

**FROM:** Audit and Risk Manager                      **SUBJECT:** Bereavement Services  
**TO:** Head of Neighbourhood Services                      **DATE:** 29 September 2016  
**C.C.** Chief Executive  
Deputy Chief Executive (BH)  
Head of Finance  
Bereavement Services Manager  
Energy Manager

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**1 Introduction**

- 1.1 As part of the 2016/2017 Audit Plan an audit has recently been completed on the systems and procedures in place to manage the council's Bereavement Service (BS).
- 1.2 This report outlines the approach to the audit and presents the findings and conclusions arising.

**2 Background**

- 2.1 The council's BS operates Oakley Wood Crematorium, sometimes referred to as Mid-Warwickshire Crematorium, a natural woodland burial area and cemeteries in Leamington, Warwick, Kenilworth and Old Milverton. In addition a number of closed churchyards are maintained.
- 2.2 On average the service undertakes around 1800 cremations and 270 burials each year. In addition a whole range of services associated with funerals is provided e.g. memorials, scattering of ashes, sale of burial rights, book of remembrance, assisting with genealogical research etc.
- 2.3 The budget for 2016/2017 indicates that the service is expected to generate an operating surplus of around £525,000, a significant contribution to the council's general fund.
- 2.4 Recently there has been capital investment at Oakley Wood which has resulted in an increase in the size of the North Chapel, improvements to the existing car park, the creation of a new car park, refurbishment of the former lodge to create modern office accommodation, the creation of a larger waiting area for mourners and landscaping works to the grounds including the creation of natural sculptures. These changes have resulted in vastly improved facilities for mourners and staff and greatly benefited the overall appearance of the site.

### 3 **Scope and Objectives of the Audit**

3.1 The audit was undertaken to test the management and financial controls in place.

3.2 In terms of scope, the audit covered the following areas:

- Staffing
- Finance
- Security and risk assessment
- Records maintenance

3.3 The audit programme identified the expected controls. The control objectives examined were:

- Sufficient staff are in place for the appropriate running of the services
- Budgets are appropriately monitored and controlled
- Purchases are made appropriately
- Contracts are let appropriately
- Monies due in respect of bereavement services are correctly calculated, charged and received
- Equipment is protected from damage, loss or theft
- Cremated remains are protected from loss or theft
- Management are aware of the risks associated with the provision of bereavement services
- Physical and electronic records are available as required.

### 4 **Findings**

#### 4.1 **Recommendations from previous report**

4.1.1 The current position in respect of the recommendations from the audit reported in May 2013 is as follows:

<b>Recommendation</b>	<b>Management Response</b>	<b>Current Status</b>
1 The security of petty cash monies should be improved, with the cash tin being locked and access being restricted to specific staff.	With immediate effect the petty cash tin has been moved into the safe where the cemetery records are kept. A replacement tin will be purchased when the next stationery order is placed.	The petty cash tin was found to be locked and stored in the records safe. It is no longer required and this report recommends that it is returned and paid in.

<p>2 The Code of Procurement Practice should be followed and quotations should be received as necessary.</p>	<p>Regular spending patterns with single suppliers will be identified from Total. Discussions will take place with the new procurement officer (when appointed) to determine the most appropriate method of procurement. Where appropriate contracts will be tendered.</p>	<p>There are contracts in place for the supply of regular work to Bereavement Services and they are listed in the public version of the council's contract register posted on the website.</p>
<p>3 The fee errors identified on the web pages and the linked documents should be rectified.</p>	<p>The error on the Bereavement web page will be changed ASAP. An additional link to a simple table of Fees &amp; Charges will be added to the web pages.</p>	<p>The errors have in part been corrected but there is still an anomaly between two approved charges and those appearing on the website.</p>
<p>4 Care should be taken to ensure that the correct fees are charged for all services provided.</p>	<p>The error was due to the mistiming of the fees &amp; charges increase being implemented.</p> <p>Additional administrative resource to be devoted to this task in general and especially when fees &amp; charges are reviewed.</p>	<p>Fees are normally allocated automatically by the management system but a small number of undercharges can occur at the start of the new year when the new fees are introduced depending on when the record was last edited. This is one of a number of reasons why the purchase of a new system is being investigated.</p> <p>In the meantime the fees charged for services at the beginning of the year are closely scrutinised.</p>
<p>5 An inventory should be drawn up and maintained.</p>	<p>Agreed. An inventory will be drawn up.</p>	<p>An inventory was drawn up but it needs some expansion and addition following recent changes and it needs to be priced.</p>

## 4.2 **Staffing**

- 4.2.1 All staff in BS have a job description but some of them were written a number of years ago when posts were in either Environmental Health or Leisure and Amenities. This is of little operational consequence as most of the staff are able to undertake more than one job. Some of the staff can undertake the full range of duties such as administration, chapel attendance and carrying out cremations (if they are qualified). This adaptability goes some way towards explaining why the service operates with a relatively small number of staff, around eight full time equivalents.
- 4.2.2 Staff are subject to all of the usual council procedures and requirements e.g. flexi time, appraisals, training, annual leave etc.
- 4.2.3 A relatively small amount of overtime is built into the budget each year - £2,600 for this year. It is required sometimes on a Friday in order to complete the day's cremations and for attendance of staff on site during events or out-of-hours meetings with funeral directors. Occasionally it may be required in order to ensure that the number of staff on site does not fall below the minimum necessary to provide the service.

## 4.3 **Finance**

- 4.3.1 Estimated expenditure for BS this year is £1,026,000. A large proportion of this is controlled by other service areas e.g. work to buildings and grounds, all forms of energy, support services and capital charges. Estimated income is £1,550,500 all of which is controlled by the Bereavement Services Manager (BSM).
- 4.3.2 The budget is monitored by the BSM with support provided by an Assistant Accountant in Finance. They have regular contact during the year but need to meet up only at crucial times such as estimate preparation, fees and charges and year-end.
- 4.3.3 A review of expenditure revealed that orders are placed for purchases, nearly always in advance, and that the corresponding invoices are being processed appropriately
- 4.3.4 The budgets for 2015/16 were examined and any significant variances were discussed with the BSM and explanations were provided. One variance worthy of mention is the income from cremations. The budget was cautiously reduced to allow for the unknown impact of the opening of the new Rainsbrook crematorium in Rugby and the possible disruptive effects of the capital works at Oakley Wood. In reality the revised budget was exceeded by around £285,000. This was said to be due in part to careful management of the capital works so that disruption was minimised e.g. liaising with the contractor to ensure as far as possible that any works resulting in noise or obstruction were carried out on particular days or particular times of the day so as not to coincide with chapel times.
- 4.3.5 During the examination of the cemeteries budget it was evident that there had been a significant overspend on the budget for metered water charges up from £800 to £2,079. Further examination revealed that some of the

payments related to the lodges at Warwick and Old Milverton cemeteries which are occupied by members of staff. Limited enquiries did not provide an answer for this situation.

- 4.3.6 Of the invoices paid in 2015/16 two relate to Warwick Cemetery lodge and they amount to £696. The situation at Old Milverton is less clear cut as the invoices refer to "Lodge and Cemetery Old Milverton Road" and they total £1,314. It wasn't established exactly how long this situation has existed but data in the TOTAL financial system from 2007 suggests that it was happening then.
- 4.3.7 The issue is one that needs further investigation and a resolution as it appears that the council is paying water charges for the tenants of two cemetery lodges. There may be a valid explanation as to why the tenants of these two lodges are being treated differently from the tenants of the other three lodges but that seems unlikely.

**Risk**

**The council may be incurring expenditure unnecessarily.**

**Recommendation**

**Responsibility for the payment of water charges needs to be established and if necessary remedial action should be taken.**

- 4.3.8 As part of the introduction of purchasing cards across the council and the phasing out of petty cash imprests two members of staff in BS have been issued with a card. It was evident from TOTAL that Oakley Wood was still holding a petty cash imprest of £100 which as a result of using the cards for minor purchases was no longer required. Cash and vouchers totalling £100 were seen in a locked tin in one of the register safes. As the imprest is no longer required it should be returned to Riverside House and paid back.

**Risk**

**The petty cash imprest may be overlooked.**

**Recommendation**

**The petty cash imprest should be returned to Riverside House and paid in.**

- 4.3.9 Details of all orders placed by BS since 1 April 2015 were extracted from TOTAL to establish how many were being placed with the same supplier and whether or not contracts were in place. It was found that contracts are in place for most of the regular purchases e.g. calligraphy, memorial safety, cremator maintenance and the supply of bulk liquified gas (LPG).
- 4.3.10 There was one exception and that related to the provision of recorded music to be played at cremations. It is provided by The Yaboo Company Ltd at a cost of £9,984 a year. This level of expenditure is such that, under the Code of Procurement Practice, there should be market testing both to demonstrate value for money and to provide evidence of competition.
- 4.3.11 It may be possible to continue with Yaboo and avoid the likely disruptive effects of changing supplier if it can be demonstrated that there are grounds

for staying with them or that there is no interest from the market. In such case an exemption to the Code will need to be applied for.

- 4.3.12 Initially advice on seeking an exemption or the procedures involve in inviting tenders can be obtained from the Procurement Team.

**Risk**

**Value for money is not achieved and the Code of Procurement Practice may not be complied with.**

**Recommendation**

**The Code of Procurement Practice should be complied with and either tenders invited or an exemption sought.**

- 4.3.13 The fees and charges for BS for 2016 were presented to Executive and approved on 30 September 2015. They are posted on the council's website as part of the BS pages. On examination of the approved fees and the web pages it was noticed that the fees for searching burial registers for genealogical research on the web pages differ (they are lower) from those approved and need to be amended accordingly.

**Risk**

**Members of the public are provided with incorrect information.**

**Recommendation**

**The errors on the web page should be corrected.**

- 4.3.14 Sundry debtor invoices are generated monthly and based on information extracted from the management system CAS. Although not specified anywhere it is generally accepted that invoices for the regular supply of services are raised at the beginning of each month and relate to the previous month. It was noted that invoices are raised on a monthly basis but it is often towards the middle of the month. Most of the invoices are sent to funeral directors who can take an additional two or three weeks on top of the two weeks that are "allowed" to pay.

**Risk**

**Extending the credit period may result in debtors defaulting.**

**Recommendation**

**Efforts should be made to raise invoices at the beginning of each month.**

4.4 **Security and risk assessment**

- 4.4.1 It was evident from observation that there are security measures in place at Oakley Wood ranging from simply having members of staff in attendance at various times around the site through to coded locks and access being controlled by key fobs. It was known in advance that an order had been placed for a new CCTV system which is yet to be installed. The existing system is out of action.

- 4.4.2 An updated inventory was produced following the last audit but it was found to be unpriced and missing most of the furniture and equipment in the new office accommodation.

**Risk**

**An incomplete inventory makes it difficult to manage plant, furniture and equipment and to identify any loss or theft**

**Recommendation**

**A current priced inventory should be compiled and a copy forwarded to the council's Insurance and Risk Officer.**

- 4.4.3 The storage of cremated remains awaiting collection or scattering is an important security issue and a sample check found the system to be working as intended. It was observed during the check that there were about half a dozen urns that dated back about 10 years or so. This represents no risk and so there is no recommendation but it would be reasonable to suggest that efforts are made either to have them collected or scattered.
- 4.4.4 The risks associated with the service are very different from those identified for most other service areas given the services provided and the slightly remote location of Oakley Wood. Any administrative or housekeeping errors impacting on funerals could have significant effects on the council's reputation. The effect of the weather, roadworks and interruptions in fuel supplies and communications would be felt much more by BS than by any other service.
- 4.4.5 Consequently it is important that risk management is taken seriously and that a risk register peppered with generic risks is not produced. The risk register for BS is very comprehensive and detailed covering all of the possible eventualities. It was presented to Finance and Audit Scrutiny Committee on 26 July 2016 as part of a review of the Neighbourhood Services risk register.

**5 Records maintenance**

- 5.1 BS is required to maintain a range of records relating to cremations and burials, they are held in a variety of formats at various sites and in some cases they date back to the 1800s.
- 5.2 The system, CAS, holds all of the detail on individual burials and cremations dating back to 1993.
- 5.3 Most of the burial registers have been scanned and hard copies are held in fireproof safes in the office building at Oakley Wood.
- 5.4 Cemetery plans have been scanned and plans are available at each cemetery. Any outstanding documents that have not yet been photographed or scanned will be dealt with as time permits.
- 5.5 Access to data in CAS is controlled by the BSM. Most staff have a basic access with herself and another member of staff having supervisor access. CAS is backed up daily on site to the server "Sookie" and at Riverside House.

5.6 CAS has served the council well in its time but it is over 20 years old. A number of shortcomings have been identified over the years and requests for amendments are generally not able to be actioned. A business case for its replacement is currently being prepared.

## 6 **Conclusions**

6.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Bereavement Services are appropriate and are working effectively.

6.2 The assurance bands are shown below:

<b>Level of Assurance</b>	<b>Definition</b>
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

## 7 **Management Action**

7.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit and Risk Manager



## Action Plan

## Internal Audit of Bereavement Services – September 2016

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.3.7	Responsibility for the payment of water charges needs to be established and if necessary remedial action should be taken.	The council is incurring expenditure unnecessarily.	Medium	Head of Neighbourhood Services / Energy Manager	All aspects of the budgets for water rates and metered water charges at the cemeteries will be investigated by the Housing and Property Services Energy Team and if necessary, appropriate action will be taken.	December 2016.
4.3.8	The petty cash imprest should be returned to Riverside House and paid in.	The petty cash imprest will be overlooked.	Low	Bereavement Services Manager	Purchase order 93228 has been raised to cater for receipts; this, together with the cash balance, will be repaid through the Fsteam.	By end September 2016.

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.3.12	The Code of Procurement Practice should be complied with and either tenders invited or an exemption sought.	Value for money is not achieved and the Code of Procurement Practice is not complied with.	Medium	Bereavement Services Manager	Initial discussions with Procurement Manager will take place in Sept – exact timescales will depend upon advice given. If an exemption is appropriate it may be possible to sign this off within a few weeks, however if a full tender is required, being prudent and allowing time to write the spec and test the market it should be possible to have a contract in place by the end of the financial year.	Possibly end of financial year. To be confirmed following meetings with procurement.
4.3.13	The errors on the web page should be corrected.	Members of the public are provided with incorrect information.	Low	Bereavement Services Manager	Complete: <a href="http://www.warwickdc.gov.uk/info/20639/deaths/429/cemeteries">http://www.warwickdc.gov.uk/info/20639/deaths/429/cemeteries</a>	Complete.

<b>Report Ref.</b>	<b>Recommendation</b>	<b>Risk</b>	<b>Risk Rating*</b>	<b>Responsible Officer(s)</b>	<b>Management Response</b>	<b>Target Date</b>
4.3.14	Efforts should be made to raise invoices at the beginning of each month.	Extending the credit period may result in debtors defaulting.	Medium	Bereavement Services Manager	The Crematorium Administration System is due for replacement and it is anticipated that it will interact with TOTAL which will enable an increased frequency of invoicing. For now, reminder tasks have been set in the relevant officers' diaries to start the process for raising invoices on the first working day of each month. Performance will be measured.	Complete.
4.4.2	A current priced inventory should be compiled and a copy forwarded to the council's Insurance and Risk Officer.	An incomplete inventory makes it difficult to manage plant, furniture and equipment and to identify any loss or theft.	Medium	Bereavement Services Manager	This recommendation is accepted. Due to the age of some items it may not be possible to get an exact cost, in those cases a best estimate will be indicated.	December 2016.

\* Risk Ratings are defined as follows:

- High Risk: Issue of significant importance requiring urgent attention.
- Medium Risk: Issue of moderate importance requiring prompt attention.
- Low Risk: Issue of minor importance requiring attention.