911K (a decrease on the £1,087K at 31.3.21), and this liability is included within the Joint Committee's accounts. Detail of how this deficit has been assessed is included within the notes to the accounts. The Joint Committee's employer's contributions to the pension fund are adjusted each year, and set at a level to meet this deficit over a period of years.

## **APPROVAL OF THE ACCOUNTS**

In line with the requirements for "smaller relevant bodies", the Chief Finance Officer's certificate is included on the required annual return, along with the signatures of the Chairman and the Clerk.

## **INDEPENDENT AUDITOR'S REPORT**

The certificate of the independent auditor is included on the prescribed annual return, which is submitted to the auditor by the end of July 2022. When the return is certified a copy of the return will be included with this statement of accounts.

## STATEMENT OF RESPONSIBILITIES

### The Joint Committee's Responsibilities

The Joint Committee is required to make arrangements for the proper administration of its financial affairs, to manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets. The Joint Committee is required to secure that one of the officers from the constituent authorities has the responsibility for the administration of those affairs. Currently that officer, the Treasurer to the Joint Committee, is the Chief Finance Officer for Three Rivers District Council and Watford Borough Council.

### Responsibilities of the Treasurer to the Joint Committee

The Treasurer of the Joint Committee is responsible for the preparation of the annual statement of accounts in accordance with proper practices, and is required to present fairly the financial position of the Joint Committee at the accounting date, and its income and expenditure for the year ended on that date.

In preparing this statement of accounts the Treasurer has:

- Selected suitable accounting policies and then applied them consistently
- Made judgements and estimates where reasonable and prudent
- Complied with the code

And has:

- Kept proper accounting records which were up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities



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**Treasurer to the Joint Committee**

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**Date**

# **ANNUAL GOVERNANCE STATEMENT**

## **1. Scope of Responsibility**

The West Herts Crematorium Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The 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.

In discharging this overall responsibility, the 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.

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

The governance framework comprises the systems and processes, culture and values by which the West Herts Crematorium is directed and controlled, and the 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.

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.

The governance framework has been in place at the West Herts Crematorium for the year ended 31 March 2022 and up to the date of approval of the annual accounts.

## **3. The Governance Framework**

The Crematorium operates within the relevant legislation and Secretary of State guidance notes as well as cremation regulations. At an operational level, the overarching governance document is the Memorandum of Agreement, last amended in June 2002, which all participating authorities approved.

The Joint Committee meets twice a year. Each meeting considers written reports from the Crematorium Manager, the Clerk, the Treasurer and the Surveyor. These reports include financial accounts and budget plans, statistical information on operations, complaints and compliments, as well as service development issues and changes to legislation.

External quality validation is sought through Investors in People, Charter Mark and success in national award schemes. Guidance is sought from national bodies as appropriate.

An annual meeting is held with stakeholders to seek feedback on how the service might be improved. This is reported to the Joint Committee and normally practical suggestions are approved for implementation.

The Joint Committee wishes to be a positive influence in the area and supports community involvement such as the provision of work experience. It is committed to taking early action to reduce avoidable emissions - the Joint Committee, in the period 2010 to 2012, installed new cremators and mercury abatement equipment to meet the latest national and European requirements, and was amongst the first few providers in the UK to do this. Emission levels from the cremators are regularly monitored by external consultants to ensure compliance with current environmental regulations.

The Crematorium Manager is responsible for the day to day management of the facility with major decisions being taken by the Joint Committee. Watford Borough Council Financial Procedures and St Albans Council Contract Standing Orders had been applied to the Crematorium for a number of years - at its January 2012 meeting the Joint Committee's approved its own set of financial regulations. The Crematorium is also subject to an annual internal audit review, in recent years carried out by the Hertfordshire Shared Internal Audit Service, as well as an annual external audit of the final accounts currently undertaken by BDO. Any findings and recommendations of the auditors are incorporated into an Audit Action Plan, reported regularly to the Joint Committee.

The Joint Committee's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as far as it applied to the activities of the Crematorium. Responsibility for the financial management of the Crematorium falls within the functions of the Treasurer who is also the Chief Finance Officer at both Three Rivers District Council and Watford Borough Council. Day to day advice and support on financial administration is provided by the Crematorium Accountant.

There are established mechanisms in place for the reporting of financial information on a regular monthly basis to the Manager, Treasurer, Clerk and Surveyor, copied to Directors of Finance of the constituent councils. Twice-yearly reports are submitted to the Joint Committee relating to the budget, the forward financial plan and annual outturn.

There is a performance management process whereby objectives for the forthcoming year are set, and progress against and achievement of those targets monitored. The Crematorium Manager is line managed by the Clerk to the Joint Committee, the Managing Director of Watford Borough Council.

The Crematorium follows statutory health and safety practices required by the relevant legislation. It has a Health and Safety Policy which is monitored by the Manager, and advice is also taken from the constituent authorities where appropriate.

The Crematorium follows the sickness management and other relevant personnel procedures of Watford Borough Council.

## 4. Review of Effectiveness

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

The system of internal control is reviewed by a range of means:

- Financial and non-financial reports on the Crematorium's performance to the Joint Committee
- Review by the Hertfordshire Shared Internal Audit Service, the most recent being planned for July 2022.
- Review by the Joint Committee's external auditors, currently BDO.
- Review of the Crematorium's Risk Register annually, and its submission to the Joint Committee
- The Officers of the Joint Committee receive monthly monitoring reports on the Crematorium's income and expenditure
- Advice and support from the Treasurer, Clerk and Surveyor

A formal approach to risk management was introduced during 2007/08. The risk register is reviewed and updated annually and is presented to the Joint Committee's June meeting. In 2015, this review was in the form of a workshop led by Zurich Municipal and attended by Joint Committee officers.

An assets register is maintained, which includes the Joint Committee's main assets of building, land and plant, as well as smaller equipment assets. The accounts are drawn up on the basis of the previous year's assets values, at historical cost, adjusted for additions and depreciation during the year.

At the June 2013 meeting, a Treasury Management and Investment Strategy was approved by the Joint Committee, and is submitted to members annually, updated as necessary. The Treasurer and the accountant do take steps to maximize return on investments, whilst ensuring that funds are available when needed for capital projects. The officers aim to spread risk over more than one financial institution and have taken advice from Watford and Three Rivers Councils on such institutions.

There are no formal policies in place for data protection and information security – however the Crematorium's administration is very conscious of the requirements for data protection and security and the systems and procedures in place do seek to insure security and integrity. These have recently been reviewed to ensure compliance with the new EU General Data Protection Regulations. The arrangements are registered with the Data Protection Registrar (Information Commissioner's Office), and The Joint Committee is also registered with the Payment Card Industry for its Data Security Standard, and has a certificate of compliance. Confidential waste is disposed of securely.

## 5. Significant Governance Issues

The Joint Committee's accounts and financial arrangements are subject to an annual external audit, currently undertaken by BDO, and an annual internal audit provided by the Hertfordshire Shared Internal Audit Service. Where issues are raised and recommendations made, these are incorporated into an Audit Action Plan which acts as a checklist for action, and this is reported regularly to members.

A number of issues, mainly relating to procedures, have been raised in recent years, and have been addressed by the Crematorium's Manager and Treasurer.

There is one remaining area - internal control arrangements are considered inadequate as there is limited separation of duties - this issue has been recognised by management for some time, and the auditors conceded that there are limits to what can be achieved in such a small organisation. Steps are taken wherever reasonably practical to ensure there is appropriate internal check and/or review, and administrative arrangements will continue to be reviewed and improvements made where possible.

*A summarised Annual Governance Statement, signed by the Clerk to the Joint Committee and the Chairman, is included in the prescribed annual return, a copy of which, when completed, will be included with this statement of accounts.*



# STATEMENT OF ACCOUNTING POLICIES

## 1. General Principles

The Statement of Accounts summarises the Joint Committee's transactions for the 2021/22 financial year and its position at the year-end of 31 March 2022. It has been largely prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice* (the SORP). From 2010/11 the Joint Committee was permitted to prepare accounts as a "smaller relevant body" - this meant that only a brief "annual return" was required for submission to external audit. Even this requirement has now been removed from 2015/16, although the Joint Committee has decided to continue compliance with these requirements, and to maintain an independent external audit.

In addition to the brief annual statement, a fuller statement of accounts (this document) has also been prepared, in line with previous years, but omitting some of the less meaningful entries.

The accounting convention adopted is historical cost, modified periodically by the revaluation of certain categories of tangible fixed assets.

## 2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees, charges and rents due from customers are accounted for as income at the date the council provides the relevant goods or services. The only exception to this approach is income for memorials where income received for future years is included in the year of cremation – experience has shown that the level of memorialisation income received for future periods is fairly consistent and nothing would be gained by a detailed process of apportioning income to future years.
- Supplies are recorded as expenditure when they are consumed.
- Works are charged as expenditure when they are completed, before which they are carried as works in progress on the Balance Sheet.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### **3. Provisions**

Provisions are made where an event has taken place that gives the joint committee an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain. For instance, if the Joint Committee were involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged to the revenue account in the year that the joint committee becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes more likely than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the revenue account.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is only recognised as income in the revenue account if it is virtually certain that reimbursement will be received if the obligation is settled.

There are no specific provisions in the 2021/22 accounts, other than creditor provisions.

### **4. Reserves**

The Joint Committee sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts in the Statement of Movement on the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the revenue account in that year to score against the Net Cost of Services in the Income and Expenditure Account. The reserve is then appropriated back into the General Fund Balance statement so that there is no net cost for the expenditure.

The Renewal and Repairs Reserve represents funds set aside for future major maintenance and capital improvement costs. In addition the General Fund Balance represents accumulated revenue resources which are also available for this purpose. There are also Earmarked Revenue Reserves for maintenance and administration costs.

Certain reserves are kept to manage the accounting processes for tangible fixed assets and retirement benefits and that do not represent usable resources for the Joint Committee:

#### **Pension Reserve**

The Pension Reserve represents a balancing account to allow the net liability of the direct benefit pension scheme to be shown on the balance sheet as a long term liability.

### **Capital Adjustment Account**

The Capital Adjustment Account represents the adjusting entries to capitalise past expenditure on fixed assets, current expenditure on fixed assets and the associated depreciation applied to these assets.

## **5. Retirement Benefits**

Those employees of the Joint Committee who so choose are members of the Local Government Pensions Scheme, administered by Hertfordshire County Council. This scheme is accounted for as a defined benefits scheme. The liabilities of the Hertfordshire County Council pension scheme attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

### **Discretionary Benefits**

The Joint Committee also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

## **6. VAT**

All income shown in the accounts excludes any amounts relating to VAT, as all VAT collected is payable to HM Revenue and Customs.

In the case of input tax, VAT on expenditure, the Joint Committee is only allowed to reclaim a proportion of the tax borne. Input tax relating to exempt services, e.g. cremations (including capital costs for new crematorium facilities), is not recoverable. Input tax relating to standard rated services, e.g. memorialisation, is recoverable in full. Input tax relating to other expenditure - administration, general maintenance etc - is recoverable in part.

## **7. Fixed Assets**

Although the Joint Committee's Memorandum of Agreement stipulates that it cannot hold assets, the Joint Committee has exclusive operational responsibility for the land and buildings used in the Crematorium's operation and of the staff houses – these assets are therefore shown within the Joint Committee's balance sheet. Assets are measured initially at cost – they have been revalued periodically, and were last revalued at 1<sup>st</sup> April 2007 on the basis of existing use value. There is no longer a requirement to revalue assets under the accounting requirements for smaller bodies, but it will be done periodically; insurance values for the buildings and plant are reviewed each year as part of the annual insurance review.

## **Tangible Fixed Assets**

Tangible fixed assets are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis.

*Recognition:* Any significant improvements or acquisitions above £10,000 which enhance the value of the Joint Committee's assets, and have an anticipated life of more than one year, are treated as capital expenditure. Such expenditure is either funded by borrowing, or by direct revenue financing (charge directly to the revenue account in the year the expenditure is incurred). Any unrecoverable VAT on such expenditure is treated as part of the capital cost.

*Measurement:* Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Investment properties and assets surplus to requirements – lower of net current replacement cost or net realisable value
- Dwellings, other land and buildings, vehicles, plant and equipment – lower of net current replacement cost or net realisable value in existing use
- Infrastructure assets and community assets – depreciated historical cost.

Net current replacement cost is assessed as:

- Non-specialised operational properties – existing use value
- Specialised operational properties – depreciated replacement cost
- Investment properties and surplus assets – market value.

Assets included in the Balance Sheet at current value are periodically revalued where there have been material changes in the value. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Income and Expenditure Account where they arise from the reversal of an impairment loss previously charged to the revenue account.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

*Impairment:* the values of each category of assets and of material individual assets that are not being depreciated are reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for by:

- Where attributable to the clear consumption of economic benefits – the loss is charged to the revenue account
- Otherwise – written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the revenue account.

Where an impairment loss is charged to the Income and Expenditure Account but there were accumulated revaluation gains in the Revaluation Reserve for that asset, an amount up to the value of the loss is transferred from the Revaluation Reserve to the Capital Adjustment Account.

*Disposals:* when an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet is written off to the Income and Expenditure Account as part of the gain or loss on disposal. Receipts from disposals are credited to the Income and Expenditure Account as part of the gain or loss on disposal (ie netted off against the

carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account. Amounts in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Joint Committee's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the Statement of Movement on the General Fund Balance. The written-off value of disposals is not a charge against revenue, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Statement of Movement on the General Fund Balance.

*Depreciation:* The Joint Committee's operational buildings and staff houses are depreciated over 30 years from 1<sup>st</sup> April 2002, and specialist plant (cremators) over 10 years, on a straight line basis. Land is not depreciated. A full year's depreciation is charged in the year of acquisition, and none in the year of disposal. Where an asset has major components with different estimated useful lives, these are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### **Charges to Revenue for Fixed Assets**

The revenue account is debited with the following amounts to record the real cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the service
- impairment losses attributable to the clear consumption of economic benefits on tangible fixed assets used by the service and other losses where there are no accumulated gains in the Revaluation Reserve against which they can be written off
- Amortisation of intangible fixed assets attributable to the service.

The Joint Committee is not required to raise income from charges to cover depreciation, impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement (equal to either an amount calculated on a prudent basis determined by the Joint Committee in accordance with statutory guidance, or loans fund principal charges). Depreciation, impairment losses and amortisations are therefore replaced by revenue provision in the Statement of Movement on the General Fund Balance, by way of an adjusting transaction within the Capital Adjustment Account for the difference between the two.

## **8. Stocks**

Until 2004/05, a small value of memorial cards and booklets was calculated and carried forward as stock in hand. As this value had ceased to be significant (approximately £300), from 2004/05 stock has not be treated as a balance sheet item, and is written off entirely in the year of purchase.

## **9. Financial Liabilities**

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Income and Expenditure Account for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For all of the borrowings that the Joint Committee has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable and interest charged to the Income and Expenditure Account is the amount payable for the year in the loan agreement.

## **10. Financial Assets**

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments. The Joint Committee has no available-for-sale financial assets.

### **Loans and Receivables**

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Income and Expenditure Account for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans and investments that the Joint Committee has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the Income and Expenditure Account is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Income and Expenditure Account.

Any gains and losses that arise on the derecognition of the asset are credited/debited to the Income and Expenditure Account.

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

<b>2020/21</b>		<i>note</i>		<b>2021/22</b>
£			£	£
	<b>Expenditure</b>			
613,527	Employee Related Expenditure	1	585,013	
396,089	Premises Related Expenditure	2	392,148	
809,409	Supplies and Services	3	708,885	
0	Loan Repayments and interest		0	
178,836	Depreciation		194,803	
0	Non-distributed Costs		0	
<b>1,997,861</b>	<b>Total Service Expenditure</b>			<b>1,880,849</b>
	<b>Income</b>			
(2,607,914)	Fees and Charges	4	(2,286,059)	
(51,148)	Other Income	5	(74,145)	
<b>(£2,659,062)</b>	<b>Total Service Income</b>			<b>(£2,360,204)</b>
<b>(661,201)</b>	<b>Net Cost of Services</b>			<b>(479,355)</b>
(10,802)	Interest and Investment Income			(697)
<b>(672,003)</b>	<b>Net Operating (Surplus)/Deficit</b>			<b>(480,052)</b>
<b>(672,003)</b>	<b>Net Income and Expenditure Account (Surplus)/Deficit</b>			<b>(480,052)</b>

## STATEMENT OF MOVEMENT IN THE GENERAL FUND BALANCE

The Income and Expenditure Account shows the Joint Committee's actual financial performance for the year, measured in terms of the resources consumed and generated over the last 12 months. However, the Joint Committee is required to measure its General Fund on a different accounting basis, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- The General Fund Balance compares the Joint Committee's spending against the charges that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for future expenditure.

This reconciliation statement summarises the differences between the outturn on the income and Expenditure Account and the General Fund Balance.

<b>2020/21</b>		<b>2021/22</b>
£		£
<b>(672,003)</b>	<b>(Surplus)/Deficit for the Year on Income and Expenditure Account</b>	<b>(480,052)</b>
(672,003)	Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year	(480,052)
<b>0</b>	<b>(Increase)/Decrease in the General Fund Balance for the year</b>	<b>0</b>
(300,000)	General Fund Balance brought forward	(300,000)
<b>(£300,000)</b>	<b>General Fund Balance carried forward</b>	<b>(£300,000)</b>



## Reconciling items for the Statement of Movement in the General Fund Balance

<b>2020/21</b>		<b>2021/22</b>
£		£
	<b>Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement in the General Fund Balance for the year</b>	
(178,836)	Depreciation and impairment of fixed assets	(194,803)
<b>(178,836)</b>		<b>(194,803)</b>
	<b>Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement in the General Fund Balance for the year</b>	
397,869	Capital expenditure charged to the General Fund Balance	1,826,916
<b>397,869</b>		<b>1,826,916</b>
	<b>Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement in the General Fund Balance for the year</b>	
<b>452,969</b>	Net transfer to or from earmarked reserves	<b>(1,152,061)</b>
<b>672,003</b>	<b>Net additional amount required to be debited/credited to the General Fund Balance for the year</b>	<b>480,052</b>

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022

31 <sup>st</sup> March 2021 £	note	£	31 <sup>st</sup> March 2022 £
<b>Tangible Fixed Assets</b>			
	11		
Operational Assets:			
2,832,333		2,703,752	
54,978		22,690	
919,898		919,898	
<b>3,807,209</b>			<b>3,646,340</b>
<b>Current Assets</b>			
126,034	9	131,472	
2,367,691		2,357,077	
1,038,636		898,698	
3,532,361			3,387,247
<b>Current Liabilities</b>			
(443,163)	10	(1,088,819)	
<b>3,089,198</b>			<b>2,298,428</b>
<b>Net Current Assets</b>			
<b>Long Term Liabilities</b>			
(1,087,000)		(911,000)	
0		0	
<b>(1,087,000)</b>			<b>(911,000)</b>
<b>£5,809,407</b>			<b>£5,033,768</b>
<b>Total Assets less Liabilities</b>			
<b>Financed By:</b>			
(3,807,209)		(3,646,340)	
1,087,000	14	911,000	
(2,572,985)	13	(1,782,215)	
(216,213)	13	(216,213)	
(300,000)	13	(300,000)	
<b>(£5,809,407)</b>			<b>(£5,033,768)</b>

## CASH FLOW STATEMENT

2020/21		2021/22
£		£
<b>Revenue Activities</b>		
Cash Outflows		
612,974	Cash paid to and on behalf of employees	585,013
1,098,749	Other operating costs	428,371
<b>1,711,696</b>		<b>1,013,384</b>
Cash Inflows		
(2,644,373)	Cash Received for goods and services	(2,354,766)
<b>(932,677)</b>	<b>Revenue Activities Net Cash Inflow</b>	<b>(1,341,382)</b>
<b>Servicing of Finance</b>		
0	Cash Outflows: interest paid	0
(10,802)	Cash Inflows: interest received	(697)
<b>(10,802)</b>	<b>Servicing of Finance – Net Cash Inflow</b>	<b>(697)</b>
<b>Capital Activities</b>		
397,869	Cash Outflows: purchase of fixed assets	1,860,849
0	Less: Inflows – Loans raised	0
<b>397,869</b>		<b>1,860,849</b>
<b>Management of Liquid Resources</b>		
769,248	Increase/(Decrease) in short term Investments (see Note 18)	10,614
<b>223,638</b>	<b>NET CASH INFLOW(-)/OUTFLOW</b> (see Note 16)	<b>508,156</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 1. Employee Related Expenditure

2020/21		2021/22
£		£
85,641	Fees - Organists	67,042
511,409	Salaries - Manager and Staff	502,501
15,898	Salaries - Clerk, Surveyor and Treasurer	15,470
0	Recruitment - Advertising	0
580	Training	0
<b>£613,527</b>	<b>Total Employee Related Expenditure</b>	<b>£585,013</b>

### 2. Premises Related Expenditure

2020/21		2021/22
£		£
	Repairs and Maintenance - Buildings and Grounds	
14,371	Managers Items - Buildings	18,821
21,280	Managers Items - Grounds	17,452
24,895	Surveyors Items - Buildings	16,921
29,391	Repairs and Maintenance - Buildings and Grounds Special Items	33,933
0	Payments against previous years' Earmarked Reserves	15,125
28,895	Contractual Maintenance - Buildings	30,397
147,344	- Cremators	109,004
70,619	Gas	55,907
48,480	Electricity	50,888
5,964	Water	14,597
32,593	Cleaning and Refuse Removal	29,103
1,650	Environmental Monitoring	0
<b>£425,482</b>	<b>Total Premises Related Expenditure</b>	<b>£392,148</b>

### 3. Supplies and Services

2020/21		2021/22
£		£
2,394	Furniture, Fittings and Equipment	1,365
8,946	Protective Clothing and Uniforms	6,068
7,250	Printing and Stationery	8,003
5,934	Postages	7,062
5,885	Telephones	7,330
1,431	Drinking Water	1,722
37,415	Insurances	40,184
0	Remembrance Services	0
65,656	Fees - Medical Referees	51,715
0	Consultancy Fees	0
27,415	Memorialisation	29,859
19,910	Miscellaneous Expenses	54,041
150,848	Recharges - other authorities	111,409
120,640	Non-reclaimable VAT on Revenue Expenditure	98,483
250,000	Return to Constituent Councils	250,000
79,488	Yaboo Webcasting	41,643
26,198	Write Offs	0
<b>£809,409</b>	<b>Total Supplies and Services</b>	<b>£708,885</b>

### 4. Fees and Charges

2020/21		2021/22
£		£
(2,394,891)	Cremations	(1,991,326)
(10,112)	Income under Mercury Abatement sharing	(6,208)
(137,712)	Trees, Shrubs, Roses and Garden Seats	(151,437)
(6,230)	Garden Memorial and Bulb Scheme	(3,908)
(3,106)	Package, Postage and Receiving of Ashes	(7,919)
(29,034)	Plaques and Urns	(33,635)
(0)	Café Income	(0)
(26,859)	Memorial Writing	(30,293)
(0)	Webcasting	(61,333)
<b>(£2,607,914)</b>	<b>Total Fees Charges</b>	<b>(£2,286,059)</b>

## 5. Other Income

<b>2020/21</b>			<b>2021/22</b>
£		£	£
(32,095)	Rent Income (Staff houses)	(28,187)	
(19,053)	Miscellaneous Income	(45,958)	
<b>(£51,148)</b>	<b>Total Other Income</b>		<b>(£74,145)</b>

## 6. Officer's Emoluments

There were no employees, during 2020/21 and 2021/22, whose remuneration, excluding pension contributions, was banded above £50,000.

## 7. Audit Costs

<b>2020/21</b>			<b>2021/22</b>
£		£	£
2,400	Fees payable to BDO with regard to external audit services carried out	2,400	
1,500	Fees payable for Internal Audit services	2,000	
<b>£3,900</b>	<b>Total Audit Costs</b>		<b>£4,400</b>

## 8. Related Parties

The Joint Committee is made up of one Councillor from each of the five constituent authorities. Although the Joint Committee is effectively self-financing, and does not rely on financial support from the constituent authorities, there are payments made by the Joint Committee to three of the authorities for support services provided. For 2020/21 these payments were:

<b>2020/21</b>			<b>2021/22</b>
£		£	£
42,410	Watford Borough Council	63,765	
6,105	St Albans City and District Council	9,840	
73,721	Three Rivers District Council	37,804	
<b>£113,370</b>	<b>Total</b>		<b>£111,409</b>

In addition, there are some transactions between the Joint Committee and the constituent authorities relating to routine administrative costs such as printing and stationery, and occasionally planning fees relating to capital schemes.

## 9. Debtors

2020/21		2021/22	
£		£	
Amounts falling due within one year:			
39,847	Prepayments	41,268	
86,157	Debtors – sums due from Funeral Directors	89,894	
30	Other Debtors	310	
<b>£126,034</b>	<b>Total Debtors</b>		<b>£131,472</b>

There were no debtors falling due after one year. *Debtors – sums due from Funeral Directors* represent bank transfer payments due from FDs not yet received at 31<sup>st</sup> March, which were received in the new financial year.

## 10. Creditors

2020/21		2021/22	
£		£	
Amounts falling due within one year:			
5,506	Government Creditors (VAT)	1,842	
443,163	Other operational creditors and accruals	1,086,977	
<b>£448,669</b>			<b>£1,088,819</b>

## 11. Tangible Fixed Assets

The Crematorium's Fixed Assets – the buildings including major plant, and the land – were last revalued as at 31<sup>st</sup> March 2007, the previous valuation being in 2002. The valuation was carried out externally by Gerald Eve, Chartered Surveyors and Property Consultants. The valuation was on an "Existing Use Value" basis, taking into account the remaining economic useful life of the buildings and cremators. The valuation included the Crematorium Staff Houses, these values being based on their situation as tied houses.

	<i>Land</i>	<i>Crematorium Buildings</i>	<i>Plant</i>	<i>Staff Houses</i>	<i>TOTAL</i>
	£	£	£	£	£
Gross Book Value 31.3.21	919,898	3,656,086	2,118,858	1,185,420	7,880,262
Accumulated Depreciation to 31.3.21	-	(1,471,501)	(2,063,880)	(537,672)	(4,073,052)
<b>Net Book Value 1.4.21</b>	<b>919,898</b>	<b>2,184,585</b>	<b>54,978</b>	<b>647,748</b>	<b>3,807,210</b>
Additions 2021/21	-	33,933	-	-	33,933
Depreciation 2021/22	-	(123,001)	(32,288)	(39,514)	(194,803)
<b>Net Book Value 31.3.22</b>	<b>919,898</b>	<b>2,095,518</b>	<b>22,690</b>	<b>608,234</b>	<b>3,646,340</b>
Gross Book Value 31.3.22	919,898	3,690,019	2,118,858	1,185,420	7,914,195
Accumulated Depreciation to 31.3.22	-	(1,594,501)	(2,096,168)	(577,186)	(4,267,855)
<b>Net Book Value 31.3.22</b>	<b>919,898</b>	<b>2,095,518</b>	<b>22,690</b>	<b>608,234</b>	<b>3,646,340</b>

## 12. Commitments under Capital Contracts

As at the 31<sup>st</sup> March 2022 the West Herts Crematorium Joint Committee is contracted to build a new Crematorium Facility at Bedmond Road in Dacorum. The contract sum for the construction costs of this project are £5,962,885 with the expected total cost of the project being £9,685,727.

## 13. Reserves

	<b>Renewal &amp; Repairs Fund</b>	<b>Earmarked Revenue Reserves</b>	<b>General Fund Balance</b>	<b>Pensions Reserve</b>	<b>Total</b>
	£	£	£	£	£
At 1 <sup>st</sup> April 2021	<b>2,889,247</b>	<b>216,213</b>	<b>300,000</b>	<b>(1,087,000)</b>	<b>2,318,460</b>
Transfer to Revenue Account					-
Transfer to Pension Liability				176,000	<b>176,000</b>
Transfer from Revenue Acct Adjustment	(1,152,061)	-	-		<b>(1,152,061)</b>
<b>At 31<sup>st</sup> March 2022</b>	<b>1,737,186</b>	<b>216,213</b>	<b>300,000</b>	<b>(911,000)</b>	<b>1,342,399</b>

## 14. Retirement Benefits-

### *Participating in a Pension Scheme*

As part of the terms and conditions of its employees, the Joint Committee offers retirement benefits. Although these will not actually be payable until employees retire, the Joint Committee has a commitment to make payments that need to be disclosed at the time that employees earn their future entitlement.

The authority participates in The Local Government Pension Scheme administered locally by Hertfordshire County Council – this is a funded defined benefit final salary scheme, meaning that the Joint Committee and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

### *Change in Accounting Policy*

Up to and including the statement of accounts for 2009/10, the Joint Committee complied with the current SORP and included detailed information about pension transactions, including additional entries in the revenue account. Under the new requirements for “smaller relevant bodies” this information is no longer required; the revenue account entries were self-balancing in any case – however the Joint Committee considers it still useful to include information relating to its long term pension liabilities – therefore its overall liability is reflected in the balance sheet, and the following notes are given:



**Amounts for the current and previous accounting periods**

	<b>31.3.18</b>	<b>31.3.19</b>	<b>31.3.20</b>	<b>31.3.21</b>	<b>31.3.22</b>
	<b>£K</b>	<b>£K</b>	<b>£K</b>	<b>£K</b>	<b>£K</b>
Fair Value of Employer Assets	2,848	3,069	3,093	3,712	3,792
Present Value of Defined Benefit Obligation	(4,124)	(4,463)	(4,850)	(4,799)	(4,703)
Surplus / (Deficit)	(1,276)	(1,394)	(757)	(1,087)	(911)

The liabilities show the underlying commitments that the Joint Committee has in the long run to pay retirement benefits. The net liability of £911K, decreased from £1,087K at the end of the previous year, has a substantial impact on the net worth of the Joint Committee as recorded in the Balance Sheet, which is still however showing a positive overall balance of £5,034K.

However, statutory arrangements for funding the deficit mean that the financial position of the Joint Committee remains healthy as the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

**Balance Sheet**

<b>31.3.21</b>		<b>31.3.22</b>
<b>£K</b>		<b>£K</b>
3,712	Fair Value of Employer Assets	3,792
(4,799)	Present Value of Funded Liabilities	(4,703)
(1,087)	Net (Under)/Overfunding in Funded Plans	(911)
-	- Present Value of Unfunded Liabilities	-
-	- Unrecognised Past Service Cost	-
<b>(1,087)</b>	<b>Net Asset/Liability</b>	<b>(911)</b>
	Amount in Balance Sheet	
1,087	Liabilities	911
-	Assets	-
<b>(1,087)</b>	<b>Net Asset/Liability</b>	<b>(911)</b>

## 15. Financial Instruments

### Introduction

A financial instrument is defined as any contract that gives rise to a financial asset (such as investments) or a financial liability (such as borrowings). The financial instruments disclosed in the balance sheet are made up of the following:

<b>31.3.21</b>		<b>31.3.22</b>
£		£
448,669	Financial liabilities at amortised cost (creditors)	1,088,819
0	Loans	0
<b>448,669</b>	<b>Total Borrowings</b>	<b>1,088,819</b>
3,532,361	Loans and receivables (Current assets)	3,387,247
<b>3,532,361</b>	<b>Total Investments</b>	<b>3,387,247</b>

### Fair value

The financial liabilities and financial assets are carried in the balance sheet at 'amortised cost'. The amortised cost is calculated by taking the initial amount of a loan advance, deducting the value of cash repayments made in year and adding on the interest charged/credited to the Income and Expenditure Account.

The 'fair value' of an instrument is the amount for which it could be sold for in an open market, based on the present value of the future cash flows that take place over the remaining terms of the instrument. Where an instrument is due to mature within the next 12 months the carrying amount is assumed to approximate to fair value. The fair value of trade receivables and payables is taken to be the invoiced amount.

The fair value of the Joint Committee's instruments compared to the amounts carried in the balance sheet at amortised cost are as follows:

<i>Carrying amount</i>	<b>31.3.21</b>		<i>Carrying amount</i>	<b>31.3.22</b>
£	<i>Fair value</i>		£	<i>Fair value</i>
£	£		£	£
<b>Financial Instruments Classified as Financial Liabilities:</b>				
448,669	448,669	Creditors	1,088,819	1,088,819
0	0	Loans	0	0
<b>448,669</b>	<b>448,669</b>	<b>Total</b>	<b>1,088,819</b>	<b>1,088,819</b>
<b>Financial Instruments Classified as Financial Assets:</b>				
126,034	126,034	Debtors	131,472	131,472
2,367,691	2,367,691	Investments	2,357,077	2,357,077

1,038,636	1,038,636	Cash	898,698	898,698
<b>3,532,361</b>	<b>3,532,361</b>	<b>Total</b>	<b>3,387,247</b>	<b>3,387,247</b>

All of the above financial assets are classified as loans and receivables, their defining characteristics being:

- They have fixed and determinable payments; and
- Are not quoted in an active market.

The Joint Committee does not have any other categories of financial asset.

#### *Nature and Extent of Risk Arising from Financial Instruments*

The Joint Committee has limited exposure to a variety of financial risks. In order to mitigate these the Joint Committee does regularly monitor and actively pursue debts owing to it, and, in the case of investments and cash, the risk is spread over more than one financial institution, and investments are either instant access accounts or limited to varying periods of less than one year. The types of risk experienced and how the Joint Committee deals with these is set out below:

- Credit risk:
  - The possibility that other parties might fail to pay amounts due to the authority
  - The creditworthiness of counterparties is an important consideration and deposits are not made with banks and other financial institutions unless they meet the investment criteria determined by the Accountant. The amount and period of the investment are also restricted to criteria determined by the Accountant. The Joint Committee does not expect any losses from non-performance by any of its counterparties in relations to deposits.
- Liquidity risk:
  - The possibility that the authority might not have funds available to meets its commitments to make payments
  - It is the Joint Committee's policy to be debt free. There is no significant risk that the Joint Committee will be unable to raise finance to meets its commitments if required.
- Market risk:
  - The possibility that financial loss might arise for the Joint Committee, as a result of changes in such measures as interest rates and stock market movements. The Joint Committee is exposed to risk in terms of its exposure to interest rate movements on its investments.
  - A rise in interest rates would have the following effects:
    - Investments at variable rates – the interest income credited to the Income and Expenditure Account will rise

- Investments at fixed rates – the fair value of the asset will fall.
- The Joint Committee's investments are all short-term investments at fixed rates, reducing exposure to such risk.

**16. Reconciliation of net surplus/deficit on the Income and Expenditure Account to the revenue activities net cash flow in the statement**

<b>2020/21</b>		<b>2021/22</b>
£		£
<b>223,638</b>	<b>Net Cash Inflow(-)/Outflow</b>	<b>508,156</b>
(52,248)	Decrease/(Increase) in Debtors	(6,859)
144,889	(Decrease)/Increase in Creditors	640,150
(769,248)	Decrease/(Increase) in short term investments	10,614
452,969	Net Contribution to Earmarked Reserves	0
<b>0</b>	<b>Net (Surplus)/Deficit on Income and Expenditure Account</b>	<b>1,152,061</b>

**17. Reconciliation of movement in net cash to movement in net debt**

<b>2020/21</b>		<b>2021/22</b>
£		£
<b>(223,638)</b>	<b>Net Cash Inflow(-)/Outflow</b>	<b>(508,156)</b>
0	Deficit(-)/Surplus for year	1,152,061
(769,248)	Decrease/(Increase) in short term investments	(10,614)
452,969	Net Contribution to Earmarked Reserves	0
<b>£92,641</b>	<b>Net Change in Debtors/Creditors</b>	<b>£633,291</b>

**18. Reconciliation of items under the Financing and Management of Liquid Resources sections to the opening and closing Balance Sheets**

<b>2020/21</b>		<b>2021/22</b>
£		£
3,136,938	Short-term Investments 1 <sup>st</sup> April	2,367,691
2,367,691	Short-term Investments 31 <sup>st</sup> March	2,357,077

**£769,247 Increase/(Decrease) in Short-term Investments**

**£10,614**

**19. Items included in liquid resources**

<b>31.3.21</b>		<b>31.3.22</b>
£		£
	Lloyds TSB:	
1,081,756	Instant Access Investment Account	1,081,864
514,587	Treasury Investment	503,328
	CCLA - Public Sector Deposit Fund	
771,348	Money Market Fund	771,886
<b>£2,367,691</b>	<b>Total</b>	<b>£2,357,077</b>

During 2021/22 the Joint Committee spread its investment risk between two financial institutions – one of the institutions is a public sector investment fund which spreads the risk over a number of other institutions.

# Joint Committees

## Return for the financial year ended 31 March 2022

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

- Sections 1 and 2 are completed by the person nominated by the Joint Committee
- Section 3 is completed by BDO LLP as the reviewer appointed by the Joint Committee.
- Section 4 is completed by the Joint Committee's internal audit provider.

### Completing your return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the return. Also our extranet contains useful advice for you to refer to, see below.

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

Send the return, together with your bank reconciliation as at 31 March 2022, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to us, BDO LLP, by the due date.

We will identify and ask for any additional documents needed for our work. Therefore, unless requested, do not send any original financial records.

Once we have completed our work, the completed return will be returned to the Joint Committee.

It should not be necessary for you to contact us for guidance.

## Section 1 – Governance statement 2021/22

We acknowledge as the members of

Enter name of reporting body here:

WEST HERTS CREMATORIUM JOINT COMMITTEE

Our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2022, that:

	Agreed		'Yes'
	Yes	No*	Means that the body:
1 We approved the accounting statements prepared in accordance with the guidance notes within this Return.	✓		Prepared its accounting statements and approved them.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with generally accepted good practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances and have reported our financial results to our host authority for inclusion in their accounts.	✓		Has only done what it has the legal power to do and has complied with general accepted good practice
4 We carried out an assessment of the risks facing the body and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		Considered the financial and other risks it faces and has dealt with them properly.
5 We maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems.	✓		Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the body.
6 We took appropriated action on all matters raised during the year in reports from internal audit and external reviews.	✓		Responded to matters brought to its attention by internal and external reviewers.
7 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during tor after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	✓		Disclosed everything it should have about its business activity during the yea including events taking place after the year-end if relevant.

The governance statement is approved by the Joint Committee and recorded as minute reference

MINUTE REFERENCE

Date

DD/MM/YYYY

Signed by:

Chair

SIGNATURE REQUIRED

Signed by:

Clerk

SIGNATURE REQUIRED

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

## Section 2 – Accounting Statements 2021/22 for

Enter name of reporting body here:

WEST HERTS CREMATORIUM JOINT COMMITTEE

	Year ending		Notes and guidance Please round all figures to nearest £1. Do not leave any boxes blank and reports £0 or Nil balances. All figures must agree to underlying financial records.
	31 March 2021 £	31 March 2022 £	
1 Balances brought forward	2,182,509	2,635,478	Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation and/or levy	0	0	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body. Excluding any grants received.
3 (+) Total other receipts	2,669,864	2,360,901	Total income or receipts as recorded in the cashbook less the taxation and/or levy (line2). Include any grants received here.
4 (-) Staff costs	-613,527	-585,013	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers)), pension contributions and employment expenses.
5 (-) Loan Interest/capital repayments	0	0	Total expenditure or payments of capital and Interest made during the year on the body's borrowings (if any).
6 (-) All other payments	-1,604,892	-1,574,792	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan Interest/capital repayments (line 5).
7 (=) Balances carried forward	2,633,953	2,836,574	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	2,634,979	2,483,890	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>to agree with bank reconciliation.</b>
9 Total fixed assets plus other long term investments and assets	8,651,610	8,686,081	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the body as at 31 March
10 Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB)

I certify that for the year ended 31 March 2022 the accounting statements in the return present fairly the financial position of the Joint Committee and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

SIGNATURE REQUIRED

Date

DD/MM/YYYY

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

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chair of meeting approving these accounting statements:

SIGNATURE REQUIRED



## Section 3 – External Report 2021/22 Certificate

We present the findings from our review of the return for the year ended 31 March 2022 in respect of:

Enter name of reporting body here:

WEST HERTS CREMATORIUM JOINT COMMITTEE

Respective responsibilities of the Joint Committee and the reviewer

The Joint Committee has taken on the responsibility of ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The Joint Committee prepares a return which:

- summarises the accounting records for the year ended 31 March 2022; and
- confirms and provides assurance on various governance matters in accordance with generally accepted good practice

This report has been produced in accordance with the terms of our engagement letter dated [date] (“the Engagement Letter”) and in accordance with the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements as published by IAASB.

We have performed the following work in respect of the return prepared by the Joint Committee:

- agreed to bank reconciliation to the annual return and the bank statements
- agreed the Annual return figures back to the trial balance
- ensured the trial balance and accounting statements adds up
- agreed the precept to the funding body
- agreed any loans to the PWLB or whoever the loan is with
- checked the comparative figures to the prior year accounts
- undertake an analytical review of the figures and investigated any variances in excess of 10%
- agree that the accounting statements and annual governance statement have been signed and dated as required.
- investigated any NO answers to the Annual Governance Statement
- investigated any NO answers in the Internal auditor report

[No exceptions were found / Apart from the following exceptions, noted below, no exceptions were found.]

We have not subject the information contained in our report to checking or verification procedures except to the extent expressly stated above and this engagement does not constitute an audit or a review and, as such, no assurance is expressed. Had we performed additional procedures, an audit or a review, other matters might have come to light that would have been reported.

You were responsible for determining whether the agreed upon procedures we performed were sufficient for your purposes and we cannot, and do not, make any representations regarding the sufficiency of these procedures for your purposes.

Our report is prepared solely for the confidential use of the joint committee. Our report must not be used for any purpose other than for which it was prepared or be reproduced or referred to in any other document or made available to any third party without the written permission of BDO LLP.

We accept no liability to any other party who is shown or gains access to this report.

Reviewer signature

BDO LLP

## Section 4 – Annual internal audit report 2021/22 to

Enter name of reporting body here:

West Hertfordshire Crematorium

The Joint Committee's internal audit service provider, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2022.

Internal audit has been carried out in accordance with the Joint Committee's needs and planned coverage.

On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Joint Committee.

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

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

Name of person who carried out the internal audit:

PRINT NAME

Signature of person who carried out the internal audit:

SIGNATURE REQUIRED

Date:

DD/MM/YYYY

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

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

## Guidance notes on completing the 2021/2022 return

1. Make sure that your return is complete (i.e. no empty red boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of and approved by the body, properly initialled and an explanation provided to us. Returns containing unapproved or unexplained amendments will be returned and may incur additional costs.
2. Use the checklist provided below. Use a second pair of eyes, perhaps a member of the committee or the Chair, to review your return for completeness before sending it to us.
3. Do not send us any information not specifically asked for. Doing so is not helpful. However, you must notify us of any change of Clerk, Responsible Financial Officer or Chair.
4. Make sure that the copy of the bank reconciliation or letter confirming the balance held on your behalf which you send with the return covers all your bank balances. If the joint committee holds any short-term investments, note their value on the bank reconciliation. We must be able to agree your bank reconciliation to Box 8 on the Accounting statements. You must provide an explanation for any difference between Box 7 and Box 8.
5. Explain fully significant variances in the accounting statements on page 3. Do not just send in a copy of your detailed accounting records instead of this explanation. We want to know that you understand the reasons for all variances. Include a complete analysis to support your explanation.
6. If we have to review unsolicited information, or receive an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which we will make a charge.
7. Make sure that your accounting statements add up the balance carried forward from the previous year (Box 7 of 2021) equals the balance brought forward in the current year (Box 1 of 2022).
8. Do not complete section 3. We will complete it at the conclusion of our work.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All red boxed have been completed?	
	All information has been sent with this return?	
Section 1	For any statement to which the response is 'no', an explanation is provided?	
Section 2	Approval by the body confirmed by the signature of Chair of meeting approving the accounting standards?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2022 agrees to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Section 4	All red boxed completed by internal audit and explanations provided?	

**PART A**

**Report to:** West Herts Crematorium Joint Committee

**Date of Meeting:** 13 June 2022

**Report of:** The Treasurer

**Title:** **TREASURER'S REPORT (PART 2)  
- OTHER MATTERS**

**Purpose of Report:**

1. To consider the updated Treasury Management and Investment Strategy (paragraph 1)
2. To consider the current Risk Register (paragraph 2)
3. To consider an update of the Audit Action Plan (paragraph 3)

1:0 **Treasury Management and Investment Strategy**

1:1 The Joint Committee rarely has a need to borrow - it has a policy of building up reserves from annual surpluses to finance major capital projects. In addition, as a small organisation, its investments are very limited in range and size, compared to, for example, a district council.

1:2 A simple Treasury Management and Investment Strategy has been reported to the Joint Committee at its June meetings in recent years - an updated document (**Appendix A**) is attached to this report for members' consideration and approval.

1:3 Investments have been maintained in Lloyds TSB, the Council's bankers, and, from April 2013, £400K of the Joint Committee's reserves were moved to the Public Sector Deposit Fund (PSDF), a fund managed by CCLA, specifically tailored to the needs of local authorities and public sector bodies. This investment fund has a wide spread of risk and flexible investment and withdrawal arrangements. This investment has been increased in stages since the initial deposit, and at 1 April 2022, it stands at £772K.

1:4 As at the 1 April the Joint Committee has £1,082K invested in Lloyds TSB instant access investment, and £772K in the PSDF.

1:5 The Treasury Management and Investment Strategy will be reviewed and reported to the Joint Committee annually.

2:0 **Risk Register and Business Continuity Plan**

2:1 The Risk Register, incorporating a Business Continuity Plan, is reported to and approved by members, annually. This has been reviewed in June 2022 following the Covid-19 pandemic, which had a significant impact on the Crematorium.

2:2 The register is reviewed by an officer working group. This year the document has again been reviewed by the officers, and following an in-depth review last year,

due to the Covid-19 pandemic, there are no changes proposed for this years plan.

- 2.3 A separate risk register is maintained for the new crematorium whilst it is under construction and this is updated and managed regularly as part of the project management and governance arrangements for the new site.

3: **Audit Action Plan**

- 3:1 The Joint Committee is subject to both an external audit of its final accounts, and an internal audit focusing mainly on systems and procedures. The external audit will be carried out by accountants BDO, and the internal audit by the Hertfordshire Shared Internal Audit Service.

- 3:2 An Audit Action Plan has been developed in recent years, to summarise the findings and recommendations of both the external and internal auditors, and to form a checklist of issues to be addressed. This has been reported regularly to the Joint Committee. The latest Audit Action Plan is attached as **Appendix C** – all issues have been largely addressed, with some “ongoing” and pending elements that will be fully addressed in the near future. Any further recommendations from the current internal audit, and the external audit to be carried out by BDO later this year, will be incorporated in the action plan and reported to a future meeting.

4:0 **Recommendations**

**The Joint Committee is asked to:**

- a. **Consider and approve the updated Treasury Management and Investment Strategy (Appendix A)**
- b. **Consider the current Risk Register and Business Continuity Plan (Appendix B)**
- c. **Note the updated Audit Action Plan (Appendix C)**
- d. **Note the ICT Strategy**

***Background papers:***

*Treasury Management and Investment Strategy (attached)*

*Risk Register/Business Continuity Plan (attached)*

*Audit Action Plan (attached)*

**File Reference:** *Treasurer's files.*

**Contact Officer:** *For further information on this report please contact Joanne Wagstaffe, 01923 776611, or Stephen Farrer 01923 727429*

**WEST HERTS CREMATORIUM JOINT COMMITTEE**  
**TREASURY MANAGEMENT AND INVESTMENT STRATEGY**

**(June 2022)**

**1. Executive Summary**

- 1.1 In accordance with the Local Government Act 2003 local authorities are required to produce an Investment Strategy each year. Although not specifically targeted at Joint Committees, the Joint Committee adopts this statutory requirement to produce its own Treasury Management and Investment Strategy.
- 1.2 This document covers potential levels of borrowing and investments.
- 1.3 The Joint Committee will maintain interest bearing accounts for its surplus resources, and will also invest in short term fixed interest investments with its own bankers, Lloyds TSB, and with other approved institutions.
- 1.4 The Joint Committee may also invest in a qualifying, pooled money market fund. This may be with an approved bank or with an approved institution regulated by the UK FSA or FCA with an AA credit rating.
- 1.5 Investments are made within the limits set out in the approved counterparty list in paragraph 5.5 below, but may be made outside this list following advice received from one of the constituent authorities and with the approval of the Joint Committee Chairman.

**2. Background**

- 2.1 The Joint Committee's Memorandum of Agreement states "If the Joint Committee requires to incur capital expenditure in connection with the provision of crematoria, which it cannot fund from revenue, it may request one or more of the constituent Councils to lend it the money or borrow the funds on its behalf for such periods, at such rates of interest and on such terms and conditions of repayment as the Joint Committee may reasonably prescribe or approve".
- 2.2 Local Authorities (and by inference Joint Committees of local authorities) have the power to invest to ensure the prudent management of their financial affairs, but must take note of any guidance on investments issued by the Secretary of State.
- 2.3 Executive decisions on borrowing and investments are delegated to the Treasurer, as laid down in the Joint Committee's financial procedures. Investments will be made with reference to cash flow requirements and the outlook for short-term interest rates, and the Joint Committee's investment priorities will be firstly security, secondly liquidity, and thirdly return.
- 2.4 This strategy is to be reviewed annually by the Joint Committee.

### 3. Treasury Management

- 3.1 Subject to any decision by the Joint Committee, capital expenditure not financed by capital receipts (from asset sales) will be financed by revenue contributions. Revenue balances and reserves will be built up in accordance with the budget plan, in order to provide the revenue resources for capital spending.
- 3.2 The Joint Committee may decide to borrow as a last resort, if accumulated revenue resources prove inadequate, or in a case of urgency, provided the revenue budget is able to sustain the repayments of principle and interest.

#### ***Investments***

- 3.3 Projected investments for 2022/23 are summarised as follows:

	<i>1st April 2022</i>	<i>31st March 2023 (Estimated)</i>
	<i>£'000</i>	<i>£'000</i>
Instant access interest bearing bank deposits	1,082	411
Bank treasury investments	503	0
Money Market Funds	772	772
Total	2,357	1,183

- 3.4 The anticipated investments during 2022/23 reflects the building of the new crematorium using Bank Treasury investments and some of the balance on the Instant Access Account reserves. The slight increase in Money Market Funds shows a retained a balance with the small interest addition.
- 3.5 There are no proposals for the Joint Committee to invest sums for more than 365 days.
- 3.6 Investments will only be affected with banks, building societies and qualifying money market funds regulated by the UK FSA or FCA. Only institutions and bodies meeting the criteria laid out in section 5 will be considered.

#### ***Projected Borrowing for 2022/23***

- 3.7 There were no outstanding borrowings at 1st April 2021. For 2022/23 there are plans which would lead to the need to borrow during the financial year. The new crematorium project is likely to require borrowing during 2022/23, after being delayed from 2020/21.
- 3.8 The project has now been granted planning permission and it is anticipated that work on site will commence in the summer.
- 3.9 The loan is to be provided by Dacorum Borough Council and is underwritten by the other Joint Committee members. The loan is for 20 years and the loan rate will be fixed at 2% above the PWLB rate at the time the loan is drawn down. It is anticipated that this will be 5% or less.



#### 4. Security of Investments

- 4.1 Government guidance differentiates between specified investments and non-specified investments. Specified investments are those offering a high security and high liquidity with a maturity of no more than a year, and must be with bodies/institutions with "high credit ratings".
- 4.2 Non-specified investments are usually for longer periods (more than one year) and with bodies that are not highly credit-rated. The Joint Committee will not invest in these.

#### 5. Investment Strategy

- 5.1 The Joint Committee will ensure that, as a minimum, surplus funds will be aggregated in an interest-bearing bank account.
- 5.2 The Joint Committee will invest in specified investments, i.e. in sterling investments of no more than one year, with its bankers (Lloyds TSB) or other investment bodies or institutions with high credit ratings. These investments will be put in place when funds are of a sufficient size to make such investments practical. The Treasurer (or the Accountant on his behalf) will assess the funds available and invest them in line with the counterparty list in 5.5, taking into account available interest rates and current credit ratings.
- 5.3 No more than 75% of all funds will be in fixed term investments.
- 5.4 Any investment in an institution not included on the counterparty list will meet the criteria set out in 5.6 and will only be made following approval of the Chairman.
- 5.5 Approved counterparty list:

<i>UK Bank or Building Society</i>	<i>Max. investment £'000</i>	<i>Maximum term</i>
Lloyds TSB	1,500	Instant access
Lloyds TSB	500	1 year
Lloyds TSB	500	9 months
Lloyds TSB	500	6 months
Lloyds TSB	500	3 months
HSBC	500	3 months
Nationwide Building Society	500	3 months

#### *AAA-rated Money Market Fund*

CCLA (Public Sector Deposit Fund)	2,000	Instant access
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*The above maximum investment levels reflect an increase on the previous year's approved levels – reserves have increased in anticipation of the planned extension of the Joint Committee's facilities and for other capital projects in future years.*

- 5.6 The Joint Committee will only invest in institutions and bodies meeting the following criteria:
- UK Clearing Banks and their 100% owned subsidiaries
  - Other UK Banks
  - Public Bodies
  - The top UK Building Societies (i.e. those with assets exceeding £3.0bn)
  - UK FSA/FCA regulated qualifying money market funds with an AA rating

- 5.7 As the Joint Committee does not make use of creditworthiness advice services it will periodically consult with the Treasurer's own council finance service to review the creditworthiness of its counterparty list.
- 5.8 The Joint Committee will have regard to the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Joint Committees' investment priorities are security first, liquidity second, then yield.

# **WEST HERTS CREMATORIUM**

## **RISK REGISTER AND BUSINESS CONTINUITY ARRANGEMENTS**

Revised June 2022

## ***DISTRIBUTION LIST***

<b>Copy No</b>	<b>Name</b>	<b>Job Title</b>
01	Jane Thomas	Manager & Registrar
02	Donna Nolan	Clerk to the Joint Committee
03	Joanne Wagstaffe	Treasurer to the Joint Committee
04	David Bass	Surveyor to the Joint Committee
05	Cllr David Major	Chairman to the Joint Committee
06	Cllr Terry Douris	Vice Chairman to the Joint Committee
07		
08	Terry Baldwin	Group Head of HR and OD, Watford Council
09		

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## **INTRODUCTION**

These Service Area Business Continuity Arrangements underpin the Joint Committee's Business Continuity Strategy and Operational Plan.

These Arrangements detail the Business Impact Analysis for priority 1 and 2 functions and mitigation measures required to reduce risk where appropriate. They detail key interdependencies that need to be considered, e.g. key suppliers/partners or reliance on other Service Area functions.

The business interruption may be due to a minor incident that affects only one Service Area or function and can be dealt with within the Service Area. An action sheet has been prepared to assist staff in dealing with such an incident (see Appendix A).

If the incident disrupts more than one Service Area, a complete building or the Joint Committee's critical infrastructure, such as IT or communications, the Joint Committee's Business Continuity Plan may be implemented (see Appendix B).

Copies of the Joint Committee's Business Continuity Plan are held by:

<b>Name</b>	<b>Job Title</b>	<b>Location</b>
Jane Thomas	Manager & Registrar	West Herts Crematorium
Donna Nolan	Clerk to the Joint Committee	Watford Borough Council
Joanne Wagstaffe	Treasurer to the Joint Committee	Three Rivers District Council
David Bass	Surveyor to the Joint Committee	Watford Borough Council
Terry Baldwin	Head of Human Resources	Watford Borough Council

## **REVIEW PROCESS**

It is the responsibility of the Manager to maintain this document by ensuring that contact details are updated every six months and the Clerk to the Joint Committee to report to the Joint Committee, the information contained within this document, annually.

## BUSINESS IMPACT ANALYSIS (BIA)

### Guidance Notes

**Function** - A Business Impact Analysis (BIA) should be carried out for each priority function, starting with priority 1 and 2 functions. In some cases it may be possible to group certain functions under a single BIA if the risk ratings of the threats are likely to be the same.

**Threats to Service Delivery** - The threats included are a guide only, and the list is by no means exhaustive. It will need to be adapted to suit each Service Area with the inclusion/exclusion of threats as appropriate.

**Mitigation Measures Already in Place** - Record any measures that are already in place, eg for "failure of key suppliers" you may have arrangements with alternative providers, or for "loss of key staff" you may already have others with transferable skills.

**Likelihood and Impact** - For consistency the Risk Matrix should be used to determine likelihood and impact. When completing, consider past experiences, known vulnerabilities and advice from others. There may be external influences on the likelihood or impact which will need to be documented, eg for large scale loss of staff due to a flu pandemic the likelihood is greater based on current Department of Health (DH) Guidance; this should be noted to assist in future reviews. The Risk Assessment Model is shown below:

<b>IMPACT</b>	4	<b>Catastrophic</b>	<b>B</b> High impact Low likelihood	<b>A</b> High impact High likelihood
	3		<b>D</b> Low impact Low likelihood	<b>C</b> Low impact High likelihood
	2	<b>Negligible</b>		
	1			
			<b>Unlikely</b>	<b>Certain</b>
			<b>LIKELIHOOD</b>	
			1	2
			3	4

**Risk Rating** - Plotting the likelihood factor against the impact factor determines which quadrant the risk falls into. The quadrants define what action is then required as follows:

<b>A</b>	High impact/high likelihood	Immediate action required
<b>B</b>	High impact/low likelihood	Consider action and have a contingency plan
<b>C</b>	Low impact/high likelihood	Consider action
<b>D</b>	Low impact/low likelihood	No immediate action but review periodically

**Mitigation Measures Required/Comments/Actions** - Record in this column any measures that can be taken to reduce the risk and/or other comments, such as explaining the rationale behind your risk rating. Business Continuity Strategies may assist in mitigation (see Business Continuity Plan) and, if relevant, should be noted in this column.

**BIA of Bereavement Services Functions**

PRIORITY: 1

FUNCTION: **PROVISION AND MANAGEMENT OF CREMATORIUM AND CREMATION OF HUMAN REMAINS**

Threat to Service Delivery	Potential Consequences	Mitigation Measures Already in Place	Likelihood (1-4)	Impact (1-4)	Risk Rating (A-D)	Mitigation Measures Required/ Comments/Actions
<b>Loss of premises/access denial</b>	<ul style="list-style-type: none"> <li>Services have to be delayed or cancelled</li> <li>Distress to bereaved</li> <li>Damage to reputation, loss of future business</li> <li>Loss of revenue</li> </ul>	<ul style="list-style-type: none"> <li>Fire Risk Assessments</li> <li>Health and Safety Risk assessments</li> <li>Planned maintenance</li> <li>Staff evacuation plan</li> <li>Off-site backups of essential data</li> <li>Security measures (CCTV, etc.)</li> <li>Environmental Management system</li> <li>Mutual Aid agreements in place with other Crematoria (Chiltern and Breakspeare) and with Funeral Directors including transportation of coffins</li> <li>Business interruption insurance in place</li> </ul>	2	3	B	<ul style="list-style-type: none"> <li>Alternative Crematorium/other accommodation/remote IT access for staff (identified as items to review)</li> <li>Manager to develop further the emergency plans for staffing arrangements and accommodation strategy, including temporary on-site office accommodation</li> <li>Further develop mutual aid arrangements</li> <li>Technicians to work at other crematoria</li> </ul>
<b>Cremators Inoperative /Plant Failure</b>	<ul style="list-style-type: none"> <li>As above</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance contracts in place</li> <li>Planned work on one cremator at a time</li> <li>Continue with planned services and operate remaining cremator extra hours</li> <li>Mutual Aid agreements in place with other Crematoria (Chiltern and Breakspeare) including transportation of coffins</li> <li>Business interruption insurance in place</li> <li>Capital programme provides for periodic replacement of cremators</li> <li>Funeral Directors advise of large/heavy coffins</li> </ul>	2	3	B	<ul style="list-style-type: none"> <li>Technicians to work at other crematoria</li> <li>Further develop mutual aid arrangements</li> <li>Identify additional staffing and other resources required</li> </ul>



Threat to Service Delivery	Potential Consequences	Mitigation Measures Already in Place	Likelihood (1-4)	Impact (1-4)	Risk Rating (A-D)	Mitigation Measures Required/ Comments/Actions
<b>Fire</b>	<ul style="list-style-type: none"> <li>• Loss of life – staff and clients</li> <li>• Loss of / damage to Book of Remembrance (BoR)</li> <li>• Damage to memorials</li> <li>• Other consequences as above</li> </ul>	<ul style="list-style-type: none"> <li>• Fire Alarm system</li> <li>• Fire Risk Assessments</li> <li>• Staff evacuation plan</li> <li>• Operational safety arrangements for cremators</li> <li>• Security measures (CCTV etc)</li> <li>• No smoking policy</li> <li>• Insurance cover, including business interruption - review annually</li> <li>• Secure storage of BoR</li> <li>• Back up data for BoR and other records off site</li> </ul>	2	3	B	<ul style="list-style-type: none"> <li>• Develop practice fire alarm regime in conjunction with fire alarm contractor (Fire Guard Services)</li> </ul>
<b>Loss of staff / Failure to attract and retain staff</b>	<ul style="list-style-type: none"> <li>• Impact on service quality</li> <li>• Possible increased cost of recruitment/staffing</li> </ul>	<ul style="list-style-type: none"> <li>• Flu Pandemic Plan (County)</li> <li>• Health and Safety training for all staff</li> <li>• Managing Attendance Policy TRDC</li> <li>• Partnership working</li> <li>• Mutual aid agreements in place</li> <li>• Cross-training of staff</li> <li>• Operations Manual</li> <li>• Business Continuity Plan (BCP)</li> <li>• Flu Pandemic Framework (County)</li> <li>• Training and certification of additional standby staff</li> <li>• Recruitment and Selection procedure</li> <li>• Regular Legionella testing in place</li> <li>• System for reporting staff absenteeism in place</li> </ul>	3	3	A	<ul style="list-style-type: none"> <li>• Succession planning</li> <li>• Review written procedures/standard operating procedures (ongoing)</li> <li>• Consider use of agency and temporary staff</li> <li>• Priority medication/vaccination programme for key staff</li> <li>• Risk rating based on current DH guidance for flu pandemic</li> <li>• Advice to staff on reducing risk of infection and absence</li> <li>• Scaling back non-critical activities</li> <li>• TRDC HR to establish system for reporting staff absenteeism</li> </ul>

Threat to Service Delivery	Potential Consequences	Mitigation Measures Already in Place	Likelihood (1-4)	Impact (1-4)	Risk Rating (A-D)	Mitigation Measures Required/ Comments/Actions
<b>Injury to staff or clients</b>	<ul style="list-style-type: none"> <li>• Compensation claims</li> <li>• Bad publicity</li> <li>• HSE investigation</li> <li>• Impact on service quality</li> </ul>	<ul style="list-style-type: none"> <li>• H&amp;S risk assessments in place for operational and admin tasks</li> <li>• Hazard warning notices in place</li> <li>• Programme of building maintenance in place</li> <li>• Employer's and public liability insurance - review annually</li> </ul>	2	2	D	<ul style="list-style-type: none"> <li>• Review written procedures/standard operating procedures (ongoing)</li> </ul>
<b>Change in/loss of demand for cremations (incl shortage of burial places)</b>	<ul style="list-style-type: none"> <li>• Inability of resources to meet demand</li> <li>• Reduced income, with impact on future financial position and future improvement plans</li> <li>• Possible call on constituent councils for financial support</li> </ul>	<ul style="list-style-type: none"> <li>• Flu Pandemic Plan (County)</li> <li>• Mutual aid agreements in place</li> <li>• North Chapel storage arrangements</li> <li>• Erection of temporary buildings</li> <li>• Regular maintenance agreement for cremators in place, to ensure maximum efficiency</li> <li>• Capital provision for cremator replacement</li> <li>• Robust financial planning and budget monitoring in place</li> <li>• Charges maintained at competitive levels - awareness of other crematoria's charges</li> <li>• Service quality maintained at high level</li> <li>• Environment at the crematorium (gardens and buildings) maintained at high level</li> </ul>	2	3	C	<ul style="list-style-type: none"> <li>• Change in working arrangements, if and when need arises</li> <li>• Further develop mutual aid arrangements</li> <li>• Consider increase in cremation capacity - capital investment</li> <li>• Possible extension of crematorium grounds for memorialisation</li> <li>• Building of new crematorium</li> </ul>

Threat to Service Delivery	Potential Consequences	Mitigation Measures Already in Place	Likelihood (1-4)	Impact (1-4)	Risk Rating (A-D)	Mitigation Measures Required/ Comments/Actions
<b>Loss of communications</b>	<ul style="list-style-type: none"> <li>• Slower service response</li> <li>• Distress to bereaved</li> <li>• Damage to reputation, loss of future business</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed line and mobile telecoms.</li> <li>• Mutual aid</li> <li>• BCP Appendix G - IT Strategy</li> <li>• Service restoration plans of telecommunications companies</li> <li>• Recovery time objective - 12 hours (subject to BT guarantee)</li> </ul>	2	3	B	<ul style="list-style-type: none"> <li>• Notify mobile telephone number to user group</li> </ul>
<b>Loss of IT (including impact of "cyber attack")</b>	<ul style="list-style-type: none"> <li>• Slower service response</li> </ul>	<ul style="list-style-type: none"> <li>• IT back-ups stored off site, and in "cloud"</li> <li>• ICT Disaster Recovery Plan</li> <li>• Extensive suite of virus and malware protection, and firewalls in place</li> <li>• Prompt assistance provided by Complete IT</li> <li>• Paper backup for critical services</li> <li>• Recovery time objective - 12 hours (subject to providers' guarantees)</li> </ul>	3	2	C	<ul style="list-style-type: none"> <li>• Mutual aid - identify specialist software used by partners</li> <li>• Identify and record all business critical IT systems</li> <li>• Develop paper backup for critical services</li> </ul>
<b>Pandemic (see also Loss of Staff and other sections above)</b>	<ul style="list-style-type: none"> <li>• Increased numbers of cremations</li> <li>• Shortage of staff</li> <li>• Restriction of public access</li> <li>• Management of excess numbers of cremated remains and all other post cremation services.</li> </ul>	<ul style="list-style-type: none"> <li>• Flu Pandemic Framework (County)</li> <li>• Training and certification of additional standby staff</li> <li>• Government and ICCM guidelines on social distancing (Covid-19)</li> </ul>	2	3	B	<ul style="list-style-type: none"> <li>• Arrangements to operate for longer hours over temporary period?</li> <li>• Reciprocal arrangements?</li> <li>• Early warnings from NHS and other government bodies?</li> <li>• Appointments system for all post cremation services.</li> </ul>
<b>Loss of utilities</b>	<ul style="list-style-type: none"> <li>• As for "Cremators Inoperative/Plant failure"</li> </ul>	<ul style="list-style-type: none"> <li>• Constituent Authority Emergency Plans</li> <li>• Business Continuity Plan</li> <li>• Mutual aid agreements in place</li> <li>• Backup generator</li> <li>• Utilities Emergency and Restoration Plans</li> <li>• Recovery time objective - 24 hours (subject to utility providers' guarantees)</li> </ul>	3	3	A	<ul style="list-style-type: none"> <li>• Risk rating based on County risk analysis</li> <li>• Gas 'Priority User' status for Crematorium</li> </ul>

Threat to Service Delivery	Potential Consequences	Mitigation Measures Already in Place	Likelihood (1-4)	Impact (1-4)	Risk Rating (A-D)	Mitigation Measures Required/ Comments/Actions
<b>Failure of key suppliers</b>	<ul style="list-style-type: none"> <li>Possible service impact</li> </ul>	<ul style="list-style-type: none"> <li>Some key suppliers have a Business Continuity Plan</li> <li>Use of open systems for cremation software</li> </ul>	3	3	A	<ul style="list-style-type: none"> <li>All key suppliers to have a Business Continuity Plan</li> <li>Develop BCP Procurement Strategy</li> </ul>
<b>Damage/loss of essential records (incl. Book of Remembrance)</b>	<ul style="list-style-type: none"> <li>Slower service response</li> <li>Cost of replacement/reconstruction</li> </ul>	<ul style="list-style-type: none"> <li>IT back-ups stored in fire proof safe, and also off-site</li> <li>Some data kept in hard copies in fireproof safe</li> <li>Off-site duplication of BoR records</li> <li>Insurance cover for BoR replacement</li> <li>Appropriate storage of records</li> <li>Develop BCP Document Management Strategy</li> <li>Recover time objective - 24 hours</li> </ul>	2	3	B	<ul style="list-style-type: none"> <li>"Clear desk" policy</li> </ul>
<b>Loss of transport/fuel shortage</b>	<ul style="list-style-type: none"> <li>Possible impact on grounds maintenance</li> <li>Delays/cancellations of cremations</li> </ul>	<ul style="list-style-type: none"> <li>Draft National Fuel Plans</li> <li>Own fuel supply (red diesel)</li> </ul>	2	2	C	<ul style="list-style-type: none"> <li>Consider security of own fuel supply (road diesel and petrol)</li> </ul>
<b>Breaches of statutory and regulatory requirements</b>	<ul style="list-style-type: none"> <li>Bad publicity</li> <li>Additional costs (fines, expenditure on rectification)</li> </ul>	<ul style="list-style-type: none"> <li>Continuous monitoring of emissions data</li> <li>Staff training</li> <li>Suitably qualified staff</li> </ul>	2	2	D	<ul style="list-style-type: none"> <li>Further staff training</li> </ul>
<b>Damage to reputation</b>	<ul style="list-style-type: none"> <li>Loss of business</li> </ul>	<ul style="list-style-type: none"> <li>Press and PR Unit TRDC</li> <li>User Group</li> <li>Mutual aid agreements in place</li> <li>Membership of ICCM Corporate</li> <li>Staff training</li> <li>Joint Committee</li> <li>Green Flag; Investors in People</li> <li>D.D.A audit</li> <li>Health &amp; Safety</li> <li>Business Continuity Plan</li> </ul>	2	2	D	

Threat to Service Delivery	Potential Consequences	Mitigation Measures Already in Place	Likelihood (1-4)	Impact (1-4)	Risk Rating (A-D)	Mitigation Measures Required/ Comments/Actions
<b>Damage to financial viability</b>	<ul style="list-style-type: none"> <li>Increased charges</li> <li>Possible need for support from constituent authorities</li> </ul>	<ul style="list-style-type: none"> <li>Business Continuity Plan</li> <li>Sound budgeting and forward financial planning</li> <li>Insurance cover for consequential loss &amp; fraud - review annually</li> <li>Constitution provides for financial support from constituent councils if needed</li> <li>Internal &amp; External Audit</li> <li>Invested reserves, spreading risk</li> <li>Benchmarking for charges</li> </ul>	2	2	D	
<b>Loss of accounting information and knowledge</b>	<ul style="list-style-type: none"> <li>Difficulty in maintaining financial records and preparing accounting information</li> </ul>	<ul style="list-style-type: none"> <li>Accounting records backed-up several times</li> <li>Copy kept in Crematorium safe</li> <li>All records maintained in Excel, with self-balancing and cross-referencing – Excel widely understood</li> <li>New arrangements now being actively pursued</li> </ul>	1	2	D	<ul style="list-style-type: none"> <li>More detailed description of accounting records</li> <li>Review control features in current accounting files</li> <li>Possible consideration of alternative package solution</li> <li>Introduce new arrangements for accountancy service provision</li> </ul>
<b>Fraud or corruption by members and/or staff</b>	<ul style="list-style-type: none"> <li>Financial loss</li> <li>Reputation damage</li> </ul>	<ul style="list-style-type: none"> <li>Sound budgeting and forward financial planning</li> <li>Insurance cover for consequential loss &amp; fraud - review annually</li> <li>Internal &amp; External Audit</li> <li>Written procedures ensuring division of duties where possible</li> <li>Staff appointments subject to proper HR procedures</li> <li>Financial Regulations and Standing Orders - fully reviewed 2012</li> </ul>	2	2	D	<ul style="list-style-type: none"> <li>Further separation of financial duties as far as practical</li> <li>No Member has delegated authority</li> <li>Financial Regulations and Standing Orders to be periodically reviewed</li> </ul>

Threat to Service Delivery	Potential Consequences	Mitigation Measures Already in Place	Likelihood (1-4)	Impact (1-4)	Risk Rating (A-D)	Mitigation Measures Required/ Comments/Actions
<b>Information Security / Governance</b> (Loss of data storage / data leakage / loss of physical information)	<ul style="list-style-type: none"> <li>Regulator fines</li> <li>Costs of corrective action</li> <li>Reputational damage</li> <li>Loss of business critical information</li> </ul>	<ul style="list-style-type: none"> <li>Data back-up arrangements in place (see Loss of IT above)</li> <li>Staff training</li> <li>Firewall and anti-virus systems in place</li> <li>Registered as compliant with the Payment Card Industry Data Security Standard (PCIDSS)</li> </ul>	2	2	D	<ul style="list-style-type: none"> <li>Further Staff training</li> <li>Review data protection systems annually</li> <li>Review PCIDSS compliance annually</li> </ul>
<b>Breach of Data Protection Regulations (EU GDPR)</b>	<ul style="list-style-type: none"> <li>Compromising of confidential personal information</li> <li>Fines imposed for breaches</li> </ul>	<ul style="list-style-type: none"> <li>Registration with ICO</li> <li>Safe storage of data, both physical and electronic</li> <li>Firewalls and virus protection in place</li> <li>Staff awareness</li> </ul>	2	2	C	<ul style="list-style-type: none"> <li>Further Staff training</li> <li>Review data protection systems annually</li> <li>Review documentation – policies and practices</li> <li>Review external supplier relationships (to check their compliance)</li> <li>Explore possibility of encryption for storage and transmission</li> </ul>

## **BUSINESS CRITICAL SYSTEMS**

A Business Critical System is defined as an application, network or process where the failure of or disruption to would have a major and immediate impact on service provision.

West Herts Crematorium have the following Business Critical Systems:

- Cremations, including emissions (system checked and updated monthly by original manufacturer)
- Funeral Services
- Memorialisation Services (insurance for BoR reconstruction, off-site back-up)
- Grounds Maintenance (equipment before use; serviced annually)
- Premises Maintenance (Surveyor engaged to check and update)
- Cremation Registration (system checked and updated annually by software supplier)
- Accounting (audited annually)
- Administration (staff training plan)
- Human Resource Management (service provided by WBC)
- Gas, Electricity and Water provision

## **INTERDEPENDENCIES**

### **Internal**

West Herts Crematorium depends upon the following services:

<b>Service</b>	<b>Information</b>
The Joint Committee	5 constituent Members
Three Rivers District Council	Financial/accounting support
Three Rivers District Council	Environmental Monitoring
Watford Borough Council	HR Support, Legal advice, Surveying and general support

## External

Bereavement Services depend upon the following key suppliers:

Organisation	Information
Combustion Solutions	Supply of cremator repair/maintenance services and supply of parts
Laser	Provision of gas supplies
Laser	Provision of electricity supplies
Affinity	Provision of water supplies and sewage services
British Telecom & Complete IT	Provision and maintenance of communications services and equipment
Royal Mail and TNT	Provision of postal services
Barton Petroleum	Provision of diesel fuel
Gemini Print and WBC	Printing and supply of statutory forms and certificates
Taylor's Tools	Provision of machinery
Prestige	Supply of petrol
IAM Consultants	Support for Cremation Administration System
Ashdown supplies	Supply of urns, caskets and cemeteries sundries
F G Marshall Ltd	Provision of calligraphy services
County Supplies and Carey Stationers	Supply of stationary and office equipment and materials
Medical Referees	Provision of cremation medical certification services
Falon Nameplates and Engineering, F G Marshall Ltd Stephen Wilson	BFJ Memorialisation
Fire Guard Services Ltd	Fire Alarm and Fire Fighting equipment
ADT Security Croxley Alarms	Security Alarms
B J Building Services	Building Maintenance
Purdy Contracts	Boiler Maintenance
LVC	Vacuum cleaner maintenance
Women with Waders	Pond Maintenance
Irrigation Services UK	Ground Irrigation System
Rodells	Lightning conductor
Kingspan Environmental	Klargester maintenance
Jacksons	Catafalque
FDL	Backup generator
Clarke Electrical Industries Peter Sutton Ltd	Electrical Safety Check (PAT) Electrical Installation check
Allen Organs	Digital Organs
Torpedo Factory Group (TFG)	Hearing Loop and Audio Systems
Dorma	Automatic Doors
Arnolds James	Air conditioning units
Primec Ltd	Legionella testing
Wesley Music	Digital Sound System
Videcom	CCTV
Green Flag	Asbestos Testing

Contact details of key suppliers can be found in Appendix C.



## **ACTION SHEET - INTERRUPTION CAN BE MANAGED WITHIN SERVICE AREA**

### **Actions**

1. Start and maintain a log of key decisions and actions - use the Business Continuity Log Sheets at Appendix F.
2. Alert key officers/support staff as appropriate and determine which officer will lead on the interruption.
3. Determine which key priority functions need to be continued or restored - refer to priority 1 and 2 functions at Appendix D.
4. Keep a record of expenditure incurred and any authorisation of expenditure.
5. Stand staff down.
6. Debrief

### **Considerations**

1. Locate a copy of the Business Continuity Operational Plan - refer to page 1 for list of Plan holders.
2. Inform Members of Emergency Planning Group for assistance
3. Impact of any affected functions on other service area activities/key partners - refer to pages 9/10 for interdependencies.
5. Need for additional resources to be procured.
6. Shift implications and catering issues for staff responding to incident.
7. External and internal communications issues - if advice/assistance required liaise with the Public Relations Officer (TRDC)
8. Accommodation issues - if advice/assistance required refer to Watford Borough Council (Surveyor)
9. IT issues - if advice/assistance required refer to Head of ICT (TRDC/Watford Shared Services)
10. Telecommunications issues - if advice/assistance required refer to Head of ICT (TRDC/Watford Shared Services)
11. Human Resources issues - if advice/assistance required refer to Group Head of HR and OD (TRDC/Watford Shared Services)

## **ACTION SHEET - INTERRUPTION CANNOT BE MANAGED WITHIN SERVICE AREA**

### **Actions**

1. Start and maintain a log of key decisions and actions - use the Business Continuity Log Sheets at Appendix F.
2. Inform Clerk - refer to Appendix C for contact details. They or their nominee will consider the need for the Joint Committee's Business Continuity Operational Plan to be implemented.

### **Considerations**

1. Suspend/reduce the provision of lower priority functions - refer to Appendix D for priority 3 and 4 functions.
2. Impact of any affected functions on other service area activities/key partners - refer to pages 9/10 for interdependencies.
3. Need for additional resources to be procured.
4. Keep a record of expenditure incurred and any authorisation of expenditure.
5. Shift implications and catering issues for staff responding to incident.
6. External and internal communications issues – if advice/assistance required liaise with Communications Manager (TRDC) - refer to Appendix C for contact details.
7. Accommodation issues - if advice/assistance required liaise with Surveyor - refer to Appendix C for contact details.
8. IT issues - if advice/assistance required liaise with Head of ICT (TRDC/Watford Shared Services)- refer to Appendix C for contact details.
9. Telecommunications issues - if advice/assistance required liaise with Clerk and/or Head of ICT (TRDC/Watford Shared Services) - refer to Appendix C for contact details.
10. Personnel issues - if advice/assistance required liaise with Group Head of HR and OD (TRDC/Watford Shared Services) - refer to Appendix C for contact details.

## **CONTACT DETAILS**

### **Staff**

<b>Name/Job Title</b>	<b>Work</b>	<b>Home</b>	<b>Mobile</b>
Jane Thomas Manager	01923 673285	01923 573025	07974156172
Georgina Delaperelle Office Manager	01923 673285		07982145371
Graham Dobson Senior Technician	01923 673285	01923 674350	07594375191
Stephen Savage Weekend Administrator	01923 673285	01923 290762	07826086355
David Bass Surveyor	01928 278218		07774262098
Terry Baldwin Group Head of HR and OD	01923 27 8133		07970 739967
Emma Tiernan Head of ICT	01923 72 7474		
Gurinder White Communications Manager TRDC	01923 72 7255		

**Key Suppliers/Partners**

<b>Name</b>	<b>Address</b>	<b>Telephone</b>	<b>Suppliers of:</b>
Andy Hamer	Combustion Solutions	07766512454	Cremator Maintenance
Martin Christmas	BJB Builders	01727 867875 07774262731	Maintenance
Ian Mitchell	IAM Consultants	01903 247077	Office Software
Matt House	Complete IT	01628 552850	IT Support
Kim Bader	HCC	07747781049	Health & Safety
	Purdys	01992703410	Heating Engineers
	Jacksons	02082934176	Lift Maintenance
Tim Taylor	Taylor's Tools	01923 260699	All gardening equipment
Dan Collison	Collison Tree Care	08007315074	Arborists
Office	Breakspear Crematorium	01895 556560	Neighbouring Crematorium
Jason Downing	Phillips Funeral Services	01727 851006	Funeral Directors
Adam Ginder	M K Ginder & Sons	01923 468253	Funeral Directors
Tony Rahilly	Arnold James	07817285632	Air Conditioning

**SCHEDULE OF PRIORITY FUNCTIONS FOR  
BEREAVEMENT SERVICES**

Function	Priority	Building	Personnel	Reference
Provision and management of crematoria	1	Crematorium	1	LEI/017

**ACCESS TO BUILDINGS**

Access to the Crematorium buildings and offices can be obtained 24 hours per day through the Manager who resides at 6 High Elms Lane, Garston

Keyholders are as follows:

<b>Name/Job Title</b>	<b>Work</b>	<b>Home</b>	<b>Mobile</b>
Jane Thomas Manager	01923 673285	01923 573025	07974156172
Georgina Delaperelle Office Manager	01923 673285		07982145371
Graham Dobson Senior Technician	01923 673285	01923 674350	07594375191
Stephen Savage Weekend Admin	01923 673285	01923 290762	07826086355







**ICT Strategy**



# DATA RECOVERY TEST

**Prepared for:**  
West Herts Crematorium

October 2020.

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# Document Information

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# Document Control

Version	Date of test	Date of next test	Name
15.0	October 2020	October 2021	Stuart Dunn



# Executive Summary

The data recovery service was introduced by Complete I.T. when it became evident that an ever-increasing number of organisations who relied on tape backup or similar media to back up their data found that in a 'real-life' data restore situation, they encountered issues or were unable to restore the required data from their backup solution altogether. In many cases this was due to tape or hardware failure, media being unrecognised and unreadable or the data sets residing on the backup media corrupted or incomplete.

The data recovery service tests the client's backup tape or media and firstly runs a full data integrity hardware check, followed by fully restoring the server(s) within Complete I.T. secure testing lab environment. This testing is not only beneficial in providing the client with the peace of mind that their company data is 'restorable' given a 'real-life disaster emergency' but also crucial in highlighting the critical potential business down time (time scales) the business may face, given this type of scenario. This is covered in more detail in the following pages.

Many organisations are now moving to the 'cloud' offsite backup solution and Complete I.T. provides this platform with its partner provider Datto, in this excellent, secure, off site cloud backup solution. The data recovery service is part of the client Datto solution and a test is conducted 'annually' on all client servers residing on the cloud storage portal. This ensures that the servers and data backed up to the cloud are 'restorable' and in a fully functional, operational state, in the event a data or disaster recovery type scenario is required.

## Report Objectives

This purpose of this document is:

- To provide you with an understanding of concepts of backup, disaster recovery and business continuity.
- To provide you with a review of your current backup solution and how it compares to alternatives.
- To provide you with an estimated cost of downtime in the event of a disaster.
- To provide you with the reassurance that your current backups are complete, healthy and able to restore your critical systems and data with the minimal downtime.
- To enable you to plan and mitigate risk in the event of a major disaster such as fire, flood, virus outbreak or major server failure
- To provide you with a report outlining the steps required to recover your critical IT systems in the event of a real disaster.

# Disaster Definition

An I.T. disaster is not just a fire in the office which destroys the server hardware. The largest threats to business data integrity are now typically man made, focused and with a criminal motive.

The following are examples of real life I.T. disasters which have affected the organisations Complete I.T. support:

- Ransomware – Malicious software such as Cryptolocker and Cryptowall encrypt all data contained on a server. The only way to release this data is to pay the creators or completely recover the data from a backup.
- Catastrophic events – Floods, fire and vandalism have resulted in servers being physically destroyed so unavailable for several days.
- Loss of utility services – Unplanned power outages over several days which have left businesses without access to their servers.
- Theft – Physical theft of server from an unsecured office environment.
- Pandemic – this type of disaster restricts travel to the office premise; can the infrastructure be accessed remotely.
- Partners going out of business – All data hosted with a “private” cloud partner who went out of business meaning all company data was unavailable.

## Is your business prepared for a disaster?

As demonstrated in the previous section, disasters can arise at any time and planning for disaster is critical for any business of any size.

The first few hours of a disaster are usually chaotic, and the time is spent organising people, if your employees are remote or the disaster happens out of hours, it can be difficult contacting them if your systems are down.

Depending on the type of disaster you will also need to contact your suppliers, your customers and your insurance company.

If your company uses social media such as twitter to communicate with your customers, do you have the company Twitter login details available?

If you don't have this information to hand, then this process wastes precious hours.

Key documentation available is critical at this time so you can spend the first few hours organising people to action, this could save you a lot of time and of course lost revenue for your business.

Below is a key list of documentation you need if a disaster strikes:

- Complete I.T. Contact Details
- Telephony Company contact details so the main phone number can be routed to a mobile phone.
- Your employees contact details i.e. Phones numbers, remember email might be down.
- A list of key people and their contact details within the business that will help with the recovery. i.e. Finance personnel to contact the bank to inform them of the disaster.
- A list of your customers and contact details.
- A list of suppliers and contact details.
- Your company insurance details.
- Logins for key cloud-based applications.
- An Internal People Plan
- An external and internal communications plan.
- A Disaster Recovery/Business Continuity Plan

The information above needs to be kept in a secure off-site location and available 24-7 by a number of people in the organisation.

If the disaster renders your premise unusable, such as a fire or flood, you will have to seek alternative premises to use even temporarily, make sure you investigate in your local area for temporary office space which has broadband capability. Regus is one company that provides countrywide temporary office space. <http://www.regus.co.uk/>

Complete I.T. can provide a secure off-site location for your documents that can be accessed from anywhere 24/7. Please contact Complete I.T. for more information.

# Concepts of backup disaster recovery

When deciding which backup solution best meets the needs of the organisation the following two objectives need to be agreed upon:

- Recovery Point Objective (RPO) – Should there be a server failure then how long ago was the last backup run therefore dictating how much data might be lost.
- Recovery Time Objective (RTO) – should there be a server failure then how long will it take to recover the data and get the server back up and running again.
- Traditionally, the go-to backup solution for many small and medium enterprises were based on tape technology. Here is an example of the two concepts of RPO and RTO on this solution:
  - Server disaster on a late Thursday afternoon. The server hardware is damaged by a leak in the air conditioning.
  - A call is logged with Complete I.T. Helpdesk and a Technical Consultant is dispatched to site the following morning to assess the damage.
  - The Technical Consultant working with the hardware manufacturer conclude that the server is not recoverable. Replacement hardware is identified and ordered on the Friday afternoon.
  - Monday morning the new hardware arrives. This is not a like for like replacement of the old hardware as this is no longer produced. A compatible tape drive for the server is no longer available so the last backup tape, Wednesday night the previous week, is sent to Complete I.T. for recovery in the lab environment.
  - Monday afternoon the new hardware is built.
  - Tuesday and Wednesday the data contained on the tape is rebuilt in the lab environment. This assumes that all the data is recoverable, and it is not corrupted.
  - Thursday the data, now on a portable hard drive, is sent back to the business and transferred over to the new server hardware. The Technical Consultant works with any third-party support parties to ensure these applications are working correctly.
  - Friday users are able to return to work.



# The cost of downtime

As detailed in the previous section, should there be a disaster which affects the ability of the staff to access their I.T. systems then there will be downtime for these users.

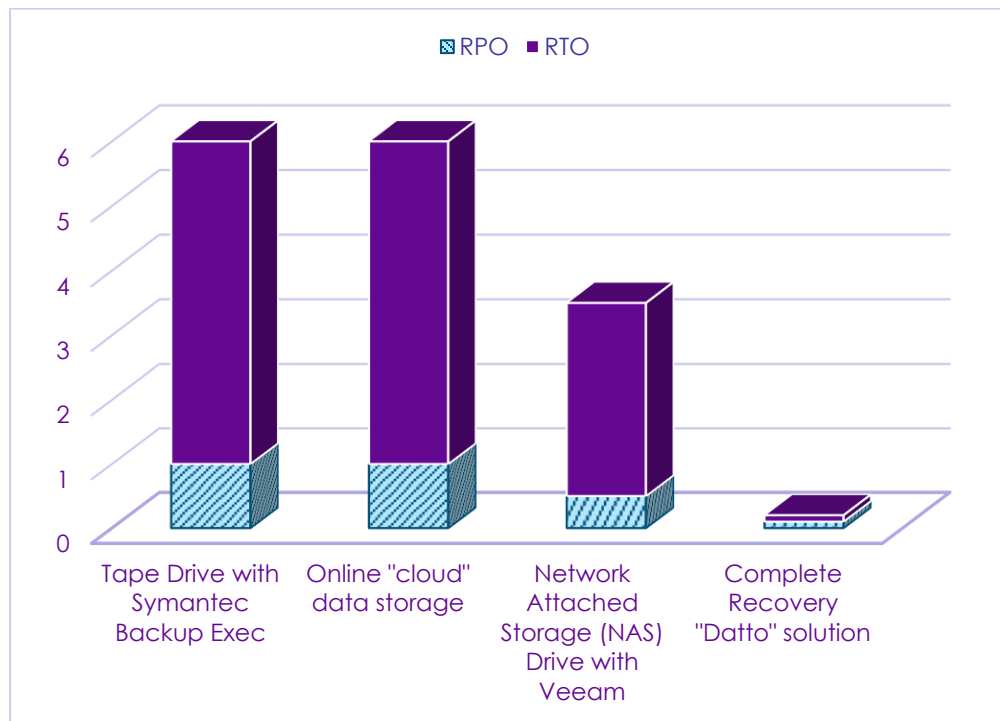
The cost, in terms of Pound values, of this downtime is given in the example below. This does not include any extrapolated costs of damage to brand image or value of lost data.

<b>Assumptions</b>	
Number of users	50
Average hourly overhead of each employee	£20.00
Average hourly income generated by each employee	£25.00
Total downtime the employees experience (days)	4 Days (30 Hours)
<b>Calculated costs to the business</b>	
Estimation of hardware costs for new equipment based on a single server	£2,500.00
Estimation of Technical Consultancy to rebuild and recover	£2,500.00
Total hourly overhead	£1,000.00
Total hourly lost income	£1,250.00
Total hourly cost	£2,250.00
Total employee's downtime cost (30 Hours)	£67,500.00
<b>Total cost of downtime</b>	<b>£72,500.00</b>

Reducing the downtime associated with any disaster is therefore critical to the solution employed.

# What solutions are out there?

There are many types of backup, disaster recovery and business continuity solutions available with differing RPO and RTOs. Below are examples of these technologies and their respective recovery times.



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# Downtime and your organisation

## Introduction

The following gives a top-level description on the major effects of a disaster on your organisation:

### Email Solution

#### Hosted Email Solution

West Herts Crematorium emails are not stored on their server. They are hosted on the Microsoft Office 365 web portal and in the event of a server disaster, staff will be able to send / receive emails normally while any on-premise server(s) is offline, and an active internet connection is available.

### Key Line of Business Application

#### On-Premises Solution

West Herts Crematorium key line of business applications are stored on their on-premises server. This means, in the event of a server disaster, your users will not be able to access these applications, while the servers is offline.

If a disaster was to occur, how long could your organisation go without being able to access the key line of business application?

### Organisations files and folders

#### On-Premises Solution

West Herts Crematorium company shared data folders and associated files are stored on their on-premises server. This means, in the event of a server disaster, your users will not be able to access these data folders and files, while the server is offline.

If a disaster was to occur, how long could your organisation go without being able to access the files and folders?

### Backup Solution Employed

#### On-premises and offsite Cloud replication solution.

West Herts Crematorium currently backup their servers to their on-premise Datto storage device and upload a copy of the data sets to the Datto online cloud storage platform, with one full server restore point per day, and file incremental changes every 60 minute's.

## What would happen in a disaster?

In a real disaster scenario, for example, fire and flood, new server equipment will have to be procured and sent to a new premise before a full restore can begin.

Once a suitable premise has been secured and there is broadband provision, procurement can typically take a couple of days, so when analysing time of recovery - please take this factor into account.

However, With the Datto cloud storage solution, a virtual server can be configured and booted up normally upon the cloud-based platform. The users can then access the virtual cloud platform via an active internet connection, enabling them to work in a reduced capacity, but allowing access to critical applications and data while the on-premises server is procured.

A backup copy of the Datto Cloud server image can then be exported from the Datto Cloud platform and restored directly on to the recently procured server.

## Recovery Prerequisites

To recover the selected West Herts Crematorium server, some prerequisite information was required.

- Full back up of the server including all application agents.
- Server had to be a Domain Controller (for authentication).
- Application usernames and passwords for testing the restored services.

Server Name	Backed up?	Backup Method	Tested?
WHC-DC01	Yes	Datto Cloud	Yes

# The data recovery tests results

## Introduction

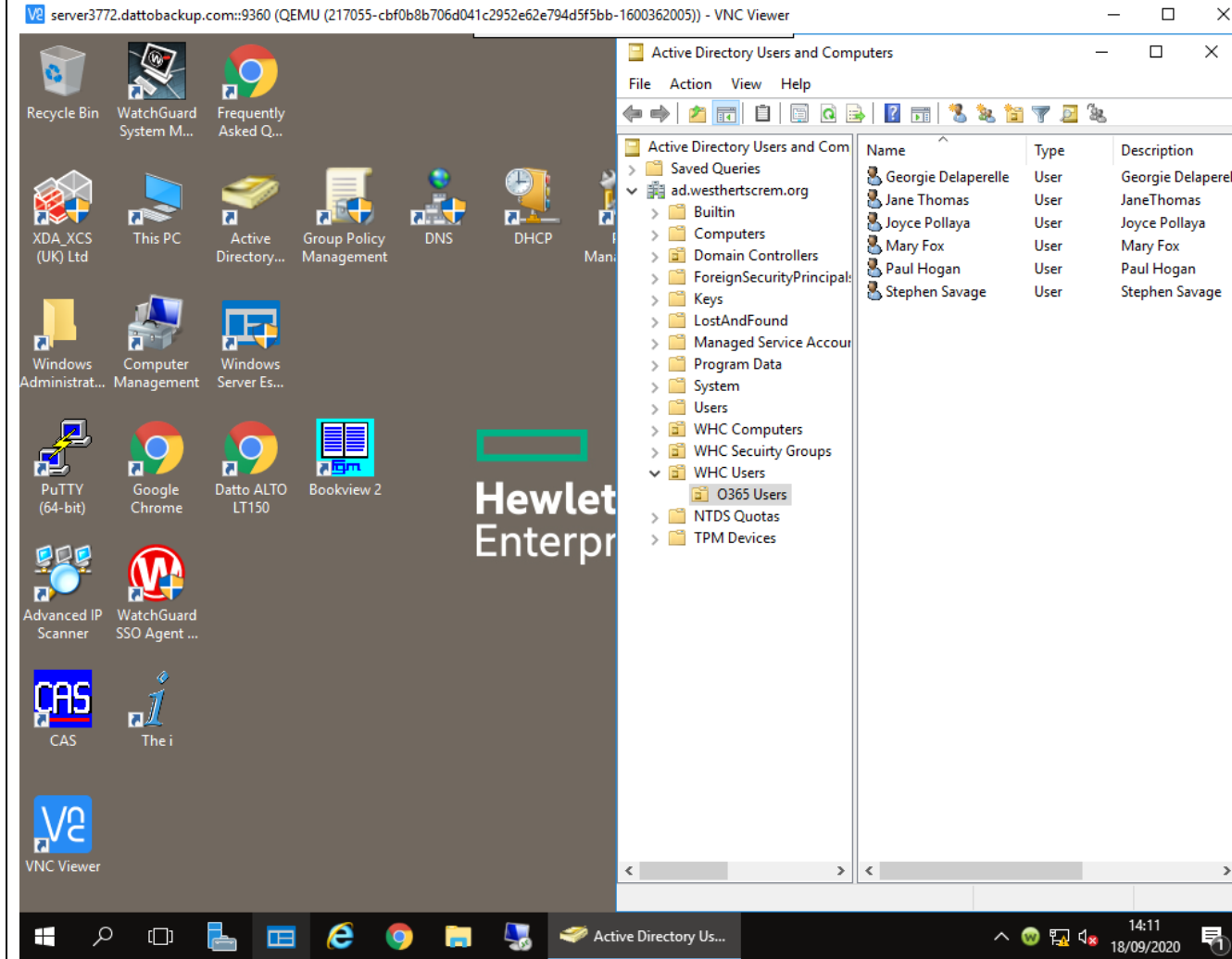
The data recovery test recently conducted for West Herts Crematorium, was undertaken using the Datto disaster recovery solution. West Herts Crematorium, currently backup their server to the Datto online cloud storage solution, with 1 full server restore point per day and file incremental changes every 60 minutes.

## Data restore Total Time

Server Name	Role/Function	Time take to fully Restore
WHC-DC01	Active Directory & data Server	0 Hour and 25 Mins
Total		0 Hour and 25 Mins

# Data recovery evidence

Server Name:	WHC-DC01
Function/Role:	Authentication & data server
Time to restore	0 Hour & 25 Minutes
Screenshot (s)	



Once the restore had been completed on server WHC-DC01, it was then confirmed that all server services had started successfully, and associated applications were running normally. The Active Directory console was opened, and domain network authentication tested and confirmed to be in a fully operational state.

Server Name:	WHC-DC01
Function/Role:	Authentication & data server
Time to restore	0 Hour & 25 Minutes
Screenshot (s)	

Once the restore had been completed on server WHC-DC01, it was then confirmed that all server services had started normally and access to the company's data folders and associated files were fully operational.

# Roundup

The data recovery test on West Herts Crematorium's Datto cloud based virtual servers was conducted over the course of a working day. In conclusion, the test was successful with the West Herts Crematorium virtual server WHC-DC01, up and running and performing normally within the Datto cloud based virtual storage platform.

It is suggested that the nightly backups are routinely checked and monitored, and regular server data restores tests undertaken to confirm and check the data's integrity.

The next Datto cloud-based data recovery test for West Herts Crematorium, is scheduled for October 2021.





## WEST HERTS CREMATORIUM – AUDIT ACTION PLAN – UPDATED June 2022

(The shaded items have been completed)

Finding		Auditor's Recommendation	Implementation	
	Description		By whom	By when / Comments
1.	<p><b><u>Internal Audit findings – July 2021:</u></b></p> <p><b>B. The body's financial regulations</b></p> <p>The Financial Procedure Rules were last updated in December 2011.</p> <p>Following a number of service developments, changes following the retirement of the previous Accountant and the introduction of a new accounting system and accounting arrangements following the transfer of Finance resource to Three Rivers District Council in October 2019 the Rules are now out-of-date.</p> <p><u>Associated Risk</u></p> <p>Policy and procedures not in place or out of date may lead to poor working practices. This could lead to inappropriate or fraudulent activity resulting in financial loss or reputational damage.</p>	<p><b>(Repeated from the 2019/20 audit)</b></p> <p>a) We recommend that the Financial Procedure Rules are reviewed and updated to incorporate all current procedures and systems in place.</p> <p>b) Following the review, they should be formally approved by the Joint Committee. In addition, version control details should be recorded on the front page to record approval and review details.</p>	<p><b>Agreed: Yes</b> <b>Responsible Officer:</b> Stephen Farrer– Assistant Finance Manager (TRDC)</p> <p>Treasurer/ Surveyor/ Manager</p>	<p><b>Action to be taken:</b> The Treasurer to the Joint Committee has decided that this work will be undertaken in the near future in order to include the new Crematorium facility.</p>