

NORTH EAST SURREY CREMATORIUM BOARD**12th September 2017****REPORT OF THE TREASURER ON BEHALF OF THE CHIEF OFFICERS****Risk Management Strategy and
Annual Review of Risks****Risk Management Strategy**

1. Risks can be simply defined as:
 - Things that can go wrong and prevent the achievement of business objectives.
 - Unwanted outcomes, potential failures and the prevention of desired results.
 - The probability that an event or action may adversely affect the achievement of business objectives.
2. Risk management is a planned and systematic approach to the identification, evaluation and control of risk having regard to:
 - Levels of risk
 - Cost and effort to control risks.
 - Acceptable residual exposure to risks.
3. The following pages provide a structured and documented approach to Risk Management, but equally risks are dealt with either as part of the day-to-day management of the Service by the Crematorium management and staff or through the work of the Board's officers.
4. Risks are reviewed annually by the Board's Chief Officers for the Board's consideration, and in order that actions may be taken to minimise risks to the Board in achieving its objectives. The Board's strategy consists of identifying risks, key controls, assurances obtained, responsibilities for areas of risk, and an action plan to address areas of concern. It is anticipated future reports will continue to be presented at the September meeting each year.

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

J M STEVENSON
Treasurer to the Board

Annual Review of Risks

Key Business Risks

| Principal Risks | Key Controls | Assurances | Responsible Officer | Action Plan |
|---|---|--------------------|---------------------|---|
| Financial Viability - General | | | | |
| 1. Financial misstatements | Segregation of duties. Regular reporting and reconciliation. Checking of invoices from Enable/WBC for reimbursement. | Satisfactory | Treasurer | No action proposed |
| 2. Inadequate working balance | Regular monitoring and reporting | Satisfactory | Treasurer | No action proposed |
| 3. Incorrect distributions to/levies on constituent authorities | Report to Board and letters to constituent councils | Satisfactory | Treasurer | No action proposed |
| Financial Viability - Income | | | | |
| 4. Reduced mortality rates | Regular monitoring and reports to Board, including comparisons with previous years and neighbouring crematoria, and a 10 year financial projection to assist/inform in the review of service and income. | Satisfactory | Surveyor/Treasurer | No action proposed |
| 5. Memorial sales are subject to price sensitivity and the volume of sales is difficult to estimate. | Estimates and charges reviewed annually, and performance monitored and reported at Board meetings. Regular reviews of memorialisation undertaken and reported to the Board. | Satisfactory | Surveyor/Treasurer | Business plan being reviewed. |
| 6. Extent/impact (if any) of competition | As 4. and 5. above | As 4. and 5. above | As 4. and 5. above | No action proposed |
| 7. Failure to maintain expected standards for the crematorium and grounds - appearance/attractiveness of facility; image and impression of Board to | Management Agreement defines expected standards and reports are presented to the Board at each meeting. Crematorium regularly inspected to assess works required. At least one Board meeting per year held at Crematorium. Complaints procedure in place. | Satisfactory | Surveyor | NESC has achieved gold status for the Charter for the Bereaved representing the crematorium nationally in the upper quartile of services to the bereaved. |

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| bereaved - professionalism, helpfulness | Board has reviewed quality of facilities and has invested in improvements. Board has Charter for the Bereaved status. | | | No other action proposed other than to continue reviewing service and facilities, and identify improvements |
| 8. Unfavourable relationships with Funeral Directors (FDs) | Daily contact with FDs. Liaison visits to FDs undertaken. | Satisfactory | Surveyor | Officers from Enable visit FD premises to discuss the merits of using NESCC and associated matters of the crematorium. |
| 9. Incomplete and/or inaccurate invoicing/ineffective recovery | Charges reviewed in December and implemented on 1 st January each year. New charges published immediately after December approval. Invoicing undertaken monthly in accordance with Management Agreement, using BACAS system. Regular statements passed to Treasurer. Procedures subject to annual audit. | Satisfactory | Treasurer | No action proposed other than to keep all charges under review. |
| 10. Insufficient abated cremations undertaken to meet burden sharing arrangement with Putney Vale | Work with supplier to ensure that both cremators are used with abatement switched on at all times. | Satisfactory | Surveyor | The crematorium replaced the cremators / abatement equipment and associated plant with fully abated Facultatieve Technologies equipment in 2015. |
| 11. The exhaustion of land for future memorial placements. | Estimates of income from memorials are reviewed annually, both for the current and future years. | Satisfactory | Surveyor | Options for the future placement of memorials continue to be explored, including purchase of land. |

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| Financial Viability - Expenditure | | | | |
| 12. Unexpected costs | Annual Budget under Management Agreement subject also to WBC controls. Board accounts regularly monitored and reported to Board. Adequate working balance maintained and 10 year projection regularly reported. Planned maintenance regime with service contracts for cremator and plant maintenance. Insurance policies in force. | Satisfactory | Clerk/Surveyor/ Treasurer | With WBC sub-contracting the Management Agreement to Enable, new monitoring procedures have been developed. |
| 13. Uninsured losses | Board has insurance for most risks with the exception of subsidence. This residual risk is accepted and the regular surveys and repairs programme ensures that the building is suitably maintained. | Satisfactory | Clerk/Surveyor/ Treasurer | No action proposed |
| 14. Budget overspends | As 12. and 13. Above | | | No action proposed |
| 15. Overpayments | WBC and Enable systems of internal control. Segregation of duties at Enable, WBC and the Board. Monitoring against budget and reports to Board. | Satisfactory | Treasurer | No action proposed |
| 16. Changes in legislation - e.g. Environmental Protection Act, Pollution Prevention and Control Regulations 2000 and the Environmental Permitting (England and Wales) Regulations 2007. | Experienced and professionally qualified officers with industry experience. Enhanced by Management Agreement with WBC/Enable. Reports to Board on impact. Any required financing strategy approved by Board and financial implications incorporated within 10 year projections. Feedback through membership of appropriate professional bodies. | Satisfactory | Clerk/Surveyor/ Treasurer | Officers continue to liaise with Merton EHO in accordance with the crematoriums permit to cremate |
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| Business Continuity | | | | |
| 17. Non-availability of necessary staff - operational/managerial (sickness, recruitment/retention) | Day to day management of operation performed by WBC (Enable) under Management Agreement. | Satisfactory | Surveyor | Arrangements with WBC sub-contractor (Enable) are monitored. |
| 18. Non-availability of Chief Officers | Robustness of provision of substitute officers by constituent authorities | Satisfactory | Clerk/Surveyor/ Treasurer | No action proposed |
| 19. Failure of Management Agreement - termination | Terms and conditions of Management Agreement. Monthly reporting arrangements in place | Satisfactory | Surveyor | Board to keep sub-contract with Enable under review. |
| 20. Failure of gas supply | Reciprocal arrangements with Putney Vale crematorium (operated by Enable) in place. | Satisfactory | Surveyor | No action proposed |
| 21. Failure of electricity supply | Full back up plan in place to deal with loss of power during a service. Ongoing power loss as per 20 above. | Satisfactory | Surveyor | No action proposed |
| 22. Failure of cremator/equipment | As 20 above. Coffin storage facility created during 2010/11 with capacity for 6 coffins. | As 20 above | Surveyor | No action proposed |
| 23. Inability to use building (fire, flood etc.) | Regular maintenance and inspection of buildings and equipment. As 20.per 22. above | Satisfactory | Surveyor | No action proposed |
| 24. IT/systems failure | PCs, file storage and BACAS system all integrated with Wandsworth systems and back-up arrangements. PCs and IT kit on support contract with WBC. | Satisfactory | Surveyor | No action proposed |
| 25. Failure of a key supplier | Ensure new contractors are screened before orders are placed. Monitor existing contractors | Satisfactory | Treasurer/Surveyor | Ensure key suppliers are identified and work with Wandsworth's Procurement Team |
| 26. Inability to use WBC Town Hall | Reliance on WBC business continuity arrangements | Satisfactory | Surveyor/Treasurer | No action proposed |
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| General | | | | |
| 27. Unauthorised/uncertified cremations | Procedures in accordance with Code of Cremation Practice and the Cremation Regulations 2008, require various checks to be undertaken before cremation. | Satisfactory | Surveyor | No action proposed |
| 28. Authorised/certificated body not cremated | 2 operators required to attend cremations. Procedures in accordance with Code of Cremation Practice | Satisfactory | Surveyor | No action proposed |
| 29. Breach of legislation or statutory obligation or Board policies and procedures | WBC corporate systems in place. Documented procedures and monthly reports under Management Agreement. Trained and qualified operational staff working to national Code of Cremation Practice. Operation monitored by Board. Adequate and appropriate insurance cover. Replacement mercury abatement equipment being installed. | Satisfactory | Clerk/Surveyor/ Treasurer | No action proposed |
| 30. Infection Control (Legionella) | Site regularly inspected and treated if necessary. Water in Fountain regularly treated. | Satisfactory | Treasurer | No action proposed |
| 31. Fraud and corruption (including theft) | Segregation of duties. Regular reconciliations. Income records account for sequentially numbered receipts. Annual audits | Satisfactory | Surveyor/Treasurer | No action proposed |
| 32. Pandemic plan | To ensure the crematorium has a plan in place to manage excess deaths, and the potential impact on resources, in the event of a pandemic. | Satisfactory | Surveyor | The plan is included as part of and in conjunction with Wandsworth Council's pandemic plan. Notice taken of Sutton's & Merton's equivalent plans. |
| 33. Under/over utilisation | Estimates of throughput regularly monitored and reported to Board. Adequate provision is in place for the number of cremations undertaken. 2 EPA compliant cremators in use, including large capacity cremator, and use of burial chapel for services. Coffin storage | Satisfactory | Surveyor/Treasurer | No action proposed |

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| | facility developed to cater for increased demand. See 4, 6, 7, and 22 above | | | |
| 34. Breach of Health and Safety regulations - staff and public (machinery, fire, lifting, disease, hazards) | Reliance on WBC procedures and terms of Management Agreement. Quarterly hazard inspections and annual risk assessments undertaken. Health and safety incorporated in monthly reports under the Management Agreement | Satisfactory | Surveyor | No action proposed |
| 35. Loss of cash/cheques | Staff utilise safe and bankings collected weekly by security company minimising cash/cheque holdings. FDs are encouraged to use BACS transfers to the Board's account for debts due. Many payments increasingly made by debit/credit cards | Satisfactory | Surveyor/Treasurer | No action proposed |
| 36. Vandalism/damage to site | Staffing presence in daylight hours. Member of Enable staff currently resides on site and part of his duties includes locking/ unlocking the gates and regular patrols throughout the week and at weekends. CCTV installed in buildings. | Satisfactory | Surveyor | No action proposed |
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| Management of Board's affairs | | | | |
| 37. Inadequate Governance arrangements | The Board, as a Smaller Relevant Body, approves an Annual Return which includes an Annual Governance Statement, and is subject to audit by the Board's external auditors. The Board receives regular reports on governance issues throughout the year. | Satisfactory | Clerk/Treasurer | No action Proposed |
| 38. Non-availability of Chief Officer. | See 18. above | Satisfactory | Clerk/Surveyor/ Treasurer | No action proposed |
| 39. Failure of Management agreement | See 19 above | Satisfactory | Clerk/Surveyor/ Treasurer | No action proposed |

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| 40. Loss of reputation, compensation claims | Terms of Management Agreement, regular inspections of buildings, procedures in accordance with Cremation Regulations 2008. Complaints procedure, regular reports to the Board. Freedom of Information Publication Scheme | Satisfactory | Clerk/Surveyor/ Treasurer | No action proposed |