

FROM: Audit and Risk Manager
TO: Head of Neighbourhood Services
C.C. Chief Executive
Deputy Chief Executive (BH)
Head of Finance
Bereavement Services
Development Manager
Portfolio Holder (Cllr David Norris)

SUBJECT: Bereavement Services
DATE: 12 July 2019

1 Introduction

- 1.1 In accordance with the Audit Plan for 2019/20, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

2 Background

- 2.1 The Council's Bereavement Services operates Oakley Wood Crematorium, a natural woodland burial area and cemeteries in Leamington, Warwick and Kenilworth. In addition to this a number of closed churchyards are maintained.
- 2.2 On average the service undertakes around 2000 cremations and 400 burials each year. In addition, a range of funeral related services are provided e.g. memorials, scattering of ashes, book of remembrance etc.
- 2.3 There have been a number of changes since the last audit, completed in September 2016. These include increasing the car parking facilities, extending the Chapel opening hours and operating the service across a six-day week. There have also been significant changes involving key staff.
- 2.4 The budget for 2019/20 indicates that the service is expected to generate an operating surplus of around £450,000.

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.
- 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.
- Staff work safely and are aware of the risks.
- 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 report in September 2016 is as follows:

Recommendation	Management Response	Current Status
Responsibility for the payment of water charges needs to be established and if necessary remedial action should be taken.	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.	The absence of the Energy Manager (2016) meant that implementation of the recommendation was delayed. The roles and responsibilities of Building Managers were due to change as part of the re-design of the Assets Team. This should have defined the responsibilities around charging, collection and administration of energy bills. This recommendation is now being reviewed as part of the current audit of Utilities Management.

Recommendation	Management Response	Current Status
The petty cash imprest should be returned to Riverside House and paid in.	Purchase order 93228 has been raised to cater for receipts; this, together with the cash balance, will be repaid through the FSteam.	Petty Cash is no longer used.
The Code of Procurement Practice should be complied with and either tenders invited or an exemption sought.	Initial discussions with Procurement Manager will take place in September – 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.	Contracts are in place for the most regular spend items. An issue regarding expenditure on music was identified during this audit, however. Renewal of contracts is carried out as required.
The errors on the web page should be corrected.	Complete: http://www.warwickdc.gov.uk/info/20639/deaths/429/cemeteries	Recommendation addressed.
Efforts should be made to raise invoices at the beginning of each month.	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.	Recommendation addressed.
A current priced inventory should be compiled and a copy forwarded to the council's Insurance and Risk Officer.	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.	An inventory was drawn up in 2016 but is not currently up-to-date.

4.2 Staffing

4.2.1 The service operates with ten full-time staff members, with one vacant post currently being actively being recruited for. Some of the staff can undertake

the full range of duties such as administration, chapel attendance and carrying out cremations (when qualified to do so).

- 4.2.2 As well as the full-time staff there are three 'bank' staff and four medical referees used to support the service. Rangers and the grounds maintenance team assist in opening and closing the cemeteries throughout the year.
- 4.2.3 The full-time staff work one in every five Saturdays and cover staff absence between them when bank staff are unavailable. Overtime is usually worked to cover absence and holidays as needed. The Bereavement Services Development Manager (BSDM) confirmed that overtime is currently being worked by all staff to cover the vacant Assistant Manager post.

4.3 **Finance**

- 4.3.1 Budgets are monitored by the BSDM and by an Assistant Accountant in Finance. Upon review of the relevant cost centres for 2018/19 it was identified that a number of specific budget lines had been overspent by £5,000 or more, with one variance being £53,994. The Assistant Accountant was aware of the variances and had raised concerns regarding them. The largest overspend was an internal recharge that previously was not charged, because of this a budget had not been allocated to it. When excluding the income from the budgets of the crematorium and cemeteries, the combined overspend for the financial year amounted to £78,000.

Risk

Budget forecasting may be incorrect and an overspend could result.

Recommendation

Budget monitoring should be carried out monthly and should include communication with the allocated accountant to discuss budget over and under spends. This will help to keep control of the budgets and prevent large discrepancies at the end of the financial year.

- 4.3.2 The budgets show that the cemeteries are being charged water charges for two of the five lodges. Although this has been raised in a previous audit as a recommendation it has not been resolved. The information has been passed on to another Auditor who is carrying out the Utilities Management audit to prevent any possible duplication of recommendations.
- 4.3.3 The goods and services purchased were found to be relevant for the service needs and appropriately authorised. Procurement practices have been followed for three larger contracts. There is currently no contract in place for Yaboo, the music provider, where spends are just over £10,000 a year, although the BSDM is working with the Procurement team in Finance to rectify this.

Advisory

Contracts and exemptions in place should be reviewed regularly. Changes to the procurement process should be noted and applied accordingly.

- 4.3.4 There are two staff members that hold procurement cards. The spending on them is minimal and purchases are authorised and relevant for the service needs. Procurement cards are the preferred payment option for spends up to £1,000 rather than raising invoices.
- 4.3.5 Fees are set and approved at Executive. The current fees were approved on 26 September 2018. Price lists are available online and in printed form. These were found to display the current fees.
- 4.3.6 A sample of invoices was picked at random and checked. All had been charged the correct fee for the service received and raised and paid in a timely manner. The majority of services are arranged through funeral directors and stonemasons; the invoices are sent directly to them rather than the client.
- 4.3.7 All invoices could be traced through the cemetery and crematorium administration system (CAS). The names and details regarding the service provided matched the information provided on the invoices.
- 4.3.8 All payments received for the sample of invoices were found on Total under the appropriate ledger code.

4.4 **Security and Risk Assessment**

- 4.4.1 The staff only areas at Oakley Wood are secure with access only available with key cards or the appropriate code for the number locks. The registers and memorial books are in locked fire proof safes other than the book of memorial on display in the chapel, with this being displayed in a locked glass cabinet.
- 4.4.2 Public access to relevant buildings is only available at appropriate times (e.g. during services or office hours) with the buildings being secured at all other times.
- 4.4.3 Cemeteries are locked and unlocked by various staff members, including Bereavement Services staff, Rangers and Grounds Maintenance.
- 4.4.4 Although there is an inventory it was found to be out of date in a few areas. The BSDM advised that she had not updated the list as there had been a theft and the items taken were not covered. This led them to believe that the contents were not insured so an inventory was not needed. The Insurance and Risk Officer confirmed that, although the contents are insured for a range of events, this does not include theft. The BSDM advised that the list will be updated with the stolen items removed.

Advisory

Ensure that the inventory is reviewed and updated at least annually.

- 4.4.5 The processes in place for the security of remains were found to be appropriate, with remains being tracked throughout the process.
- 4.4.6 On arrival, coffin plates are checked against the paperwork, and the details are checked again before the cremation process can begin. The paperwork is clipped together with a magnetic clip which is then attached next to each

machine as the remains move through each one. This allows staff to identify the remains from start to finish.

- 4.4.7 The ashes are transferred into a poly urn following the cremation process. A small card with the details of the deceased is placed inside, allowing identification of the remains even if the labels on the outside fall off. When the ashes are collected by the Funeral Directors or a customer both the paperwork and stickers on the urn are re-checked.
- 4.4.8 Ashes are stored securely within the crematorium. They are stored in colour-coded urns with the relevant identification documents and certificates. They are labelled clearly with the requested method of disposal, e.g. "return to Funeral Director", "Scatter with / without witness". If executors change their mind, the information card and CAS are updated.
- 4.4.9 A sample of twelve urns were selected at random. Testing confirmed that all were stored in the appropriate location and had the relevant documents. The information card stored with them included details of the deceased, the funeral director, the next of kin and the type of disposal. Where there had been a change of mind regarding the disposal method the paperwork had been updated accordingly.
- 4.4.10 There is a formal risk register in place for Bereavement Services which is reviewed regularly by senior management. It contains appropriate risks and details the controls in place that aim to reduce the risks identified.
- 4.4.11 There are various risk assessments available on Assessnet covering staff that work at the crematorium and the cemeteries. They include lone working and cremation processes as well as other relevant risks.
- 4.4.12 Staff are trained and hold qualifications allowing them to operate the machinery used. Certificates confirming this are displayed in the office. Staff also partake in training provided by the Council, such as manual handling and IOSH.

4.5 **Records Maintenance**

- 4.5.1 Records are maintained electronically on CAS and on the shared drive (maintained by ICT). CAS has been in use since 1998 but the BSDM advised that the system is no longer ideal as it is not supported by Microsoft or ICT. The BSDM is currently working with ICT to find a replacement service that meets the service needs.
- 4.5.2 Paper copies of invoices are maintained to enable Bereavement Services staff to check that payments have been received.
- 4.5.3 Registers, ledgers and memorial books are kept in a locked fireproof safe in a locked room within the main crematorium office. All books are scanned with electronic copies saved in various locations.
- 4.5.4 There is a searchable system located in the Chapel of Remembrance which allows users to search entries in the book of remembrance, although users can only search by date rather than name.

4.5.5 Data is stored appropriately and backup copies are kept. There is a shared drive, managed by ICT, where backup information is stored. There is also a backup saved to disc and stored at Kenilworth Cemetery.

5 **Summary & Conclusion**

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

5.2 The assurance bands are shown below:

Level of Assurance	Definition
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.

5.3 There was just the one issue identified during the course of the audit – the frequency of budget monitoring.

5.4 A couple of minor advisories were noted, however. These were in relation to:

- The procurement practices being applied to all larger spends (£10,000+)
- An up to date inventory.

6 **Management Action**

6.1 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 – July 2019

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.3.1	Budget monitoring should be carried out monthly and should include communication with the allocated accountant to discuss budget over and under spends. This will help to keep control of the budgets and prevent large discrepancies at the end of the financial year.	Budget forecasting may be incorrect and an overspend could result.	Medium	Bereavement Services Development Manager & Assistant Accountant.	Monthly meetings have been set up between the Bereavement Services Development Manager and the Accountant to ensure a robust system is in place to manage the budgets on a frequent basis. Additional time will be scheduled as required throughout the year, for example when fees and charges reports are due.	July 2019 meetings have been set to take place during the first week of each month.

* 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.